

FREQUENTLY ASKED QUESTIONS

BASIC INFORMATION

1. Why did I receive this notice package?

You were sent this package because you purchased single premium credit life or disability insurance from Defendant in connection with the financing or leasing of a motor vehicle which is still in force or expired during the period from December 20, 1998 through August 31, 2007. We do not know whether you paid off your motor vehicle loan or lease before its scheduled end date. We need to know whether you did. If you did not, you cannot make a valid settlement claim. If you did, you can submit a Claim Form which is posted on this website.

The Court ordered this notice be sent to you because you have a right to know about a proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves it, and after objections and appeals, if any, are resolved affirming that approval, Defendant will make the payments that the settlement allows.

This FAQ package explains the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive them.

The Court in charge of the case is the District Court for Ramsey County, Minnesota, and the case is known as *George Reller, et al. v. Union Security Life Insurance Company et al.*, Case No. 62-C3-04-012202, in the District Court for the Second Judicial District, Ramsey County, Minnesota. The people who sued are called "Plaintiffs," and the company they sued, Union Security Life Insurance Company doing business in its own name and as Standard Guaranty Insurance Company, is called the "Defendant."

2. What is this lawsuit about?

Consumers purchased single premium credit life or disability insurance from Defendant in connection with the financing or leasing of motor vehicles. The settlement resolves a dispute over whether Defendant was required to refund unearned premiums to policyholders upon an early payoff of their covered motor vehicle loan or lease without the consumer first requesting it. The Plaintiffs claim that under the terms of the policy(ies) and applicable state laws and regulations, if they paid the indebtedness on the covered auto loan or lease before the scheduled maturity or termination, they are automatically entitled to a refund of unearned premium from the credit life or disability insurance policy, regardless of notice to Defendant. The Defendant insists that under the policy and the applicable state laws and regulations, it is not required to refund the unearned premium until the policyholder gives notice of early loan payoff or lease termination to Defendant. The Defendant denies it did anything wrong.

3. Why is this a class action?

In a class action, one or more people, called Class Representatives (in this case George Reller, Patricia Reller, Jay S. Marion and Sandra Marion), sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. District Court Judge David C. Higgs is in charge of this class action.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will receive compensation. The Class Representatives and the attorneys think the settlement is best for everyone in the class.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this settlement, you first have to decide if you are a Class Member.

5. How do I know if I am a class member?

Judge Higgs decided that everyone who fits this description is a Class Member: *all persons in the United States to whom Union Security Life Insurance Company, in its own name or as Standard Guaranty Life Insurance Company, issued a single-premium credit life or credit disability insurance policy in connection with the financing or leasing of a motor vehicle, where the records of Union Security Life Insurance Company indicate that such policy either remains in force, or continued in force through its expiration to a date during the period December 20, 2007 through August 16, 2007, and who paid off their loan or lease in connection with the financing or leasing of that motor vehicle prior to the scheduled maturity date, but did not receive a full refund of unearned premium, subject to certain exclusions described below.*

6. Which credit insurance products are included?

All single premium credit life and disability policies issued by Defendant covering motor vehicle loans or leases where the records of Union Security Life Insurance Company indicate that such loans or leases are in force or had a scheduled expiration date from December 20, 1998 through August 16, 2007, where the indebtedness on the financing or leasing of the motor vehicle was paid before the scheduled end date of the policy, are included in this settlement.

7. Who is excluded from the class definitions?

Judge Higgs decided that everyone who fits this description is excluded from and not a member of the Class: *All persons: (i) all individuals who received any payment of any claim under the policy at issue, (ii) individuals who are or were during the period December 20, 1998 through August 16, 2007 officers, directors or employees of Defendant, (iii) individuals whose motor vehicle loans or leases were discharged in bankruptcy, (iv) individuals whose coverage was terminated because the loan collateral or leased vehicle was repossessed, (v) individuals whose insurance contracts include an arbitration provision, (vi) any justice, judge or magistrate judge of the United States or any State, their spouses, and persons within the third degree of relationship to either of them, or the spouses of such persons, or (vii) who have timely excluded himself or herself from the Class.*

THE SETTLEMENT BENEFITS—WHAT YOU RECEIVE

8. What does the settlement provide?

Defendant has agreed to pay an unearned premium refund to class members who purchased single premium credit life or disability insurance from Defendant in connection with the financing or leasing of a motor vehicle, where class members paid off their loan or lease in connection with the financing or leasing of that motor vehicle prior to the scheduled maturity or termination date, but did not receive a refund of unearned premium, and make a timely and verified claim.

9. What will I receive from the settlement?

If you submit a timely claim verified with acceptable documentation you will receive 112% of your unearned premium, subject to a reduction if the total of all valid claims for settlement relief, costs of notice and administration and the attorneys' fees and costs awarded by the Court exceed \$10,000,000.00. If that happens the amount of the unearned premium refunds paid to valid claimants will be reduced proportionally so that the total cost of the settlement, after payment of all claims, costs and fees will not exceed \$10,000,000.00.

HOW YOU RECEIVE A PAYMENT—SUBMITTING A CLAIM FORM

10. How can I receive a payment?

To apply for a refund you must complete and mail back the Class Action Claim Form that is attached to this Notice. Read the Claim Form instructions carefully. Fill out the form. Attach the required verification documents listed in the Form. Sign it. Mail it postmarked no later than the date indicated in the Instructions.

11. When would I receive my payment?

The Court will hold a final hearing on February 4, 2008, to decide whether to approve the settlement. If Judge Higgs approves the settlement and if there are objectors, it is possible, but unusual, for there to be appeals. Payments will not be made unless and until the settlement is approved by Judge Higgs and by any appeals court which may be asked to review the settlement approval. If this unusual event occurs, please be patient.

12. What am I giving up to receive a payment or to stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you can not sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues in *this* case. It also means that all of the Court's orders will apply to you and legally bind you. You also agree to release all claims against Defendant, including all claims asserted in this litigation and claims relating to all acts or omissions relating to refunds on your credit life or disability insurance. However, if you have a pending or future claim or lawsuit relating to payment of policy benefits with Defendant, this settlement and release will not affect that claim or lawsuit.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this settlement, but you want to keep the right to sue or continue to sue Defendant on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself from – or is sometimes referred to as opting out of – the settlement Class.

13. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from *George Reller, et al. v. Union Security Life Insurance Company*, Case No. 62-C3-04-012202, in the District Court for the Second Judicial District, Ramsey County, Minnesota. Be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than December 20, 2007, to:

Reller Unearned Premium Refund Settlement
P.O. Box 2086
Birmingham, AL 35201-2086

You cannot exclude yourself on the phone or by e-mail. If you exclude yourself, you will not receive any settlement benefits or the opportunity to make a claim for a premium refund, and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Defendant in the future.

14. If I do not exclude myself, may I sue Defendant for the same thing later?

No. Unless you exclude yourself, you give up the right to sue Defendant for the claims that this settlement resolves. If you have a pending lawsuit, speak to your lawyer in that lawsuit immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is December 20, 2007.

15. If I exclude myself, can I receive money from this settlement?

No. If you exclude yourself, you may not send in a Claim Form to ask for any money.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

CROWDER BEDOR & PAULSON, LLP, 555 West 7th Street, Suite 201, St. Paul, MN 55102 (651-225-4076) and O'BRIEN LAW FIRM, P.C., One Sundial Avenue, 5th Floor, Manchester, NH 03103, represent you and other Class Members in this case. These lawyers are called Class Counsel. . If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Class Counsel will ask the Court for reimbursement of attorneys' fees and expenses up to \$3,350,000.00 (approximately 1/3 of the \$10 million amount plus costs). Defendant will separately pay these fees and expenses. Defendant will not oppose these fees and expenses and will also separately pay the costs to administer the settlement.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

18. How do I tell the Court that I do not like the settlement?

If you are a Class Member, you may object to the settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the *George Reller, et al. v. Union Security Life Insurance Company*, Case No. 62-C3-04-012202, settlement. Be sure to include your name, address, telephone number, your signature, and the reasons you object to the settlement. Mail the objection to these *three different places* postmarked no later than December 20, 2007:

COURT	CLASS COUNSEL	DEFENDANT'S COUNSEL
Clerk of the Court Ramsey County District Court <i>Reller</i> Unearned Premium Refund Settlement P.O. Box 2086 Birmingham, AL 35201-2086	William H. Crowder CROWDER, BEDOR & PAULSON 555 W. 7 th St St. Paul, MN 55102	Frank Burt JORDEN BURT LLP Suite 400 East 1025 Thomas Jefferson St., NW Washington, DC 20007-0805

19. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at 9:00 a.m. on February 4, 2008, in Courtroom 1160 at the Ramsey County, Minnesota Courthouse, 11th Floor, 15 West Kellogg Boulevard, St. Paul, MN 55102. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Higgs will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge Higgs may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but that is not necessary.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your “Notice of Intention to Appear in *George Reller, et al. v. Union Security Life Insurance Company*, Case No. 62-C3-04-012202.” Be sure to include your name, address telephone number, and your signature. Your Notice of Intention to Appear must be postmarked no later than December 20, 2007, and be sent to the Clerk of the Court, Class Counsel, and Defendant's Counsel, at the three addresses in Section 18. You cannot speak at the hearing if you have excluded yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you'll get no money from this settlement. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant about the legal issues in this case, ever again.

OBTAINING MORE INFORMATION

24. Are there more details about the settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation of Settlement. You can obtain a copy of the Settlement Agreement on this website or by writing to Class Counsel --- CROWDER BEDOR & PAULSON, LLP, 555 West 7th Street, Suite 201, St. Paul, MN 55102 (651-225-4076) or O'BRIEN LAW FIRM, P.C., One Sundial Avenue, 5th Floor, Manchester, NH 03103.