

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

If you own or owned a Strategic Accumulator Universal Life Policy issued by Security Life of Denver Insurance Company that was subject to a cost of insurance rate increase announced in September 2015, your rights may be affected

A court authorized this notice. This is not a solicitation from a lawyer.

- Advance Trust & Life Escrow Services, LTA, as securities intermediary for Life Partners Position Holder Trust (“Plaintiff”) filed a class action against Security Life of Denver Insurance Company (“Security Life”) for an allegedly unlawful cost of insurance (“COI”) rate increase on Strategic Accumulator Universal Life (“SAUL”) insurance policies. Security Life announced the rate increase in September 2015. Plaintiff asserts that the COI rate increase violated the terms of the policyholders’ contracts, and that Plaintiff and members of the Class have been damaged as a result. Security Life denies Plaintiff’s claims and asserts multiple defenses. The allegations against Security Life are described in the January 6, 2021 Order Granting in Part and Denying in Part Security Life’s Motion for Summary Judgment and Granting in Part Plaintiff’s Renewed Motion for Class Certification (Dkt. 141).
- The insurance policies at issue are the standardized form policies issued on Security Life policy form 1165-8/03 and marketed under the product name Strategic Accumulator Universal Life (or SAUL or Strategic Accumulator UL). A Court has allowed the lawsuit to proceed as a class action against Security Life on the claim that Security Life breached the uniformity provision of the SAUL policies and has denied Security Life’s motion for summary judgment as to this theory of breach. At the same time, the Court granted summary judgment against the Plaintiff on two alternative theories of breach of contract, which contended that Security Life breached the COI and non-participation provisions of the SAUL policies. The certified class (the “Class” or “Class Members”) includes all owners of SAUL policies subjected to Security Life’s COI rate increase announced in September 2015. Excluded from the Class are owners whose policies were issued in Alaska, Arkansas, New Mexico, Virginia, and Washington, and Security Life, its officers and directors, members of their immediate families, and their heirs, successors, or assigns.
- This notice is to inform you of the certification of the Class, the nature of the claims, and your right to exclude yourself from the Class.
- The Court has not decided whether any laws were broken. There is no money available now and no guarantee there ever will be. However, if you are a member of the Class described in this Notice, your rights are affected, and you have a choice to make now.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION	
DO NOTHING	<p>Stay in this lawsuit and await the outcome.</p> <p>By doing nothing, the certification ruling means that any judgment in this case—whether favorable to Plaintiff or Security Life—will bind all Class Members who do not timely elect to be excluded from the Class in the manner described below.</p>

ASK TO BE EXCLUDED	<p>Get no benefits from lawsuit. Keep certain rights.</p> <p>If you ask to be excluded from this lawsuit and money is later awarded, you will not be allowed to request a payment. But, you preserve any rights to sue Security Life at your own expense and with your own attorney about the same legal claims asserted in this lawsuit, subject to applicable defenses that Security Life may have to each legal claim.</p>
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BASIC INFORMATION

1. Why was this Notice issued?

This Notice explains that a Court “certified” a Class consisting of certain owners of SAUL policies subjected to Security Life of Denver’s COI rate increase announced in September 2015. If this describes you, you may choose to stay in the lawsuit, or exclude yourself from it, **prior to May 21, 2021**.

Judge Daniel D. Domenico of the United States District Court for the District of Colorado is overseeing this lawsuit, known as *Advance Trust & Life Escrow Services, LTA, as securities intermediary for Life Partners Position Holder Trust v. Security Life of Denver Insurance Co.*, Case No. 1:18-cv-01897-DDD-NYW (D. Colo.), and has determined that the claim for breach of the uniformity clause of the SAUL policies against Security Life can proceed as a class action.

2. What is this lawsuit about?

The certified class action lawsuit contends that Security Life breached its contracts with SAUL policy owners. In September 2015, policyholders were issued letters announcing that their insurance policies would be subject to cost of insurance (“COI”) rate increases, and Plaintiff asserts those COI rate increases violated the terms of the policyholders’ contracts, and that Plaintiff and members of the Class have been damaged as a result. Security Life denies Plaintiff’s claims and asserts multiple defenses, including that the challenged action is permitted by the contract terms, lawful, justified, and has not harmed Plaintiff or caused any damages.

On January 6, 2021, the United States District Court for the District of Colorado granted in part and denied in part Security Life’s motion for summary judgment and granted in part Plaintiff’s motion for class certification. The Court allowed the lawsuit to proceed as a class action against Security Life on the claim that Security Life breached the uniformity provision of the SAUL policies by increasing COI rates on some SAUL policies but not others that SLD contends were subject to different underwriting standards. The Court certified a class of all owners of SAUL policies subjected to Security Life’s COI rate increase announced in September 2015. Excluded from the Class are owners whose policies were issued in Alaska, Arkansas, New Mexico, Virginia, and Washington, and Security Life, its officers and directors, members of their immediate families, and their heirs, successors, or assigns. The Court denied Security Life’s motion for summary judgment as to the uniformity theory of breach, finding that there exists a dispute of material fact on how to determine the meaning of the uniformity provision and that such a dispute renders summary judgment inappropriate on that theory of breach. At the same time, the Court granted summary judgment against the Plaintiff and in favor of Security Life on two alternative breach of contract theories, which contended that Security Life breached the COI and non-participation provisions of the SAUL policies.

The Court’s order certifying the Class and denying summary judgment on the uniformity theory of breach does not predict or guarantee that Class Members will receive any money or benefits for Plaintiff’s claim; that will be decided later. A trial date has not yet been set.

3. Which life insurance policies are affected by the lawsuit?

The marketing name of the policies subject to the COI rate increase in September 2015 is Strategic Accumulator Universal Life or Strategic Accumulator UL.

4. What is a class action and who is involved?

In a class action, one person called a “Class Representative” sues on behalf of all individuals who have a similar claim. Here, Plaintiff Advance Trust & Life Escrow Services, LTA, as securities intermediary for Life Partners Position Holder Trust, represents other eligible SAUL policy owners and together they are called the “Class” or “Class Members.” The person who sued is called the “Plaintiff”; a party being sued, such as Security Life, is called a “Defendant”.

Any judgment in this case will resolve the issues for the certified claim for all Class Members, except for those who exclude themselves from the Class. Class Members might receive money and other benefits if they stay in

the Class and if the Class prevails on the merits, or Class Members might receive nothing if they stay in the Class and Security Life prevails on the merits.

5. Why is this lawsuit a class action?

The Court allowed the lawsuit to proceed as a class action against Security Life on the claim that Security Life breached the uniformity provision of the SAUL policies because, at this point of the lawsuit, it meets the requirements of Rule 23 of the Federal Rules of Civil Procedure, which governs class actions in federal court. The Court found that:

- There are numerous Class Members whose interests will be affected by this lawsuit;
- There are legal questions and facts that are common to each of them;
- The Class Representative's claims are typical of the claims of the rest of the Class;
- The Class Representative and the lawyers representing the Class will fairly and adequately represent the interests of the Class;
- A class action would be a fair, efficient and superior way to resolve this lawsuit;
- The common legal questions and facts predominate over questions that affect only individual Class Members; and
- The Class is ascertainable because it is defined by identifiable objective criteria.

For more information, visit the Important Documents page of the website at www.securitylifeofdenvercoi.com.

WHO IS IN THE CLASS

6. Am I part of this class action?

The Class consists of all owners of SAUL policies subjected to Security Life's COI rate increase announced in September 2015.

7. Are there exceptions to being included?

Yes. Excluded from the Class are owners of SAUL policies subjected to the COI rate increase whose policies were issued in Alaska, Arkansas, New Mexico, Virginia, and Washington, and Security Life, its officers and directors, members of their immediate families, and their heirs, successors, or assigns.

8. What happens if I do nothing at all?

By doing nothing, you will remain in the Class. If you remain in the Class and Plaintiff obtains money or other value from this lawsuit—either as a result of any ruling, trial or Court approved settlement—you may receive a payment, if you are entitled to one. Keep in mind that if you do nothing now, regardless of whether Plaintiff wins or loses, you will be legally bound by all Court orders and judgments made in this class action and you will not be able to maintain a separate lawsuit against Security Life for the same legal claims that are the subject of this lawsuit.

9. I am still not sure if I am included.

If you're still not sure whether you are included in the Class, please visit the website, www.securitylifeofdenvercoi.com, call the Notice Administrator toll-free 1-833-667-1230, or write to: Security Life COI Life Insurance Notice Administrator, c/o JND Legal Administration, P.O. Box 91225, Seattle, WA 98111.

Questions? Call 1-833-667-1230 or visit www.securitylifeofdenvercoi.com

10. What happens if I ask to be excluded?

If you exclude yourself (or “opt-out”) from the Class, you will not receive any distribution that may result from a judgment or settlement favorable to Plaintiff. If you exclude yourself, you will also not be legally bound by the Court’s orders and judgments in this class action. You may sue or continue to sue Security Life for the same legal claim that is the subject of this lawsuit, now or in the future. If you choose to pursue your own lawsuit against Security Life, you may hire a lawyer at your own expense to prove your alleged claims.

11. How do I ask to be excluded?

To exclude yourself, you must send a letter to the Notice Administrator requesting exclusion from *Advance Trust & Life Escrow Services, LTA v. Security Life of Denver Insurance Company* class action, with your name, address, telephone number, email address and signature. You must also, to be excluded, identify your Security Life insurance policy number(s) for the SAUL policy or policies you own and the time period you claim to have owned the policy or policies. Your exclusion request **must be postmarked no later than May 21, 2021**. Send your exclusion request to: Security Life COI Life Insurance Notice Administrator, c/o JND Legal Administration, P.O. Box 91225, Seattle, WA 98111. If you own multiple Security Life SAUL policies that are included in the Class, you may request to exclude some policies from the Class while participating in the Class with respect to other policies. If a nominal owner (such as a securities intermediary or trustee) owns multiple class policies on behalf of different principals, that nominal owner may stay in or out of the Class separately for each principal.

IF YOU DO NOT EXCLUDE YOURSELF BY THE DEADLINE ABOVE, YOU WILL REMAIN PART OF THE CLASS AND BE BOUND BY THE ORDERS OF THE COURT IN THIS LAWSUIT.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

Yes. The Court has appointed the following lawyers as “Class Counsel.”

Steven G. Sklaver
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13. How will the lawyers be paid?

Class Counsel will represent your interests in presenting the claims against Security Life. You will not be personally responsible for Plaintiff’s attorneys’ fees or costs, except to the extent that the Court may approve or award any such fees and costs to Class Counsel which would be paid out of the overall recovery in this action, if any.

14. Should I get my own lawyer?

If you stay in the Class, you do not need to hire your own lawyer to pursue the claims against Security Life because Class Counsel is working on behalf of the Class. However, if you want to be represented by your own lawyer, you may hire one at your own expense and cost.

GETTING MORE INFORMATION

15. Are more details available?

Yes. Key Dates and Important Documents related to the lawsuit can be found on the website at www.securitylifeofdenvercoi.com. For additional assistance, contact the Notice Administrator by calling, toll-free, 1-833-667-1230, or write to: Security Life COI Life Insurance Notice Administrator, c/o JND Legal Administration, P.O. Box 91225, Seattle, WA 98111.

ANY QUESTIONS YOU HAVE CONCERNING THIS MATTER, PLEASE DO NOT CONTACT THE COURT NOR SECURITY LIFE. ALL QUESTIONS SHOULD BE DIRECTED TO THE NOTICE ADMINISTRATOR OR CLASS COUNSEL.