

If You Had a Farmers Insurance Exchange or Mid-Century Insurance Company Auto Policy in California at any time between August 18, 2015 and March 31, 2017 and had been insured by those companies for 9 or more years, You May Be Eligible for a Payment from a Class Action Settlement.

*The Superior Court for the State of California, County of Los Angeles (“the Court”) authorized this Notice. This is not a solicitation from a lawyer. **This is not a legal action against you and you are not required to take any action to receive benefits that may be approved.***

Para una notificación en Espanol, visitar www.FarmersPriceOptimizationSettlement.com.

- A \$15,000,000 settlement has been reached in a class action case known as *Harris, et al. v. Farmers Insurance Exchange, et al.*, Superior Court of California, County of Los Angeles, Case No. BC 57948 (“Action”). The Plaintiffs filed a class action complaint alleging five causes of action pertaining to the alleged use by Farmers Insurance Exchange and Mid-Century Insurance Company of price optimization/elasticity of demand (a method of taking into account an individual’s or class’s willingness to pay a higher premium relative to other individuals or classes) as a rating factor in California in violation of California’s Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 et seq. (“UCL”) and the California Insurance Code, and as unjust enrichment. Farmers denies Plaintiffs’ allegations and denies that it did anything wrong. The Court has not decided who is right.
- A settlement of this lawsuit (“Settlement”) has been negotiated which, if approved by the Court, may entitle you to an automatic payment. By entering into the Settlement, Farmers has not admitted the truth or validity of any of the claims against it. Your rights and options under the Settlement—and the deadlines to exercise them—are explained below.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
EXCLUDE YOURSELF	Get no benefits from the Settlement. This is the only option that allows you to start or remain part of any other lawsuit against Farmers about the legal claims in this case.
OBJECT	Write to the Court about why you do not like the Settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the Settlement.
DO NOTHING	If you received a notice by email or in the mail about this Settlement, a policy credit or check payment will automatically be issued to you for the amount you are eligible to receive. You will give up your rights to sue Farmers about the legal claims in this case.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court presiding over this case still has to decide whether to approve the Settlement. If it does, and after any appeals are resolved, benefits will be distributed to those who qualify. Please be patient as this process sometimes takes a long time.

QUESTIONS? CALL 1-855-964-0518 OR VISIT www.FarmersPriceOptimizationSettlement.com

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BASIC INFORMATION

1. Why is this Notice being provided?

A Court authorized this notice because you have a right to know about a proposed Settlement of this class action lawsuit and about all of your options before the Court decides whether to give “final approval” to the Settlement. This notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who may be eligible for those benefits, and how to get them.

Judge Maren Nelson of the Superior Court of California, County of Los Angeles is overseeing this class action. The Settlement resolves the case known as *Harris, et al. v. Farmers Insurance Exchange, et al.*, Case No. BC 57948.

The persons who sued are called “Plaintiffs,” and the companies sued, Farmers Insurance Exchange and Mid-Century Insurance Company, are called collectively “Farmers” or “Defendants.”

2. What is this lawsuit about?

In California, as in other states, drivers are required to maintain auto insurance. Auto insurance companies are not permitted to determine auto insurance premiums based on what the market will bear, but instead must determine premiums based on those rating factors that the Insurance Commissioner has approved as having a substantial relationship to the risk of loss. This case was brought as a class action complaint alleging that Farmers engaged in violations of the Unfair Competition Law – Commission of Unfair Business Act or Practice Cal. Bus. & Prof. Code § 17200 et seq., Unjust Enrichment and Violation of Cal. Ins. Code § 1861.10, and claims that Defendants improperly used price optimization/elasticity of demand (a policyholders’ or class of policyholders’ willingness to tolerate a price increase as a compared to other policyholders or other classes of policyholders) as a factor in calculating premiums in California. This notice is just a summary of the allegations. The complaint in the lawsuit is posted at www.FarmersPriceOptimizationSettlement.com and contains all of the allegations. Farmers denies these allegations; however, in order to avoid the expense, inconvenience, and distraction of continued litigation, they have agreed to the Settlement described herein.

3. Why is this a class action?

In a class action, one or more people called Settlement Class Representatives (in this case Roger Harris, Duane Brown, and Brian Lindsey) sue on behalf of people who have similar claims. All of these people are a “Settlement Class” or “Settlement Class Members.” One court resolves the issues for all Settlement Class Members, except for those who timely exclude themselves from the Settlement Class.

4. Why is there a Settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to settle this case to avoid the cost and risk of a trial. The proposed Settlement does not mean that any law was broken or that the Defendants did anything wrong. Defendants deny all legal claims in this case. Plaintiffs and their lawyers think that in light of litigation uncertainties and the lengthy delay that would result from a trial and possible appeal, the proposed Settlement is in the best interest of the Settlement Class Members.

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WHO IS IN THE SETTLEMENT

To see if you will be affected by the Settlement or if you can get a payment from it, you first have to determine if you are a Settlement Class Member.

5. How do I know if I am part of the Settlement?

If you received notice of the Settlement by email or by mail then Farmers' records show you may be a member of the Settlement Class. But even if you did not receive a notice, you may still be a member of the Settlement Class.

The Proposed "Settlement Class" is composed of:

All California Policy Holders of Defendants Farmers Insurance Exchange ("FIE") and Mid-Century Insurance Company ("Mid-Century") who: (1) had 9 or more years of tenure/persistency as a FIE and/or Mid-Century policyholder as of August 18, 2015 or who reached 9 or more years of tenure/persistency as a FIE and/or Mid-Century policyholder on or before March 31, 2017, and (2) were FIE and/or Mid-Century policyholders at any time during the period extending from August 18, 2015 through March 31, 2017.

Excluded from the Settlement Class are (a) officers, directors, and employees of any member of the Farmers Insurance Group of Companies; (b) the judge overseeing the proposed Settlement and the judge's immediate family and (c) all Policy Holders who make a timely election to be excluded.

6. What if I am not sure whether I am included in the Settlement?

If you are not sure whether you are in the Settlement Class, or have any other questions about the Settlement, visit the Settlement Website at www.FarmersPriceOptimizationSettlement.com or call the toll free number, 1-855-964-0518. You may also write with questions to Farmers PO Settlement, P.O. Box 5053, Portland, OR 97208-5053.

THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

If the Settlement is approved and becomes final, it will provide benefits to Settlement Class Members.

7. What does the Settlement provide?

Farmers will pay \$15 million to a Settlement Fund to make payments or give policy credits to eligible Settlement Class Members as well as to pay Class Counsel's attorneys' fees, costs, notice and administration expenses, and Service Awards. The maximum estimated amounts for the deductions from the \$15 million Settlement Fund are as follows: Class Counsel's attorneys' fees (\$4,950,000), costs (\$275,000), notice and administration expenses (\$573,000) and Service Awards (\$15,000). After these fees and costs are deducted from the Settlement Fund, the remaining funds (approximately \$9,187,000) will be divided by the total number of Settlement Class Members (approximately 609,000) to calculate the payment amount for each Settlement Class Member. All Settlement Class Members will receive an equal payment amount (estimated at \$15.09).

Settlement Class Members who are "Renewing Current Policy Holders" will receive a credit at the time of renewal of their Policies. "Non-Renewing Current Policy Holders" and those Settlement Class Members who are no longer Policyholders will receive their Settlement Class Member Payment by paper check.

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“Renewing Current Policy Holder” means a Settlement Class Member who continues to have his or her Policy as of the Effective Date and who renews his or her Policy within six months after the Payment Date.

“Non-Renewing Current Policyholder” means a Settlement Class Member who continues to have his or her Policy as of the Effective Date and who declines to renew his or her Policy within six months after the Payment Date.

“Policy” means any private passenger auto insurance policy maintained by Farmers in the state of California.

“Effective Date” means the day following: (A) the entry by the Court of the Final Order and Judgment: (i) affirming certification of the Settlement Class; (ii) finding the Settlement Agreement to be fair, adequate and reasonable; (iii) finding that the Notice to the Class of the Settlement Agreement was fair, adequate and reasonable; (iv) resolving any and all objections to the fairness and reasonableness of the Settlement Agreement, if any; and (B) the expiration of the deadline for seeking appellate review of the Final Order and Judgment if no appeal is sought; or the day following the date all appellate courts with jurisdiction affirm the Final Judgment and Order with no possibility of further appellate review existing; and (C) the Insurance Commissioner’s dismissal of the Department Proceeding (without prejudice to reinstitution in the event the Settlement does not receive Final Approval and/or the Effective Date does not occur).

“Payment Date” means the date occurring after the Effective Date on which the Court orders the payment of the Settlement Class Member Payments to begin.

Details on all of the settlement benefits are in the Settlement Agreement, which is available at www.FarmersPriceOptimizationSettlement.com.

HOW TO GET A PAYMENT

8. How can I get a payment?

If you received a notice by email or in the mail telling you that you are Settlement Class Member, you will receive an automatic payment or policy credit once the Settlement is approved by the Court and the Effective Date passes, provided you are eligible for a payment and you have not requested exclusion from the Settlement (*see* —“Excluding Yourself From The Settlement” below).

If you did not receive a notice by email or in the mail and believe you are a Settlement Class Member, please contact the Settlement Administrator at www.FarmersPriceOptimizationSettlement.com or by calling 1-855-964-0518.

9. When will I get my payment?

Payments and policy credits will be made after the Effective Date, which comes after Court grants “final approval” to the Settlement and after any appeals are resolved (*see* “The Court’s Final Approval Hearing” below). It is uncertain when the Court will decide to approve or disapprove the proposed Settlement and whether any appeals will be filed. Please be patient.

10. What am I giving up to get a payment?

If the Settlement becomes final, Settlement Class Members who do not timely request exclusion from the Settlement will be releasing Farmers per the Amended Settlement Agreement and Release as follows:

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“As of the Effective Date, Plaintiffs and each Settlement Class Member, each on behalf of itself and on behalf of its respective heirs, assigns, beneficiaries and successors (“Releasing Parties”), shall automatically be deemed to have fully and irrevocably released and forever discharged Farmers and each of its present and former parents, subsidiaries, divisions, affiliates, predecessors, successors and assigns, and the present and former directors, officers, employees, agents, insurers, members, attorneys, advisors, consultants, representatives, partners, joint venturers, independent contractors, wholesalers, resellers, distributors, retailers, predecessors, successors and assigns of each of them (“Released Parties”), of and from any claims that were or could have been alleged based on the facts pleaded in the First Amended Complaint dated October 29, 2015 and/or any subsequent amended complaint filed in conjunction with the Court’s approval of the Settlement (“Released Claims”).”

This means you will no longer be able to sue Farmers regarding any of the claims described in the Settlement Agreement.

The Settlement Agreement is available at www.FarmersPriceOptimizationSettlement.com. The Settlement Agreement provides more detail regarding the release and describes the released claims with specific descriptions in necessary, accurate legal terminology, so read it carefully. You can talk to the law firms representing the Settlement Class listed in the section “The Lawyers Representing You” for free or you can, at your own expense, talk to your own lawyer if you have any questions about the released claims or what they mean.

This Settlement may be terminated by either of the Parties if a related proceeding pending before the California Department of Insurance (the “Department Proceeding”) is not dismissed prior to final approval of the Settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to participate in this proposed Settlement and you want to keep the right to sue Farmers about the legal issues in this case, then you must take steps to opt out of the Settlement. This is called asking to be excluded from, or sometimes called “opting out” of, the Settlement Class.

11. If I exclude myself, can I get anything from this Settlement?

No. If you exclude yourself, you may not apply for any benefits under the Settlement and you cannot object to the proposed Settlement. If you ask to be excluded, however, you will retain any right you have to sue or be part of a different lawsuit against the Defendants in the future. You will not be bound by anything that happens in this lawsuit.

12. If I do not exclude myself, can I sue later?

No, not over the issues raised in this case.

13. How do I get out of the Settlement?

If you wish to exclude yourself from the Settlement Class, you must send a letter to the Settlement Administrator identifying:

- (1) the name and case number of this lawsuit (*Harris, et al. v. Farmers Insurance Exchange, et al., Superior Court of California, County of Los Angeles, Case No. BC 57948*);
- (2) your full name, current address, and telephone number;

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- (3) a statement that you wish to exclude yourself from the Settlement Class; and
- (4) your signature.

To be effective you must submit the above information to the following address **postmarked no later than May 6, 2020**:

Farmers PO Settlement Administrator
P.O. Box 5053
Portland, OR 97208-5053

This is a firm deadline for requesting exclusion from the proposed Settlement. You cannot ask to be excluded on the phone, by email, or at the website.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in the case?

The Court approved the law firms of Mehri & Skalet PLLC, Tycko & Zavareei LLP and Berger Montague PC, as Class Counsel to represent the Settlement Class. You will not be charged separately for these lawyers. If you wish to be represented by your own lawyer in this case, you may hire one at your own expense.

15. How will the lawyers be paid?

Class Counsel will apply to the Court for an award of attorneys' fees of up to \$4,950,000 plus costs and expenses (capped at \$275,000) for investigating the facts, litigating the cases, and negotiating the Settlement. To date, Class Counsel have not received any payment for their services in conducting this Litigation on behalf of the Settlement Class Representatives and the Settlement Class, nor have Class Counsel been reimbursed for their costs and expenses to date in this case. Class Counsel will also request the Court to award a Service Award of \$5,000 to each of the three Settlement Class Representatives in recognition of their service to the Settlement Class. The amount of the fees, expenses and service award will be determined by the Court. Class Counsel's contact information is as follows:

CLASS COUNSEL		
MEHRI & SKALET PLLC Cyrus Mehri, Esq. Jay Angoff, Esq. 1250 Connecticut Ave. NW, Suite 300 Washington, DC 20036	TYCKO & ZAVAREEI LLP Hassan Zavareei, Esq. Andrea Gold, Esq. 1828 L Street, N.W., Suite 1000 Washington, DC 20036	BERGER MONTAGUE PC Peter Kahana, Esq. Jeff Osterwise, Esq. 1818 Market Street, Suite 3600 Philadelphia, PA 19103

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court if I do not like the Settlement?

You can object to the Settlement if you do not like some part of it. You must state the reasons you think the Court should not approve the Settlement. To object, send a letter (as instructed below) saying that you object to the proposed Settlement. You must include:

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- a. the case name and case number of this Litigation (*Harris, et al. v. Farmers Insurance Exchange, et al., Superior Court of California, County of Los Angeles, Case No. BC 57948*);
- b. your full name, current address, and phone number;
- c. an explanation of the basis upon which you claim to be a Settlement Class member;
- d. all grounds for the objection;
- e. the identity of all counsel who represent you;
- f. a statement confirming whether you intend to personally appear and/or testify at the Final Approval Hearing;
- g. your signature.

Mail the objection to the following address so that it is **postmarked no later than May 6, 2020**. This is a firm deadline. Objections postmarked after this date will not be recognized.

Farmers PO Settlement Administrator
P.O. Box 5053
Portland, OR 97208-5053

17. What is the difference between objecting and asking to be excluded?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you cannot object to the Settlement and you will not be eligible to apply for any benefits under the Settlement because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 9:00 a.m. on **June 17, 2020**, at the Superior Court of California, County of Los Angeles, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012. At the Final Approval Hearing, the Court will consider whether the proposed Settlement is fair, reasonable, and adequate. The Court may also consider Class Counsel's request for attorneys' fees, costs and expenses, and Service Awards. If there are objections received by the deadline, the Court may consider them. After the Final Approval Hearing, the Court will decide whether to approve the Settlement and how much to award in attorneys' fees, costs and expenses, as well as Service Awards.

The Final Approval Hearing may be moved to a different date or time without additional notice, so it is recommended that you periodically check www.FarmersPriceOptimizationSettlement.com or call the toll-free number for updated information.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend the hearing at your own expense. If you send in a written objection, you do not have to come to the Final Approval Hearing to talk about it. As long as you mailed your written objection on

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time, the Court may consider it. You may also pay your own lawyer to attend the Final Approval Hearing, but their attendance is not necessary.

IF YOU DO NOTHING

20. What happens if I do nothing?

If you are a Settlement Class Member and received a notice by email or in the mail telling you that you will receive an automatic payment or policy credit, you do not need to do anything in order to receive your payment or policy credit (provided the Court approves the Settlement). If you *did not* receive a notice by email or in the mail telling you that you will receive an automatic payment or policy credit and do nothing, you *will not* get a payment or policy credit from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendant about the claims in this case, ever again.

GETTING MORE INFORMATION

21. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. The Settlement Agreement and a copy of the Judgement (once it is available) will be at www.FarmersPriceOptimizationSettlement.com. You also may write with questions to Farmers PO Settlement, P.O. Box 5053, Portland, OR 97208-5053.

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