

WHY DID I GET THIS NOTICE?

4. The Plaintiffs and other Class Members are all persons in the United States who, as of January 1, 1995, were appointed by Paul Revere Life Insurance Company as Insurance Brokers under a Paul Revere Broker Agreement, or who were otherwise entitled as duly licensed agents or brokers with other insurance companies doing business with Paul Revere, to receive commissions on Paul Revere disability insurance policies in force on December 31, 1994, and who may have suffered damages as a result of a reduction by Paul Revere, beginning February 1, 1995, in the rates of payment for first year commissions on benefit increase or rider premium. The Court sent you this Notice because, as a Class Member, you have a right to know about the proposed Settlement of the claims asserted in the Action and about your options before the Court determines whether to approve the Settlement. If the Court approves the Settlement, after objections and appeals are resolved, payments will be made by UnumProvident directly to the Class Members pursuant to the Settlement.
5. This package explains the Action, the Settlement, your legal rights, what benefits are available, who is eligible to receive them.
6. The Court in charge of this case is the Worcester Superior Court, and the Judge is the Honorable Janet L. Sanders. The people who sued are called Plaintiffs, and the companies they sued, UnumProvident Corp. (formerly Provident Companies, Inc.), Provident Life and Accident Insurance Company, The Paul Revere Corporation, The Paul Revere Life Insurance Company, The Paul Revere Protective Life Insurance Company and The Paul Revere Variable Annuity Insurance Company, are called the Defendants.
7. The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments will be made by UnumProvident directly to the Class Members after the Final Judgment is entered, and all appeals, if any, are exhausted. Please be patient.

WHAT IS THIS LAWSUIT ABOUT?

8. The lawsuit claimed that, effective February 1, 1995, Paul Revere unilaterally reduced the Compensation Rates for Brokers for First Year Commissions on FIO, AIB, and GCI premium on in-force policies, generally from 50% of collected premium to 10% and reduced First Year Commission rates for physician business from 50% to 40% of collected premium, and applied such reduction to premium generated by Step Rate increases under policies in force before the reduction was announced. Plaintiffs claimed that this action was both a breach of contract and an unfair and deceptive trade practice under M.G.L. Chapter. 93A. Defendants prevailed on the breach of contract claim. Following separate proceedings on the Chapter 93A claim, the Court held that Defendants had committed an unfair and deceptive business practice in violation of M.G.L. Chapter 93A, and that Plaintiffs had suffered damages as a result of the manner in which first year commission payments were withheld from them related to these AIB, FIO and GCI exercises.

WHY IS THIS A CLASS ACTION?

9. In a class action, one or more people, called Class Representatives (in this case Stephen Eldridge and Cheryl Eberting), sue on behalf of people who have similar claims and have suffered damages. All these people are Class Members and collectively comprise a Class. One court, in this case the Massachusetts Superior Court, resolves the issues for all Class Members.

HOW DO I KNOW IF I AM PART OF THIS SETTLEMENT?

10. The Class covered by the Settlement consists of All Persons in the United States who, as of January 1, 1995, were appointed by the Paul Revere Life Insurance Company as Insurance Brokers under a Paul Revere Broker Agreement, or who were otherwise entitled as duly licensed agents or brokers with other insurance companies doing business with Paul Revere, to receive commissions on Paul Revere disability insurance policies in force on December 31, 1994, and who suffered damages as a result of a reduction by Paul Revere, beginning February 1, 1995, in the rates of payment for first year commissions on benefit increase or rider premium. The Court has determined that many Class Members did not suffer damage as result of these 1995 commission changes, as payments to such brokers by Defendants since January 1, 1995 of higher renewal commissions on option exercises during the period February 1, 1995 through December 31, 1997 have more than offset the underpayment of first year commissions on these exercises (a 50% first year commission on new business was reinstated by Provident Companies, Inc. on January 1, 1998, after the Provident-Paul Revere merger). Such increased renewal commissions have been offset against any underpayment of first

year commissions under the Court's September 16, 2003 Order setting forth the proper method of calculating damages. Even if you suffered no damages as determined by the Court's Order, you are still a Class Member if you are covered by the definition given above and were adversely affected in any way by Paul Revere's reduction, beginning February 1, 1995, in the rates of payment of first year commissions on benefit increases or rider premium.

WHAT RECOVERY DOES THE SETTLEMENT PROVIDE?

11. Class Members who have suffered damages – where the underpayment of first year commissions, plus interest, on AIB, FIO and GCI exercises between February 1, 1995 and December 31, 1997 on policies in existence on December 31, 1994, exceeds the payment of increased renewal commissions on these same exercises – will recover such losses from the Net Settlement Fund in an amount that represents their pro rata share of that Fund, provided the Class Member's damages, inclusive of interest, is greater than \$15.00.

WHY IS THERE A SETTLEMENT?

12. Under the proposed Settlement, the Court will not decide in favor of either the Plaintiffs or the Defendants. By agreeing to the Settlement, both the Plaintiffs and the Defendants avoid the costs and risks of protracted litigation and appeals, including the risk of reversal. Rather, by accepting the Settlement, Class Members will be compensated immediately after there is a Final Judgment.
13. The Defendants have denied and continue to deny any wrongdoing or the violation of any law. The Defendants believe there is a substantial basis for challenging the validity of the underlying findings in this matter through an appeal, including the finding of a M.G.L. Chapter 93A violation. Plaintiffs continue to believe that the claims asserted in the Action have merit. Nevertheless, the Parties are entering into this Settlement, and foregoing appeal, to eliminate the burden, expense, and uncertainty of further litigation. Plaintiffs, aided by Co-Lead Counsel, Berman DeValerio Pease Tabacco Burt & Pucillo and the Law Offices of James R. Hubbard, have considered carefully the risks, burden and expense of further litigation and the inevitable difficulties and uncertainties of further litigation, including the risk of a challenge to the M.G.L. Chapter 93A violation on appeal. Plaintiffs believe that the recovery contemplated by the Settlement provides an excellent monetary recovery for the Class Members and provides an immediate benefit to Class Members that is far superior to the risks of proceeding with the Action. Furthermore, after weighing these factors, Plaintiffs' Co-Lead Counsel have determined that the terms and conditions of this Settlement are fair, reasonable and adequate to Plaintiffs and the Class, and in their best interests.

WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING?

14. Plaintiffs' Co-Lead Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Class, nor have they been reimbursed for their considerable out-of-pocket expenses, since the suit was filed in 1997. By Order of July 6, 2004, the Court granted the application of Class Plaintiffs for an award of attorneys' fees and litigation expenses against Defendants, and that award has been determined by the Parties to equal \$3,021,837.34. Plaintiffs' Co-Lead Counsel also have applied to the Court for reimbursement of their litigation expenses, in the amount of \$387,310.59, and for reimbursement of the court-awarded attorneys' fees on the same discounted percentage basis (65%) as Class Members recover from the total of Class Damages (65%).

WHY HAVE THE DEFENDANTS AGREED TO THE SETTLEMENT?

15. The Settlement is not evidence of, an admission of or a concession of any fault, wrongdoing or liability whatsoever on the part of any Defendant, or any infirmity in any defense they have asserted or intended to assert in the Action. However, the Defendants consider it desirable and in their best interest that the claims against them be dismissed on the terms set forth in the Stipulation and Agreement of Settlement to avoid further expense and protracted litigation, taking into account the uncertainty and risks inherent in any litigation.

WHAT LED UP TO THE SETTLEMENT?

16. The Settlement resulted from extensive arm's length negotiations among counsel for Plaintiffs and the Defendants. Several settlement discussions took place, which ultimately resulted in an agreement to settle the claims and forego further appeals, as memorialized in the Stipulation and Agreement of Settlement.

HOW MUCH WILL MY PAYMENT BE?

17. Your payment will equal approximately 65% of your net damages – the underpayment of first year commissions plus interest offset by the amount of increased renewal commissions paid by Defendants on the AIB, FIO and GCI exercises in issue.

WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?

18. If the Settlement is approved, the Court will enter a Final Judgment (the “Judgment”). The Judgment will: (i) dismiss the claims against the Defendants with prejudice; and (ii) provide that the Class Representatives and all other Class Members, shall, upon the settlement Effective Date (as defined in the Stipulation and Agreement of Settlement), be deemed to have and by operation of the Judgment shall have, fully, finally and forever released, waived, discharged and dismissed any and all Settled Plaintiffs’ Claims (defined below) against the Released Defendant Parties, as those persons are defined in the Stipulation and Agreement of Settlement.
19. “Settled Plaintiffs’ Claims” means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law, or any other law, rule or regulation (whether foreign or domestic), including both known claims and unknown claims, accrued claims and not accrued claims, foreseen claims and unforeseen claims, matured claims and not matured claims, that have been or could have been asserted from the beginning of time to the date of execution of the Stipulation and Agreement of Settlement in any forum by the Class Members or any of them against any of the Released Defendant Parties, which arise out of or relate in any way to allegations that commissions were wrongfully withheld from them as a result of a reduction by Paul Revere, beginning February 1, 1995, in the rates of payment for first year commissions on benefit increase or rider premium. “Settled Plaintiffs’ Claims” does not include claims relating to the enforcement of the Settlement of the Action.
20. The Judgment also will provide that the Defendants shall each be deemed to have, and by operation of the Judgment shall have waived, released, dismissed, forever discharged, and agreed not to institute, maintain or prosecute, any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation (whether foreign or domestic), including both known claims and unknown claims, accrued claims and not accrued claims, foreseen claims and unforeseen claims, matured claims and not matured claims, that have been or could have been asserted from the beginning of time to the date of execution of the Stipulation and Agreement of Settlement in any forum by the Defendants against any of the Released Plaintiff Parties, which arise out of or relate in any way to the institution and/or prosecution of the Action, except claims relating to the enforcement of the Settlement.

HOW WILL THE LAWYERS BE PAID?

21. To date, Co-Lead Counsel have not received any payment for their services in prosecuting the Action on behalf of the Class, nor have Counsel been reimbursed for their out-of-pocket expenses. The fee requested by Co-Lead Counsel would compensate Plaintiffs’ Counsel for their efforts in achieving the Settlement for the benefit of the Class and for their risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to Plaintiffs’ Counsel under similar circumstances in litigation of this type.
22. Pursuant to the instructions contained in the Court’s July 6, 2004 Orders, the Parties have calculated damages, costs and attorneys’ fees and exchanged those calculations with each other. Following the Parties’ audit of the calculations exchanged, the Parties agreed that, including interest, the Class Damages are \$4,283,200.23; that Plaintiffs’ attorneys’ fee award is \$3,021,837.34; and that costs for reimbursement of expenses are \$387,310.59. That total award is estimated in good faith to be approximately \$7,692,348, and the Settlement Fund is represented to be approximately 65% of that total.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

23. The Court has certified this Action as a class action. If, as of January 1, 1995, you were appointed by the Paul Revere Life Insurance Company as an Insurance Broker under a Paul Revere Broker Agreement, or you were otherwise entitled as a duly licensed agent or broker with other insurance companies doing business with Paul Revere to receive commissions on Paul Revere disability insurance policies in force on December 31, 1994, and you were adversely affected in any way as a result of a reduction by Paul Revere, during the period February 1, 1995 through December 31, 1997, in the rates of payment for first year commissions on benefit increase or rider premium, then you are a Class Member.

24. As a Class Member you are represented by Plaintiffs and Co-Lead Counsel unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file an appearance on your behalf and must serve copies of such appearance on the attorneys listed in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?" below.
25. If you object to the Settlement or any of its terms, or Co-Lead Counsel's application for attorneys' fees and reimbursement of litigation expenses, you may present your objections by following the instructions in the section entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?" below.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?

If you do not wish to object to the proposed Settlement and/or the application for attorneys' fees and reimbursement of litigation expenses, you need not attend the Settlement Fairness Hearing.

26. A SETTLEMENT FAIRNESS HEARING WILL BE HELD BEFORE THE SUPERIOR COURT ON JANUARY 7, 2005, at 2 p.m. in Courtroom 7 on the 11th floor of the Suffolk Superior Court, 90 Devonshire Street, Boston, Massachusetts, 02109. Any Class Member may appear at the Settlement Fairness Hearing and be heard on any of the matters to be considered at the Settlement Fairness Hearing; provided, however, that no such person shall be heard unless his or her objection or opposition is made in writing, is filed, together with copies of any supporting papers upon which he or she intends to rely and a sworn statement attesting to his or her status as a Class Member, with the Clerk's Office at Two Main Street, Worcester, Massachusetts, 01608 seven days prior to the date of the Settlement Fairness Hearing, and is served on the same day by hand or overnight delivery to each of the following:

Co-Lead Counsel for Plaintiffs:

BERMAN DEVALERIO PEASE
 TABACCO BURT & PUCILLO
 GLEN DEVALERIO
 MICHAEL G. LANGE
 One Liberty Square
 Boston, MA 02109

Co-Lead Counsel for Plaintiffs:

LAW OFFICES OF JAMES R.
 HUBBARD
 JAMES R. HUBBARD
 1645 Palm Beach Lakes
 Boulevard
 West Palm Beach, FL 33401

Counsel for the Defendants:

PAUL, HASTINGS, JANOFSKY
 & WALKER LLP
 PATRICK W. SHEA
 DEBORAH E. HRYB
 1055 Washington Boulevard
 Stamford, CT 06901

MIRICK, O'CONNELL,
 DEMALLIE & LOUGEE, LLP
 JOSEPH M. HAMILTON
 ROBERT B. GIBBONS
 1700 BankBoston Tower
 100 Front Street
 Worcester, MA 01608-1477

You may file an objection without having to appear at the Settlement Fairness Hearing. Class Members who approve of the Settlement need not appear at the Settlement Fairness Hearing or file any concurrence.

27. While attendance at the Settlement Fairness Hearing is not necessary, persons wishing to be heard orally in opposition to the approval of the Settlement and/or the request for attorneys' fees and reimbursement of litigation expenses are required to indicate in their written objections their intention to appear at the Settlement Fairness Hearing. Persons who intend to object to the Settlement and/or the application for an award of attorneys' fees and reimbursement of litigation expenses, and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and any exhibits they may seek to introduce into evidence at the Settlement Fairness Hearing.
28. The Settlement Fairness Hearing may be delayed from time to time by the Court without further written notice to the Class. If you intend to attend the Settlement Fairness Hearing, you should confirm the date and time with Plaintiffs' Counsel.

Unless otherwise ordered by the Court, any Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement and the application for attorneys' fees and reimbursement of litigation expenses, and shall be bound by all the terms and provisions of the Stipulation and Agreement of Settlement and by all proceedings, orders and judgments in the Action. Class Members do not need to appear at the Settlement Fairness Hearing or take any other action to indicate their approval.

CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

29. This Notice contains only a summary of the terms of the proposed Settlement. For a more detailed statement of the matters involved in the Action, you are referred to the papers on file in the Action, including the Stipulation and Agreement of Settlement, which may be inspected during regular office hours at the Office of the Clerk, Superior Court of Massachusetts for Worcester County, Two Main Street, Worcester, MA 01608.
30. All inquiries concerning this Notice should be directed to:

Glen DeValerio, Esq.
Michael G. Lange, Esq.
Berman DeValerio Pease Tabacco Burt & Pucillo
One Liberty Square
Boston, MA 02109
800-516-9926

DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT REGARDING THIS NOTICE.

Dated: November 12, 2004

By Order of the Clerk of the Court
Superior Court of Massachusetts

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Eldridge et al vs Provident Companies, Inc., et al.
c/o Heffler, Radetich & Saitta L.L.P.
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Philadelphia, PA 19105-0280

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