

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If you are or were a Farmers[®] Agent or Supervising Agent in California on or after November 16, 2013, You May Be Eligible for Payments and Other Benefits from a Class Action Settlement.

The Superior Court for the State of California, County of Los Angeles authorized this notice. It is not junkmail, spam, an advertisement, or a solicitation from a lawyer.

You are not being sued. Please read this notice carefully because it explains your rights.

- A settlement has been reached in a class action lawsuit known as *Parry et al. v. Farmers Insurance Exchange, et al.*, Superior Court for the State of California, County of Los Angeles, Case No. BC683856. Plaintiffs claim that under California law they and other Farmers[®] agents are or were employees of Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, and Farmers Group, Inc. (collectively “Defendants”), and that California law requires Defendants to reimburse them and other Farmers[®] agents for certain necessary business expenses they paid. Defendants deny these claims.
- The Court has not decided whether Defendants violated any law. Defendants deny all liability. Instead, Plaintiffs and Defendants have agreed to a Settlement to avoid the risks and costs of further litigation.
- Defendants have agreed to pay a maximum of \$75 million under the Settlement. The Settlement may entitle you to one or two payments and additional benefits if the Court grants final approval of the Settlement. The Court has not yet decided whether to grant final approval.
- Defendants’ records indicate that you may be a Settlement Class Member entitled to payments and other benefits from the Settlement. **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 EXCLUSION DEADLINE IS May 30, 2022	Remove yourself from the Class by “opting out.” You will receive no payments or other benefits from the Settlement. You will keep your right to sue the Defendants about the legal claims in this case. See Sections 11-13 of this Notice.
OBJECT WRITTEN OBJECTIONS DEADLINE IS October 11, 2022	Send a written statement to Settlement Administrator stating why you do not like any aspect of the Settlement. Alternatively, you or your attorney may object verbally at the Final Approval Hearing to be conducted by the Court. See Sections 16-17 of this Notice.
DO NOTHING AND RECEIVE A DIRECT PAYMENT	If you do nothing, a payment will be sent to you for the amount you are eligible to receive as a “Direct Payment.” You will also receive the benefits of certain systemic and contract changes. You will give up your rights to sue the Defendants about the legal claims in this case. See Sections 7 and 10 of this Notice.
SUBMIT A CLAIM FOR AN ADDITIONAL CLAIMS PAYMENT OF UP TO \$10,000 CLAIM DEADLINE IS July 7, 2022	In addition to a “Direct Payment,” you may submit a Claim Form online, by e-mail or by mail to receive a “Claims Payment” in the amount you believe you are eligible to receive up to a maximum of \$10,000 . In order to receive a “Claims Payment” you must timely submit a valid Claim Form. You will give up your right to sue the Defendants about the legal claims in this case. See Section 7 and 10 of this Notice.

- Your rights and options under the Settlement – **and the deadlines to exercise them** – are explained below.
- The Court must approve the Settlement. If it does, and after any appeals are resolved, payments will be distributed to those who qualify.
- The Settlement does not change the Farmers[®] agents’ classification as independent contractors.
- Plaintiffs’ Counsel will host webinars on **April 6, April 26, May 10, and May 24, 2022, all at 1 p.m. Pacific Time**, to answer questions about the Settlement and explain how you can receive a Direct Payment and submit a Claim for

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an additional Claims Payment. In addition, a recorded presentation is available at the Settlement Website.

- Visit the Settlement Website, www.californiainsuranceagentssettlement.com, for the link to the webinars, recorded presentation, and further information.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

Settlement Class Member Confidentiality: Identifying information of a Settlement Class Member contained on a submitted Claim Form (required to receive a Claims Payment) will not be shared with anyone from the Farmers Defendants except for their legal department/legal counsel (internal and external) and designated employees in Farmers’ accounting and marketing department needed for the processing of Claim Forms. These employees will sign agreements promising to maintain the information in strict confidence and not to disclose the information to others working for Defendants, including Defendants’ District Managers, Area Sales Managers or any members of Territory Leadership or Executive Leadership. Should Farmers need to involve others beyond Designated Personnel in the Claims Form Review Process, Farmers may seek approval from the Court, but Farmers agrees that such individuals would not include District Managers, Area Sales Managers or any members of Territory Leadership or Executive Leadership.

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BASIC INFORMATION

1. Why did I get this Notice?

A Court authorized this Notice because you have a right to know about a proposed Settlement and your options under the proposed Settlement before the Court decides whether to give "final approval" of 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. You received this Notice because Defendants' records indicate that you may be a Class Member and you may be entitled to payments and other benefits from the proposed Settlement.

The Settlement resolves the case known as *Parry, et al. v. Farmers Insurance Exchange, et al.*, Case No. BC683856.

2. What is this lawsuit about?

The action was commenced on November 16, 2017. Plaintiffs claim that the Defendants unlawfully classified Farmers[®] agents in California as independent contractors, and thus required them to incur several categories of unreimbursed business expenses, in violation of California Labor Code section 2802 and California's Unfair Competition Law. Plaintiffs claim that they and other Farmers[®] agents are entitled to reimbursement of the necessary business expenses they paid as Farmers[®] agents. Plaintiffs also claim that defendant Farmers Group, Inc. violated California Labor Code section 2753 by advising the Exchange Defendants to misclassify Farmers[®] agents as independent contractors to avoid employee status. You can read the Plaintiffs' First Amended Complaint at the Settlement Website at www.californiainsuranceagentssettlement.com. Defendants deny these claims.

3. Why is this a class action?

In a class action lawsuit, one or more people sue on behalf of other people who have similar claims called "Class Members." The people who sued are called "Plaintiffs" in the lawsuit and are "Class Representatives" if they are appointed by the court. The lawyers representing Plaintiffs and Class Members are called "Class Counsel." The companies they sued are called "Defendants." One court then resolves the claims for all Class Members—except for those people who choose to exclude themselves ("opt-out") from the Class.

In this case, Plaintiffs are Irene Parry and Jeanette O'Sullivan, former Farmers[®] agents, and they have been appointed by the Court as Class Representatives to represent the "Class" or "Class Members." On March 5, 2021, the Court issued an order granting class certification of the Class Representatives' claims against Defendants and certifying a class of all individuals who signed Farmers[®] Agent Appointment Agreements and worked as a Farmers[®] agent or Supervising Agent in the State of California on or after November 16, 2013. The class certification order did not determine the merits of the lawsuit.

4. Why is there a Settlement?

The Court has not decided who will win or lose the lawsuit. Instead, both sides agreed to settle this case to avoid the costs and risks of further litigation. The proposed Settlement does not mean that any law was broken or that Defendants did anything wrong. Defendants deny all legal claims in this case. Plaintiffs and Class Counsel believe that in light of litigation uncertainties and the lengthy delay that would result from a trial and possible appeal, the proposed Settlement is a fair and reasonable compromise of the claims alleged and is in the best interest of the Settlement Class Members.

WHO ARE SETTLEMENT CLASS MEMBERS?

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

5. How do I know if I am a Settlement Class Member and a part of the Settlement?

If you received this Notice, then Defendants' records show you may be Settlement Class Member. But even if you did not receive Notice, you may still be a Settlement Class Member.

The "Settlement Class" are composed of the following "Settlement Class Members":

All individuals who (i) signed a Farmers Agent Appointment Agreement or a Farmers Corporate Agent Appointment Agreement and (ii) worked as a Farmers agent or Supervising Agent for an incorporated Farmers agency in the State of California at any time between November 16, 2013 to March 8, 2022 ("Settlement Class Period").

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Any individual who is not a natural, living person (*i.e.*, an entity) is excluded from the Settlement Class. Also excluded from the Settlement Class is any person who during the Settlement Class Period: (i) settled the claims asserted in this Action, (ii) released the claims asserted in this Action as part of a settlement of one or more claims asserted under the California Labor Code, (iii) received an adverse final judgment or order in a civil or administrative action involving the claims asserted in this Action, or (iv) who received awards through civil or administrative actions for the claims asserted in this Action.

6. What if I am not sure if I am a Settlement Class Member and included in the Settlement?

If you are not sure whether you are a Settlement Class Member, or if have any other questions about the Settlement, visit the Settlement Website at www.californiainsuranceagentssettlement.com, or call the toll free number for the Settlement Administrator, 1-877-311-3721, or contact Class Counsel using the information provided in Section 14 later in this Notice. You may also write to the Settlement Administrator with questions addressed to *Parry v. Farmers Insurance Settlement, c/o A.B.Data, Ltd., P.O. Box 170800, Milwaukee, WI 53217.*

THE SETTLEMENT BENEFITS – WHAT CAN YOU GET IF YOU ARE A SETTLEMENT CLASS MEMBER

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

7. What does the Settlement provide?

The Settlement provides for a “Settlement Amount” of Seventy-Five Million Dollars (\$75,000,000) paid by Defendants, in the form of two types of payments, after deductions of payments for Class Counsel’s attorneys’ fees, expenses, Service Awards to Class Representatives, and notice and certain Settlement administration expenses—each in amounts to be approved by the Court at the Final Approval Hearing. See Section 15.

Direct Payments: Settlement Class Members will automatically receive a pro rata share of Forty Million Dollars (\$40,000,000) as a “Direct Payment,” unless they timely request exclusion from the Settlement by the exclusion deadline (*see* “Excluding Yourself from the Settlement,” Sections 11-13 below). Each Settlement Class Member’s pro rata share will be based on his or her length of time as a California Farmers® agent/Supervising Agent during the Settlement Class Period. The Court will deduct, in amounts approved by the Court, Class Counsel’s attorneys’ fees, expenses, Service Awards to Class Representatives, and notice and certain Settlement administration expenses from the Direct Payments. **You cannot receive a Direct Payment if you timely request exclusion from the Settlement.**

Based on Defendants’ records, and the parties’ current assumptions, it is estimated to be that Direct Payments to Agents/Supervising Agents with two years of service (during the Settlement Class Period) will be \$1,548; with four years of service will be \$ 3,093; with six years of service will be \$4,640; and with eight years of service will be \$6,186. The actual amounts you may receive as a Direct Payment likely will be different and will depend on a number of factors.

Claims Payments: In addition to Direct Payments, Settlement Class Members may also be eligible for a Claims Payment of up to a maximum of Ten Thousand Dollars (\$10,000) from a fund of Thirty-Five Million Dollars (\$35,000,000)—**only if they submit a timely and valid Claim Form.** To submit a timely and valid Claim Form, Settlement Class Members must submit **no later than July 7, 2022** a Claim Form in which they declare and, where applicable, provide documentary proof, that he or she has paid business expenses necessary to meet one or more of the Smart Office Standards during the Settlement Class Period. The maximum Claims Payment to any Settlement Class Member, regardless of the amount claimed, cannot exceed \$10,000. The maximum amount of the Claims Payment may be less, however, depending on how many Settlement Class Members submit claims and the amounts these claims represent, as well as the amount of attorneys’ fees and costs the Court awards from this portion of the Settlement. The sum total of the Claims Payments cannot exceed \$35,000,000. A Claim Form is included at the end of this Notice and can also be found at the Settlement Website www.californiainsuranceagentssettlement.com. **Keep in mind that you will not receive a Claims Payment unless you submit a timely and valid Claim Form. You cannot receive a Claims Payment if you timely request exclusion from the Settlement.**

Systemic and Contract Changes: The Settlement further provides that Defendants will make certain systemic changes and a Settlement Class Members’ AAAs and CAAAs will be amended unless he or she timely requests exclusion from the Settlement by the exclusion deadline. The contract amendments will:

- (i) eliminate the no-cause termination provision on three months' notice;
- (ii) eliminate the non-solicitation provision;
- (iii) add a provision that the Agent/Supervising Agent may resign his or her appointment at any time with sixty (60) days written notice to the Companies (as defined in the Agent Appointment Agreement and Corporate Agent Appointment Agreement), or at an earlier date by mutual agreement of the parties;
- (iv) add a provision allowing termination by the Companies on six (6) months' written notice if Agent/Supervising Agent fails to operate his or her agency or the corporate agency consistent with industry or professional standards or based on the Companies' changed business circumstances or market conditions; and
- (v) add a mutual arbitration provision with a jury and class action waiver for certain claims arising from or related to the Settlement Class Members' appointment under the Agent Appointment Agreement and/or Corporate Agent Appointment Agreement.

The systemic changes will (i) eliminate any policy that utilizes the Agency Growth Model for determining eligibility for bonuses or achievement clubs; (ii) eliminate the Customer Service Standards section from the Agency Operations Manual, including the standard that agents have their Farmers' agency open 45 hours a week; and (iii) establish a written Complaint Procedure for agents to raise concerns and complaints related to their independent contractor status and allow the agent to remain anonymous to her/his District Manager and/or Farmers' territory leadership.

An expert retained by Defendants estimates that the amendments have a value of Fifteen Million Dollar (\$15,000,000) to Settlement Class Members.

The Settlement will take effect on the "Effective Date," which is the date on which the following have occurred: (1) all conditions of the Settlement that can be accomplished prior to the Effective Date come into existence; (2) the Court has entered the Final Approval Order and Judgment; and (3) the Court's Judgment approving this Agreement becomes "Final." Final shall mean the deadline for taking an appeal has passed, or, if there is an appeal of the Court's order granting final approval and judgment, and/or order on attorneys' fees, costs, or service awards, the day after all appeals are fully and finally resolved in favor of final approval of the Agreement.

HOW TO GET A PAYMENT

8. How can I get a payment? How do I file a Claim to get a Claims Payment?

If you are a Settlement Class Member, you will automatically be sent a Direct Payment and receive the contract amendments as provided in the Settlement once the Effective Date passes and the Court's Judgment becomes Final, provided you have not timely requested exclusion from the Settlement.

As a Settlement Class Member you will also receive an additional Claims Payment up to the maximum amount of Ten Thousand Dollars (\$10,000), provided you have submitted a timely and valid Claim Form with, as necessary, documentary proof that you paid business expenses necessary to meet one or more of the Smart Office Standards during the Settlement Class Period. **To be timely, a Claim Form must be submitted electronically on the Settlement Website www.californiainsuranceagentssettlement.com, or in the form attached at the end of this Notice submitted by fax, email or postmarked by July 7, 2022. Untimely Claim Forms will be rejected and you will receive no Claims Payment. You are ineligible to receive a Claims Payment if you timely and validly request exclusion from the Settlement.** Please check the Settlement Website www.californiainsuranceagentssettlement.com for the Claim Deadline status.

Directions on How to File a Claim Form:

Attached at the end of this Notice is Claim Form that can be mailed, faxed or emailed to the Settlement Administrator. Your Notice ID should have been automatically entered on the Claim Form.

To submit a claim electronically, go to the Settlement Website www.californiainsuranceagentssettlement.com. If you enter the Settlement Website to submit your Claim Form, your Notice ID should be automatically entered on the Claim Form. **Settlement Class Members are encouraged, but are not required, to submit their Claim Forms through the Settlement Website.**

Your Notice ID is provided on the cover page of this Notice.

If you wish to receive a “Claims Payment” from this Settlement, you MUST submit a valid and timely Claim Form no later than **July 7, 2022**. **If you have questions about the Claim process, or require assistance in completing your Claim, you may contact the Settlement Administrator at 1-877-311-3721, or contact Class Counsel per Section 14 below.**

If you did not receive a Notice by email or mail and believe you are a Settlement Class Member, please contact the Settlement Administrator at www.californiainsuranceagentssettlement.com or by calling 1-877-311-3721.

9. How will my payments be calculated, when will I get them and when should I cash them?

Calculation of Direct and Claims Payments

Settlement Class Members who do not timely and validly exclude themselves from the Settlement are eligible to receive:

1. Direct Payments. The Settlement Class is made up of approximately 6,369 current and former California Farmers® Agents/Supervising Agents in place during the Settlement Class Period. The Settlement Administrator will calculate your Direct Payment by (a) dividing the \$40,000,000 portion of the Settlement Amount, less deductions approved by the Court, by the total length of service of all Settlement Class Members as California Farmers® Agents/Supervising Agents during the Settlement Class Period; and (b) multiplying the result by your length of service as a California Farmers® Agent/Supervising Agent during the Settlement Class Period. Direct Payments will be automatically sent.
2. Claims Payments. The Settlement Administrator will pay timely and valid Claims submitted by Settlement Class Members, and issue a Claims Payment up to a maximum of \$10,000 per claim, from the \$35,000,000 portion of the Settlement Amount, less deductions approved by the Court, until this fund is exhausted. If the total value of valid Claims exceeds \$35,000,000, the Claim Payments for each Claim will be adjusted by the percentage valid Claims that exceed \$35,000,000. For example, if the total valid Claims equal \$40,000,000, then each Settlement Class Member’s Claims Payment will be adjusted so that he or she receives 87.5% of their valid and payable Claim (\$35,000,000 divided by \$40,000,000 equals 0.875). Defendants will retain any portion of the \$35,000,000 not timely and validly claimed by Settlement Class Members. Claims Payments will be sent only to Settlement Class Members who have submitted timely and valid Claims.

IMPORTANT: Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Settlement Administrator as soon as possible.

Tax Matters

The Settlement Administrator will report Direct Payments and Claims Payments on IRS 1099 Forms. If the Settlement Administrator does not have your Social Security/Tax Identification Number, or you don’t provide it upon request, your Payments will be subject to withholding.

Neither Class Representatives, Class Counsel, Defendants nor Defendants’ lawyers are providing you with any advice regarding taxes or taxability of Direct Payments or Claims Payments. You assume full responsibility and liability for taxes owed on Direct Payments and Claims Payments you receive. You should consult with your financial or tax advisor with respect to any questions you have regarding these Payments.

When Will Payments Be Sent

Payments will be made after the Effective Date, which comes after Court grants “final approval” to the Settlement and after any appeals are resolved. You will receive a check for the Direct Payment and, if you submitted a valid claim, a Claims Payment. Please be patient. Please check the Settlement Website www.californiainsuranceagentssettlement.com for updates.

You Should Cash Your Payments As Soon as Possible

The front of every check will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies represented by your check will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by

your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

10. What am I giving up in exchange for the Settlement benefits?

In exchange for the monetary and other benefits provided in the Settlement, Settlement Class Members who do not timely request exclusion from the Settlement will fully and finally release the "Released Parties" (defined below) from the "Released Claims" (defined below). This means that if you are a Settlement Class Member and you do not timely request exclusion from the Settlement, you will no longer be able to sue the Defendants regarding any of the claims described in the Settlement Agreement. The Released Claims become effective only if the Settlement becomes Final and Defendants fully fund the maximum Settlement Amount in accordance with the Settlement.

"Released Claims" means any and all claims, demands, debts, liabilities, actions, obligations, damages, losses, costs, and causes of action of every kind and nature, whether at common law, pursuant to statute, ordinance, or regulation, in equity or otherwise, whether arising under federal, state, or other applicable law, whether known or unknown, actual or potential, suspected or unsuspected, direct or indirect, or contingent or fixed that have been alleged, could have been alleged, or in the future might be alleged, that reasonably arise out of or reasonably relate to the facts and/or claims set forth in the First Amended Complaint during the Class Period, including Plaintiffs' claims that they were misclassified as independent contractors rather than employees, both on behalf of the Settlement Class Representatives and on behalf of the Settlement Class Members (individually and on behalf of any corporation for which they are/were the Supervising Agent, if applicable), including without limitation claims and theories based on the California Labor Code.

"Released Parties" means the collective of Defendants, each of their subsidiaries or affiliates, including Mid-Century Insurance Company and Farmers New World Life Insurance Company, and each of their present and former predecessors, successors, assigns, parent companies, divisions, members, owners, executives, officers, directors, governors, shareholders, policyholders, representatives, employees, agents, attorneys, attorneys-in-fact, consultants, contractors, servants, vendors, managers, and their trustees, administrators, fiduciaries, co-defendants, administrators, related individuals and/or entities, insurers, and/or any and all individuals and/or entities acting by, through, under, or in concert with any of them or otherwise affiliated with them.

The Settlement Agreement is available for review at the Settlement Website www.californiainsuranceagentssettlement.com. The Settlement Agreement describes the Released Claims and the Released Parties with specific descriptions in necessary, accurate legal terminology, so read it carefully. The Settlement Website also contains the First Amended Complaint referenced in the Released Claims. You can also speak with Class Counsel representing the Settlement Class identified in Section 15 below at no cost or you can, at your own expense, speak with your own lawyer if you have questions about the Released Claims or what they mean.

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 the Defendants about the legal issues in this case, then you must take steps to exclude yourself from the Settlement in accordance with the requirements of the Settlement. This is also sometimes called "opting out" of the Settlement Class.

11. If I exclude myself, can I get any payments or benefits from this Settlement?

No. If you exclude yourself: (1) you will not receive any Direct Payment or Claims Payment; (2) you will not receive the benefits of any contract amendments; and (3) you cannot object to any aspect of the proposed Settlement. If you timely request to be excluded, however, you will retain any right you may have to individually sue or be part of a different lawsuit against Defendants in the future. You will not be bound by anything in the Settlement or anything that happens in this lawsuit.

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

No. If you do not exclude yourself, you may not sue any of the "Released Parties" for any of the "Released Claims." (See Section 10 above.)

13. How can I get out of (exclude myself from) this Settlement?

If you wish to exclude yourself from the Settlement and the Settlement Class ("opt-out"), you must send a letter to the Settlement Administrator identifying: (1) the name and case number of this lawsuit (*Parry, et al. v. Farmers*

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Insurance Exchange, et al., Superior Court of California, County of Los Angeles, Case No. BC683856); (2) your full name, current address, and telephone number; and (3) a statement that you wish to exclude yourself from the Settlement Class; and (4) you must sign the letter.

To be effective you must submit your request to exclude yourself **no later than May 30, 2022, or your request will be rejected.** You can submit your written request by U.S. Mail, fax, or email to the following:

Parry v. Farmers Insurance Settlement
c/o A.B.Data, Ltd.
P.O. Box 170800,
Milwaukee, WI 53217
info@californiainsuranceagentssettlement.com
PHONE: 877-311-3721
FAX: 414-961-3093

This is a firm deadline for requesting exclusion from the proposed Settlement. **A written request must be sent, or postmarked if sent by U.S. mail, no later than May 30, 2022 or your request will be rejected.** You cannot ask to be excluded on the phone or using the Settlement Website.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case and how do I contact them?

Yes. The Court has appointed the following law firms to serve as Class Counsel for the Settlement Class:

CRUEGER DICKINSON LLC

Charles J. Crueger
Erin K. Dickinson
Krista K. Baisch
Whitefish Bay, WI

MILBERG COLEMAN BRYSON

PHILLIPS GROSSMAN, PLLC
Greg F. Coleman
Knoxville, TN

WALLACE LEGAL GROUP LLC

Edward A. Wallace
Chicago, IL

WEXLER BOLEY & ELGERSMA LLP

Kara A. Elgersma
Mark J. Tamblyn
Chicago, IL

NELSON & FRAENKEL LLP

Gretchen M. Nelson
Gabriel S. Barenfeld
Los Angeles, CA

If you want to contact someone with Class Counsel, please email, fax or telephone as follows. But please first contact the Settlement Administrator with any questions.

Email: ClassAction@CruegerDickinson.com

Phone: 833.400.0201

Fax: 414.433.4544

You can also send correspondence to:

Crueger Dickinson LLC
4532 N. Oakland Ave.
Whitefish Bay, WI 53211

15. How will the cost of the lawsuit and the Settlement be paid?

Subject to Court approval:

- A. Class Counsel will apply to the Court for an award of attorneys' fees no greater than Twenty-Five Million Dollars (\$25,000,000) (33.33% of the total Settlement Amount), plus unpaid litigation expenses no greater than Six Hundred Thousand Dollars (\$600,000). Class Counsel contend that the amount of attorneys' fees awarded should also take into consideration the value to Settlement Class Members of the contract amendments. An expert retained

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by Defendant has estimated the value of the contract amendments to be Fifteen Million Dollars (\$15,000,000); the Court has not yet ruled on the expert's opinion. To date, Class Counsel have not received any payment for their services in conducting this Action 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. This Action was commenced in November 2017.

- B. Class Representatives will apply to the Court for a Service Award of Forty Thousand Dollars (\$40,000) each (or a total of Eighty Thousand Dollars (\$80,000)) for filing the Action, working with Class Counsel and representing the Class. The Service Award will be the only monies Class Representatives will receive other than their Direct Payment and Claims Payment.
- C. An amount up to \$150,000 to the Settlement Administrator for services administering the Settlement.

The Court's decision whether to finally approve the Settlement will include a determination how much will be paid to Class Counsel, Class Representatives, and the Settlement Administrator. The Settlement proposes deducting the award of Costs, Service Awards, and 65% of the award of attorneys' fees from the Direct Payments and 35% of the award of attorneys' fees from the Claim Payments. The Court is not bound by that proposal and will determine the percentages during the Final Approval Hearing. You are not personally responsible for any payments, but every dollar paid to Class Counsel, Class Representatives and Settlement Administrator reduces the overall amount available for payments to you and the other Settlement Class Members. You can object to the amounts requested by Class Counsel, Class Representative and/or Settlement Administrator if you think they are unreasonable. Only Settlement Class Members who do not exclude themselves from the Settlement have the right to object to any of these deductions. *See* Sections 16-17 of this Notice regarding "Objections" below.

At least 60 days before the Final Approval Hearing, Class Counsel and/or Class Representatives will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair and reasonable, and (2) a Motion for Attorneys' Fees, Litigation Expenses and Service Award setting forth (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; (ii) the amount Class Representatives are requesting as a Service Award; and (iii) the reasons why these amounts are fair and reasonable. Upon reasonable request, Class Counsel (whose contact information is in Section 14 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Settlement Website www.californiainsuranceagentssettlement.com, or the Court's website, lacourt.org/website/FindaCase.aspx.

OBJECTING TO THE SETTLEMENT

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

Any Settlement Class member may object to the proposed Settlement, or any aspect of it, including the amount attorneys' fees and expenses to be paid to Class Counsel or the amount of the Service Awards to be paid to Class Representatives, either: (1) in writing; and (2) verbally at the final approval hearing. A written objection should be sent to the Settlement Administrator (via U.S. mail, email or fax) no later than **October 11, 2022**, to the following address:

Parry v. Farmers Insurance Settlement
c/o A.B.Data, Ltd.
P.O. Box 170800
Milwaukee, WI 53217
info@californiainsuranceagentssettlement.com
PHONE: 877-311-3721
FAX: 414-961-3093

A written objection should contain: (1) the case name and case number of this Action (*Parry, et al. v. Farmers Insurance Exchange, et al., Superior Court of California, County of Los Angeles, Case No. BC683856*); (2) your full name, current address, and phone number; (3) facts indicating that you are a Settlement Class Members; (4) why you do not like the Settlement or any portion thereof; (5) the identity of any counsel who represent you, if any; and (5) your signature. While a failure to include any of this information will not invalidate your objection, including it will assist the Court in understanding the basis for your objections.

Settlement Class Members who wish to verbally object to the Settlement may do so by appearing (or having his or her representative appear) at the Final Approval Hearing. For more information or to ask any questions? Visit www.californiainsuranceagentssettlement.com or call 1-877-311-3721

her attorney appear) at the Final Approval Hearing, either in person or remotely. No notice of appearance is required.

Any Settlement Class Member who files or verbally raises an objection remains eligible to receive monetary compensation from the Settlement, unless the Settlement Class Member submits a timely and valid request for exclusion. If the Court overrules any objections and grants final approval of the Settlement, any Settlement Class Member who submitted an objection but did not submit a timely and valid request for exclusion will be bound by the Settlement as approved by the Court, including the Released Claims. (*See* Section 11 above.)

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. If you object, you are still a part of 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 any part of the Settlement and you will not be eligible to receive any monetary compensation or other benefits under the Settlement because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement and to fix amounts to be paid to Class Counsel, Class Representatives and the Settlement Administrator. You may attend, and you may ask to speak at, the Final Approval Hearing. **If you intend to appear at the Final Approval Hearing it is important to visit the Los Angeles County Superior Court website at www.lacourt.org to determine whether there are any social distancing or Covid-19 related guidelines for in-person court appearances. If you have questions about the Settlement, you do not have to wait until the Final Approval Hearing to ask them. If you wish, you may contact the Settlement Administrator at 1-877-311-3721, visit the Settlement Website at www.californiainsuranceagentssettlement.com or contact Class Counsel as provided in Section 14 above.**

18. When and where will the Court decide whether to approve the Settlement and fix amounts to be paid to Class counsel, Class Representatives and the Settlement Administrator?

The Court will hold a “Final Approval Hearing” on **November 10, 2022 at 11:00 a.m.**, in **Department 007** at the Superior Court of California for the County of Los Angeles, located at **312 N. Spring St., Los Angeles, 90012**. The hearing may be moved to a different date, time and/or location without additional notice, but any change of date, time or location will be posted on the Settlement Website at www.californiainsuranceagentssettlement.com. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel for their fees and reimbursement of their expenses, Class Representative for their Service Awards, the Settlement Administrator for the costs of administering the Settlement, and consider any objections to the amounts requested.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. If you file an objection, you do not have to come to Court to talk about it. As long as you have filed your written objection on time, the Court will consider it. You may also pay (at your own expense) another lawyer to attend for you.

IF YOU DO NOTHING

20. What happens if I do nothing?

If you do nothing and you are an eligible member of the Settlement Class, you will automatically be sent a Direct Payment (*see* Section 7 above) and you will be bound by the Released Claims and the contract amendments, subject to the Court’s final approval of the terms of the Settlement. But if you do nothing you will **not** receive a Claims Payment. You can only receive a Claims Payment if you timely submit a valid Claim.

GETTING MORE INFORMATION

21. How do I get more information?

The Settlement Agreement spells out everything Defendants and Class Representatives have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment or any other Settlement documents is to go to the Settlement Website www.californiainsuranceagentssettlement.com. You can also

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telephone or send an email to Class Counsel or the Settlement Administrator, or consult the Superior Court website by going to www.lacourt.org/website/FindaCase.aspx and entering the Case Number for the Action, Case No. BC683856. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

Plaintiffs' Counsel will also host webinars on **April 6, April 26, May 10, and May 24, 2022, all at 1 p.m. Pacific Time**, to answer questions about the Settlement and explain how you can receive a Direct Payment and submit a Claim for an additional Claims Payment. In addition, a short recorded presentation is available at the Settlement Website www.californiainsuranceagentssettlement.com.

Visit the Settlement Website www.californiainsuranceagentssettlement.com for the link to the webinars and further information.

Do Not telephone Department 7 of the Superior Court to obtain information about the Settlement.

Employees working for Farmers Group, Inc. and the Exchange Defendants have been instructed to not discuss this Notice or the Settlement with you. This instruction applies to Farmers Agency Services, Service Operations, Area Sales Managers and any members of Territory Leadership or Executive Leadership. Independent contractor District Managers have also been so instructed.

DATE: March 29, 2022