

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Settlement Agreement”) IS HEREBY STIPULATED AND AGREED TO by and between Plaintiffs Brian Hendricks, Andrew Sagalongos and Andrew Howard (“Plaintiffs”), on behalf of themselves and the proposed classes and Defendant Aetna Life Insurance Company (“Aetna”) (Plaintiffs and Aetna are hereinafter referred to as the “Parties”), by and through their respective counsel. The consolidated proceedings in the United States District Court for the Central District of California, *Brian Hendricks and Andrew Sagalongos v. Aetna Life Insurance Company*, Case No. 2:19-cv-6840-CJC (“Hendricks Action”) and *Andrew Howard v. Aetna Life Insurance Company*, Case No. 2:22-cv-01505-CJC (“Howard Action”) (collectively the “Litigation”) and matters raised by and related to the Litigation, are settled fully and finally and compromised on the terms and conditions set forth in this Settlement Agreement and the attached exhibits.

RECITALS

1. On August 7, 2019, Plaintiffs Brian Hendricks and Andrew Sagalongos filed the class action Complaint for Recovery of ERISA Plan Benefits; Enforcement and Clarification of Rights; and Breach of Fiduciary Duty in the Hendricks Action seeking benefits, clarification of rights, and breach of fiduciary duty under the Employment Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.* (“ERISA”) against Aetna over its denial of their requests for coverage of lumbar artificial disc replacement surgery (“L-ADR”) as “experimental and investigational,” on behalf of themselves and all others similarly situated. A First Amended Complaint was filed on November 15, 2019. A Second Amended Complaint was filed on November 2, 2020. On February 8, 2021, Plaintiffs Brian Hendricks and Andrew Sagalongos filed the operative Third Amended Complaint, which added Chad Washburn as an additional

plaintiff and putative class representative.

2. On March 5, 2021, Plaintiffs in the Hendricks Action filed a motion for class certification.

3. On June 11, 2021, the Court certified the following class in the Hendricks Action: “All persons covered under Aetna Plans, governed by ERISA, self-funded or fully insured, whose requests for lumbar artificial disc replacement surgery were denied at any time within the applicable statute of limitations, or whose requests for that surgery will be denied in the future, on the ground that lumbar artificial disc replacement surgery is experimental or investigational, and whose denials will be subject to abuse of discretion review by the district court.” The Court also appointed Brian Hendricks and Andrew Sagalongos as Class Representatives and Gianelli & Morris as Class Counsel.

4. On September 20, 2021, the Court entered an Order granting the Parties’ stipulation to dismiss Chad Washburn with prejudice. The dismissal with prejudice did not include any non-ERISA claims, including but not limited to any state law claims that Mr. Washburn may have against Aetna, arising out of the same alleged facts and conduct set forth in the Third Amended Complaint. Aetna further waived any right it may have to seek attorneys’ fees or costs against Mr. Washburn.

5. On March 4, 2022, Plaintiff Andrew Howard filed a putative class action on behalf of the following class of persons: “All persons covered under Aetna Plans, governed by ERISA and subject to a *de novo* standard of review, whose requests for lumbar artificial disc replacement surgery were denied at any time within the applicable statute of limitations, or whose requests for that surgery will be denied in the future, on the ground that lumbar artificial disc replacement surgery is experimental or investigational.”

6. From the beginning of the Class Periods (as defined below) to February 7, 2023, Aetna published various successive versions of its Clinical Policy Bulletin 591 Intervertebral Disc Prostheses stating that L-ADR was experimental and investigational as a treatment for degenerative disc disease and all other indications.

7. Effective February 8, 2023, Aetna published a new version of its Coverage Policy Bulletin 591 Intervertebral Disc Prostheses that no longer included the text targeted in the Hendricks Action and Howard Action that had described L-ADR as experimental and investigational for all indications.

8. On December 11, 2023, Plaintiff in the Howard Action filed a motion for class certification. On January 3, 2024, the Court denied the motion without prejudice.

9. On January 29, 2024, Plaintiff filed a renewed motion for class certification in the Howard Action.

10. On February 27, 2024, the Court granted certification in the Howard Action certifying the following class: “All persons covered under Aetna Plans, governed by ERISA, self-funded or fully insured, whose requests for lumbar artificial disc replacement surgery were denied at any time from March 4, 2019 to February 8, 2023, on the ground that lumbar artificial disc replacement surgery is experimental or investigational, and whose denials will be subject to de novo review by the district court.” The Court also appointed Andrew Howard as Class Representative and Gianelli & Morris as Class Counsel.

11. On March 12, 2024, the Court entered an Order consolidating the Hendricks Action and the Howard Action for all purposes including trial.

12. Plaintiffs, through Class Counsel, represent that they have investigated the allegations asserted in the Litigation and have closely analyzed the merits of the alleged claims

and the alleged damages suffered by the Class Members; that they have considered the facts, law, and potential defenses regarding the claims alleged against Aetna; that their investigation has been adequate; and that this Settlement is fully informed.

13. After investigation, discovery, and litigation, the Parties have agreed to settle the Litigation. The Parties have participated in multiple days of mediation in this matter before Edwin Oster, Esq., an experienced and well-respected private mediator with Judicate West. The Parties have conducted discussions and arm's-length negotiations with each other regarding the claims asserted in the Litigation.

Aetna's Denials of Wrongdoing and Liability

14. Aetna expressly denies each and every claim and contention alleged or otherwise made or pursued against it by Plaintiffs in the Litigation. Aetna denies all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts, or omissions alleged in the Litigation.

15. Aetna does not admit nor concede any actual or potential fault, wrongdoing, or liability in connection with any facts or claims that have been or could have been alleged against it in the Litigation. Nonetheless, Aetna has concluded that settlement is desirable in order to avoid the time, expense, and inherent uncertainties of defending protracted litigation and to resolve, finally and completely, all pending and potential claims of Plaintiffs and all Class Members that are based on the facts alleged in the Litigation.

Benefits of the Settlement to the Class

16. Class Representatives and Class Counsel believe that the Settlement provides fair, reasonable, and adequate recovery for the Class based on the claims asserted and the evidence developed and what might be proven by Class Representatives and the Class in the Litigation.

17. Class Representatives and Class Counsel further recognize and acknowledge the expense and time of prosecuting the Litigation through trial and appeal. Class Representatives and Class Counsel also have considered the uncertain outcome and the risk of litigation, including the risk that the Class might obtain no relief, especially in a complex action such as this one, as well as the difficulties and delays inherent in any complex litigation.

THEREFORE, it is stipulated and agreed by and among the Parties to this Settlement Agreement, through their respective attorneys, in consideration of the benefits to the Parties from the Settlement, the adequacy of which is acknowledged by the Parties, and subject to (1) approval of the Court, and (2) the other conditions set forth in this Settlement Agreement, that the Released Claims against the Released Parties will be finally and fully compromised, settled, and released.

DEFINITIONS

18. As used in this Settlement Agreement and the attached exhibits (which are an integral part of this Settlement Agreement and are incorporated in their entirety by reference), the following terms will have the meanings specified below, unless this Settlement Agreement specifically provides otherwise. Where appropriate, terms used in the singular will be deemed to include the plural and vice versa.

a. “Aetna’s Counsel” means the law firm of Hernandez Laska LLP and its partners, associates, paralegals, and employees, and their successors and assigns.

b. “Aetna Plan” refers to ERISA-governed health benefit plans issued or administered by Aetna, including both fully insured and self-insured plans.

c. “Affiliated Entities” means (i) any current, former, or future direct or indirect parents, subsidiaries, or affiliates of Aetna; (ii) any employees, agents, representatives,

contractors, administrators, officers, or directors of Aetna or their direct or indirect parents, shareholders (all natural persons in the definition of Affiliated Entities are collectively referred to as “Affiliated Individuals”); (iii) any corporations in which any such Affiliated Entity or Affiliated Individual is a shareholder in excess of 5%; (iv) any partnerships or any other unincorporated forms of business, or limited liability companies, in which any Affiliated Entity or Affiliated Individual owns an interest in excess of 5%; (v) any Aetna Plan (including any self-funded or insured plans) in which any Plaintiff or Class Member participates or participated; (vi) any fiduciary, record keeper, claims administrator, plan sponsor, or plan administrator of such Aetna Plans; (vii) any trusts of which any Affiliated Entity or Affiliated Individual is a grantor, trustee, or beneficiary; and (viii) any independent review organization that reviewed any claims for benefits or requests for coverage for L-ADR for any Class Member. Affiliated Entities also means any corporations, business entities, partnerships or other unincorporated forms of business, or limited liability companies, that are controlled directly or indirectly by Aetna, Affiliated Entities, or Affiliate Individuals, or that are directly or indirectly under “common control” with Aetna, Affiliated Entities, or Affiliated Individuals as that term is defined under ERISA Section 4001(a)(14)(B), 29 U.S.C. § 1301(a)(14)(B).

d. “Class Counsel” means the law firm of Gianelli & Morris, A Law Corporation and its shareholders, members, partners, associates, paralegals, and employees, and their successors and assigns.

e. “Class Members” means persons who are members of the Hendricks Class or the Howard Class, except that a member of the Hendricks Class or Howard Class will cease to be a Class Member if that person is excluded from the Hendricks Class or Howard Class as provided in Paragraph 45 below or is otherwise excluded from the Hendricks Class or Howard

Class including by order of the Court.

f. “Class Notice” means the “Notice of Proposed Settlement of Class Action and Final Approval Hearing” substantially in the form attached as Exhibit A for the Hendricks Class and substantially in the form attached as Exhibit B for the Howard Class, informing Class Members of, among other things, the preliminary approval of the Settlement, the scheduling of the Final Approval Hearing, the opportunity to pursue recovery under this Settlement Agreement, the opportunity to submit an objection, and the opportunity to request exclusion.

g. “Class Representatives” means collectively Plaintiffs and their successors and assigns.

h. “Court” means the United States District Court for the Central District of California.

i. “Effective Date” means the first day following the date all of the following events have occurred:

i. entry of the Preliminary Approval Order;

ii. the deadlines for exercising an option to terminate the settlement, as set forth in Paragraphs 58 through 60, have expired, without any such option having been exercised;

iii. approval by the Court of the Settlement following class notice and a hearing and entry of Judgment; and

iv. entry by the Court of a Final Approval Order.

j. “L-ADR” refers to lumbar artificial disc replacement surgery.

k. “Legally Authorized Representative” means an administrator or executor

of the estate of a deceased Class Member, a guardian or conservator of an incapacitated Class Member or any other legally appointed person or entity having legal power of attorney for the business affairs of a Class Member. A Legally Authorized Representative does not include a professional objector or claim filing or similar service purporting to act on behalf of an individual Class Member or group of Class Members.

l. “Final Approval” means the expiration of the time for appeal or review of the Judgment or any part of the Judgment, including any form of further review or appeal, has been finally disposed and the time for any further appeal or review has expired. If there are no objections filed by a Class Member, Final Approval will be the date the Court enters a Final Approval Order.

m. “Final Approval Hearing” means the final hearing held by the Court to approve this Settlement.

n. “Final Approval Motion” means the motion Plaintiffs will file seeking the Court’s final approval of the Settlement.

o. “Hendricks Class” means all persons covered under Aetna Plans, governed by ERISA, self-funded or fully insured, who had a request for L-ADR denied from August 7, 2016 through February 8, 2023 on the ground that L-ADR is experimental or investigational, and whose denials will be subject to an abuse of discretion standard of review by the district court, who are mailed the Class Notice and who do not exclude themselves from the Hendricks Class under Paragraph 45 below.

p. “Howard Class” means all persons covered under Aetna Plans, governed by ERISA, self-funded or fully insured, who had a request for L-ADR denied from March 4, 2019 through February 8, 2023 on the ground that L-ADR is experimental or investigational, and whose denial will be subject to a *de novo* standard of review by the district court, who are mailed the

Class Notice, and who do not exclude themselves from the Howard Class under Paragraph 45 below.

q. “Judgment” means the Final Order Approving Class Action Settlement and Judgment, in the form attached here as Exhibit D, which provides, among other terms, for approval of the Settlement, unless the Parties agree in writing to another form of the order and final judgment.

r. “Person” means any individual, corporation, partnership, limited liability partnership, limited liability company, association, affiliate, joint stock company, estate, trust, trustee, unincorporated association, entity, government and any political subdivision, or any other type of business or legal entity, any legal representative, and their spouses, heirs, predecessors, successors, representatives, agents, members, managers, or assignees.

s. “Preliminary Approval Order” means the Order Preliminarily Approving Settlement and Providing for Notice that the Class Representatives and Aetna will seek from the Court, substantially in the form attached as Exhibit C.

t. “Released Claims” means any and all actual or potential claims, actions, demands, rights, obligations, liabilities, damages, attorneys’ fees, expenses, costs, and causes of action, whether arising under local, state, or federal law, whether by statute, contract, common law, equity, or otherwise, whether brought in an individual or representative capacity whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen that occurred prior to or during the Class Periods only, asserted against the Released Parties, that:

(i) are based on the facts alleged in the Complaint, First Amended Complaint, Second Amended Complaint and Third Amended Complaint in the Hendricks Action for Denial of Plan Benefits, Declaratory Relief, Breach of Fiduciary Duty, and Equitable Relief,

and the facts alleged in the Complaint in the Howard Action for Denial of Plan Benefits, Declaratory Relief, Breach of Fiduciary Duty, and Equitable Relief, specifically, by reason of or arising out of Aetna's denial of any request (whether pre-service or post-service) for Single-Level L-ADR on the grounds that the procedure is experimental or investigational under ERISA-governed plans, either fully insured or self-insured;

(ii) would be barred by the principles of res judicata or collateral estoppel had the claims asserted in the Complaint, First Amended Complaint, Second Amended Complaint and Third Amended Complaint in the Hendricks Action, or the Complaint in the Howard Action, been fully litigated and resulted in a final judgment; or

(iii) seek attorneys' fees or costs related to the Hendricks Action or Howard Action in addition to the Attorneys' Fees and Costs specified in Paragraphs 32 through 34 below.

Released Claims do not include:

(i) Any reimbursement claims or requests for coverage, as described below, that were or are denied by Aetna after February 8, 2023.

(ii) Any claim for reimbursement or request for coverage by a Class Member that is denied by the Settlement Administrator on the basis that the Class Member had or is requesting a surgery other than a Single-Level L-ADR, and who does not obtain a court order to the contrary under Paragraph 23 below.

u. "Released Parties" means Aetna and its Affiliated Entities.

v. "Settlement" means the collective settlement terms set forth in the Settlement Agreement.

w. "Settlement Administrator" means the entity, with experience handling class action settlements involving Protected Health Information ("PHI") as defined by 45 C.F.R.

§ 160.103 and applicable state laws, that the Parties agree upon and is approved by the Court to disseminate notice of the pendency of the Litigation and the proposed Settlement to the Class and to otherwise administer the Settlement as set forth in this Settlement Agreement following entry of the Preliminary Approval Order and Final Approval Order by the Court, including determining Reimbursement and Coverage claims for Class Members as set forth in this Agreement.

x. “Single-Level L-ADR” means an L-ADR surgery performed on a single lumbar spinal level (L3-L4, L4-L5, or L5-S1).

ENTRY OF JUDGMENT

19. If the Court enters a Final Approval Order at or after the Final Approval Hearing, Class Counsel and Aetna’s Counsel will request that the Court enter the Final Approval Order and Judgment substantially in the form attached here as Exhibit D.

THE SETTLEMENT

20. **Reimbursement Claims.** Class Members who paid out of pocket for a Single-Level L-ADR prior to the date this Court enters a Final Approval Order and Judgment may seek reimbursement under this settlement, to the extent that the Class Member’s out-of-pocket payments have not been paid by other health plans, insurers, Medicare, or other reimbursement sources for which the Class Members owe no reimbursement obligation. If a Class Member’s Single-Level L-ADR surgery was covered by another health plan, insurer, or Medicare, the Class Member’s copay or coinsurance obligation under that separate coverage will not qualify as a reimbursable out-of-pocket expense. Each Class Member Reimbursement Claim is subject to an individual per-member claim cap of \$55,000 (“Individual Cap”).

The Settlement Administrator will review each Reimbursement Claim and determine whether each Class Member seeking reimbursement is entitled to reimbursement, and the amount of reimbursement. To be entitled to reimbursement, the Class Member must submit:

- a. the claim form substantially in the form of Exhibit E,
- b. documentation sufficient to show that the Class Member had a Single-Level L-ADR surgery (such as an operative report, other clinical records, or sufficiently detailed payment records),
- c. proof of payment (checks, wire transfer receipts, invoices reflecting actual payment, or other reasonable proof substantiating payment) showing net out-of-pocket payments to medical providers for the surgery, and
- d. a statement of the specific amount of unreimbursed out-of-pocket costs for which the Class Member seeks reimbursement.
- e. If due to the passage of time, certain medical records are unavailable for submission of a reimbursement claim under this Paragraph 20, the Settlement Administrator will make a good faith decision based on all reasonably available documentation provided by the Class Member. The information described above in Paragraphs 20.c and 20.d will be required in all instances.

Each Class Member seeking reimbursement under this Settlement Agreement must submit a claim form within ninety (90) days of Final Approval. The Settlement Administrator will make and communicate a decision about whether any claim for reimbursement will be reimbursed within ninety (90) days of receiving such a claim. The Settlement Administrator will distribute each Class Member's settlement check within sixty (60) days of the completion of the reconsideration process set forth in Paragraph 23 below.

After the Reimbursement Claim process is complete and the total amounts payable to Class Members under this paragraph is known, Aetna will promptly provide the necessary funding for

the Settlement Checks to the Settlement Administrator so that the Settlement Administrator can timely issue and distribute the Settlement Checks in accordance with this Settlement Agreement.

Each Class Member will have one hundred and eighty (180) days from the date appearing on the face of the check issued by the Settlement Administrator to negotiate the payment for that Class Member's Reimbursement Claim. The Settlement Administrator will retain any remaining funds transferred to the Settlement Administrator by Aetna for payments under this paragraph for a period of ten (10) days after the last 180-day deadline has passed. Thereafter, the Settlement Administrator will return to Aetna any remaining funds provided by Aetna for payments under this paragraph.

Aetna will play no role in, and will have no liability for, the Settlement Administrator's determinations as to the sufficiency of each Reimbursement Claim or the amounts payable under each Reimbursement Claim.

Any reimbursement request that is denied, in whole or in part, will be subject to the reconsideration process in Paragraph 23 below.

21. New Requests for Coverage for Current Members of Aetna. Class Members who are covered under an Aetna Plan as of the Effective Date and have not yet had Single-Level L-ADR can submit new coverage requests for Single-Level L-ADR pursuant to the terms of their current Aetna Plan and this Settlement by submitting within 180 days of notice of Final Approval a claim form in the form of Exhibit F, signed by the treating surgeon attesting that in the surgeon's judgment, the planned Single-Level ADR surgery is medically necessary for the Class Member. As an alternative, the Class Member can complete the class member portion of Exhibit E and submit that portion together with a letter of medical necessity from the treating surgeon attesting that the planned Single-Level ADR surgery is medically necessary for the Class Member. Aetna

may ask the surgeon for additional information to support the surgeon's verification, consistent with 29 C.F.R. § 2560.503-1(g). Aetna will not deny coverage in response to requests for coverage meeting all requirements under this Paragraph 21 on the basis that the planned procedure is not medically necessary, unproven, experimental or investigational. All other provisions of the Class Member's current Aetna Plan, including those relating to coinsurance or copayments, will apply. Aetna will review and adjudicate requests for coverage under this Paragraph 21 within thirty days. Any new coverage request that is rejected on the grounds that it does not comply with the terms of this settlement will be subject to the reconsideration process in Paragraph 23 below.

22. New Requests for Coverage by Former Members of Aetna. Those Class Members who (1) are not covered under an Aetna Plan as of the Effective Date, and (2) have not yet had Single-Level L-ADR, are eligible for reimbursement relief under this Settlement for a future Single-Level L-ADR surgery, up to the Individual Cap, if:

(a) The Class Member does not, as of the Effective Date, have coverage through another health plan, insurer, Medicare, or other reimbursement source for which the Class Members owe no reimbursement obligation (other than applicable deductibles, copays, or coinsurance), which provides coverage for Single-Level L-ADR; and

(b) The Class Member, if not enrolled in an employer plan, does not, as of the Effective Date, have any reasonable ability to enroll in individual health coverage that provides any coverage for Single-Level L-ADR;

To obtain this relief, the Class Member must submit to Settlement Administrator within 60 days of notice of Final Approval an attestation in the form attached as Exhibit G verifying the conditions for requests for coverage under Paragraph 22(a)-(b) above. Within 30 days of receipt of an attestation in the form of Exhibit G, the Settlement Administrator will notify the Class

Member whether the Class Member meets all the conditions for requests for coverage for former members of Aetna under this Paragraph 22(a)-(b), and notify the Class Member of their right and deadline to submit a claim form in the form of Exhibit F.

Within 180 days of notification that the Class Member meets the conditions of Paragraphs 22(a)-(b), the Class Member must also submit a claim form in the form of Exhibit F, signed by the treating surgeon attesting that in the surgeon's judgment, the planned Single-Level ADR surgery is medically necessary for the Class Member. As an alternative, the Class Member can complete the class member portion of Exhibit F and submit that portion together with a letter of medical necessity from the treating surgeon attesting that the planned Single-Level ADR surgery is medically necessary for the Class Member. Aetna may ask the surgeon for additional information to support the surgeon's verification, consistent with 29 C.F.R. § 2560.503-1(g).

Within 30 days of receipt of a claim form in the form of Exhibits F, the Settlement Administrator will notify the Class Member whether the Class Member meets all conditions for requests for coverage for former members of Aetna under this Paragraph 22 and send the Class Member a letter stating that the Single-Level ADR surgery is authorized under the terms of this Settlement.

After receiving this notification, the Class Member will have 180 days to have a Single-Level ADR.

Aetna shall pay the Class Member's medical provider directly for the services relating to a Single-Level ADR authorized under this Paragraph 22, subject to the Individual Cap, within 90 days of receiving the following proof:

- i. Medical Bills from the providers.

ii. Documentation sufficient to show that the Class Member had a Single-Level L-ADR surgery (such as an operative report, other clinical records, or sufficiently detailed payment records).

Alternatively, Class Member can pay the medical providers directly and be reimbursed by Aetna, in an amount equal to the charges paid by the Class Member for the surgery up to the Individual Cap, upon receipt of the following proof:

- i. the claim form substantially in the form of Exhibit E,
- ii. documentation sufficient to show that the Class Member had a Single-Level L-ADR surgery (such as an operative report, other clinical records, or sufficiently detailed payment records),
- iii. proof of payment (checks, wire transfer receipts, invoices reflecting actual payment or other acceptable proof)
- iv. a statement of the specific amount of unreimbursed out-of-pocket costs for which the Class Member seeks reimbursement.

23. Reconsideration of Reimbursement and New Coverage Claims. If the Settlement Administrator denies a Reimbursement Claim on the basis that the Class Member has not supplied a required piece of documentation, *e.g.*, a medical bill or medical record, the Settlement Administrator will advise the Class Member of the deficiency and will give the Class Member sixty (60) days to cure it. Class Members who receive an unfavorable decision in whole or in part on a Reimbursement or New Coverage decision by the Settlement Administrator may seek reconsideration of the decision. The Class Member will have sixty (60) days to notify the Settlement Administrator of their intent to seek reconsideration in writing by letter or email, or by telephone. The Settlement Administrator will promptly notify both Class Counsel and Aetna's

Counsel of any request for reconsideration. If a Class Member seeks reconsideration, Class Counsel and Aetna's Counsel will meet and confer within thirty (30) days of receiving the request and attempt to resolve it. If the issue remains unresolved, Class Counsel and Aetna's Counsel will, within thirty (30) days of the unsuccessful meet and confer, jointly present the matter to the Court for a final resolution in a joint statement no longer than 5 pages per side, excluding any exhibits. The Court's decision on the Class Member's request will be final. Neither the Class Member nor Aetna may appeal or contest the Court's resolution.

24. **Payment to the Legally Authorized Representative of a Class Member.** Where a Class Member is deceased and a payment is due to that Class Member under this Settlement Agreement, Aetna may make payment to that deceased Class Member's Legally Authorized Representative.

RELEASE OF CLAIMS

25. **Class Release.** Plaintiffs and each Class Member, on behalf of himself or herself and on behalf of any of his or her respective predecessors, successors, assigns, assignors, representatives, attorneys, agents, trustees, insurers, heirs, estates, beneficiaries, executors, administrators, and any natural, legal, or juridical person or entity to the extent he, she, or it is or will be entitled to assert any claim on behalf of any Class Member, hereby fully, finally, and forever releases, compromises, settles, resolves, relinquishes, waives, and discharges any and all Released Claims against the Released Parties, and shall forever be enjoined from prosecution of Aetna and its Affiliated Entities for any and all Released Claims. The obligations incurred under this Settlement will be the full and final disposition of all Released Claims against the Released Parties.

26. Plaintiffs and the Class Members recognize that even if they later discover facts in addition to or different from those they know or believe to be true, they nevertheless agree that upon entry of the Final Approval Order and Judgment, Plaintiffs and the Class Members fully, finally, and forever settle and release any and all of the Released Claims. The foregoing release was bargained for and is a material element of this Settlement Agreement.

27. Without in any way limiting its scope, this Release encompasses, by example and without limitation, any and all claims for attorneys' fees, costs, expert fees, consultant fees, interest, litigation fees, costs, or any other fees, costs, or disbursements incurred by Class Counsel or by Plaintiffs on behalf of Class Members, except to the extent otherwise specified in the Settlement Agreement.

28. Effective immediately, Plaintiffs and each Class Member, on behalf of themselves and their Related Parties, agree and covenant not to sue or prosecute, or institute or cooperate in the institution, commencement, filing, or prosecution of any suit or proceeding in any forum based upon any Released Claim(s) against any Released Party, except that nothing in this Settlement Agreement shall be deemed to limit Plaintiffs' or any Class Member's rights to enforce this Settlement Agreement. Plaintiffs and each Class Member expressly agree that this release may be raised as a complete defense to, and will preclude any action or proceeding relating to, the Released Claims.

29. The Class Representatives represent and warrant that they are the sole and exclusive owners of the claims they are releasing under this Settlement Agreement. The Class Representatives further acknowledge that they have not assigned, pledged, or in any manner whatsoever sold, transferred, assigned, or encumbered any right, title, interest, or claim arising out

of or in any way whatsoever pertaining to the Litigation, including, without limitation, any claim for benefits, proceeds, or value under the Litigation.

30. Upon the Effective Date: (1) the Settlement Agreement will be the exclusive remedy for any and all Class Members for Released Claims, except those who have properly requested exclusion from (opted out of) the Settlement in accordance with the terms and provisions of the Settlement Agreement; (2) neither Aetna nor its Affiliated Entities will be subject to liability or expense of any kind to any Class Member for Released Claims except as set forth in this Settlement Agreement; and (3) Class Members will be permanently barred from initiating, asserting, or prosecuting any and all Released Claims against Defendant in any federal or state court in the United States or any other tribunal.

31. Nothing in this Release precludes any action to enforce the terms of the Settlement Agreement, including participation in any of the processes described in the Settlement Agreement.

ATTORNEYS' FEES AND COSTS

32. Class Counsel will apply to the Court for an award of total attorney's fees and litigation costs in an amount not to exceed \$2,556,000, which includes any fees and costs incurred through Final Approval. Any award of attorneys' fees and costs shall be paid separate and apart from the settlement consideration awarded to the Class Members.

33. Aetna and its Affiliated Entities will not oppose any application for payment of attorneys' fees or reimbursement of litigation costs in an amount up to \$2,556,000 in attorneys' fees and litigation costs. Nothing in this Settlement prevents Aetna from opposing any requests for fees or costs above these amounts on any grounds.

34. The attorneys' fees and litigation costs approved by the Court will be paid by check to Class Counsel within thirty (30) days of Final Approval and Aetna's receipt of an IRS W-9 tax form in the name of the payees.

INCENTIVE AWARD FOR CLASS REPRESENTATIVES

35. Class Counsel will seek Court approval of incentive awards in the amount of \$17,000 for Plaintiffs Brian Hendricks, \$17,000 for Plaintiff Andrew Sagalongos, and \$10,000 for Plaintiff Andrew Howard, based on the time and effort they devoted to the Litigation. Aetna and the other Released Parties will not oppose any application for payment of incentive awards to the Class Representatives up to the amounts stated in this paragraph. Nothing in this Settlement Agreement prevents Aetna from opposing any requests for incentive awards above these amounts on any grounds.

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT

36. No later than thirty-five (35) days after the entry of the Preliminary Approval Order, the Settlement Administrator will mail the Class Notice to the Class Members. Aetna will provide to the Settlement Administrator a list of the last known addresses of each Class Member available from its records no later than twenty (20) days after the entry of the Preliminary Approval Order. The Preliminary Approval Order will, among other things, authorize Aetna and its counsel to disclose PHI from its records necessary for settlement administration to the Settlement Administrator in order to effectuate notice and implement the Settlement.

37. Before Aetna's disclosure of Class Member names and last known addresses to the Settlement Administrator, the Settlement Administrator will sign an acknowledgment and agreement to be bound by the October 1, 2019 Stipulated Protective Order entered in the Hendricks Action, and will enter into a Business Associate Agreement with Aetna under 45 C.F.R. Part 164.

The Settlement Administrator will keep PHI of Class Members confidential from all persons, except as authorized in writing by a Class Member or as ordered by the Court. The Settlement Administrator will maintain a unique member identifier system so that it can communicate with Class Members, Class Counsel, Aetna, and Aetna's counsel to the extent needed to facilitate settlement administration. Any permitted disclosures of Class Member information under this section or any other section of the Settlement will be limited to the minimum necessary to satisfy the requirements of the Settlement. Within sixty (60) days after completion of all duties under this Settlement, the Settlement Administrator will destroy all identifiable Class Member information and any PHI related to the Settlement, and will provide a written certification of same to Class Counsel and Aetna's counsel.

38. **Contents of the Class Notice.** The Class Notice, in a form substantially similar to the one attached to the Settlement Agreement as Exhibits A and B, will advise Class Members of the following:

a. A plain and concise description of the Litigation, the history of the Litigation, the certification of the Hendricks Class and Howard Class, and the proposed Settlement, including information on the identification of Class Members, how the proposed Settlement would provide relief to Class Members, what claims are released under the proposed Settlement, and other relevant terms and conditions;

b. Information regarding the rights of Class Members to request exclusion from the Settlement. The Class Notice will provide the deadlines and procedures for a Class Member to exercise these rights;

c. Information regarding the rights of Class Members to object to the proposed Settlement and to appear at the Final Approval Hearing. The Class Notice will provide the deadlines and procedures for a class member to exercise these rights;

d. Information regarding the amounts being sought by Class Counsel as attorneys' fees and expenses, as well as the incentive awards requested for the class representatives, and an explanation of what Aetna will pay and that such payment is in addition to and will not reduce the relief being made available to Class Members;

e. Information regarding the Class Member's rights and obligations for pursuing relief under the Settlement Agreement.

39. The Settlement Administrator will send notice using the Court-approved Class Notice, sent by first-class mail.

40. The Settlement Administrator will check and update the mailing list using the National Change of Address database maintained by the United States Postal Service before mailing the Class Notice.

41. The Settlement Administrator will perform a skip-trace search for persons whose notices are returned as undeliverable and will re-send returned mail to new addresses found for those persons.

42. Each Class Member will be deemed to have submitted to the jurisdiction of the Court regarding his or her participation in the Settlement.

43. Aetna will pay the cost of administering the Settlement, including the cost of providing the Class Notice, and the cost of notice to state and federal officials as required by 28 U.S.C. Section 1715.

44. All controversies and proceedings regarding the administration of the Settlement

and distribution of attorneys' fees and costs to Class Counsel are subject to the jurisdiction of the Court.

REQUESTS FOR EXCLUSION FROM THE CLASS

45. Each Class Member will be bound by all determinations and judgments in the Litigation concerning the Settlement unless the member sends to the Settlement Administrator, by first-class mail, a written request for exclusion from the Class. To be valid, the request for exclusion must: (1) be postmarked no later than sixty (60) days from the date the Class Notice was sent to the Class Members; and (2) state all of the following: (a) the name, address, and telephone number of the person requesting exclusion; and (b) a clear and unequivocal statement that the person wishes to be excluded.

46. All persons who submit valid and timely requests for exclusion in the manner described in Paragraph 45 above will have no rights under this Settlement Agreement, will not share in the Settlement, and will not be bound by the Settlement Agreement or the Judgment.

47. The Settlement Administrator will scan and email copies of each request for exclusion in PDF format (or any other agreed format) to Aetna's Counsel and to Class Counsel not more than five (5) business days after the Settlement Administrator receives such a request. As part of the Final Approval Motion, the Settlement Administrator or Class Counsel will provide a list of all the persons who have requested exclusion.

48. If more than five (5) Class Members submit a timely request for exclusion, Aetna may, in its sole discretion, nullify this Settlement Agreement. If Aetna exercises this option, the Settlement and this Settlement Agreement will become null and void and will have no further force and effect.

OBJECTIONS TO SETTLEMENT

49. Any Class Member who has not filed a valid and timely request for exclusion under Paragraph 45 above and wishes to object to the fairness, reasonableness, or adequacy of this Settlement Agreement or the proposed Settlement must deliver to Class Counsel and to Aetna's Counsel, and file with the Court, no later than sixty (60) days from the date the Class Notice was sent to the Class, or as the Court otherwise may direct, a written statement of the objection(s), as well as the specific reason(s), if any, for each objection, including any legal support the Class Member wishes to bring to the Court's attention and any evidence or other information the Class Member wishes to introduce in support of the objection(s). Class Members may object either on their own or through an attorney retained at their own expense. The written objection must also contain the Class Member's name, address, signature, and telephone number.

50. Any Class Member who files and serves a written objection, as described in Paragraph 49 above, may appear at the Final Approval Hearing, either in person or through counsel retained at the Class Member's expense, to object to the fairness, reasonableness, or adequacy of this Settlement Agreement or the proposed Settlement. Class Members or their attorneys who intend to make an appearance at the Final Approval Hearing must deliver a notice of intention to appear to Class Counsel and to Aetna's Counsel and file that notice with the Court, no later than forty-five (45) calendar days before the Final Approval Hearing, or as the Court may otherwise direct.

51. Any Class Member who fails to comply with the provisions of this Section will waive and forfeit any and all rights he or she may have to appear separately and object, and will be bound by all the terms of this Settlement Agreement and by all proceedings, orders, and judgments, including, but not limited to, the Release in the Litigation.

52. Any Class Member who objects to the Settlement will be entitled to all of the benefits of the Settlement if it is approved, as long as the objecting Class Member complies with all requirements of this Settlement Agreement.

CLASS ACTION FAIRNESS NOTICE

53. Aetna will comply with 28 U.S.C. Section 1715 by serving or arranging to serve, not later than ten (10) days after the proposed settlement of a class action is filed in court, notice of the proposed settlement upon the appropriate state officials of each state in which a class member resides and the appropriate federal official.

PRELIMINARY APPROVAL ORDER

54. Class Counsel will promptly file the Settlement Agreement and its exhibits with the Court and apply for entry of the Preliminary Approval Order substantially in the form attached here as Exhibit C.

55. Class Counsel will take all reasonable and necessary steps, subject to the Court’s availability, to obtain entry of the Preliminary Approval Order and the Final Approval Order as expeditiously as possible. Aetna’s Counsel agrees to cooperate in good faith with Class Counsel as necessary with respect to securing the entry of the Preliminary Approval Order and the Final Approval Order.

SETTLEMENT PROCESS SCHEDULE

56. The dates for the events contemplated by this Settlement Agreement are as follows:

Event	Event Date
Aetna provides the notice required under 28 U.S.C. Section 1715.	Within 10 days after Plaintiff files a motion for preliminary approval
Aetna provides a list of the last known addresses of each person in the Class available from its records to the Settlement Administrator	20 days after the date of the Preliminary Approval Order

The Administrator mails the notice of the proposed Settlement	35 days after the date of the Preliminary Approval Order
Class Counsel files a motion for an award of attorneys' fees and costs	35 days after the date of the Preliminary Approval Order
Deadline for postmarking of exclusions, objections, and requests to be heard at the Final Approval Hearing	95 days after the date of the Preliminary Approval Order
Class Counsel to file notice specifying those who have objected, together with a declaration of the Settlement Administrator	105 days after the date of the Preliminary Approval Order
Class Counsel to file the Final Approval Motion	28 days prior to the Final Approval Hearing
Final Approval Hearing	To be set by the Court, at least 132 days after the date of the Preliminary Approval Order

TERMINATION OF THE SETTLEMENT

57. Either Party will have the option to terminate this Settlement Agreement on ten (10) days' notice to the other if any of the following occurs:

- a. The Court enters any order that is materially inconsistent with the terms of this Settlement Agreement;
- b. The Court does not enter the Preliminary Approval Order;
- c. The Court does not approve the Settlement or any material part of it as reflected in this Settlement Agreement (although the Parties do not concede that every term of the Settlement or of this Settlement Agreement is material for these purposes);
- d. The Court does not enter the Judgment;
- e. The Judgment is vacated, modified, or reversed in any material respect by an appellate court of competent jurisdiction; or
- f. The Effective Date does not occur for any reason.

58. If this Settlement Agreement is terminated, the Settlement and this Settlement Agreement will become null and void and will have no further force and effect.

59. If this Settlement Agreement is terminated, the Parties to this Settlement Agreement will be deemed to have reverted *nunc pro tunc* to their respective status in the Litigation as of the date and time immediately before the execution of this Settlement Agreement. Except as otherwise expressly provided, the Parties will proceed in all respects as if this Settlement Agreement and any related orders had not been entered and without any prejudice in any way from the negotiation, fact, or terms of the Settlement or this Settlement Agreement, and this Settlement Agreement may not be used in the Litigation or in any other proceeding for any purpose, and any Judgment or order entered by the Court in accordance with the terms of this Settlement Agreement will be treated as vacated, *nunc pro tunc*.

NO ADMISSION OF WRONGDOING

60. Whether or not the Settlement is approved by the Court, and whether or not it is consummated, the fact and terms of this Settlement Agreement, including the exhibits, all negotiations, discussions, drafts, and proceedings in connection with the Settlement, and any act performed or document signed in connection with the Settlement:

a. may not be construed, offered, or received against Aetna or any other Released Party as a presumption, concession, or admission about the truth of any fact alleged by Plaintiff, the validity of any claim that was or could have been asserted in the Litigation or in any litigation, that the Class should have been certified, or the deficiency of any defense that was or could have been asserted in the Litigation or in any litigation; and

b. may not be construed, offered, or received against Plaintiffs or any Class Member as a presumption, concession, or admission that any of their claims are or were without

merit or that any damages recoverable under the Complaint would not have exceeded any benefits provided under this Settlement.

61. Once approved by the Court, the Settlement reflected in this Settlement Agreement may be pleaded as a full and complete defense by any of the Released Parties to any action, suit, or other proceeding that may be instituted, prosecuted, or attempted regarding any of the Released Claims. The Released Parties may offer the Settlement Agreement or the Judgment from the Litigation in any other action that may be brought against them by any identified Class Member in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any similar defense or counterclaim.

MISCELLANEOUS PROVISIONS

62. The Parties agree to work together in good faith to accomplish, as soon as reasonably practical, all of the prerequisites for the Effective Date, including the Preliminary Approval Order, approval by the Court of the Settlement, and the Judgment.

63. The headings and paragraph titles in this Settlement Agreement are used for the purpose of convenience only and are not meant to have legal effect.

64. All of the exhibits attached to the Settlement Agreement are incorporated by reference. If there is a conflict or inconsistency between the terms of this Settlement Agreement and the terms of any exhibit, the terms of this Settlement Agreement will control.

65. This Settlement Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Parties or their successors-in-interest.

66. The Parties to this Settlement Agreement intend the Settlement to be a final and complete resolution of all disputes asserted or that could be asserted by Plaintiff and the Class Members against any of the Released Parties with respect to the Released Claims.

67. The Parties to this Settlement Agreement agree that the terms of the Settlement were negotiated at arm's length in good faith by the Parties and reflect a settlement that was reached voluntarily based on adequate information and after consultation with experienced legal counsel.

68. The waiver by one Party of any breach of this Settlement Agreement by any other Party will not be deemed a waiver of any other prior or subsequent breach of this Settlement Agreement.

69. This Settlement Agreement and its exhibits constitute the entire agreement among the Parties regarding the Settlement and supersede all prior and contemporaneous arrangements, oral and written agreements, and discussions or negotiations between or among the Parties or their agents or attorneys. No promise, representation, or warranty by any Party, or attorney or agent of any Party, regarding the Settlement that is not expressly contained or referred to in this Settlement Agreement or its exhibits will be valid or binding on that Party. The Parties have included this paragraph to preclude the introduction of parol evidence to vary, supplement, or contradict the terms of this Settlement Agreement.

70. This Settlement Agreement may be executed by electronic signature (as indicated by an "s/"), and in one or more counterparts, including by signature transmitted by facsimile, or by a .pdf or .tiff image of the signature transmitted by email. All executed counterparts will be deemed to be one and the same instrument.

71. The Parties and their respective counsel agree that they will use their best efforts to obtain all necessary approvals of the Court required for the Settlement by this Settlement Agreement.

72. Each person signing this Settlement Agreement represents that they have all necessary authority to sign this Settlement Agreement and bind the Party on whose behalf they sign.

73. This Settlement Agreement will be binding on the Parties, including any and all Released Parties and any corporation, partnership, or other entity into or with which any Party may merge, consolidate, or reorganize. No assignment will relieve any Party of any obligation under this Settlement.

74. Notices required by this Settlement Agreement (other than the Class Notice) will be submitted both (1) by email and (2) either by (a) any form of overnight mail or (b) in person to:

Joshua S. Davis
GIANELLI & MORRIS, A Law Corporation
12121 Wilshire Blvd, Suite 505
Los Angeles, CA 90025
joshua.davis@gmlawyers.com
Attorneys for Plaintiffs

and

Joseph Laska
Hernandez Laska, LLP
3415 S. Sepulveda Blvd., Suite 100
Los Angeles, California 90034
jlaska@hernandezlaska.com
Attorneys for Defendant

Notice will be deemed effective on sending the notice as described in this paragraph.

75. The administration, consummation, and enforcement of the Settlement in this Settlement Agreement will be under the authority of the Court, and the Parties intend that the Court retain jurisdiction for the purpose of entering orders, providing for approval of attorneys' fees and costs to Class Counsel, and enforcing the terms of the Settlement and this Settlement Agreement.

76. The construction, interpretation, operation, effect, and validity of this Settlement Agreement, and all documents necessary to effectuate it, will be governed by the laws of the State of California without regard to conflicts of law principles.

77. This Settlement Agreement will not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties. This Settlement Agreement is the result of arm's length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Settlement Agreement.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement on the dates written below.

ACCEPTED AND AGREED:

Date: _____

Plaintiff Brian Hendricks

Signed: _____

Date: _____

Plaintiff Andrew Sagalongos

Signed: _____

Date: _____

Plaintiff Andrew Howard

Signed: _____

Date: October 1, 2025

Defendant Aetna Life Insurance Company

Signed:  _____

Name: Sara Goldfarb

Title: Vice President & Senior Counsel

Approved as to Form:

GIANELLI & MORRIS, A Law Corporation

Dated: _____

Joshua S. Davis
Counsel for Plaintiff

HERNANDEZ LASKA LLP

Dated: October 1, 2025




Joseph E. Laska
Counsel for Defendants

ACCEPTED AND AGREED:

Date: 10/6/25

Plaintiff Brian Hendricks

Signed: 

Date: _____

Plaintiff Andrew Sagalongos

Signed: _____

Date: _____

Plaintiff Andrew Howard

Signed: _____

Date: _____

Defendant Aetna Life Insurance Company

Signed: _____

Name: _____

Title: _____

Approved as to Form:

GIANELLI & MORRIS, A Law Corporation

Dated: 10/8/25



Joshua S. Davis
Counsel for Plaintiff

HERNANDEZ LASKA LLP

Dated: _____

Joseph E. Laska
Counsel for Defendants

ACCEPTED AND AGREED:

Date: _____

Plaintiff Brian Hendricks

Signed: _____

Date: Oct 7, 2025

Plaintiff Andrew Sagalongos

Signed: *Andrew Sagalongos*
Andrew Sagalongos (Oct 7, 2025 13:40:29 PDT)

Date: _____

Plaintiff Andrew Howard

Signed: _____

Date: _____

Defendant Aetna Life Insurance Company

Signed: _____

Name: _____

Title: _____

Approved as to Form:

GIANELLI & MORRIS, A Law Corporation

Dated: _____

Joshua S. Davis
Counsel for Plaintiff

HERNANDEZ LASKA LLP

Dated: _____

Joseph E. Laska
Counsel for Defendants

ACCEPTED AND AGREED:

Date: _____

Plaintiff Brian Hendricks

Signed: _____

Date: _____

Plaintiff Andrew Sagalongos

Signed: _____

Date: 10/1/25

Plaintiff Andrew Howard

Signed:  _____

Date: _____

Defendant Aetna Life Insurance Company

Signed: _____

Name: _____

Title: _____

Approved as to Form:

GIANELLI & MORRIS, A Law Corporation

Dated: _____

Joshua S. Davis
Counsel for Plaintiff

HERNANDEZ LASKA LLP

Dated: _____

Joseph E. Laska
Counsel for Defendants