

1. I am an economist and Director at Micronomics, Inc., an economic research and consulting firm located in Los Angeles, California. I have 25 years of economic research and consulting experience in areas including the valuation of intellectual property and other assets, industrial organization, and the calculation of economic damages. Over the course of my career, I have worked on numerous projects involving the life insurance industry, including matters in which I have been asked to compute damages caused by cost of insurance overcharges. In that connection, I have analyzed historical policy data for over 650,000 life insurance policies. I also have analyzed, calculated, and reconciled numerous other variables pertaining to life insurance, including premium payments, administrative expenses, sales loads, rider charges, interest credits, account values, surrender values, corridor values, net amounts at risk, grace notice values, and death benefits, among other variables, and I have provided expert testimony concerning these analyses and calculations.

2. I previously submitted an opening expert report in this matter on April 19, 2022, a rebuttal expert report on August 26, 2022, and a declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action Settlement on March 7, 2023.

3. I understand that under the terms of the proposed settlement, PHL has agreed to a cash settlement payment of \$18,500,000, which shall be proportionately reduced, on a pro-rata basis measured by the total face amount of all Opt-Out Policies as compared with the total face amount of all Class Policies.

4. I have reviewed opt-out requests received by the settlement administrator and identified 64 Opt-Out Policies. The total face amount for these Opt-Out Policies represents

5.92777% of the total face amount of all Class Policies. Adjusting the agreed cash settlement payment for Opt-Out Policies results in an adjusted cash settlement payment of \$17,403,363.¹

5. Total COI overcharges for the Class Policies that are not Opt-Out Policies resulting from the 2017 COI rate increase are \$26,382,143. This amount is fixed and represents the damages (exclusive of pre-judgment interest) that Plaintiffs could potentially recover by proceeding to trial. The adjusted cash settlement payment of \$17,403,363 is equal to 66.0% of the total alleged COI overcharges for Class Policies that are not Opt-Out Policies resulting from the 2017 COI rate increase.²

Executed on November 7, 2023,



Robert Mills

1. $\$17,403,363 = \$18,500,000 - 5.92777\% \times \$18,500,000$.

2. $66.0\% = \$17,403,363 / \$26,382,143$.