

If you are or were enrolled in a Nationwide medical plan while you lived in Washington state, a class action lawsuit may affect your rights.

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

- Three people, John Gabriel, Ruth Bjorklund and Lauren Gustafson-Omer, sued Nationwide Life Insurance Company. Their lawsuit claims that Nationwide sold them and other Washington residents an unauthorized “fixed-indemnity” medical plan and violated the Washington Consumer Protection Act. Nationwide has denied all the claims.
- The Plaintiffs and Nationwide have reached a Settlement Agreement which the Court has preliminarily approved. The Court has scheduled a hearing on whether to finally approve the Settlement Agreement. The Hearing will be held on **August 5, 2010 at 9:00 am.**
- You received this notice because you may be part of the Settlement Class. Your legal rights are affected and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING.	<p>Stay in this lawsuit. Give up the right to file a separate lawsuit. Get a portion of the Settlement Funds based upon premiums paid to Nationwide.</p> <p>By doing nothing, you will stay in the lawsuit. Your portion of the settlement funds will be based on the amount of premiums paid by you or on your behalf to Nationwide as calculated by Class Counsel, if the Settlement Agreement is finally approved.</p> <p>You will give up any rights to sue Nationwide Life Insurance Company separately about the same legal claims in this lawsuit and related claims.</p>
STAY IN LAWSUIT AND FILE A CLAIM.	<p>Stay in this lawsuit. File a claim for either a return of your premiums or coverage for certain medical services. Give up the right to file a separate lawsuit.</p> <p>If you stay in the class, you may file a claim for coverage for certain medical services or for premiums paid, if you disagree with the amount calculated by Class Counsel. However, you will still give up any rights to sue Nationwide Life Insurance Company separately about the same legal claims in this lawsuit and related claims.</p>
ASK TO BE EXCLUDED.	<p>Get out of this lawsuit. Get no benefits from it. Keep the right to file a separate lawsuit.</p> <p>If you ask to be excluded, you won't be able to submit a claim if the Settlement Agreement is finally approved. However, you keep any rights to sue Nationwide Life Insurance Company separately about the same legal claims in this lawsuit and related claims.</p>

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WHAT THIS NOTICE CONTAINS

- Your options are explained in this notice. If you want to be excluded you must act before **July 2, 2010**.
- This notice also informs you about how to submit a claim if the Settlement Agreement is finally approved.
- The following are questions and answers summarizing the proposed Settlement Agreement. The complete proposed Settlement Agreement can be found at www.symslaw.com under the heading “Nationwide Class Action.” You may also inspect the proposed Settlement Agreement at the Federal District Court in the Western District of Washington, under Cause No. Cause No. 09-CV-00508-JCC.

FREQUENTLY ASKED QUESTIONS

1. Why did I get this notice?

Nationwide’s records show that you are or were an enrollee in Nationwide’s medical plan while you were a Washington resident at some time between January 22, 2003 and November 23, 2009.

This notice explains that the Court has allowed or “certified” a settlement class which may affect your legal rights. You have legal rights and options that you may exercise as part of the settlement process.

The case is known as *Gabriel, et al. v. Nationwide Life Ins. Co.*, Cause No. 09-CV-00508-JCC, in the United States Federal District Court for the Western District of Washington.

2. What is this lawsuit about?

A. *Plaintiffs’ Allegations:*

In this lawsuit, Plaintiffs allege that Nationwide sold (through different employers) an unauthorized medical plan to Washington residents. Plaintiffs contend that the Nationwide medical plan did not comply with all of the requirements for medical plans in Washington state. On behalf of a proposed class of similarly situated people, Plaintiffs sought either (1) a return of the premiums paid by or on behalf of proposed class members (“**Premium Refund**” or “Rescission”); or (2) payment for medical expenses consistent with coverage under the “Basic Health Plan” a program offering comprehensive health care coverage to eligible low-income Washington residents (“**Medical Expense Payment**” or “Reformation”). Plaintiffs also sought triple damages of up to \$10,000 per violation of the Consumer Protection Act, attorneys’ fees and costs.

B. *Nationwide’s Response:*

Nationwide contends that covered individuals received the benefits for which they contracted. Nationwide (a) disputes that its medical plans were “illegal,” or otherwise failed to provide mandatory minimum benefits under Washington law, (b) disputes that Washington law permitted insureds to Rescind or Reform the policies, and (c) disputes that Plaintiffs or members of the proposed class were entitled to any damages. Nationwide denied that it violated the Washington Consumer Protection Act. Nationwide denied any wrongdoing giving rise to liability to Plaintiffs or any proposed class members.

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

In a class action lawsuit, one or more people called “Class Representatives” (in this case, John Gabriel, Ruth Bjorklund and Lauren Gustafson-Omer) sue on behalf of other people who have similar claims. The people together are a “Class” or “Class Members.” All of the Class Members are called the Plaintiffs.

Nationwide Life Insurance Company is called the Defendant. In a class action, one court resolves the issues for everyone in the Class – except for those people who choose to exclude themselves from the Class.

4. Why is the lawsuit a class action?

The Class Representatives contend that there are common issues of fact and law that can be resolved on a class-wide basis. Nationwide disputes this, in part, because there are too many individual issues. But, for the purposes of settling this case, the parties agreed to resolve the case on a class-wide basis.

The Court decided that this lawsuit can be a class action for the purposes of settlement because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal courts. Specifically, the Court found that:

- There are approximately 1037 individuals who were covered by Nationwide Life Insurance Company under a fixed-indemnity policy between April 16, 2003, and November 23, 2009, and who were Washington residents at the time in which they enrolled or re-enrolled in the Nationwide policy;
- There are questions of law and fact that are common to each;
- The claims of Mr. Gabriel, Ms. Bjorklund and Ms. Gustafson-Omer are typical of those of the rest of the Settlement Class;
- Mr. Gabriel, Ms. Bjorklund, Ms. Gustafson-Omer and the lawyers representing the Settlement Class, Sirianni Youtz Meier and Spoonemore, will fairly and adequately represent the interests of the Settlement Class;
- The common legal and factual questions are more important than the questions that affect only individuals; and
- Resolving this lawsuit through the use of a Settlement Class will be more efficient than having many individual lawsuits.

5. Has the Court decided who is right?

The Court hasn’t decided whether the Plaintiffs or the Defendant is right. Plaintiffs and Defendant reached a Settlement Agreement before the Court made this decision at trial. By establishing the Settlement Class and issuing this Notice, the Court is providing you with:

- (1) the opportunity to exclude yourself or “opt out” of the Settlement Class; **OR**
- (2) the opportunity to remain in the Settlement Class, to participate in a hearing on whether to approve the Settlement Agreement and, if the Settlement Agreement is approved, to receive some of the money to be distributed as a result of the Settlement, as described below.

6. Am I part of the Settlement Class?

The Settlement Class consists of:

All individuals who were covered by Nationwide Life Insurance Company under a fixed-indemnity policy between April 16, 2003, and November 23, 2009, and who were Washington residents at the time in which they enrolled or re-enrolled in the Nationwide policy.

If you are unsure whether you are included, you can get free help by calling or writing the Settlement Class Counsel in this case at:

Class Counsel
Sirianni Youtz Meier and Spoonemore
719 Second Avenue, Suite 1100
Seattle, WA 98104
206-223-0303
www.symslaw.com
classcounsel@syllaw.com

7. What if I do nothing?

If you do nothing, you will remain part of the Settlement Class. Class Counsel will assume that you choose the “*Premium Refund*” remedy, as described below.

Class Counsel will also assume that you agree with the amount calculated as your premium payment, described in the Claim Form enclosed with this letter.

You will also lose your rights to sue Nationwide Life Insurance Company separately about the same legal claims in this lawsuit.

8. What do I do if I want to be part of the Settlement Class?

You must tell Class Counsel which of the two options below you want **by July 30, 2010**. If you do not respond, Class Counsel will assume you choose “**Premium Refund**.”

You have a choice of two remedies – *Premium Refund* or *Medical Expense Payment*.

With this Notice you received a letter describing the information Class Counsel received from Nationwide regarding the amount of premiums paid on your behalf and the amount of written health care claims received and paid by Nationwide. This information is provided to assist you with choosing your preferred remedy.

To decide which remedy will result in the most money to you, we have also enclosed a worksheet which may be of assistance.

Some Class Members were enrolled in Nationwide’s medical policy in May, 2009 and were sent a letter by Nationwide informing them that the Nationwide medical policy was not comprehensive health care insurance and would not cover the cost of most hospital and other medical services. Class Members who were sent this letter and remained enrolled in the Nationwide medical policy after July 1, 2009, will

not be able to claim either *Premium Refund* or *Medical Expense Payment* for premiums paid or medical expenses incurred on or after July 1, 2009.

You should inform Class Counsel if you were enrolled in Nationwide in May, 2009 and did not receive the letter informing you that the Nationwide medical policy was not comprehensive health care insurance.

A. *Premium Refund:*

If you choose the “Premium Refund” remedy, you should review your records regarding the amount of premiums paid by you or on your behalf to Nationwide for the medical policy.

If you agree with the amount identified as the premiums paid by you or on your behalf to Nationwide from April 16, 2003 to November 23, 2009 (or through June 30, 2009, if you received the May 2009 Notice from Nationwide), simply check the box that you agree.

If you disagree, you may submit additional information to Class Counsel to show the correct amount of premiums paid by you or on your behalf. Class Counsel will let you know whether the information provided is acceptable or whether more information is needed.

B. *Medical Expense Payment:*

If you choose the “Medical Expense Payment” remedy, you should review your medical bills and other records while you were covered by a Nationwide medical policy, between April 16, 2003 and November 23, 2009 (or through June 30, 2009, if you received the May 2009 Notice from Nationwide).

If you agree that the written health care claims submitted to Nationwide reflect all of the medical expenses that you incurred while insured by Nationwide between April 16, 2003 and November 23, 2009, simply check the box that you agree.

If you have additional medical expenses you incurred while insured by a Nationwide medical policy between April 16, 2003 and November 23, 2009, you may submit additional information to Class Counsel to show the correct amount of medical expenses incurred that you paid or are obligated to pay. Class Counsel will let you know whether the information provided is acceptable or whether more information is needed.

If you choose the “Medical Expense Payment” remedy, an implied \$1500 annual deductible will be applied for each calendar year for which you seek payment for medical expenses. The implied annual deductible is consistent with the annual out-of-pocket limit for individuals enrolled on the Washington Basic Health Plan.

Any medical expenses that you include in your claim must be for medical services that were or are covered by the Washington Basic Health Plan. For example, since the Washington Basic Health Plan does not include dental coverage, no claims for expenses related to dental services will be accepted. If you have any questions about whether expenses for certain services are covered, please contact Class Counsel.

A medical expense will not be included in your claim if you did not pay for the medical services and you are not obligated to do so. For example, if the medical expense was paid for by other insurance, Medicaid, Medicare, written off by the medical provider, considered “charity care,” or paid for by someone else, it may not be included in the your claim.

Your claim should include information about all medical expenses that you think may be covered.

9. Are my choices different if I had Nationwide coverage as part of a family (“Family Coverage”)?

Some Settlement Class members received their coverage as part of a family (i.e., one member of the family was insured through Nationwide as part of his or her employment and opted to also insure his or her spouse and/or dependents under the plan).

If your coverage was “Family Coverage” then if any member of your family who is in the Settlement Class chooses the “Medical Expense Payment” remedy, the entire family will be deemed to choose “Medical Expense Payment.” In this situation, no one in the family will be able to choose the “Premium Refund” remedy.

If you disagree with a family member’s choice of “Medical Expense Payment,” you may ask Class Counsel to consider your special situation. If Class Counsel does not allow you to choose the “Premium Refund” remedy, you may ask that the issue be referred to the Settlement Agreement’s Dispute Resolution Process, where an independent retired judge will make the final decision.

10. Will I receive the full amount of the claim I submit?

The Settlement Agreement provides for a limited fund from which to pay the claims of Settlement Class Members (“Settlement Fund”). Nationwide has agreed to pay \$1 million to the Settlement Fund.

The \$1 million in the Settlement Fund must be used to pay for all of the claims of Class Members, attorneys’ fees, costs, incentive awards to the named Plaintiffs, and the cost of administering the claims process.

The Fund is enough to pay 100% of the claims if all Class Members choose “Premium Refund.” It is unknown whether the claims by Class Members for “Medical Expense Payment” will be more than the money in the Settlement Fund. That is because neither Class Counsel nor Nationwide knows the full amount of all of the medical expenses incurred by Settlement Class members.

It is possible that the claims submitted by Settlement Class members will exceed the amount of money in the “Settlement Fund.” In that case, when all the claims are submitted, each class member will receive the same percentage of his or her claim.

For example, if the Settlement Fund (after payment of attorneys’ fees, costs, incentive awards and claims processing expenses) will only cover 60% of the claims submitted, all claims (whether they are for Premium Refund or Medical Expense Payment), will be paid at 60%.

11. What if there is extra money in the Settlement Fund after all claims and other expenses have been paid?

If there is enough money in the Settlement Fund to pay all claims at 100%, and after all other expenses described in the Settlement Agreement are paid (including attorneys’ fees, costs, incentive awards and claims processing expenses), any excess funds will be distributed to each class member in equal amounts.

For example, if there is \$103,700 left in the Settlement Fund after all fees, costs, expenses and claims are paid, since there are 1037 class members, each will receive \$100 in addition to the amount of their claim.

12. Why would I ask to be excluded from the Settlement Class and the Settlement Agreement?

If you already have your own lawsuit against Nationwide for the same or related claims and want to continue with it, you need to ask to be excluded from the Class.

If you exclude yourself from the Class—which also means to remove yourself from the Class, and is sometimes called “opting out” of the Class—you won’t get any money from the Settlement Agreement. However, you may then be able to sue or continue to sue Nationwide for those same claims or related claims. In other words, if you exclude yourself from the Class, you will not be legally bound by the Settlement Agreement.

If you start your own lawsuit against Nationwide after you exclude yourself, you will not be represented by Class counsel and you’ll have to prove your claims. If you exclude yourself so you can start or continue your own lawsuit against Nationwide, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations. A statute of limitations bars a claim that is not brought soon enough.

13. How do I ask to be excluded from the Settlement Class?

To be excluded, you must send an “Exclusion Request” in the form of a letter sent by U.S. mail, stating that you want to be excluded from Gabriel, et al. v. Nationwide Life Ins. Co. An exclusion form you can use is enclosed.

Be sure to include your name and address, and sign the letter. You must mail your Exclusion Request postmarked **by July 2, 2010** to:

Attn: Class Counsel
Sirianni Youtz Meier & Spoonemore
719 Second Avenue, Suite 1100
Seattle, WA 98104

14. Do I have a lawyer in this case?

The Court decided that the law firm of Sirianni Youtz Meier and Spoonemore is qualified to represent you and all Settlement Class Members. The law firm is called the “Class Counsel.” Class Counsel are experienced in handling class action lawsuits. More information about the law firm, its practice, and its lawyers’ experience is available at www.symslaw.com.

15. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. You may hire your own lawyer and ask him/her to appear in Court for you at the Settlement Approval Hearing, if you want someone other than Class Counsel to speak for you. If you do, you will have to pay that lawyer. You do not need your own lawyer to comment on or object to the Settlement Agreement at the Approval Hearing.

16. How will the lawyers be paid?

If the Court finally approves the Settlement Agreement, the Court will also determine the amount to be paid to Class Counsel for attorneys' fees and expenses out of the Settlement Fund. Class Counsel will ask for the Court to award attorney fees as a percent of the total Settlement Fund, not to exceed one-third (33-1/3%) of the total Fund.

You will not pay any attorneys' fees or costs for this litigation.

17. Will the Settlement Class Representatives receive any payments in addition to the claims they may submit as part of the Settlement claims process?

The Settlement Class representatives in this case will ask the Court for incentive payments not to exceed \$15,000 each to represent the time, effort, and risk they undertook as named Class representatives in pursuing this litigation against Nationwide.

18. Do I have to come to the Settlement Approval Hearing?

You do not need to attend the Settlement Approval Hearing, although you are welcome to come. If you object to the Settlement Agreement, you must submit your written comments **by July 23, 2010** to:

Gabriel et al., v. Nationwide Life Ins. Co. (Cause No. 09-CV-00508-JCC)
Objection to Settlement Agreement
Attn: The Clerk of the Court
U.S. District Court for the Western District of Washington
700 Stewart Street
Seattle WA 98101

And to:

Class Counsel
Sirianni Youtz Meier & Spoonemore
719 Second Avenue, Suite 1100
Seattle, WA 98104

Nationwide Counsel
Schwabe Williamson & Wyatt
1420 5th Ave., Suite 3010
Seattle, WA 98101

You or your own lawyer may attend the Settlement Approval Hearing at your own expense.

19. If I object to the Settlement Agreement, but the Agreement is approved, will I still be eligible to submit claims under the Agreement?

Yes. If the Settlement Agreement is approved, you are eligible to submit claims as long as you are a Settlement Class member. Your objection to the Settlement Agreement will not impact your eligibility to submit claims.

If you opt out of the Settlement Class, however, you are NOT eligible to submit claims if the Settlement Agreement is finally approved.

20. Are more details available?

Visit the website, www.symslaw.com, where you will find the following:

- Plaintiffs' Complaint
- Defendant's Answer to the Complaint
- Settlement Agreement
- Joint Motion seeking Preliminary Approval of the Settlement Agreement, Notice to Class and Scheduling the Settlement Approval Hearing
- Plaintiffs' Motion for Certification of the Settlement Class
- Exclusion Request Form
- Election of Remedies Form

You may also speak to one of the lawyers by calling (206) 223-0303 or by writing to:
Sirianni Youtz Meier & Spoonemore, 719 Second Avenue, Suite 1100, Seattle, WA 98104.

Distribution of this Notice to Settlement Class Members has been Ordered by the
Honorable John C. Coughenour, United States Federal Court Judge.

DATED: May 17, 2010.

Gabriel, et al. v. Nationwide Life Ins. Co. (Cause No. 09-CV-00508-JCC)

ELECTION OF REMEDIES WORKSHEET

Each class member must make his or her own choice between the “Premium Refund” or “Medical Expense Payment” remedy. This worksheet is simply a suggestion for how to calculate which option will result in more money for you through the claims process.

Individuals with Family Coverage should use the premiums paid and medical expenses incurred for the entire family.

If you were enrolled on Nationwide’s medical policy in May 2009 **and** received a disclosure form from Nationwide, you should not include your premiums and medical expenses incurred on or after July 1, 2009. (see FAQ 8 for additional information).

Premium Refund:

- 1) Review the amount calculated by Class Counsel to have been paid by you or on your behalf for premiums.
- 2) Check the calculation by reviewing your pay stubs, contacting your employer, reviewing your bank statements or other records to determine whether the calculation is accurate.
- 3) If you believe that the premium calculation is incorrect, send Class Counsel any records showing the correct amount.
- 4) Write the total paid in premiums here: \$_____

Medical Expense Payment:

- 5) Review all medical expenses incurred during the period of time you were covered by a Nationwide medical plan between April 16, 2003 and November 23, 2009, including the Nationwide Explanations of Benefits forms provided with this Notice. You may enter the expenses in the Claim Form Chart enclosed.
- 6) Add up all medical expenses that were not paid by Nationwide, covered by other insurance, written off by medical providers or deemed charity care. ***Only include medical expenses which you have paid or for which you are responsible.*** (See FAQ 8.B for additional information).
- 7) Add those medical expenses together by calendar year.
- 8) Subtract a \$1500 annual deductible for medical expenses for each year.
For example, if you had \$3000 in medical expenses in 2006 while you were insured by Nationwide, you should subtract \$1500 as an implied annual deductible. ***Make sure you submit all \$3000 in medical bills, even though \$1500 will be subtracted.*** In this example, you will be left with \$1500 in medical expenses for 2006 that will be considered as a claim under the “Medical Expense Payment” remedy.
Repeat the same process for medical expenses for each calendar year.
- 9) Write your total amount of medical expenses after the annual deductible is subtracted here: \$_____.

Compare Remedies:

Compare the total premium refund amount in (4) with the total amount of medical expenses in (9).

- If (4) is larger than (9), you should consider choosing the “Premium Refund” remedy.
- If (9) is larger than (4), you should consider choosing the “Medical Expense Payment” remedy.

If you have any questions or need assistance with choosing your remedy, please call or write:

Class Counsel / Sirianni Youtz Meier and Spoonemore
719 Second Avenue, Suite 1100, Seattle, WA 98104
Tel. (206) 223-0303 / Web site: www.symslaw.com / Email: classcounsel@syllaw.com

CLAIM FORM FOR _____

(Please print:) **First Name**

Last Name

Date of Birth

→ The total amount of reimbursement that I am seeking is \$ _____ ←

Approximate Date of Service (Month, Year)	Name and Address (or Phone Number) of Provider	Description of Services <small>(such as "doctor's office visit", "emergency room treatment", "surgery", etc.)</small>	Nature of Problem Being Treated <small>(such as "broken leg", "stroke", "flu", etc.)</small>	Amount You Paid For The Service <small>(not including amount any insurance paid, written off by medical provider or charity care)</small>	Documents supporting the medical services provided <small>(such as a bill, receipt, collections letters, etc.)</small>