

## **PLAN OF ALLOCATION**

This Plan of Allocation sets forth the method of distributing the Net Settlement Fund from the proposed Settlement of this Action.<sup>1</sup>

### **1. Calculation of Claims and Allocation of the Net Settlement Fund**

1.01. The Claims Administrator, under the supervision of Class Counsel and subject to the supervision, direction and approval of the Court, shall administer and oversee distribution of the Net Settlement Fund awarded by the Court to the Settlement Class Members.

1.02. Within thirty (30) days from the date of entry of the Settlement Order and Final Judgment, or, if not entered at the same time, within thirty (30) days from the date of the order(s) awarding fees and expenses, if any, to Class Counsel and incentive payments, if any, to the Named Plaintiffs, the Claims Administrator, in consultation with Class Counsel, shall calculate the claims of the Settlement Class Members against the Net Settlement Fund as follows:

(a) The Claims Administrator shall calculate the total premium paid by the Hartford P&C Companies for structured settlement annuities for the benefit of Settlement Class Members (the "Total Premium Paid For Settlement Class Members").

(b) The Claims Administrator shall then calculate, based on the Total Premium Paid For Settlement Class Members and the Net Settlement Fund, the "Distribution Amount Per Premium Dollar." The Distribution Amount Per Premium Dollar shall be calculated by dividing the amount of the Net Settlement Fund by the Total Premium Paid For Settlement Class Members.

(c) The Claims Administrator shall then calculate the amount to be distributed to each Settlement Class Member by multiplying the premium paid by a Hartford P&C Company

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<sup>1</sup> Capitalized words and terms used in this Plan of Allocation shall have the defined meaning ascribed to these words and terms in the Settlement Agreement.

for a structured settlement annuity for the benefit of the individual Settlement Class Member by the Distribution Amount Per Premium Dollar.

1.03. After Final Approval and entry by the Court of an order approving disbursement of the Net Settlement Fund to Settlement Class Members, the Claims Administrator shall distribute to each individual Settlement Class Member the amount calculated in Section 1.02(c) above; provided, however, that no allocations or payments made to Settlement Class Members would be permitted to consume those monies reasonably estimated to be necessary to pay the remaining administrative expenses and any tax obligations of either the Gross Settlement Fund or the Net Settlement Fund, as outlined in the Settlement Agreement.