

California Pension Fund Agrees To \$2.7 Billion Lawsuit Deal

“The nation’s largest public pension fund has agreed to pay up to \$2.7 billion to refund policyholders hit with huge hikes in their premiums, it was announced Tuesday. The California Public Employees’ Retirement System, or CalPERS, has agreed to settle a class-action lawsuit over the fee hikes that were imposed on nearly 80,000 people who paid for policies to cover the long-term costs of nursing care,” reports CBS Sacramento in their blog.

“A judge must approve the deal, which could happen sometime next year, according to the release. Several policyholders sued in 2013 after CalPERS notified them that their premiums would jump by 85% over two years beginning in 2015. CalPERS said it needed to raise the premiums to keep the expensive long-term care policies solvent. The fund has suspended new enrollment and plans.”

Read the article.