

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

ELLEN GAYLE MOORE, and ANITA )  
BOWERS, as Executrix of the Estate of )  
FANNIE W. McCONNELL, deceased, on )  
behalf of themselves and all others )  
similarly situated, )

Plaintiffs, )

vs. )

LIBERTY NATIONAL LIFE )  
INSURANCE COMPANY, )

Defendant. )

Master Case Number  
2:02-cv-2741-UWC

Civil Action Number  
2:99-cv-32362-UWC

NOTICE OF A PROPOSED SETTLEMENT OF A CLASS ACTION LAWSUIT

*This Notice is about a proposed Class Action Settlement of a lawsuit relating to certain insurance policies issued to African-Americans by Liberty National Life Insurance Company between January 1, 1930 and December 31, 1949, and certain insurance policies issued by Service Insurance Company of Alabama and Burial Service Insurance Company of Alabama between January 1, 1949 and January 10, 1966. If you or a member of your family owned such a policy, you may be entitled to receive a benefit from the Settlement if the Settlement is approved. You have not been sued.*

**PLEASE READ THIS PACKAGE CAREFULLY**

If you or a family member own, used to own, or are or were an insured or beneficiary under a life insurance, endowment, merchandise burial, vault, accident insurance, or other insurance policy of a type issued to African-Americans by Liberty National Life Insurance Company between January 1, 1930, and December 31, 1949, or issued to African-Americans by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama between January 1, 1949 and January 10, 1966, **you are hereby notified** that certain policies issued by these companies to African-Americans during these time periods are now the subject of a proposed class action Settlement.

Black Americans owning these types of policies brought a class action lawsuit in the federal court in Birmingham against Liberty National Life Insurance Company (“the Company”) in 1999. Among other things, the lawsuit claims that black Americans were charged higher premiums or received lower benefits than similarly situated white Americans on policies issued by Liberty National and former

subsidiaries of Liberty National on or before January 10, 1966. The case is pending before Chief Judge U.W. Clemon.

The plaintiffs who filed the suit have now agreed with the Company to settle the lawsuit as a class action. If the Court approves the Settlement, you may get benefits from the Settlement if your policy is one of the policies eligible for relief under the Settlement, and in return, you and other Class Members will release certain claims against the Company. You will need to file a Claim Form included in this package to get any benefits. **Claim Forms must be filed by July 31, 2006.** Persons with policies covered by this Settlement also have the right to object to this Settlement by submitting their objection in writing on or before March 21, 2006, as explained below.

**PLEASE READ THIS NOTICE AND THE ATTACHED DOCUMENTS CAREFULLY. THEY DESCRIBE THE PROPOSED SETTLEMENT, YOUR RIGHTS UNDER THE SETTLEMENT, AND THE ACTIONS YOU MUST TAKE TO RECEIVE SETTLEMENT BENEFITS IF THE SETTLEMENT IS APPROVED.**

THE DEFINITIONS OF CERTAIN WORDS AND PHRASES USED IN THIS NOTICE ARE ATTACHED TO THIS NOTICE AS **APPENDIX 1.**

## **PART 1: THIS PACKAGE**

### ***Why did I get this package?***

If you got this package without asking for it to be sent to you, and you have not previously filed a lawsuit against Liberty National for racial discrimination yourself, then according to Liberty National's records, you or one or more of your family members (or someone formerly living at this address) may have ownership rights or legal interests in a policy that is included in the proposed Settlement. Other persons may also have interests in policies included in this Settlement as well, since the Company's records do not necessarily include a current address for all persons with interests in the policies covered by this Settlement. Those persons are being notified of this Settlement through notices published in newspapers or on radio, and will also be sent this Notice if they respond to those newspaper or radio ads.

### ***What is the lawsuit about?***

The lawsuit claims racial discrimination in insurance premiums charged by Liberty National and two of the companies which it owned.

Specifically, the lawsuit claims that Liberty National, Service Insurance Company of Alabama, and Burial Insurance Company of Alabama charged higher premiums or provided lower benefits on certain insurance policies issued by Liberty National Life Insurance Company to African-Americans on or before December 31, 1949, and certain policies issued by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama to African-Americans on or before January 10, 1966.

No policies issued after January 10, 1966 are included in the Settlement, and only black Americans are included in the settlement.

Liberty National denies all of the claims asserted in the lawsuit, and it says that the Plaintiffs waited too long to file the lawsuit.

However, the parties have agreed to a settlement which, if approved by Chief Judge Clemon, would resolve all claims of all Class Members, with certain exceptions.

You may obtain a full copy of the Settlement Agreement at [www.libnat.com](http://www.libnat.com) until July 31, 2006. The full Settlement Agreement is also on file at the Clerk's Office of the United States District Court for the Northern District of Alabama, 1729 North Fifth Avenue, Birmingham, AL 35203. You may also request a full copy of the Settlement Agreement by writing to: Liberty National Settlement Administration Center, P.O. Box 12685, Birmingham, Alabama 35202.

## **PART 2: THE POLICIES INCLUDED IN THE SETTLEMENT**

### *Is my policy included in the Settlement?*

The persons who are affected by this Settlement are the persons who are in the “**Class**” as defined in **Appendix 1**.

In simplified terms, if you or your family member are or were insured under, or the owner of, or the beneficiary under, or have or once had any other legal interest in:

- a life insurance policy, accident insurance policy, burial policy, endowment policy, or other insurance policy with a face value of \$2000 or less, and
- your premiums were collected or payable on a monthly or weekly basis, and
- the policy was issued by Liberty National Life Insurance Company on or before December 31, 1949, or by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama on or before January 10, 1966,

that policy is included in the Settlement, if the insured under the policy was a black American.

*Please read Appendix 1 to this Notice for the complete class definition and a complete description of class policies included in this Settlement.*

Some of the policy types and plan codes that are potentially included in this Settlement are listed in Exhibit D and Exhibit E, attached to this Notice.

### *Should I Tell Others With The Same Kinds of Policies About this Settlement?*

If you know someone who has not received a Notice Package and who may be a Class Member covered by this Settlement, please tell them to get the Claim Form attached to this Notice as Exhibit A, fill

it in, and file it. For expired, lapsed, or surrendered or otherwise Terminated Policies, they should get the Reinstatement and Terminated Policy Information Request Form attached as Exhibit B, and complete it.

### **PART 3:THE SETTLEMENT BENEFITS**

#### *What will I get from the settlement?*

Unless the insured under the policy is deceased, or the policy has endowed, you will not receive any direct cash payment from this lawsuit. Since the purpose of the lawsuit is to put you in the position you would have occupied if the alleged discrimination had not occurred, the settlement in effect provides for increased benefits in the face amount of the covered policies, and those benefits are paid when the insured dies. Where the insured is still alive but the policy is no longer in force, the owner or the insured must first reinstate the policy and pay certain premiums in order to be eligible to receive settlement benefits when the insured dies (or the endowment policy matures).

If the Proposed Settlement is approved, beneficiaries of In-Force Class Policies insuring eligible Class Members will receive (at the insured's death or upon maturity of an Endowment Policy) an additional settlement benefit payment equal to up to 35 percent of the total policy benefit payable on eligible Cash Benefit Policies and up to 25 percent of the original reserve amount on Merchandise Burial Policies. The original reserve amount on Merchandise Burial Policies would typically be about 40 percent of the face amount of the policy -- for example, the original reserve amount was typically \$120 on a \$300 burial policy, and 25 percent of \$120 is \$30, so that \$30 would be the typical settlement benefit on a \$300 burial policy. This settlement benefit will be paid in addition to any benefits payable under the terms of the policies.

Where a policy stayed in force until the insured died or the policy endowed, an additional settlement benefit will be paid in the amount of up to 35 percent of the original death or endowment benefit on cash policies, and up to 25 percent of the original reserve amount on Merchandise Burial Policies.

Where the insured died or the policy matured before January 1, 1976, however, a Claim Form must be filed by July 31, 2006 in order to be eligible for settlement benefits.

Where an eligible Class Policy has lapsed, expired, or has been surrendered, eligible Class Members who file a Reinstatement and Terminated Policy Information Request Form by July 31, 2006 will have the right to reinstate terminated Class Policies insuring individuals who are still alive upon payment of certain amounts to make up for unpaid premiums for the period the policy was out of force, and persons who choose to do so will thereafter receive the same additional settlement benefits described above, upon submission of a valid claim for policy benefits under the reinstated policy. (See Appendix 2 and Appendix 4 for details).

Where the policies of otherwise eligible Class Members have lapsed or gone out of force and the insured died after the policy went out of force, eligible Class Members who file a Reinstatement and Terminated Policy Information Request Form by July 31, 2006 may qualify to receive partial refunds of up to 25 percent of the out-of-pocket premiums actually paid on Class Policies which are Merchandise

Burial Policies before they went out of force, and up to 35 percent of the out-of-pocket premiums actually paid on Class Policies that were cash benefit policies before they went out of force.

The amount of the additional settlement benefit percentages and premium refund percentages described above (and described again elsewhere in this Class Notice package) could change, since the total cost to the Company of providing all Class Member relief and the scholarship contributions described below combined will not be greater than \$6.0 million, regardless of the number of claimants. For a full explanation of the benefits to be provided under this Settlement, see **Appendix 2**. In exchange for these settlement benefits described above, you will be barred from making certain claims, including claims like those brought in this lawsuit, against the Company, and you will also be deemed to have agreed to the Release attached hereto as **Appendix 3**.

*Will anyone else benefit from the settlement?*

Certain provisions of the Settlement provide for scholarship contributions to certain schools and colleges to fund scholarships for African-American students if the cost to the Company of implementing certain categories of relief does not reach certain minimums. See Appendix 2 for details.

*What will the Class Representatives get for representing the Class?*

In light of their service to the Class and their time and effort in prosecuting this case and securing this Settlement, the Plaintiffs who filed this lawsuit and have been selected by Judge Clemon as Class Representatives will seek an Incentive Award as part of the Settlement, which shall not exceed \$5,000.00 each.

The Incentive Award not in excess of \$5,000.00 each to Anita Bowers (as Executrix of the Estate of Fannie McConnell) and Ellen Gayle Moore will be paid by the Company and will not reduce the benefits to Class Members set forth under the proposed Settlement.

**PART 4 OBJECTIONS TO THE PROPOSED SETTLEMENT**

*Can I object to the Settlement, and if so, how?*

If there is something about the Settlement that you do not like, you may file a written objection with the Court.

If you want to object, you must file your objection in writing with the Court. Your objection must include:

- (1) Your name, address and telephone number;
- (2) The policy number(s) of the policy or policies issued in which you claim an interest, along with the name of the insured under each policy and the address of the insured;

- (3) Your relationship to the insured under each such policy;
- (4) The reasons you object to the Settlement, including any legal support, or evidence, if any, you wish to bring to the Court's attention and rely upon; and
- (5) The original personal signature of the Class Member objecting. (Signatures of attorneys or others who are not Class Members will not be sufficient).

Your objection(s) should be mailed to the following address:

Clerk, Federal District Court  
United States Courthouse  
1729 North Fifth Avenue  
Birmingham, Alabama 35203

A copy of your objection should be sent to the following addresses:

Objection Notice  
Liberty National Settlement  
Administration Center  
P.O. Box 12685  
Birmingham, AL 35202

Herman Watson, Jr.  
Watson, Jimmerson, Martin, McKinney,  
Graffeo & Helms, P.C.  
203 Greene Street  
Huntsville, AL 35801

The objection deadline is March 21, 2006.

## **PART 5: PROCEDURE FOR MAKING CLAIMS**

If the Proposed Settlement agreement is approved by Judge Clemon, Class Members who wish to receive the benefits of the settlement, must submit either a Claim Form or, for Terminated Policies, a Reinstatement and Terminated Policy Information Request Form. Even Class members having an interest in an "In Force Policy," as explained in this section, while not required to file a Claim Form, are encouraged to do so, since the Company may not have your current address.

*The **deadline** for submission of the Claim Forms and Reinstatement and Terminated Policy Information Request Forms is **July 31, 2006**.*

### ***What do I have to do to receive Settlement Benefits?***

Whether you have to take steps to prove your entitlement to relief if the Settlement is approved depends upon the type of policy in which you have a legal interest, the current status of that policy as of the Eligibility Date, and certain other factors as explained below:

1. If you are the insured or owner of a policy (or have a legal or beneficial interest in a policy) included in this Settlement as described above, and that policy is an **In-Force Policy** on which premiums

are being paid, or which is an In-Force Policy as a result of being paid up or being placed on “extended term” or “reduced paid up” status, the Settlement will provide automatic relief with respect to those policies regardless of whether a Claim Form is filed. The relief will take the form of an additional payment to the insured or beneficiary whenever any policy benefits are paid under the policy. However, it is still advisable for you to file a Claim Form (**Exhibit A**) on In-Force Policies to make sure that you receive the relief to which you are entitled, since it is possible more than one person could claim Settlement Benefits for the same policy, and since the Company may not have your current address due to the age of the policy. The deadline for Claim Forms is July 31, 2006.

2. If your policy (or a policy in which you have a legal or beneficial interest) is covered by this Settlement and a death benefit or endowment benefit was paid **on or after January 1, 1976**, but before the **Eligibility Date** (which is the date this Settlement is finally approved by the Court and is no longer subject to appellate review), persons with certain interests under such policies will receive automatic relief with respect to those policies regardless of whether a Claim Form is filed, when and if they can be identified and located based on the Company’s electronic records. You should be aware, however, that the failure to file a Claim Form may waive a particular claimant’s entitlement to such proceeds if the Company pays another person deemed, believed, or claiming to have an interest in the same policy or appearing to be equitably entitled to such benefits with respect to that policy. Also, failure to file a Claim Form may delay your receipt of any such Settlement Proceeds to which you may be entitled if the Company’s electronic records are insufficient to enable the Company to identify and locate you. Therefore, all persons with an interest in such policies are requested to file a Claim Form (Exhibit A) no later than July 31, 2006.

3. If your policy (or a policy in which you have a legal or beneficial interest) is covered by this Settlement and a death benefit was paid on or before December 31, 1975, *or* the policy endowed and the endowment claim was paid on or before December 31, 1975, you **must** complete and return a timely and valid Claim Form, a copy of which is attach as Exhibit A, in order to receive any benefits for which you are otherwise eligible under this Settlement. Such Class Policies are eligible for Settlement relief only if a complete, valid, and timely Claim Form is submitted no later than July 31, 2006.

4. If you have an ownership interest, beneficial interest, or other legal interest in one or more Class Policies issued by Liberty National Life Insurance Company, Service Insurance Company of Alabama, or Burial Service Insurance Company of Alabama that have lapsed, expired, terminated, or been surrendered, or otherwise terminated without benefit, you may receive relief for which you are otherwise eligible under this Settlement **ONLY** if you submit a timely and valid Reinstatement and Terminated Policy Information Request Form, a copy of which is included in this Notice as Exhibit B, no later than July 31, 2006. Whether the original insured is currently alive will determine the type of relief available to such out-of-force policies eligible for relief under the Settlement. Where the original insured is still alive, the insured will have the right to pay a “Reinstatement Amount” equal to the greater of (a) the statutory reserve the Company would have held on the policy if the policy had remained in force until the Eligibility Date described in Appendix 1, or (b) the total of all premium payments that were scheduled under the original terms of the policy after the date of the last premium received by the Company on the policy as reflected in the Company’s records. The Company will compute and notify you of the exact Reinstatement Amount on your policy if a timely and valid Reinstatement and Terminated Policy Information Request Form is filed by July 31, 2006. If you then pay such amount, the policy will be

reinstated with the right to receive an additional Settlement Benefit payment whenever a policy benefit claim is payable under the policy. If the original insured under a terminated policy is no longer living, then eligible Class Members who file a Reinstatement and Terminated Policy Information Request Form with respect to those policies by July 31, 2006 will not be able to reinstate their policies but instead will receive a partial refund of the out-of-pocket premiums actually paid on the terminated Class Policy before its termination. Other details regarding reinstatement and terminated policy relief are set forth in Appendix 2. Also, other details regarding who needs to file a Claim Form are set forth in Appendix 2 and Appendix 4.

## **PART 6: THE FAIRNESS HEARING**

### ***When will the Court decide whether to approve the Settlement?***

A hearing (the “Fairness Hearing”) will be held on **March 31, 2006 at 9:00 a.m.** in Courtroom 8 of the Federal Courthouse located at 1729 North Fifth Avenue, in Birmingham, Alabama 35203. At that hearing, the Court will consider whether the Proposed Settlement is fair, adequate and reasonable and otherwise consistent with applicable law, and should therefore be approved. If the Court approves the Settlement, all **Class Members** will be bound by the Settlement, and Class Members will receive the settlement benefits for which they are eligible under the terms and conditions of the Settlement Agreement.

At the Fairness Hearing, the Court will also consider the amount of attorneys’ fees and incentive awards to be awarded to Class Counsel and the Class Representatives, respectively. Liberty National has agreed not to oppose an award of fees and costs to Class Counsel which does not exceed \$3.35 million, and not to oppose an incentive award of up to \$5,000 each to Class Representatives Anita Bowers and Ellen Gayle Moore. Any such incentive awards or attorneys’ fee awards at or below these amounts will be paid by Liberty National if the Settlement is approved.

The Court has the right to change the Fairness Hearing date or time without further notice.

### ***Can I go to the Fairness Hearing?***

Yes. You are welcome to attend the Fairness hearing.

But you do **not** have to attend the Court hearing to be part of the Settlement and receive any benefits to which you are otherwise entitled under the Settlement, or to have the Court consider your written objection, but you may attend it if you like.

### ***May I speak at the Fairness Hearing?***

Yes. If you or your attorney want to speak at the Fairness Hearing, you or your attorney must file a Notice of Intention to Appear with the Court, and send a copy of that Notice to Class Counsel and to the Liberty National Settlement Administration Center at the addresses listed in Part 4 of this Notice. ***The***

*Court, Class Counsel, and the Liberty National Settlement Administration Center must receive your Notice of Intention to Appear no later than March 21, 2006.*

## **PART 7: THE BINDING EFFECT OF THE APPROVAL OF SETTLEMENT**

### *How will I be bound by the settlement?*

If the Settlement Agreement is approved by Chief Judge Clemon, all class members, whether or not they object to the settlement, will be deemed to have released Liberty National from all actual or potential claims against Liberty National and its related persons and companies regarding any alleged racial discrimination in the sale, pricing, or design of class policies, and all claims that were or could have been made in this action, as more fully set forth in Appendix 3. Class Members will not be permitted to opt out of the Settlement if the Proposed Settlement is approved. Until further notice, Class Members have been enjoined by Chief Judge Clemon from filing other lawsuits which assert Released Claims or which challenge this Settlement, as more fully set forth in Appendix 7.

## **PART 8: FEES AND EXPENSES OF CLASS COUNSEL AND INCENTIVE AWARDS FOR CLASS REPRESENTATIVES**

### *How much will the lawyers for the Class be paid if the Settlement is approved?*

Chief Judge Clemon has selected Herman Watson, Jr. of the law firm of Watson, Jimmerson, Martin, McKinney, Graffeo & Helms, P.C. and Joe R. Whatley of the law firm of Whatley Drake, LLC as Counsel for the entire Class. A number of other attorneys from different parts of the country have assisted Class Counsel in this case. *You will not be charged for the services or expenses of any of these attorneys. The Court will set the fees and expenses to be awarded to Class Counsel, which shall not exceed \$3,350,000.00, and if the Settlement is approved any such fees and expenses approved by the Court shall be paid by the Company and distributed by Class Counsel among themselves and the attorneys who have assisted them. This payment will not reduce the benefits to Class Members set forth under the Proposed Settlement.*

You have the right to hire your own separate attorney to represent you in this case if you wish, but you do not have to hire your own attorney in order to object or to receive any benefits for which you are eligible. *However, if you choose to hire any other attorney to represent you, you will be solely responsible for the fees and expenses of any separate attorneys hired by you.* You also have the right to speak or object for yourself before the Court without an attorney.

## **PART 9: GETTING MORE INFORMATION**

### *How can I get more information about the Proposed Settlement?*

This Notice Package is only a summary of the Proposed Settlement, and it is not a complete statement of all details of the Settlement. The full Settlement is contained in a legal document called the "Stipulation of Settlement." That document, as well as the complaint and other papers and orders are on file with the Clerk of the Court in the United States District Court, Northern District of Alabama, 1729 North Fifth Avenue, Birmingham, Alabama 35203.

You may inspect these documents at the Clerk's office at any time during normal business hours.

The full Stipulation of Settlement is also available on Liberty National's website at [www.libnat.com](http://www.libnat.com) until at least July 31, 2006.

You can also request a copy of the Stipulation of Settlement by writing to: Liberty National Settlement Administration Center, P.O. Box 12685, Birmingham, Alabama 35202.

**The Stipulation of Settlement is the controlling document governing this Settlement, and it contains important additional details, information, terms and conditions.**

You may also call the **toll-free number 1-866-509-8841** to get more information about the Settlement. (If you use a TDD/TTY terminal for the **hearing impaired**, call **1-866-524-4170**).

The telephone will be answered by an operator who has been trained to assist you, or by voice mail.

You may also speak to **Class Counsel** who brought this lawsuit on behalf of policyowners by simply calling the toll-free number and asking to speak with an attorney representing the Class. If Liberty National receives such a request, it will provide the Class Member with a toll free number to contact Class Counsel.

**In order to protect individual privacy, ensure compliance with applicable law, and avoid confusion, no attorney or other non-Class Member shall be entitled to object for or inquire about the rights, interests, or policies of any Class Member to whom they are not related by blood or marriage, and no Class Member shall be entitled to act for or inquire about the rights, interests or policies of any other Class Members to whom they are not related by blood or marriage, without first supplying a duly executed power of attorney bearing the notarized personal signature of each Class Member (or the heir, descendant, or duly appointed representative of the estate of any deceased Class Member) whose rights, interests or policies are the subject of the inquiry.**

**PLEASE DO NOT CALL THE COURT OR THE CLERK OF THE COURT. FOR FURTHER INFORMATION, PLEASE CALL 1-866-509-8841 (or for the hearing impaired, please call 1-866-524-4170).**

DATED: JANUARY 31, 2006

Clerk of the Court  
United States District Court  
Northern District of Alabama  
United States Courthouse  
1729 North Fifth Avenue

Birmingham, Alabama 35203

## APPENDIX 1

### (Excerpt from Stipulation of Settlement) IMPORTANT DEFINITIONS

“**Accident Policy**” means a policy providing benefits only for accidental death or accidental injury.

“**Accounting Date**”, unless the date is hereafter extended by the Court or by agreement of counsel, shall mean 180 days after the **Effective Date**, by which time the Company will provide Class Counsel preliminary calculations of relief due hereunder for purposes of determining any adjustments necessary pursuant to § IV below.

“**Action**” means the lawsuit captioned *Ellen Gayle Moore v. Liberty National Life Insurance Company*, No. 02:02-cv-2741-UWC, United States District Court, Northern District of Alabama.

“**Agents**” means any of the Company's current or former sales representatives, agents, district managers, staff managers or solicitors, and any other person who engages or has engaged in the sale, servicing or distribution of the products issued or assumed by the Company.

“**Agreement**” or “**Settlement Agreement**” or “**Settlement**” means the Stipulation of Settlement on file with the Court, and the attached exhibits, including any subsequent amendments thereto and any exhibits to such amendments. [See [www.libnat.com](http://www.libnat.com) for a complete copy of the Stipulation].

“**Claim Date**” or “**Claim Deadline**” or “**Claim Form Due Date**” shall be July 31, 2006, which is the deadline by which Claim Forms of Class Members must be received by the Liberty National Settlement Administration Center. This deadline will be strictly enforced, and will apply regardless of any appeal and regardless of when the Settlement becomes Effective.

“**Claim Form**” means the form attached as **Exhibit A** which shall be used to establish class membership status and/or eligibility for relief as provided herein.

“**Class**” or “**Class Members**” shall mean, for purposes of this Settlement Agreement only, the following Settlement Class: All black Americans who have (or had at the time of the policy’s termination) an ownership or other legal interest in an industrial life insurance policy or burial policy issued by Liberty National Life Insurance Company (or its former subsidiary Service Insurance Company of Alabama, or its former subsidiary Burial Service Insurance Company of Alabama) on or before January 10, 1966, at a higher rate than similar plans offered to similarly situated white Americans by Defendant Liberty National Life Insurance Company (or its former subsidiary Service Insurance Company of Alabama, or its former subsidiary Burial Service Insurance Company of Alabama). Excluded from this class are all federal judges, their spouses, and persons within the third degree of relationship to them. For purposes of this class definition, the terms “industrial insurance policy” and “burial policy” are not limited to the statutory definition of industrial life insurance or burial insurance. Rather, a Liberty National, Service Insurance, or Burial Service industrial insurance policy is one that pays a pre-determined monetary amount (not to exceed \$2,000) directly to the beneficiary, including any life insurance policy stamped, marked, or otherwise referred to or categorized (either expressly or commonly) as “industrial,” “debit,” or “home service” insurance. A Liberty National, Service Insurance, or Burial Service burial or funeral policy under the foregoing class definition is one which provides “goods” (including, but not limited to, a casket, burial outfit or funeral services) to the beneficiary on the death of the insured. The **Class** is represented by **Class Members** Ellen Gayle Moore and Anita Bowers, as Executrix of the Estate of Fannie W. McConnell, deceased, and their counsel, Herman A. Watson, Jr. of Watson,

Jimmerson, Martin, McKinney, Graffeo & Helms, P.C. and Joe R. Whatley of Whatley Drake LLC. **For purposes of this Settlement, the foregoing Class Definition will be deemed to include all industrial policies insuring African-Americans which were issued by Liberty National Life Insurance Company on or before December 31, 1949, and all policies insuring African-Americans which were issued by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama on or before January 10, 1966, except as otherwise expressly set forth herein.**

**“Class Counsel”** means the law firms of Whatley Drake, LLC and Watson, Jimmerson, Martin, McKinney, Graffeo & Helms, P.C.

**“Class Notice”** means the notice of the terms of the proposed settlement included in this Class Notice Package.

**“Class Notice Package”** means this notice package, which has been approved in form and content by Class Counsel and the Company and the Court.

**“Class Policy”** or **“Class Policies”** means those policies issued to African-Americans by Liberty National Life Insurance Company on or before December 31, 1949, and those policies issued to African-Americans by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama during the period January 1, 1949 through January 10, 1966.

**“Company”** means Liberty National Life Insurance Company, its former subsidiary Service Life Insurance Company (a/k/a Service Life Insurance Company of Alabama or Burial Service Insurance Company of Alabama), and any or all of their present or former directors, officers, employees, representatives and agents of any of the above.

**“Company's Database”** or **“Company's Electronic Records”** means the computer data and the electronic information systems master files of the Company that contain information regarding the Policies included in the Class.

**“Contractual Endowment Benefit”** means each benefit stated in a policy providing for a cash endowment at a specified maturity or endowment date, as determined on the Eligibility Date.

**“Contractual Accident Benefit”** means each monetary benefit stated in a policy providing coverage only for accidental injury or death, as determined on the Eligibility Date.

**“Contractual Death Benefit”** means the face amount of each benefit stated in a Life Insurance Policy under the terms of the policy as originally issued, as determined on the Eligibility Date.

**“Court”** means the United States District Court for the Northern District of Alabama, Southern Division, acting pursuant to its jurisdiction over case number 02:02-cv-2741-UWC.

**“Effective Date”** means the date on which the Final Judgment and Order Approving this Settlement becomes final and no longer subject to appeal. For purposes of this definition, the Final Judgment and Order shall become final on the later of the following dates:

a. if no appeal is taken therefrom, on the date on which the time to appeal therefrom has expired; or

b. if any appeal is taken therefrom, on the date on which all appeals therefrom, including petitions for rehearing or re-argument, petitions for rehearing *en banc* and petitions for *certiorari* or any other form of review, have been finally disposed of in a manner resulting in an affirmance of the Final Judgment and Order Approving Settlement.

**“Eligibility Date”**, unless the date is hereafter extended by the Court or by agreement of counsel, shall mean the Effective Date, which is the latter of (a) the expiration of time to appeal from the trial court entry of a Final Judgment, or (b) the date all such appeals have been fully and finally exhausted and disposed of, as described under the definition of “Effective Date” above. This is the date as of which individual’s eligibility for relief under this Settlement will be judged.

**“Endowment Policy”** means an insurance policy that provides a death benefit for a stated period of time or a cash payment to the owner if the insured survives said stated period.

**“Escheat”** shall mean any payment to a State, State Treasurer, or unclaimed fund account maintained by a State or State Agency.

**“Estate Policy”** means a Class Policy as to which the insured died while the policy was In-Force or on Extended Term or Reduced Paid-Up Status, and on which a death claim has been paid on or before the Eligibility Date.

**“Excluded Persons and Entities”** shall mean (1) any entity that is not a natural person (such as, without limitation, a funeral home, creditor, institutional assignee), and (2) any person or entity that was heretofore made an assignee of the benefits of, or is not an owner, beneficiary, insured, premium payor, or heir to the proceeds of, a policy covered by this Settlement. Excluded Persons and Entities shall not be eligible to receive any benefit provided under this Agreement, whether directly, indirectly, or on behalf of, or on account of a Class Member. This provision shall not prevent Class Members from assigning benefits after the Implementation Date.

**“Execution Date”** means the date on which the Settlement Agreement has been executed by the Company and Class Counsel.

**“Extended Term”** or **“Extended Term Status”**: Some but not all of the Policies included in the Class provide that if the named insured stops paying premiums before the end of the premium-paying period stated in the policy, but after the policy has accumulated some cash value, the policy may be converted to a term insurance policy. When this happens, the policy is said to be in force on Extended Term Status.

**“Fairness Hearing”** means the hearing at which the Parties present this Settlement Agreement to the Court for its final decision on whether to approve this Settlement Agreement as fair, reasonable and adequate. The Fairness Hearing will be held on March 31, 2006 at 9:00 a.m. and may be continued, adjourned, and resumed as the Court may hereafter Order in its sole discretion.

**“Final Judgment,” “Order Approving Settlement,”** or **“Final Approval”** means the Order and Final Judgment approving this Settlement, as contemplated in § XI of the Settlement Agreement. [See [www.libnat.com](http://www.libnat.com) for a complete copy of the Settlement Agreement].

**“Increased Policy Benefit Relief”** shall mean the relief described in § III and § IV of the Settlement Agreement. [See [www.libnat.com](http://www.libnat.com) for a complete copy of the Settlement Agreement].

**“Implementation Date”** shall mean the date on which the Company shall begin disbursement of the relief provided for herein, which shall be 210 days after the Effective Date, unless extended by the Court or by agreement with Class Counsel for good cause shown.

**“In-Force”** or **“In-Force Policy”** shall mean a Class Policy as to which all premiums due on the policy as of the Eligibility Date have been paid or heretofore waived by the Company and which is not an Estate Policy or Matured Policy, and which has not lapsed, been surrendered, or been converted to Extended Term or Reduced Paid Up Status.

**“Liberty National Settlement Administration Center”** means the administrative call and mail center established by the Company and Class Counsel for the purpose of processing documents regarding the settlement, facilitating and providing information to Class Members regarding the Settlement Agreement and implementing the Settlement.

**“Matured Policy”** or **“Matured Policies”** means an Endowment Policy that remains In-Force or on Extended Term or Reduced Paid-Up Status to the Maturity Date of the policy, and as to which the Maturity Date is a date prior to the Eligibility Date and the endowment benefit is paid prior to the Eligibility Date.

**“Maturity Date”** means the date an Endowment Policy is scheduled to mature as stated on the face of the Endowment Policy or as defined in the text of the Endowment Policy.

**“Merchandise Burial Policy”** or **“Merchandise Burial Policies”** means those policies which, as originally written and issued, provided for benefits in the form of any combination of burial services (such as a funeral or the services of a funeral director) or burial merchandise (such as a casket, a burial vault, a suit or dress, or similar items), including policies that were originally payable in funeral or burial goods and services at the Company’s option, and policies that provided benefits in the form of burial or funeral goods and services plus a stipulated amount of cash.

**“Objection Date”** or **“Objection Deadline”** shall mean March 21, 2006 (10 days prior to the Fairness Hearing), which is the deadline by which any objections must be received by the entities designated to receive objections according to the Class Notice Package. This deadline will be strictly enforced.

**“Order Approving Settlement”** or **“Order and Final Judgment”** or **“Final Judgment** or **“Final Approval”** or **“Final Judgment and Order”** means the trial court’s order finally approving the Settlement and the Settlement Agreement. [See [www.libnat.com](http://www.libnat.com) for a complete copy of the Settlement Agreement].

**“Original Wholesale Merchandise Burial Cost Obligation”** means the amount upon which a reserve was based as stated in the merchandise burial policy as originally issued, without regard to any subsequent increases or additions from whatever source or for whatever reason. This amount is generally significantly less than the stated retail value of the merchandise and services set forth in the policy as originally written, since under merchandise burial policies the Company was essentially agreeing to furnish goods and services at its wholesale cost, rather than purchasing such goods and services on the retail market.

**“Person”** or **“Persons”** shall mean any individual, trust or estate, and shall not include any corporation, association, partnership (general or limited), joint venture, limited liability company or other legal entity or organization.

**“Plaintiffs”** means (1) Ellen Gayle Moore and (2) Anita Bowers, as Executrix of the Estate of Fannie McConnell, who are the plaintiffs who bring these claims on behalf of the Class.

**“Reduced Paid Up” or “Reduced Paid Up Status”:** Some but not all Policies included in the Class provide that if the named insured stops paying premiums before the end of the premium-paying period stated in the policy, but after the policy has accumulated some cash value, the policy may be converted to “Reduced Paid Up Status” under the terms of the policy, which means that the policy is deemed in force and paid up, but the Death Benefit or other benefits of the policy are automatically reduced to a lesser amount than originally stated in the policy (the **“Reduced Paid Up Benefit”**). The nature and amount of the **Reduced Paid Up Benefit** is unique to the terms of each policy and each named insured’s policy and premium payment history.

**“Reinstatement and Terminated Policy Information Request Form”** means the form attached hereto as **Exhibit B**.

**“Reinstated Policies”** shall mean policies reinstated in accordance with § **III D** of the Stipulation. [See [www.libnat.com](http://www.libnat.com) for a complete copy of the Stipulation].

**“Reinstatement Date”** means the date that proper and valid requests for reinstatement of eligible Terminated Policies will be processed and the reinstatements made effective. This shall be the same date as the **“Implementation Date”** (210 days after the Effective Date, unless extended by the Court or by agreement with Class Counsel for good cause).

**“Release”** means the release and waiver set forth in § **VIII** of the Stipulation. [See [www.libnat.com](http://www.libnat.com) for a complete copy of the Settlement Agreement].

**“Settlement Relief” or “Settlement Benefits”** means the relief set forth in §§ **III** and **IV** of the Stipulation. [See [www.libnat.com](http://www.libnat.com) for a complete copy of the Settlement Agreement].

**“Terminated,” or “Terminated Policy” or “Terminated Policies”** shall mean any Class Policies which are Life Insurance Policies, Accident Policies, Endowment Policies, or Merchandise Burial Insurance Policies of Class Members which, on or before the Eligibility Date, have been rescinded or canceled, have gone out of benefit for failure to pay required premiums, have been cash surrendered, have gone out of benefit under the terms of the policy, have gone out of benefit due to outstanding policy loans or loan interest of any kind, or have otherwise terminated without benefit on or before the Eligibility Date.

## APPENDIX 2

(Excerpt from Stipulation of Settlement)

### III. SETTLEMENT RELIEF.

Any relief under this **Settlement** (“the **Settlement Agreement**”) to **Class Members** who have been identified and have been determined to be eligible shall become due and shall be paid on the **Implementation Date** or as soon thereafter as the eligible **Class Member** is identified, located, and verified, and all other criteria for payment under the terms of this Stipulation have been met, unless the **Company** chooses in its sole discretion to provide any such relief earlier. Otherwise eligible **Class Members** shall receive relief under this **Settlement** only with respect to **Class Policies** in which they have a legal or beneficial interest, and only as set forth herein. The percentages referenced hereafter in paragraphs **A, B, C, D, E,** and **F** in this § **III** are subject to reduction as reflected in § **IV**, depending on whether the aggregate cost of the relief set forth in this **Stipulation of Settlement** is otherwise greater than the limit set forth in § **IV**.

**a. Class Policies Which Are In-Force.**

If this **Settlement Agreement** is finally approved and becomes effective, then except as otherwise provided herein, each otherwise eligible **Class Member's Class Policy** which is still **In-Force** as of the **Eligibility Date** shall, upon submission of a valid claim for policy benefits under the policy itself, receive in addition to said policy benefits an additional amount equal to up to 35 (thirty-five) percent of the future **Contractual Death Benefit** of each **Class Life Insurance Policy**, up to 35 (thirty-five) percent of the future **Contractual Endowment Benefit** of each **Class Endowment Policy**, up to 35 (thirty-five) percent of the future **Contractual Accident Benefit** of each **Class Accident Policy**, up to 25 (twenty-five) percent of the **Original Wholesale Merchandise Burial Cost Obligation** for each **Class Merchandise Burial Policy**, and up to 35 (thirty-five) percent of the future benefits stated in the original policy for any other type of **Class Policy**, subject to **§ IV** of this **Stipulation**. In the event such a policy is cash surrendered on or after the **Eligibility Date**, the cash surrender payment will be enhanced by the same percentages set forth above. The relief provided for herein shall be deemed payment of settlement proceeds and not insurance proceeds, and shall not be subject to **Escheat**.

**B. Class Policies Which Have Lapsed to Extended Term Status.**

If this **Settlement** is finally approved and becomes effective, then except as otherwise provided herein, each otherwise eligible **Class Member's Class Policy** which is on **Extended Term Status** as of the **Eligibility Date** shall, upon submission of a valid claim for policy benefits under the policy itself, receive an additional amount equal to up to 35 (thirty-five) percent of the future **Contractual Death Benefit** of each such **Class Life Insurance Policy**, up to 35 (thirty-five) percent of the future **Contractual Endowment Benefit** of each such **Class Endowment Policy**, up to 25 (twenty-five) percent of the **Original Wholesale Merchandise Burial Cost Obligation** of each such **Merchandise Burial Policy**, up to 35 (thirty-five) percent of the future **Contractual Accident Benefit** of each **Class Life Insurance Policy**, and up to 35 (thirty-five) percent of the future benefits stated in the original policy for any other type of **Class Policy**, subject to **§ IV** of this **Stipulation**. In each case, the length of the policy's **Extended Term** coverage period shall not change. In the event such a policy is cash surrendered on or after the **Eligibility Date**, the cash surrender payment will be enhanced by the same percentages set forth above. The relief provided for herein shall be deemed payment of settlement proceeds and not insurance proceeds, and shall not be subject to **Escheat**.

**C. Class Policies Which Have Been Converted to Reduced Paid-Up Status.**

If this **Settlement Agreement** is approved and becomes Effective, then except as otherwise provided herein, each otherwise eligible **Class Member's Class Policy** which is on **Reduced Paid-Up** status as of the **Eligibility Date** shall, upon submission of a valid claim for policy benefits under the policy itself, receive an additional amount equal to up to 35 (thirty-five) percent of the **Reduced Paid Up** Benefit of each such policy, subject to **§ IV** of this **Stipulation**. In the event such a policy is cash surrendered on or after the **Eligibility Date**, the cash surrender payment will be enhanced by the same percentages set forth above. The relief provided for herein shall be deemed payment of settlement proceeds and not insurance proceeds, and shall not be subject to **Escheat**.

**D. Class Policies Lapsed, Surrendered, or Terminated on or Before the Eligibility Date Which Insured Persons Still Alive as of the Eligibility Date.**

1. If this **Settlement Agreement** is approved and becomes effective, then except as otherwise provided herein, the named insured under each eligible **Class Policy** which is a **Terminated Policy** may elect to reinstate each such **Terminated Policy** in order to thereafter receive prospective relief pursuant to the terms of this

**Settlement Agreement** with respect to each such policy, provided (1) the original insured is alive at the time of the reinstatement, and (2) a complete, timely, and valid **Reinstatement and Terminated Policy Information Request Form** is filed on or before the **Claim Form Due Date**.

2. Any such **Class Member** described in the preceding paragraph may reinstate each such **Terminated Policy** for purposes of future coverage by paying to the **Company**, by cashier's check, money order, or certified check, an amount equal to the greater of (a) the reserve amount the **Company** would have held on the **Terminated Policy** for purposes of the **Company's** statutory financial statements had the policy remained in full force until the **Eligibility Date** without any loans, surrenders, or other withdrawals of values, or (b) the total of all premium payments that were scheduled under the original terms of the policy after the date of the last premium received by the **Company** on the policy as reflected in the **Company's** records ("the Reinstatement Amount"). Any such **Class Member** must notify the **Company** of his or her wish to reinstate by returning a completed **Reinstatement and Terminated Policy Information Request Form (Exhibit B)** to the **Liberty National Settlement Administration Center** on or before the **Claim Form Due Date**. No later than 30 days after the **Claim Form Due Date** the **Company** will then mail to the **Class Member** written notification of the amount and procedures required to reinstate the policy pursuant to this § III and to what address payment must be directed. Such payment must be received and collected no later than 30 days thereafter or the **Class Member** shall be deemed to have waived any entitlement to reinstatement. Such reinstatement shall not require evidence of insurability.

3. Effective on the **Implementation Date**, each eligible **Class Member** who has elected to reinstate a **Terminated Policy** and has timely paid to the **Company** the required reserve amount or back premium described above will become eligible to receive, upon cash surrender or submission of a valid claim for policy benefits, an additional amount with respect to that policy identical to that set forth for the applicable policy type in § III A for **In-Force Policies**. The coverage and benefits of a reinstated policy will be prospective only, and shall not afford any coverage for events, deaths, injuries, accidents or illnesses occurring while the policy was terminated. Following reinstatement, policyholder must pay any future premiums due under the terms of the policy by automatic bank draft, by mail, or by delivery to the home or district office, on a monthly, quarterly, semi-annual, or annual basis, at rates consistent with the rates under the policy as originally issued, and for the full premium period contemplated by the original policy, in order to keep the policy **In-Force** for the period stated in the policy. The terms of coverage shall be identical to the terms of the policy as originally issued, except that (1) **Merchandise Burial Insurance Policies** reinstated pursuant to this **Settlement Agreement** shall be deemed to have been reformed in accordance with and in all respects subject to *Battle v. Liberty National Life Insurance Company*, 70-H-952-S (U.S. District Court, N.D. Ala.), effective upon reinstatement, and (2) the coverage period shall be that stated in the policy as originally issued, except that the coverage period for any **Reinstated Policy** other than an **Endowment Policy** shall be no less than two years from the **Reinstatement Date**.

4. **Persons** who fail to strictly comply with the reinstatement deadlines and procedures set forth above will be deemed to have waived all rights to reinstatement hereunder.

5. The relief provided for herein shall be deemed payment of settlement proceeds and not insurance proceeds, and shall not be subject to **Escheat**.

**E. Estate Policies and Matured Policies as to Which a Death Claim was Paid or Policy Matured No Later Than the Eligibility Date.**

In some cases, the insured under a **Class Policy** covered by this **Settlement Agreement** may have died while the policy was **In-Force** and had a death claim paid on or before the **Eligibility Date**. For purposes of this

**Settlement Agreement**, such **Class Policies** are referred to as “**Estate Policies.**” In the case of **Endowment Policies**, which under their terms pay the **Contractual Endowment Benefit** as of a **Maturity Date** specified in the Policy, the **Maturity Date** may have been reached (*i.e.*, the policy may have matured) while the **Class Policy** was still **In-Force**, as a result of which an endowment benefit was paid on or before the **Eligibility Date**. Such a matured **Endowment Policy** is referred to for purposes of this **Settlement Agreement** as a “**Matured Policy.**” If this **Settlement** is finally approved and becomes effective, then except as otherwise provided herein, the following relief will be afforded with respect to the **Estate** and **Matured Policies**:

For each **Estate Policy** and **Matured Policy** where the insured died and had a death claim paid on or before the **Eligibility Date**, or the policy matured and a claim for endowment benefits was paid on or before the **Eligibility Date**, if this **Settlement** is finally approved and becomes effective, the **Company** will, on the **Implementation Date** (or as soon thereafter as the proper recipient can be identified and located), and subject to the remainder of this paragraph and the terms and conditions of § IV, below, send the eligible **Class Member** (or his or her heir(s), estate, beneficiary, or other relative appearing to be equitably entitled to receive the benefit as determined by the **Company** and approved by **Class Counsel** in good faith) an amount equal to 35 (thirty-five) percent of the **Contractual Death Benefit** previously paid under each such eligible **Estate Policy** which is a **Class Life Insurance Policy**; up to 35 (thirty-five) percent of the **Contractual Endowment Benefit** previously paid with respect to each such eligible **Matured Policy** which is a **Class Endowment Policy**; up to 25 (twenty-five) percent of the **Original Wholesale Merchandise Burial Cost Obligation** for each such eligible **Estate Policy** which is a **Class Merchandise Burial Policy**; up to 35 (thirty-five) percent of any **Contractual Accidental Death Benefit** previously paid with respect to any **Accident Policy** which is a **Class Accident Policy**; and up to 35 (thirty-five) percent of the benefits previously paid under any other type of **Estate** or **Matured Policy** which is a **Class Policy**. Provided, however, that with respect to **Estate Policies** or **Matured Policies** where the insured died or the policy matured and a claim for endowment benefits was paid on or before December 31, 1975, the eligible **Class Member** (or his or her heir(s), estate, relative or beneficiary) shall additionally be required to first submit a timely and valid claim form on or before July 31, 2006, in accordance with §§ V (B), (C), and (D) below, in order to be eligible to receive such relief, and if they fail to do so, will be deemed to have waived all entitlement to such benefits hereunder, notwithstanding any other provision of this **Settlement Agreement**. **Settlement Benefits** as to **Estate Policies** and **Matured Policies** shall become due and be paid to the insured or other eligible family members or beneficiaries appearing to be equitably entitled thereto as and when identified and located on or after the **Implementation Date**, and the rights of multiple family members shall be determined in accordance with the Priority of Claims Schedule attached as **Exhibit C**. The relief provided for herein shall be deemed payment of settlement proceeds and not insurance proceeds, and shall not be subject to **Escheat**.

**F. Class Policies Terminated on or Before the Eligibility Date Which Insured Persons Who Died After the Policy Was No Longer In-Force But Before the Eligibility Date.**

Notwithstanding any other provision of this **Settlement**, persons claiming an interest in a **Class Policy** with respect to which the insured died after the policy ceased to be in force (and as to which no endowment benefit was paid) shall not be entitled to any benefits hereunder with respect to such policies unless a timely and valid **Claim Form (Exhibit A)** is filed with respect to such policy, and if a complete, valid, and timely **Claim Form** is filed, the eligible family members of the insured entitled to relief with respect to each such policy shall receive an amount equal to 25 (twenty-five) percent of the total out-of-pocket premiums paid on each **Class Policy** which is a **Merchandise Burial Policy** during the insured’s lifetime, and 35 (thirty-five) percent of the total out-of-pocket premiums paid on each other type of **Class Policy** during the insured’s lifetime. The burden of proving the amount of out-of-pocket premiums paid on each policy shall be on the claimants, and in the absence of an original Premium Receipt Book with authentic entries endorsed by the collecting agent, the **Company’s** records of issue date, lapse

date, and premium shall be controlling in determining the amount of premiums paid. There shall be only one such refund per qualifying policy under this paragraph. Premiums waived by the **Company** unilaterally or pursuant to a disability premium waiver provision shall not be deemed out-of-pocket premiums paid by the policyholder for purposes of this paragraph. The relief provided for herein shall become due and payable as soon as the eligible recipients are identified and located on or after the **Implementation Date**, and shall be deemed payment of settlement proceeds and not insurance proceeds, and shall not be subject to **Escheat**.

#### **IV. ALL SETTLEMENT RELIEF SUBJECT TO CERTAIN MINIMUM GUARANTEES AND MAXIMUM TOTALS.**

1. The **Settlement Relief** set forth in § III for **In-Force, Reduced Paid-Up, Extended Term, and Reinstated Policies** shall be funded through increased policy reserves as computed on a statutory basis. The **Settlement Relief** set forth in § III for **Estate and Matured Policies** shall be paid in the form of additional cash payments calculated as set forth above. The maximum guaranteed aggregate cost to the **Company** of the increased policy reserves on **In-Force, Reduced Paid-Up, Extended Term, and Reinstated Policies** and the cash payments on **Estate and Matured Policies** and on the **Terminated Policies** described in § III F, and the scholarship contributions provided for by the **Settlement**, and all other relief hereunder combined, is a combined total of \$6 million (six million dollars), notwithstanding any other provision of this **Settlement**.

2. Should the total aggregate amount otherwise due in **Settlement Relief** under § III (including increased reserves, cash payments, and scholarship contributions combined) be determined to be greater than \$6 million, all relief hereunder will be proportionally reduced such that exactly an aggregate of \$6 million shall be allocated with respect to the policies for all such **Settlement Relief** combined, while still complying with paragraphs 4 and 5 below.

3. The formulas for any such reductions of the type described in the preceding paragraph are set forth in **Exhibit K**.

4. Should the amount of reserves necessary to fund reinstatements at enhanced face amounts as set forth in § III D above be less than \$100,000, the difference between the actual amount of such reserves and \$100,000 shall be contributed by Liberty National in such amounts as it may determine to one or more of the following:

- a. Establishment of the Michael A. Figures Scholarship for African-American students at the University of Alabama School of Law.
- b. Liberty National Scholarships for African-American students at one or more of the following: Miles College, Fairfield, AL; The Randolph School, Huntsville, AL; Altamont School, Birmingham, AL; Advent Episcopal Day School, Birmingham, AL; Indian Springs School, Birmingham, AL; Montgomery Academy, Montgomery, AL; St. James School, Montgomery, AL; U.M.S.-Wright, Mobile, AL; St. Pauls, Mobile, AL; Bishop Toolen, Mobile, AL (sometimes called Toolen-McGill); Tuscaloosa Academy, Tuscaloosa, AL; Houston Academy, Dothan, AL; John Carroll High School, Birmingham, AL.

All funds to be disbursed pursuant to this paragraph (including scholarship contributions) shall be included in determining whether the \$6 million maximum described in § IV, ¶ 2, above has been exceeded.

5. Should the aggregate amounts necessary to pay or fund the relief to policies that resulted in a death claim or endowment on or before December 31, 1975, and to terminated policies described in § III F, be less than an aggregate total of \$2 million (two million dollars), then the difference between (a) the total of all payments and reserves required to provide relief to eligible **Class Members** on said policies, and (b) the sum of \$2 million (two million dollars) shall be contributed by Liberty National in such amounts as it may determine to one or more of the following:

- a. Establishment of the Michael A. Figures Scholarship for African-American students at the University of Alabama School of Law.
- b. Liberty National Scholarships for African-American students at one or more of the following: Miles College, Fairfield, AL; The Randolph School, Huntsville, AL; Altamont School, Birmingham, AL; Advent Episcopal Day School, Birmingham, AL; Indian Springs School, Birmingham, AL; Montgomery Academy, Montgomery, AL; St. James School, Montgomery, AL; U.M.S.-Wright, Mobile, AL; St. Pauls, Mobile, AL; Bishop Toolen, Mobile, AL (sometimes called Toolen-McGill); Tuscaloosa Academy, Tuscaloosa, AL; Houston Academy, Dothan, AL; John Carroll High School, Birmingham, AL.

Any funds to be disbursed pursuant to this paragraph (including scholarship contributions) shall be included in determining whether the \$6 million maximum described in § IV, ¶ 2, above has been exceeded.

6. On or before the **Accounting Date**, the **Company** shall provide an accounting to **Class Counsel** of the amounts that, based upon the **Company's** information on that date, would be disbursed to eligible **Class Members**, with and without regard to this § IV, so that **Class Counsel** can verify any decreases and/or scholarship contributions necessitated by the provisions set forth in this § IV.

### APPENDIX 3

(Excerpt from Stipulation of Settlement)

#### VIII. RELEASE AND WAIVER, AND ORDER OF DISMISSAL.

##### A. Release and Waiver

1. **Released Claims:** By virtue of this **Settlement**, **Plaintiffs** and the **Class** agree to the following **Release** and waiver, which shall take effect upon the **Effective Date**:

**Plaintiffs** and all **Class Members** hereby expressly agree that they each hereby release, remise and forever discharge Liberty National Life Insurance Company, Service Insurance Company of Alabama, Burial Service Insurance Company of Alabama, and each of their present and former officers, directors, agents, actuaries, consultants, attorneys, auditors, representatives, employees, affiliates, parent corporations, subsidiary corporations, reinsurers, creditors, predecessors, and successors (hereinafter referred to separately and severally as "the Releasees"), of and from any and all actual and potential causes of action, actual and potential claims for damages, awards, equitable, legal or administrative relief, all actual and potential claims for interest, and all other demands or rights, including, without limitation, claims for rescission, restitution, disgorgement, injunctive relief, other equitable relief, or damages of any kind, and including but not limited to claims for mental anguish, punitive damages, or attorneys' fees relating in any way to, or arising in whole or

in part from, any purported, known or unknown prior civil rights violations or acts of discrimination based on race, color, or ethnicity, whether based on federal, state or local law, statute, ordinance, regulation, contract, common law, or any other source, regarding **Class Policies**. Included among the claims hereby released, without limitation, are any and all known or unknown actual or potential claims under the provisions of federal or state civil rights laws, or under any other statutory laws or common laws regarding discrimination on the basis of race, color, or ethnicity, including, without limitation, 42 U.S.C. §§1981 and 1982, *et seq.*; any actual or potential claims regarding past acts of discrimination under Cal. Civ. Code § 1542 or any other statute authorizing actions by citizens acting as private attorneys general; any claims regarding fraudulent, negligent, reckless, or wanton misrepresentation or nondisclosure of past acts of racial discrimination; and any other actual or potential claims under federal or state constitutions or under state or federal common law, statutes or municipal ordinances that have been, could have been, may be or could be alleged or asserted now, in the past or in the future by or on behalf of any **Plaintiff** or any **Class Member** against the Releasees or any of them in the **Action**, in any court action, or before any administrative body (including any brought by or on behalf of any state attorney general or department of insurance or other regulatory entity or state prosecutorial or other organization), tribunal, arbitration panel, or other adjudicatory body on the basis of, connected with, arising out of, or related to, in whole or in part, alleged racially discriminatory pricing, sale, or design of any **Class Policies**, or any claims heretofore asserted in the **Action** regarding any **Class Policies**, including without limitation any actual or potential claims alleging, based in whole or in part upon, or relating in any way to any:

- a. actual or alleged past racial discrimination by the **Company** or any Releasees in the design, pricing, benefit structure, development, marketing, underwriting or sale of any **Class Policy**, or the collection of premiums thereon;
- b. allegation that the **Company** or any Releasees heretofore charged any African-Americans more than Caucasians for insurance benefits, provided lower benefits or different terms of coverage to African-Americans than to Caucasians, or used pretextual criteria to discriminate against minorities in the design, pricing, benefit structure, development, marketing, underwriting or sale of any **Class Policies**, or the collection of premiums thereon;
- c. past or future attorneys' fees, costs, expenses or disbursements incurred by **Class Members** or by **Class Counsel** or any other counsel representing any **Plaintiff** or any **Class Members** in the **Action**, or in any other **Action**, in connection with or related in any manner to the **Action**, the **Settlement** of the **Action**, the **Fairness Hearing**, any objection or appeal, the claims asserted or which could have been asserted in this **Action** or the administration of the **Settlement**, except to the extent otherwise expressly specified in the **Settlement Agreement**; and
- d. past or future claims that any Releasee's compliance with the terms of this **Agreement** give rise to any duty, liability or obligations of any kind other than those obligations expressly recited herein.

Notwithstanding the foregoing, the persons identified by name as individual plaintiffs in the Complaints and Amended Complaints on file in this Court as of January 18, 2006 in each of the following cases shall not be deemed to have released their individual claims for mental anguish or punitive damages stated in said Complaints and Amended Complaints: *Hull v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00219-UWC; *Adams v. Liberty National Life Insurance*

*Company*, Case No.: 2:02-cv-00454-UWC; *Wilkins, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00576-UWC; *Sunday, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00639-UWC; *Williams, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00717-UWC; *Brown v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00718-UWC; *Hudson, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00719-UWC; *Gray v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00903-UWC; *Betton v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00946-UWC; *Robinson, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01011-UWC; *Portias v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01034-UWC; *Durrough, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01371-UWC; *Morgan v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01498-UWC; *Arnold v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01619-UWC; *Townsell, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01875-UWC; *Bass, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-02335-UWC; *Billingsly, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00290-UWC; *Edwards v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-00620-UWC; *Hatchett, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01567-UWC; *Warren, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01568-UWC; *Barnes, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01571-UWC; *Clark v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01572-UWC; *Rogers, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01573-UWC; *Marshall, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01642-UWC; *Byrdsong, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01765-UWC; *Holmes, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01774-UWC; *Taylor, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01775-UWC; and *Finner, et al. v. Liberty National Life Insurance Company*, Case No.: 2:02-cv-01776-UWC. All other claims of any such persons identified by name in said complaints who are also **Class Members** shall be released to the extent set forth in the preceding paragraphs of this § VIII, above, including but not limited to any claims for any other compensatory damages or any equitable relief of any kind based upon claims regarding **Class Policies** of the type described in the preceding paragraphs of this § VIII.

The foregoing, separately and severally, shall be referred to for purposes of this **Settlement** as the **Release** or the **Released Claims**. **Class Members** shall not now or hereafter institute, or participate in, prosecute or maintain, or maintain a right to or assert against the Releasees, either directly or indirectly, on their own behalf, or on behalf of the **Class** or any other **Class Member**, person or entity, any **Released Claim**, and forever waive any claim for relief arising in whole or in part from any **Released Claim**, other than the relief set forth in this **Stipulation**.

2. Nothing in this **Release** shall be deemed to alter a **Class Member's** contractual rights to make a claim for contractual benefits that may become payable in the future pursuant to the terms of any **In-Force** or **Reinstated Policy** then in effect.

3. **Plaintiffs** and **Class Members** expressly understand that principles of law such as Cal. Civ. Code §1542 provide that a general release does not extend to claims which a creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor. To the extent that, as a result of or notwithstanding the choice of law provisions in the **Settlement Agreement**, California or other law may be applicable, **Plaintiffs** and the **Class Members** hereby agree that the provisions of §1542 and all similar federal or state laws, rights, rules or legal principles of any other jurisdiction

which may be applicable herein, are hereby knowingly and voluntarily waived and relinquished by **Plaintiffs** and the **Class Members**, and **Plaintiffs** and the **Class Members** hereby agree and acknowledge that this is an essential term of this **Release**.

4. In connection with this **Release**, **Plaintiffs** and the **Class Members** acknowledge that they are aware that they could conceivably hereafter discover racial discrimination or other claims relating to the matters released herein that are presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true with respect to the matters released herein. This **Release** fully, finally and forever settles and releases all such matters, and all claims relating thereto, which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) related in any way to the facts, transactions, and claims asserted in the **Action**.

5. Subject to the provisions of §§ **X** and **XI** and the injunctions contemplated hereby, nothing in this **Release** shall preclude any action or filing in this proceeding in the United States District Court for the Northern District of Alabama to enforce the terms of the **Settlement Agreement**, including participation in any of the processes detailed therein.

6. **Plaintiffs** and the **Class Members** hereby agree and acknowledge that each and all of the provisions of this **Release**, separately and together, constitute essential terms of the **Settlement Agreement** and shall be construed in favor of effectuating a complete **Settlement**.

#### **B. Order of Dismissal.**

The parties will seek from the **Court** a **Final Judgment and Order Approving Settlement**. In order for this **Settlement** to become **Effective**, the **Final Judgment and Order Approving Settlement** must, among other things: (a) approve this **Settlement Agreement** as fair, reasonable and adequate, without any modification that is objected to by either **Class Counsel** or the **Company**; (b) dismiss the **Action** and all **Released Claims** therein with prejudice and on the merits as to all **Class Members**; (c) approve the terms of the **Release** without any modification that is objected to by either **Class Counsel** or the **Company**; and (d) be affirmed in its entirety in the event of any appeal, without any modification that is objected to by either **Class Counsel** or the **Company**, or otherwise become final and binding under applicable law upon expiration of the time for appeal.

### **APPENDIX 4**

(Excerpts from Stipulation of Settlement)

#### **B. Claim Forms**

The **Claim Form (Exhibit A)** shall be provided to **Class Members** for whom valid addresses can be located (as described above) in the **Class Notice Package**, and to any other potential **Class Members** upon request to the **Company** or request to the **Liberty National Settlement Administration Center**. **Claim Forms** must be complete in order to be valid, and must be received by the **Liberty National Settlement Administration Center** no later than the **Claim Form Due Date** of July 31, 2006 in order for the **Claim Form** to be timely. **Class Members** submitting **Claim Forms** must include in the **Claim Form** the policy number for each **Class Policy** for which they are submitting the **Claim Form**. The **Company** shall determine the eligibility of **Class Members** (or their heirs, descendants, estate representatives or beneficiary(ies)) who submit valid and timely **Claim Forms** in accordance with the **Priority of Claims Schedule** attached as **Exhibit C**. The **Company** shall on the **Accounting**

**Date** provide to **Class Counsel** a report summarizing its determinations as to the timeliness and validity of each **Claim Form** received, and the claimant's eligibility for relief, and shall notify at the same time each claimant of the disposition of his or her claim. If **Class Counsel** or the claimant disputes the **Company's** determinations, they shall notify the **Liberty National Settlement Administration Center** in writing of the dispute or the basis for the dispute no later than 14 days prior to the **Implementation Date**. The **Company** and **Class Counsel** shall then attempt to resolve such claims in good faith. If **Class Counsel** and the **Company** are unable to agree, the **Court** shall determine the validity of each such disputed **Claim Form** in accordance with the terms of this **Settlement**.

### C. General Claim-In Procedure.

**Class Members' Policies** which are **In-Force, Extended Term Policies, or Reduced Paid Up Policies** as of the **Eligibility Date** will be eligible for relief as specified herein regardless of whether a **Claim Form** is filed. **Class Members** may receive relief for which they are otherwise eligible with respect to **Class Policies** which are **Terminated Policies** insuring persons still alive only if they submit a timely and valid, fully completed **Reinstatement and Terminated Policy Information Request Form** (a copy of which is attached hereto as **Exhibit B**) no later than July 31, 2006 and only if they also thereafter pay the **Reinstatement Amount** due as described in § III, above. **Class Members** may receive relief for which they are otherwise eligible with respect to **Class Policies** which are **Terminated Policies** that insured persons who died after the policy was out-of-force only if they submit a complete, valid, and timely **Claim Form (Exhibit A)** no later than the **Claim Form Due Date** (July 31, 2006). Eligible **Class Members** may receive relief with respect to **Class Policies** which are **Estate Policies or Matured Policies** as to which (a) the insured died or the policy matured while the policy was in force or on **Reduced Paid Up or Extended Term** status, and (b) a death or endowment claim was paid on or before December 31, 1975, only by submitting a timely and valid **Claim Form** by the **Claim Form Due Date** (July 31, 2006). **Class Policies** which are **Estate or Matured Policies** of otherwise eligible **Class Members** as to which (a) the insured died or the policy matured while the policy was in force or on reduced paid-up or on extended term status, and (b) a death or endowment claim was paid on or after January 1, 1976 will receive the relief specified herein on the **Implementation Date**, or as soon thereafter as they are identified and located, regardless of whether a **Claim Form** is filed. However, all **Class Members** will be advised in the **Class Notice** that the failure to file a **Claim Form** may prevent the **Company** from being able to identify and locate the proper recipient of **Settlement Benefits**, or may delay the process of identifying and locating the proper recipient; and will be deemed a waiver of a particular claimant's entitlement to such proceeds if the **Company** pays another person deemed, believed, or claiming to have an interest in the same policy or appearing to be equitably entitled to such proceeds (as specified in § V(A), above). Therefore, all **Class Members** are advised (and shall be told in the **Class Notice Package**) to file a timely and valid **Claim Forms** (or for **Terminated Policies**, a **Reinstatement and Terminated Policy Information Request Form**) in order to ensure that they receive any benefits to which they may be entitled under this **Settlement**. The **Company** shall provide a **Claim Form** and a **Reinstatement and Terminated Policy Information Request Form** in the **Class Notice Package**, and shall further provide said forms to any other potential **Class Member** upon request or upon identification and location of such **Class Member** by the **Company** at any time before the **Claim Form Due Date** (July 31, 2006). **Class Members** who fail to submit a timely, complete and valid **Claim Form** or **Reinstatement and Terminated Policy Information Request Form** will be deemed to have waived all claims to relief with respect to policies for which a timely and valid **Claim Form** is a requirement for eligibility under this **Settlement Agreement**. **Class Members** may file a **Claim Form** or **Reinstatement and Terminated Policy Information Request Form** regardless of whether or not they file an objection to the **Settlement**.

### D. Disputes with Respect to Status, Entitlement or Eligibility of Class Members.

Claims shall be determined in accordance with the **Priority of Claims Schedule** attached hereto as **Exhibit C**. The **Company** shall have the right to request such additional information as may be reasonably necessary or appropriate from **Class Members** or others claiming entitlement to benefits under this **Settlement** in order to determine eligibility for benefits hereunder. In the event of a dispute between the **Company** and a **Class Member** regarding that **Class Member's** status in the **Class** (*e.g.*, premium-paying versus lapsed or terminated, or paid-up versus lapsed or terminated), or eligibility for relief herein, the **Class Member** may provide documentary evidence of payment of premiums on a **Class Policy**, or other documentary evidence, in order to establish the **Class Member's** status in the **Class** and entitlement to benefits. If such information or evidence as submitted by a **Class Member** or putative **Class Member** is insufficient to demonstrate to the **Company** that the **Class Member's** status should be changed or that the putative **Class Member** is eligible for relief, or if multiple claimants claim or appear to be entitled to relief with respect to the same policy, then the **Company** shall consult with **Class Counsel**, after which the **Company** and **Class Counsel** shall confer in good faith to resolve any disagreement concerning the sufficiency of the information provided or the entitlement to relief under the terms of this **Settlement Agreement**. If the **Company** and **Class Counsel** do not agree, the status, entitlement and eligibility of each such claimant or **Class Member** under the terms of this **Settlement Agreement** shall be determined by the **Court** in accordance with the terms of this **Stipulation**.

#### APPENDIX 5

(Excerpts from Stipulation of Settlement)

#### VI. SETTLEMENT TO BE ON A NO-OPT-OUT BASIS.

No **Class Member** shall have the option to be excluded from this **Settlement**. The **Court** has heretofore certified a no-opt-out class pursuant to Rule 23(b)(2) of the Federal Rules of Civil Procedure over Liberty National's objection, and both the United States Court of Appeals for the Eleventh Circuit and the United States Supreme Court thereafter rejected Liberty National's attempts to appeal that ruling. The parties have now therefore agreed to settle the claims of the **Class** on a no-opt-out basis. This is a material and essential term of this **Settlement**.

#### APPENDIX 6

(Excerpts from Stipulation of Settlement)

#### VII. OBJECTIONS TO THE SETTLEMENT.

1. Any **Class Member** who wishes to object to the approval, fairness, reasonableness, adequacy or any other aspect or effect of this **Settlement Agreement**, or to the fact that **Class Members** will not be permitted to opt out of the **Settlement**, or to the award of attorneys' fees and expenses, or to the **Court's** jurisdiction, must deliver to the **Liberty National Settlement Administration Center** and **Class Counsel**, and file with the Clerk of **Court**, no later than 10 days before the **Fairness Hearing** (the "**Objection Deadline**"), a written statement of his or her objection, 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 the **Class Member** wishes to introduce in support of the objection. The objection must list by policy number each policy of the **Class Member** as to which the objection is asserted. **Class Members** may so object either on their own or through an attorney hired at their own expense. Objections must be personally signed by each **Class Member** objecting, and must be received by the Clerk of **Court** on or before the deadline. **Class Members** who do not submit written objections in strict

compliance with this deadline and the foregoing procedures shall be deemed to have consented to the **Settlement**, to have waived all objections to the **Settlement**, and shall be deemed to have consented to the exercise of jurisdiction by the **Court** over all aspects of this **Settlement**.

2. **Class Members** and their personal attorneys may obtain access at their own expense to the documents disclosed through discovery to **Class Counsel** by the **Company** in the **Action**, but must first agree in writing to be bound by the **Stipulation and Order of Confidentiality** attached as **Exhibit F**. These discovery documents shall be made available by appointment during regular business hours at the offices of Whatley Drake LLC, 2323 North Second Avenue, Birmingham, Alabama 35203. **Class Counsel** shall inform the **Company's** counsel promptly of any requests by **Class Members** or their attorneys or other persons or entities for access to such documents.

3. If a **Class Member** hires an attorney to represent him or her, he or she must do so at his or her own expense, but the attorney must: (a) file a notice of appearance with the Clerk of **Court** no later than 10 days before the **Fairness Hearing** or as the **Court** otherwise may direct, and (b) deliver to the **Liberty National Settlement Administration Center** and to **Class Counsel**, such that it is received no later than 10 days before the **Fairness Hearing**, a copy of the same.

4. Any **Class Member** who properly files and serves a timely written objection, as described in this **§ VII**, may appear at the **Fairness Hearing**, either in person or through personal counsel hired at the **Class Member's** expense, to object to the fairness, reasonableness or adequacy of this **Settlement Agreement** or the proposed settlement, or to the award of attorneys' fees and expenses. However, **Class Members** or their attorneys intending to make an appearance at the **Fairness Hearing** must also deliver to the **Liberty National Settlement Administration Center** and to **Class Counsel** and file with the **Court**, no later than 10 days before the **Fairness Hearing**, a written notice of intention to appear.

5. Any **Class Member** who fails to strictly comply with the provisions of this **§ VII** shall waive and forfeit any and all rights he or she may have to appear separately and/or object, and shall be bound by all the terms of this **Settlement Agreement**, by the **Release** set forth below, and by all proceedings, orders and judgments in the **Action**.

6. **Class Counsel** and the **Company** shall submit any briefs or evidentiary materials in opposition to the objections or in support of the **Settlement** at least three days before the **Fairness Hearing**.

**APPENDIX 7**

(Preliminary Injunction Entered By Chief Judge Clemon)

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

<b>In Re:</b>	)	
<b>LIBERTY NATIONAL LIFE INSURANCE</b>	)	
<b>CASES</b>	)	<b>Master Case No.</b>
	)	<b>2:02-cv-2741-UWC</b>

\*\*\*\*\*

<b>ELLEN GAYLE MOORE, FANNIE W. McCONNELL, and ANITA BOWERS, on behalf of themselves and all others similarly situated,</b>	)	
	)	
<b>Plaintiffs,</b>	)	
	)	
<b>v.</b>	)	<b>Case No.: 2:99-cv-3262-UWC</b>
	)	
<b>LIBERTY NATIONAL LIFE INSURANCE COMPANY,</b>	)	
	)	
<b>Defendant.</b>	)	

**PRELIMINARY INJUNCTION**

Until otherwise ordered by this Court, no Class Member, nor any other person acting on behalf of or in concert with a Class Member, may hereafter initiate any separate action on behalf of any Class Member or the Class, which asserts Released Claims as defined in the Stipulation of Settlement. All Class Members and all persons acting on behalf of or in concert with any such Class Member are hereby preliminarily enjoined from, directly or indirectly, (i) filing, commencing any lawsuit, claim, demand, or proceeding in any jurisdiction that is based on or related to, directly or indirectly, in whole or in part, the allegations, facts, subjects or issues set forth in or raised in the Action or to be released under the terms of the proposed Settlement; (ii) organizing or soliciting Class Members or objectors for purposes of pursuing any separate lawsuit (individually or as a purported class action) in any jurisdiction that is based on or related to, directly or indirectly, in whole or in part, the allegations, facts, subjects or issues set forth or raised in the action or proposed to be released in this proposed Stipulation of Settlement; (iii) filing or soliciting objections on behalf of anyone but themselves; (iv) otherwise challenging the Settlement on behalf of anyone but themselves, or in any Court other than this Court.

If this Settlement is finally approved by the Court after the Fairness Hearing, the foregoing injunction shall be made permanent as to all Released Claims regarding policies of Class Members. If this Settlement is finally approved after the Fairness Hearing, an Order and Final Judgment will also be entered enjoining Liberty National to comply with all terms of this Stipulation of Settlement.

Nothing in this Preliminary Injunction shall prohibit the persons identified by name in the Complaints and Amended Complaints in the consolidated individual actions previously filed in this Court from pursuing their individual claims for mental anguish and punitive damages only, based on the individual claims pending before this Court in such consolidated actions as of January 18, 2006, to the extent such claims are expressly excluded from the Release in § VIII of the Stipulation.

Done this 26th day of January, 2006.

/s/ U.W. Clemon  
Chief United States District Judge  
Northern District of Alabama

EXHIBIT A

CLAIM FORM

COMPLETE AND RETURN BY JULY 31, 2006

ALL INFORMATION OTHER THAN "SIGNATURES" MUST BE PRINTED.

Liberty National Settlement Administration Center
P.O. Box 12685
Birmingham, AL 35202

Toll Free: 1-866-509-8841

Section 1 (To be completed by named insured if insured is alive. IF NAMED INSURED IS DECEASED, PROCEED TO SECTION 2)

Full Name of Insured (Please print)
First Name Middle Name Maiden name (if applicable) Last Name

Any other known names (married or otherwise) or nicknames

Insured's Current Mailing Address

Daytime Phone ( ) - Evening Phone ( ) -

Insured's Date of Birth / /
month day year (required)

Policy Number (required) Company Issuing the Policy

The policy number will be located on the policy itself or on other documents provided by the Company. If the Insured has more than four policies, you may attach additional sheets and provide the same information as requested above for each additional policy. Claimant is responsible for supplying the policy number, and failure to provide the policy number may result in your claim being denied. If you have any documents that might help us identify the policy, please include copies of the documents when you return this form. Call the toll free number above with information about the Insured's policy or policies and the Liberty National Settlement Administration Center will be glad to assist you. The more information you provide, (i.e., approximate issue date, names of possible beneficiaries, address/county of residence of insured at time policy(ies) were issued), the better we will be able to determine if you are eligible for settlement relief. If you do not provide enough information for the Company to identify the policy, you will not be eligible for settlement benefits.

I, (print your name) , declare under penalty of perjury that the information I have provided is true and correct to the best of my knowledge and that I am the Insured under the policy and that I am an African-American.

Signature (Required) Date

**CLAIM FORM**  
**COMPLETE AND RETURN BY JULY 31, 2006**  
**ALL INFORMATION OTHER THAN "SIGNATURES" MUST BE PRINTED.**

**Liberty National Settlement Administration Center**  
**P.O. Box 12685**  
**Birmingham, AL 35202**

**Toll Free: 1-866-509-8841**

**Section 2 (TO BE COMPLETED IF THE INSURED IS DECEASED).** A separate form must be completed for each deceased insured. You may make photocopies of this form, if needed.

**Full Name of Insured** (Please print) \_\_\_\_\_  
First Name Middle Name Maiden Name (if applicable) Last Name

**Any other known names (married or otherwise) or nicknames** \_\_\_\_\_

**Insured's date of Birth** \_\_\_\_/\_\_\_\_/\_\_\_\_  
month day year (required)

**Insured's date of Death** \_\_\_\_/\_\_\_\_/\_\_\_\_  
month day year (required)

**Policy Number (required)** \_\_\_\_\_ **Company Issuing the Policy** \_\_\_\_\_

**Policy Number (required)** \_\_\_\_\_ **Company Issuing the Policy** \_\_\_\_\_

**Policy Number (required)** \_\_\_\_\_ **Company Issuing the Policy** \_\_\_\_\_

**Policy Number (required)** \_\_\_\_\_ **Company Issuing the Policy** \_\_\_\_\_

If the Insured had more than four policies, you may attach additional sheets and provide the same information as requested above for each additional policy. Claimant is responsible for supplying the policy number, and failure to provide the policy number may result in your claim being denied. If you have any documents that might help us identify the policy, please include copies of the documents when you return this form. Call the toll free number above with information about the Insured's policy or policies and the Liberty National Settlement Administration Center will be glad to assist you. The more information you provide, (i.e., approximate issue date, names of possible beneficiaries, address/county of residence of insured at time policy(ies) were issued), the better we will be able to determine if you are eligible for settlement relief. If you do not provide enough information for the Company to identify the policy, you will not be eligible for settlement benefits.

**Full Name of Beneficiary or Claimant** (Please Print) \_\_\_\_\_

**Relationship to Insured** \_\_\_\_\_

**Your Mailing Address** \_\_\_\_\_  
\_\_\_\_\_

**Daytime Phone** (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

**Evening Phone** (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

I, (print your name) \_\_\_\_\_, declare under penalty of perjury that the information I have provided is true and correct to the best of my knowledge and that the Insured under the policy was an African-American.

**Signature** (Required) \_\_\_\_\_

**Date** \_\_\_\_\_

**EXHIBIT B**

**REINSTATEMENT AND TERMINATED POLICY INFORMATION REQUEST FORM**

**COMPLETE AND RETURN BY JULY 31, 2006**

**ALL INFORMATION OTHER THAN "SIGNATURES" MUST BE PRINTED.**

**Liberty National Settlement Administration Center  
P.O. Box 12685  
Birmingham, AL 35202**

**Toll Free: 1-866-509-8841**

**PART 1: I request reinstatement information on the following policy that has terminated but as to which the insured is still ALIVE: (A separate Reinstatement and Terminated Policy Information Request Form must be submitted for each policy. You may make photocopies of this form, if needed).**

**IF THE INSURED UNDER A LAPSED OR TERMINATED POLICY DIED AFTER THE POLICY WENT OUT OF FORCE, PROCEED TO PART 2.**

**POLICY NUMBER OF POLICY FOR WHICH INFORMATION IS REQUESTED (required). \_\_\_\_\_**

**Company issuing the Policy \_\_\_\_\_ Policy Issue Date \_\_\_\_\_**

**Full Name of Insured (Please print) \_\_\_\_\_**

**Insured's Current Mailing Address \_\_\_\_\_  
\_\_\_\_\_**

**Daytime Phone (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Evening Phone (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_**

**Insured's Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
month day year**

**PLEASE NOTE:**

1. You must reinstate a terminated policy to receive Settlement benefits for that policy; and,
2. Only the person named as Insured under the policy when it terminated can reinstate the policy, and that Insured must still be living in order to reinstate the policy.
3. If you feel you may want to reinstate your policy, return this Reinstatement and Terminated Policy Information Request Form No Later Than July 31, 2006 and the Company will send you information stating the cost to reinstate your policy, the amount of future premium payments and a form to complete for reinstatement.

**You can receive assistance by calling the toll free number above with information about the Insured's policy.**

**I, (print your name) \_\_\_\_\_, declare under penalty of perjury that the information I have provided is true and correct to the best of my knowledge and I am insured under the policy and that I am an African-American.**

**Signature (Required) \_\_\_\_\_ Date \_\_\_\_\_**

**REINSTATEMENT AND TERMINATED POLICY INFORMATION REQUEST FORM**  
**COMPLETE AND RETURN BY JULY 31, 2006**  
**ALL INFORMATION OTHER THAN "SIGNATURES" MUST BE PRINTED.**

**Liberty National Settlement Administration Center**  
**P.O. Box 12685**  
**Birmingham, AL 35202**

**Toll Free: 1-866-509-8841**

**PART 2: (TO BE COMPLETED IF INSURED IS DECEASED)**

**I request terminated policy relief information on the following policy as to which the insured died after the policy went out of force: (A separate Reinstatement and Terminated Policy Information Request Form must be submitted for each policy. You may make photocopies of this form, if needed.)**

**Full name of Claimant** \_\_\_\_\_

**Relationship to Insured** \_\_\_\_\_

**Policy Number for which information is sought (required)** \_\_\_\_\_

**Full Name of Insured** \_\_\_\_\_

**Insured's Date of Death** \_\_\_\_\_

**All past addresses of insured to your knowledge** \_\_\_\_\_

**Any other names by which insured may have been known (maiden names, nicknames, etc.)** \_\_\_\_\_

**Your current address** \_\_\_\_\_

**Daytime Phone** (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ **Evening Phone** (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

The policy number will be located on the policy itself or on other documents provided by the Company. Claimant is responsible for supplying the policy number, and failure to provide the policy number may result in your claim being denied. If the Insured has a policy or policies for which you do not have the policy number, and you have any documents that might help us identify the policy, please include copies of the documents when you return this form. Call the toll free number above with information about the Insured's policy or policies and the Liberty National Settlement Administration Center will be glad to assist you. The more information you provide (i.e., approximate issue date, names of possible beneficiaries, address/county of residence of insured at time policy(ies) were issued), the better we will be able to determine if you are eligible for settlement relief. If you do not provide enough information to identify the policy, you will not be eligible for settlement benefits.

**I, (print your name) \_\_\_\_\_, declare under penalty of perjury that the information I have provided is true and correct to the best of my knowledge and that the Insured under the policy was an African-American.**

**Signature of Claimant:** \_\_\_\_\_ **Date** \_\_\_\_\_

**EXHIBIT C**

**PRIORITY OF CLAIMS SCHEDULE**

1. All benefits under this Settlement with respect to In-Force policies and Reinstated Policies shall be payable at the time of a valid claim for benefits or cash surrender of the policy, except as otherwise expressly set forth in the Stipulation.

2. With respect to Estate Policies and Matured Policies, any increased policy benefit payments due hereunder shall be paid to the otherwise eligible insured under the policy in question, if living, and if the insured is not living, then the order of priority of entitlement to such payment among otherwise eligible competing claimants shall be a) the payee of any prior death claim or endowment under the policy (or person who filed the death claim if the payee was a funeral home), if such person is otherwise eligible and found still living as of the implementation date; b) in the absence of the foregoing, the last primary beneficiary (or if no primary beneficiary is living, secondary beneficiary) of such policy designated in the policy itself or in the records of the company, if such beneficiary is otherwise eligible and is found living as of the implementation date; c) in the absence of any of the foregoing, the legally recognized spouse of deceased insured at the time of the insured's death, if such spouse is otherwise eligible and is found living as of the implementation date; d) in the absence of any of the foregoing, the child of the deceased insured, if such child is otherwise eligible and is found living as of the implementation date; e) in the absence of any of the foregoing, any other relative of the insured who is otherwise eligible, is found living as of the implementation date and appears to the company and class counsel to be equitably entitled to the relief hereunder with respect to the policy in question.

3. In the event multiple claimants all satisfying the same level of priority set forth in paragraph 2 above all claim to be entitled to the increased benefit payment hereunder with respect to the same policy, the increased benefit payment described herein shall be divided between all claimants equally.

4. Any disputes as to entitlement shall be submitted to the court for resolution.

5. Notwithstanding anything else in this priority schedule, no person shall be entitled to any benefits under the Settlement with respect to terminated policies as to which the requirement for reinstatement set forth in the Settlement have not been fully and timely fulfilled, and no person shall be entitled to any benefits with respect to any estate or matured policy as to which the insured died or the policy endowed before January 1, 1976 unless a timely and valid claim form is submitted as set forth in the Settlement Agreement.

**EXHIBIT D****List of Potential Liberty  
National Class Policy  
Plan Types Issued  
Before 1950****Type****N****O****P****R****S****T****V****W****CA****CB****HA****NA****NB****NC****NE****NG****NH****XA****XB****XF****YH****YJ****YM****EXHIBIT E****List of Potential Service Insurance Company  
of Alabama and Burial Service Insurance  
Company Class Policy Plan Types Issued  
after 1948****Type****F****W****CD****CE****CO****CP****CR****CT****CW****CX****MF****NR****NS****NT****NU****PA****SF****VF****Alternate Terminology****PB 15****PB 99****PC 20****PC 99****PC 10****PV 15**

**EXHIBIT F**

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF ALABAMA  
 SOUTHERN DIVISION

ELLEN GAYLE MOORE, On Behalf of	)	Civ. No. 02:02-cv-2741-UWC
Herself and All Others Similarly Situated,	)	
	)	STIPULATION OF CONFIDENTIALITY
Plaintiffs,	)	FOR DISCOVERY MATERIALS MADE
	)	AVAILABLE TO CLASS MEMBERS
vs.	)	
	)	
LIBERTY NATIONAL LIFE INSURANCE	)	
COMPANY,	)	
	)	
Defendant.	)	
_____	)	
	)	
	)	

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned, as follows:

1. Pursuant to the Court’s prior Orders Whatley Drake, LLC will provide the undersigned Class Member(s) and/or their counsel with access to (a) the documents disclosed to named plaintiffs’ counsel in the course of discovery in the above-captioned litigation (the “Action”). Access to these documents is provided only until the Exclusion Deadline specified in the Stipulation of Settlement.
2. All of the documents and material described in the preceding paragraph 1 shall be deemed “Confidential Information.” All Confidential Information to which the undersigned Class Member(s) and/or their counsel are given access is subject to this Stipulation, and such Confidential Information shall not be used or disclosed to anyone except as provided herein.
3. Confidential Information shall be used solely for purposes of evaluating the fairness, reasonableness and adequacy of the proposed Settlement in this Action and for no other purpose. In particular, and without limitation, Confidential Information shall not be used (a) in the litigation of this Action should the parties not reach a Settlement, (b) in the litigation of this Action if the Court should fail to approve the proposed Settlement of this Action for any reason, or if any appellate court should reverse an order of the Court approving the proposed Settlement, or (c) in any other litigation, arbitration, or other judicial or administrative proceeding (including in the investigation or preparation of any such proceeding).
4. The undersigned Class Member(s) and/or their counsel may inspect the Confidential Information in the offices of Lead Counsel by prior appointment and during regular business hours. Duplication of documents or materials containing Confidential Information shall not be permitted, except for documents that the undersigned Class Member(s) and/or their counsel represent to the Court that they need to duplicate for the Court in support of a point of objection. However, in the course of inspecting the Confidential Information, the undersigned

Class Member(s) and/or their counsel shall be permitted to make a reasonable amount of notes reflecting their review of Confidential Information. Any notes, memoranda, dictation or documentation reflecting, incorporating or otherwise referring to the Confidential Information shall be treated as and be deemed to be Confidential Information.

5. Access to Confidential Information shall be limited to:
  - a. the undersigned Class Member(s);
  - b. their undersigned counsel;
  - c. employees of such counsel assigned to and necessary to assist such counsel in evaluating the proposed Settlement; and
  - d. consultants or experts, to the extent necessary to assist the undersigned Class Member(s) and/or their counsel in evaluating the proposed Settlement.
6. Any person given access to Confidential Information shall be advised, before being granted access, of the terms of this Stipulation and of the Court's Order with Respect to Proposed Settlement and shall thereby become subject to such terms, including, without limitation, the requirement that such Confidential Information may not be disclosed to any person other than those described in paragraph 5 hereof. In addition, access to Confidential Information shall not be provided to any person described in subparagraphs 5(c) or 5(d) hereof until and unless such person has executed the undertaking in the form attached hereto as Annex 1. The individual who provides access to Confidential Information to such person shall retain the executed undertaking and shall provide a copy of it to Lead Counsel.
7. By providing access to Confidential Information, no party to this Action shall be held to have waived any claim that such Confidential Information is privileged, confidential or protected from discovery as attorney work product. The undersigned Class Member(s) and/or their counsel agree that they, or any of them, shall not contend or otherwise take the position in this or in any other pending or future proceeding that any party has waived the attorney-client privilege and/or the protection of the attorney work product doctrine, or any other privilege or protective doctrine, with regard to Confidential Information.
8. The provisions of this Stipulation shall survive the termination of this Action. At the earlier of (a) the conclusion of this Action, or (b) such time as the parties decide not to continue to seek Settlement of this litigation, all notes and other records containing or reflecting Confidential Information shall be destroyed. Defendants in this Action reserve the right to demand written certification of destruction from any person who has been given access to Confidential Information.
9. The terms of this Stipulation shall be enforceable by any aggrieved party, including any party to this Action, and any breach of such terms shall give rise to any and all applicable legal and equitable remedies for enforcement of the Stipulation and/or relief, including damages, for its breach.
10. Pursuant to the Court's Orders incorporating this Stipulation, any breach of the terms of this Stipulation shall constitute a violation of the Court's Order and may result in an order of contempt of court or other sanctions, upon application to the Court by any party aggrieved by such violation, including any party to this Action.

11. Notwithstanding anything to the contrary contained herein, the undersigned Class Member(s) and/or their counsel agree that (a) no Confidential Information disclosed pursuant to this Stipulation may be used in the litigation of the Action or any other proceeding, unless such Confidential Information is obtained independently through discovery requests made by the undersigned Class Member(s) and/or their counsel to defendants and (b) discovery requests seeking Confidential Information shall not be served on Lead Counsel or any of Plaintiffs' counsel. The undersigned Class Member(s) and/or their counsel agree that their receipt of access to Confidential Information shall not be construed or used as an admission or concession by defendants of relevance, responsiveness, discoverability, admissibility or any other matter.
12. The undersigned Class Member(s) and/or their counsel agree to notify defendants immediately if any person granted access to the Confidential Information under this Stipulation is served with or otherwise receives a subpoena, summons, court order, request or application requiring disclosure of the Confidential Information. In any such instance, the undersigned Class Member(s) and/or their counsel also agree (a) not to oppose defendants' efforts to prevent the disclosure of the Confidential Information, and (b) not to surrender the Confidential Information to any third party without the consent of defendants or except by the final order of a court having jurisdiction.
13. The notice required by paragraph 12 of this Stipulation must be provided by facsimile or overnight mail or other overnight delivery service to:  
  
Charlene Ford  
Whatley Drake, LLC  
2323 2nd Avenue North  
Birmingham, AL 35203  
Telephone: (205) 328-9576  
Facsimile: (205) 328-9669
14. No waiver by any party hereto of any breach of any condition or provision of this Stipulation shall be deemed a waiver of a similar or dissimilar provision or condition.
15. The undersigned Class Member(s) and/or the undersigned counsel (individually and on behalf of the Class member(s)), consent to the jurisdiction of the United States District Court, Northern District of Alabama, Southern Division, for purposes of interpretation and enforcement of this Stipulation.
16. This Stipulation may be executed in any number of counterparts.

ANNEX 1

UNDERTAKING

The undersigned hereby certifies that he/she understands that Confidential Information is being provided to him/her pursuant to the terms and restrictions of the Stipulation of Confidentiality (the "Stipulation") approved by the United States District Court for the Northern District of Alabama, Southern Division (the "Court") in the lawsuit captioned *Ellen Gayle Moore, On Behalf of Herself and All Others Similarly Situated v. Liberty National Life Insurance Company* (Civil Action No.: 02:02-CV-2741-UWC), by an Order of the Court entitled Order with Respect to Proposed Settlement (the "Order"). The undersigned also certifies that he/she has been provided with the Stipulation, has read and understands the terms thereof, and agrees to be bound thereby.

The undersigned acknowledges that breach of the Stipulation shall be actionable by any aggrieved party, including any party to the aforementioned action, and that such breach shall subject the undersigned to any and all applicable legal and equitable remedies for enforcement of the Stipulation and/or relief, including damages, for its breach. The undersigned also acknowledges that breach of the Stipulation will violate the Court's Order and may subject the undersigned to an order of contempt of court or other sanctions, upon application to the Court by any party aggrieved by such violation, including any party to the aforementioned action. The undersigned hereby subjects himself/herself to the jurisdiction of the Court for purposes of enforcement of the terms and restrictions of the Stipulation and/or the Order.

Dated: \_\_\_\_\_

## **EXHIBIT G**

### **IMPORTANT INFORMATION FOR AFRICAN-AMERICAN POLICYHOLDERS**

You may be eligible to receive benefits from a proposed class action settlement if you are an African-American and you bought a Life Insurance Policy, Merchandise Burial Policy, Accident Policy, Endowment Policy, or other insurance policy issued by Liberty National Life Insurance Company on or before December 31, 1949, or issued by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama on or before January 10, 1966.

IF THIS SETTLEMENT IS APPROVED BY CHIEF JUDGE U.W. CLEMON, THEN DEPENDING ON THE STATUS OF YOUR POLICY, YOU MAY RECEIVE (1) AN INCREASE OF BENEFITS UNDER ANY SUCH POLICIES WHICH ARE STILL IN FORCE; OR (2) THE RIGHT TO REINSTATE ANY SUCH POLICIES WHICH LAPSED OR WERE SURRENDERED, WITH ENHANCED BENEFITS; OR (3) A PARTIAL REFUND OF OUT-OF-POCKET PREMIUMS PREVIOUSLY PAID ON CLASS POLICIES AS TO WHICH THE INSURED DIED AFTER THE POLICY WAS NO LONGER IN-FORCE; OR (4) AN ADDITIONAL PAYMENT ON PAST DEATH CLAIMS IF YOU WERE THE HEIR OR BENEFICIARY OF A PREVIOUS DEATH CLAIM ON SUCH A POLICY (\$30-\$60 IN MOST CASES).

FOR MORE INFORMATION, PLEASE CALL: 1-800-898-7891

IF YOU USE A TDD/TTY CALL 1-866-524-4170

PLEASE HAVE THE POLICY NUMBER WHICH YOU ARE CALLING ABOUT AVAILABLE WHEN YOU CALL.

ANY OBJECTIONS TO THE SETTLEMENT ARE DUE MARCH 21, 2006. CLAIM FORMS FOR SETTLEMENT BENEFITS ARE DUE JULY 31, 2006. YOU MAY FORFEIT SETTLEMENT BENEFITS IF YOU DO NOT FILE A CLAIM FORM BY JULY 31, 2006. PLEASE CALL THE NUMBERS ABOVE FOR MORE INFORMATION AND A COMPLETE SETTLEMENT PACKAGE. CHIEF JUDGE U.W. CLEMON OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ALABAMA WILL HOLD A FAIRNESS HEARING ON MARCH 31, 2006 AT 9:00 A.M. AT THE FEDERAL COURTHOUSE IN BIRMINGHAM, ALABAMA TO DECIDE IF THIS SETTLEMENT WILL BE APPROVED. IF IT IS APPROVED, ALL CLASS MEMBERS WILL BE BOUND BY THE SETTLEMENT.

## EXHIBIT H

### Summary Notice Of The Pendency Of Class Action Proposed Settlement, And Hearing To Determine If Settlement Will Be Approved

TO ALL MEMBERS OF THE FOLLOWING CLASS:

**All black Americans who have (or had at the time of the policy's termination) an ownership or other legal interest in an industrial life insurance policy or burial policy issued by Liberty National Life Insurance Company, or one of its former subsidiaries, Service Insurance Company of Alabama, or Burial Service Insurance Company of Alabama on or before January 10, 1966, at a higher rate than similar plans offered to similarly situated white Americans.**

For purposes of this class definition, the terms "industrial insurance policy" and "burial policy" are not limited to the statutory definition of industrial life insurance or burial insurance. Rather, an industrial insurance policy is one that pays a pre-determined monetary amount (not to exceed \$2,000) directly to the beneficiary, including any life insurance policy stamped, marked, or otherwise referred to or categorized (either expressly or commonly) as "industrial," "debit," or "home service" insurance. A burial or funeral policy under the foregoing class definition is one which provides "goods" (including, but not limited to, a casket, burial outfit or other funeral services) to the beneficiary on the death of the insured.

The class definition covers all industrial and burial policies insuring African-Americans which were issued by Liberty National Life Insurance Company on or before December 31, 1949, and all industrial and burial policies insuring African-Americans which were issued by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama on or before January 10, 1966, except as otherwise expressly set forth herein.

Excluded from this class are all federal judges, their spouses, and persons within the third degree of relationship to them.

If you are an African-American and you purchased an insurance policy issued by Liberty National Life Insurance Company on or before December 31, 1949, or purchased an insurance policy issued by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama on or before January 10, 1966, you may be a member of the Class described above. You may also be a member of the Class described above if you were a beneficiary of such a policy, or if your parents or other relatives had such a policy and are now deceased. No policies issued by Liberty National after December 31, 1949 are included in this Settlement and no policies issued by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama after January 10, 1966 are included in this settlement.

If you are an African-American and are the insured under any such policy, or if you have an ownership interest, legal interest, or any other beneficial interest in any such policy, you are hereby notified, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order entered by Chief Judge U.W. Clemon of the United States District Court for the Northern District of Alabama in *Ellen Gayle Moore, et al. v. Liberty National Life Ins. Co.*, Case No.: 02:02-cv-2741-UWC, that your rights may be affected by the above-styled class action and by a proposed settlement which will provide benefits to all members of the Class described above, if approved by the Court ("the

Settlement”). You should be aware that the following Terms have the following meanings for purposes of this document:

“Merchandise Burial Policy” or “Merchandise Burial Policies” means those policies which, as originally written and issued, provided for benefits in the form of any combination of burial services (such as a funeral or the services of a funeral director) or burial merchandise (such as a casket, a burial vault, a suit or dress, or similar items), including policies that were originally payable in funeral or burial goods and services at the Company’s option, and policies that provided benefits in the form of burial or funeral goods and services plus a stipulated amount of cash.

“Class Policy” or “Class Policies” means those policies issued to African-Americans by Liberty National Life Insurance Company on or before December 31, 1949, and those policies issued to African-Americans by Service Insurance Company of Alabama or Burial Service Insurance Company of Alabama during the period January 1, 1949 through January 10, 1966.

A Fairness Hearing to determine whether the proposed settlement should be approved by the Court will be held on March 31, 2006 at 9:00 a.m. before Chief Judge U.W. Clemon at the United States District Court for the Northern District of Alabama, 1729 North Fifth Avenue, Birmingham, Alabama 35203. At the Fairness Hearing, any person affected by the Settlement may be heard thereon, provided he or she complies with the Court’s Orders regarding the submission of written objections and written notices of intention to appear. All objections or notices of intention to appear must be in writing and must be received no later than March 21, 2006. Written objections and notices of intent to appear should reference “*Moore v. Liberty National*, Case No.: CV-02-2741-UWC”, must be personally signed by the objecting Class Member, must state the policy number of the objector’s Class Policy and the objector’s address, and must be mailed to each of the following:

- (1) Clerk, United States District Court  
Northern District of Alabama  
Hugo L. Black United States Courthouse  
1729 Fifth Ave. North  
Birmingham, AL 35203
- (2) Liberty National Settlement Administration Center  
P.O. Box 12685  
Birmingham, AL 35202
- (3) Herman A. Watson  
Watson, Jimmerson, Martin, McKinney, Graffeo & Helms, P.C.  
203 Greene Street  
Huntsville, AL 35801

If you have not yet received the package entitled “Notice of a Proposed Settlement of a Class Action Lawsuit,” which more fully describes the Settlement and the procedures for submitting claims, requests for policy reinstatement, objections, and notices of intention to appear at the Fairness Hearing, you may obtain a copy thereof by calling or writing to the Liberty National Settlement Administration Center at the following address and telephone number:

Liberty National Settlement Administration Center  
P.O. Box 12685  
Birmingham, AL 35202  
1-800-898-7891

You may also obtain the Class Notice and Settlement Package on Liberty National's website at [www.libnat.com](http://www.libnat.com) until July 31, 2006. The entire court file in this action is available for examination during regular office hours at the office of the CLERK, United States District Court for the Northern District of Alabama, 1729 North Fifth Avenue, Birmingham, Alabama 35203.

All Class Members will be bound by the Settlement and all of its terms if this Settlement is approved by the Court. Among other things, the proposed Settlement provides for increased policy benefits on class policies which are in-force, partial premium refunds for certain terminated class policies, the right to reinstate other terminated class policies with enhanced benefits, and additional benefits for past death claims on class policies. In exchange, the Settlement provides for a broad release of claims by Class Members against Liberty National Life Insurance Company, including but not limited to a release of all claims related in any way to racial discrimination in the pricing, design, or sale of any of the policies included in the Class. The Settlement will resolve claims of all Class Members arising from the alleged historical practice of issuing policies at higher rates or lower benefits to African-Americans than to Caucasian insureds. (Liberty National and its related companies do not currently sell policies at different prices or benefit levels depending upon the race of the insured, but are alleged to have done so until January 10, 1966).

If you or a deceased relative are African-Americans who currently or previously were insured under policies described above, you should contact the Liberty National Settlement Administration Center to obtain a full copy of the Class Notice Package to the extent you have not already received one. The Class Notice contains a detailed explanation of the Settlement and instructions for filing objections and claim forms. Class Members who do not file a claim form by July 31, 2006 may forfeit their right to Settlement Benefits. **Please do not write or telephone the court or the clerk's office for information. All communications should be directed to the Liberty National Settlement Administration Center.**

**EXHIBIT I**

Listing of Newspapers where  
Summary Notice to be Published

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Albany-Macon Times	LaGrange Daily News
Anniston Star	Meridian Star
Atlanta Daily World	Memphis Silver Star News
The Atlanta Inquirer	Memphis Tri-State Defender
The Atlanta Voice	Mississippi Link
AUC Digest	Mobile Press
Birmingham News	Mobile Register
The Birmingham Times	Mobile Beacon
Birmingham World	Montgomery Advertiser
Bluff City Post	Montgomery-Tuskegee Times
Campus Digest	New Times
The Chattanooga Courier	Northeast Mississippi Daily Journal
Columbus Ledger-Enquirer	Opelika-Auburn News
The Columbus Times	Pensacola News Journal
Decatur Daily	Rome News Tribune
Dothan Eagle	The Savannah Tribune
Enterprise Ledger	Selma Times Journal
Florence Times Daily	Shoals News Leader
Gadsden Times	Speakin' Out News
Greene County Democrat	Tallahassee Democrat
Hattiesburg American	The Tennessee Tribune
The Herald	Troy Messenger
Huntsville Times	Tuscaloosa News
Inner City News	USA Today
Jackson Advocate	

**EXHIBIT J**

LIST OF RADIO STATIONS FOR BROADCAST NOTICE

ALABAMA

Birmingham WBHJ 95.7 FM  
Birmingham WBHK 98.7 FM  
Birmingham WENN 105.9 FM  
Birmingham WAGG 610 AM  
Birmingham WATV 900 AM  
Birmingham WAYE 1220 AM  
Birmingham WJLD 1400 AM  
Birmingham WLPH 1480 AM  
Dothan WAGF 101.3 FM  
Dothan WDBT 105.3 FM  
Dothan WJJN 92.1 FM  
Dothan WAGF 1320 AM  
Eufaula WRVS 97.9 FM  
Florence WSBM 1340 AM  
Gadsden WMGJ 1240 AM  
Greenville WKXN 95.9 FM  
Hobson City WHOG 1120 AM  
Huntsville WEUP 103.1 FM  
Huntsville WEUZ 92.1 FM  
Huntsville WHRP 93.3 FM  
Huntsville WJAB 90.9 FM  
Huntsville WOCG 90.1 FM  
Huntsville WEUP 1600 AM  
Huntsville WEUV 1700 AM  
Huntsville WLOR 1550 AM  
Mobile WBLX 92.9 FM  
Mobile WDLT 98.3 FM  
Mobile WDLT 660 AM  
Mobile WGOK 900 AM  
Mobile WLVV 1410 AM  
Montgomery WJWZ 97.9 FM  
Montgomery WMCZ 97.1 FM  
Montgomery WVAS 90.7 FM  
Montgomery WZHT 105.7 FM  
Montgomery WXVI 1600 AM  
Oxford WARB 1580 AM  
Pepperell WZMG 910 AM  
Pine Hill WKXK 96.7 FM  
Selma WBFZ 105.3 FM  
Selma WJAM 97.3 FM  
Selma WHBB 1490 AM  
Selma WJUS 1310 AM  
Tuscaloosa WQZZ 104.3 FM  
Tuscaloosa WTUG 92.9 FM

Tuscaloosa WTSK 790 AM  
Tuscaloosa WWPG 1280 AM  
Tuscumbia WZZA 1410 AM  
Tuskegee WSFU 94.1 FM  
Tuskegee WBIL 580 AM  
Uniontown WVFG 107.5 FM  
Wetumpka WAPZ 1250 AM  
York WSLY 104.9 FM

GEORGIA

Atlanta WALR 104.1 FM  
Atlanta WPZE 97.5 FM  
Atlanta WAMJ 102.5 FM  
Columbus WAGH 98.3 FM  
Columbus WFXE 104.9 FM  
Columbus WKZJ 95.7 FM  
Columbus WEAM 1580 AM  
Columbus WHAL 1460 AM  
Columbus WOKS 1340 AM

MISSISSIPPI

Columbus WACR 103.9 FM  
Columbus WAJV 98.9 FM  
Columbus WMSU 92.1 FM  
Columbus WMXU 106.1 FM  
Columbus WACR 1050 AM  
Meridian WJXM 105.7 FM  
Meridian WZKS 104.1 FM  
Meridian WNBN 1290 AM

**EXHIBIT K**

Reduction Process and Formulas for Achieving the \$6 Million Maximum Total

1. Should the aggregate unadjusted amounts otherwise due, including the increased statutory reserves on class policies and the cash payments relating to class policies, plus the scholarship contributions referenced in paragraphs 4 and 5 of Section IV, total less than \$6 million, then no adjustment process is needed. However, should those amounts total more than \$6 million, then a multi-step reduction process as described below shall be used to make the appropriate proportionate reductions referenced in Section IV, paragraph 2.
2. The first step in the reduction process shall be to compute the unadjusted relief relating to Class Policies as described and explained in Section III without regard to any minimum guarantees or maximum totals, but with the relief being sub-divided into three categories, as follows:
  - a. The amount needed to pay or fund the reinstatement relief for those Class Policies referenced in Section IV, paragraph 4, before considering the associated minimum guarantee.
  - b. The amount needed to pay or fund the relief for those Class Policies referenced in Section IV, paragraph 5, before considering the associated minimum guarantee.
  - c. The amount needed to pay or fund the relief for all other Class Policies, exclusive of the relief referenced in 2a and 2b.
3. The second step in the reduction process shall be to use the unadjusted relief in categories 2a and 2b to compute a tentative amount of scholarship funding referenced in Section IV, paragraphs 4 and 5, such computations being made in order to satisfy the minimum guarantees.
4. The third step in the reduction process shall be to compute a tentative adjustment ratio as a fraction whose numerator and denominator shall vary depending on the amount of tentative scholarship funding that was invoked in the second step described in paragraph 3. If it was necessary to increase the funding in both category 2a and 2b in order to satisfy the minimum guarantees, then the numerator shall be \$3,900,000 and the denominator shall be the relief in category 2c prior to any adjustment. If it was necessary to increase the funding in category 2b to satisfy the minimum guarantee but it was not necessary to increase the funding in 2a to satisfy the minimum guarantee, then the numerator shall be \$4,000,000 and the denominator shall be the sum of the relief in categories 2a and 2c prior to any adjustment. If it was necessary to increase the funding in category 2a to satisfy the minimum guarantee but it was not necessary to increase the funding in category 2b to satisfy the minimum guarantee, then the numerator shall be \$5,900,000 and the denominator shall be the sum of the relief in categories 2b and 2c prior to any adjustment. If it was not necessary to increase the funding in either category 2a or category 2b to satisfy the minimum guarantees, then the numerator shall be \$6,000,000 and the denominator shall be the sum of the relief in categories 2a, 2b, and 2c prior to any adjustment.

5. The fourth step in the reduction process shall be to uniformly and proportionately reduce the relief for all Class Policies by multiplying the tentative adjustment ratio by the unadjusted relief that was initially computed for each Class Policy.
6. The fifth step in the reduction process shall be to satisfy the minimum guarantees by adjusting the scholarship funding, using the reduced Class relief for categories 2a and 2b to determine the appropriate adjustments.
7. The sixth step in the reduction process shall be to verify (1) that the relief for each Class Policy has been adjusted proportionately, (2) that the minimum guarantees have been satisfied, and (3) that the combined \$6 million total as described in Section IV, paragraph 1 has been achieved. If all three of these criteria have been met, then the reduction process is complete, and the adjustment ratio computed as described above shall be the final adjustment ratio.
8. If all of the above criteria are not met, then the adjustment ratio computed as described in paragraph 4 and the adjusted scholarship funding as described in paragraph 6 shall be considered to be tentative, and further computations are needed. Such further computations shall be accomplished by repeating steps three through seven of the reduction process described above until all three of the fundamental criteria referenced in paragraph 7 have been met. When repeating the process, the adjustment ratio, the adjusted class relief, and the adjusted scholarship funding as computed in the immediately preceding iteration of the process shall serve as the tentative data for use in the subsequent repetition of the process.
9. Class Counsel and the Company shall each review the calculations, and any dispute as to the proper adjustments will be resolved by the Court.

**EXHIBIT L**

**A Notice from the U.S. District Court,  
Northern District of Alabama**

If you or a family member are African-American and purchased an insurance policy issued on or before December 31, 1949 by Liberty National Life Insurance Company, or issued on or before January 10, 1966, by Burial Service Insurance Company of Alabama or Service Insurance Company of Alabama, you may be affected by a pending class action settlement. For more information, please call 1-800-898-7891.

The Court will hold a Fairness Hearing on March 31, 2006 to decide if the settlement will be approved. Any objections to the settlement must be filed in writing by March 21, 2006. If you or a family member are African-American and bought a policy issued on or before December 31, 1949 by Liberty National, or issued on or before January 10, 1966 by Service or Burial Service, you should call 1-800-898-7891 now to get the complete class notice package, which explains the settlement, how to object if you wish, and how to file claim forms for settlement benefits. Class members who do not file a claim form by July 31, 2006 may forfeit any claim for settlement benefits.

For more details see the Legal Notices section of this newspaper where a summary notice will be published several times this month.

**EXHIBIT M**

Listing of Newspapers where  
Advertisement to be Published

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Birmingham News  
The Birmingham Times  
Birmingham World  
Campus Digest  
Columbus Ledger-Enquirer  
The Columbus Times  
Gadsden Times  
Greene County Democrat  
Inner City News

Mobile Press  
Mobile Register  
Mobile Beacon  
Montgomery Advertiser  
Montgomery-Tuskegee Times  
New Times  
Opelika-Auburn News  
Selma Times Journal  
Troy Messenger  
Tuscaloosa News

Liberty National Life Insurance Company  
 Estimated Timeline of Relevant Dates  
 (Dates marked "assumed" are subject to change)

<b>Date To Determine</b>	<b>Description or Definition</b>	<b>Calendar Date</b>	<b>Weekday</b>
<b>Fairness Hearing Date</b>	<b>Current Assumed Date</b>	<b>March 31, 2006</b>	Friday
<b>Assumed Appeal Expiration Date (may vary)</b>		<b>May 1, 2006 (assumed)</b>	Monday
Notice Mailing	56 Before Fairness Hearing	February 3, 2006 (assumed)	Friday
Objection Deadline	10 Before Fairness Hearing	March 21, 2006	Tuesday
Claim Form Due Date (Claim Date/Deadline, Claim In Date)	120 After Fairness Hearing	July 31, 2006	Monday
Reinstatement and Terminated Policy Information Request Deadline	120 After Fairness Hearing	July 31, 2006	Monday
Eligibility Date	0 After Appeal Expiration	May 1, 2006 (assumed)	Monday
Accounting Date	180 After Appeal Expiration	October 30, 2006 (assumed)	Monday
Implementation Date	210 After Appeal Expiration	November 27, 2006 (assumed)	Monday
Reinstatement Date	210 After Appeal Expiration	November 27, 2006 (assumed)	Monday
Certification Date	1 Year After Appeal Expiration	May 1, 2007 (assumed)	Tuesday