Shareholder Alert: Bernstein Litowitz Berger & Grossmann LLP Announces the Filing of a Securities Class Action Lawsuit Against SelectQuote, Inc.

New York, NY – (PR Newswire) – October 7, 2021. Today, prominent investor rights law firm Bernstein Litowitz Berger & Grossmann LLP ("BLB&G") filed a class action lawsuit for violations of the federal securities laws in the U.S. District Court for the Southern District of New York against SelectQuote, Inc. ("SelectQuote" or "the Company"), certain of the Company's senior executives, members of the Company's Board of Directors, and underwriters of the Company's May 20, 2020 Initial Public Offering ("IPO") (collectively, "Defendants"). The complaint expands the class period that was asserted in the previously filed related securities class action pending against SelectQuote captioned *Hartel v. SelectQuote, Inc.*, No. 1:21-cv-06903 (S.D.N.Y.), and is brought on behalf of investors in SelectQuote common stock between May 20, 2020 and August 25, 2021, inclusive (the "Class Period"), as well as investors that purchased SelectQuote common stock on or traceable to the IPO.

BLB&G filed this action on behalf of its client, the West Palm Beach Police Pension Fund, and the case is captioned *West Palm Beach Police Pension Fund v. SelectQuote, Inc.*, No. 1:21-cv-08279 (S.D.N.Y.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. A copy of the complaint is available on BLB&G's website by clicking here.

SelectQuote's Alleged Fraud

SelectQuote is an insurance broker that provides an online, direct-to-consumer distribution platform and offers insurance policies from a curated panel of insurance carriers. SelectQuote offers a variety of insurance coverage options, including senior health, life, auto, and home insurance policies. The vast majority of the policies it sells, however, are Medicare Advantage and Medicare Supplement plans, which accounted for 78% of the Company's policies written in 2019.

As an insurance broker, when SelectQuote sells a policy, accounting rules allow it to book the entire lifetime value of commissions at the time the policy is sold. The revenue includes not only the contracted commission rate for the one-year policy contract, but also an estimate of future renewal commissions Under generally accepted accounting principles ("GAAP"), the Company must write down the revenue from future commissions as soon as it becomes probable that the policy will not be renewed.

Specifically, the complaint alleges that, throughout the Class Period, Defendants made false and misleading statements regarding the rapid policy disenrollment it had been experiencing, and as a result the Company's reported revenues, earnings, accounts receivable, and lifetime value of commissions per approved policy were improperly inflated.

The truth began to emerge on May 11, 2021, when SelectQuote disclosed that its fourth quarter results would be impacted by a "negative cohort and tail adjustment" due to "lower second-term persistency for the 2019 cohort," which SelectQuote attributed to the OEP and increased "switching activity." These disclosures caused the Company's share price to decline by $5.50 per share, or 20%.

Then, on August 25, 2021, SelectQuote disclosed that lack of policy renewals affected both the 2019 and 2020 cohorts, and that the Company was including a $65 million placeholder for the risk of an additional cohort tail adjustment the following year, driven mostly by lower-than-anticipated persistency results by the 2020 cohort. As a result of these disclosures, SelectQuote's share price declined by an additional $6.46 per share, or 45%.

The filing of this action does not alter the previously established deadline to seek appointment as Lead Plaintiff. Pursuant to the August 16, 2021 notice published in connection with the *Hartel* action, under the Private Securities Litigation Reform Act of 1995, investors who purchased or otherwise acquired SelectQuote securities during the Class Period may, no later than October 15, 2021, seek to be appointed as Lead Plaintiff for the Class. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at (212) 554-1903 or e-mail at scott.foglietta@blbglaw.com.

About BLB&G

BLB&G is widely recognized worldwide as a leading law firm advising institutional investors on issues related to corporate governance, shareholder rights, and securities litigation. Since its founding in 1983, BLB&G has built an international reputation for excellence and integrity and pioneered the use of the litigation process to achieve precedent-setting governance reforms. Unique among its peers, BLB&G has obtained several of the largest and most significant securities recoveries in history, recovering over $33 billion on behalf of defrauded investors. More information about the firm can be found online at www.blbglaw.com.

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