

IN THE DISTRICT COURT OF POTTAWATOMIE COUNTY  
STATE OF OKLAHOMA

HELEN SIKES, Individually and as  
Class Representative on Behalf of All  
Others Similarly Situated,

Plaintiff,

v.

FARMERS GROUP INC.; FARMERS  
INSURANCE COMPANY, INC.; and  
FARMERS INSURANCE EXCHANGE,

Defendants.

CASE NO. CJ-03-1149

**NOTICE TO CLASS MEMBERS OF PROPOSED  
CLASS ACTION SETTLEMENT**

**THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS. PLEASE READ IT CAREFULLY.  
YOU MAY WISH TO CONSULT YOUR ATTORNEY CONCERNING THIS NOTICE.**

Re: Cause No. CJ-03-1149; *Helen Sikes, Individually and as Class Representatives  
on Behalf of All Others Similarly Situated, Plaintiffs v. Farmers Group, Inc.,  
Farmers Insurance Company, Inc., and Farmers Insurance Exchange,  
Defendants*; In the District Court of Pottawatomie County, Oklahoma.

**THIS IS TO NOTIFY YOU OF A PROPOSED CLASS ACTION SETTLEMENT OF  
THIS LAWSUIT.**

**A. BASIC INFORMATION ABOUT THIS LAWSUIT**

**What is this  
lawsuit  
about?**

Plaintiffs/Class Representatives Helen Sikes and Wayne G. Miller filed this lawsuit in Oklahoma and contend that Farmers Insurance Company, Inc. (FICO) did not pay them enough money to compensate them for their general damages for a bodily injury claim under a private passenger automobile policy Uninsured/Underinsured Motorist (UM/UIM) claim.

The Plaintiffs'/Class Representatives' claims are based upon the allegations that the use of a computer program known as "Colossus" resulted in underpayment of the amounts paid for general damages. Plaintiffs/Class Representatives sought (1) an injunction to stop use of Colossus, and (2) damages. In addition, Plaintiffs/Class Representatives sought certification of a multi-state class of claimants with the same claims.

## **B. ABOUT THIS CLASS SETTLEMENT**

**What does  
the  
settlement  
provide?**

Following extensive discovery and court hearings in Oklahoma, the parties to the lawsuit have entered into (and have obtained preliminary approval from the Oklahoma District Court) a Settlement Agreement. The Settlement Agreement (1) is between Plaintiffs/ Class Representatives, FARMERS,<sup>1</sup> and Farmers Group, Inc.; (2) provides for certification of a multi-state class of claimants; (3) provides for injunctive relief for the members of the INJUNCTIVE RELIEF CLASS; and (4) provides for payment, on a claims made basis, of additional amounts to the BODILY INJURY CLAIM CLASS.

### **— INJUNCTIVE RELIEF CLASS —**

You are a member of the INJUNCTIVE RELIEF CLASS if you were an insured under a private passenger automobile policy (1) written by FARMERS; (2) during July 17, 2000 to the EFFECTIVE DATE; (3) in your state; and (4) which contained a provision for UM/ UIM coverage which was not rejected by you under your state's law.

**YOU NEED DO NOTHING FURTHER TO OBTAIN THE BENEFITS TO THE MEMBERS OF THE INJUNCTIVE RELIEF CLASS AFTER YOU RECEIVE THIS NOTICE.**

**THE INJUNCTION PROVIDES THAT FARMERS SHALL NOT USE COLOSSUS TO DETERMINE THE AMOUNT OF GENERAL DAMAGES FOR BODILY INJURY TO BE PAID TO YOU IN THE EVENT YOU MAKE A CLAIM FOR BODILY INJURY UNDER YOUR AUTO POLICY'S UM/UIM COVERAGE.**

FARMERS is otherwise permitted to utilize Colossus for other purposes. You may obtain further details regarding the injunction by reviewing the Settlement Agreement in the Office of the Court Clerk, Pottawatomie County, 325 N. Broadway, Shawnee, Oklahoma 74801 during regular business hours, or visit *www.Farmers-Colossus-Settlement.com*.

<sup>1</sup> "FARMERS" is defined in the Settlement Agreement to mean the following companies which are authorized to use the "Farmers" service mark and/or which write private passenger automobile insurance in your state: Farmers Insurance Exchange, Mid-Century Insurance Company, Farmers Insurance Company of Arizona, Farmers Insurance Company, Inc., Truck Insurance Exchange, Civic Property and Casualty Company, Farmers Insurance Company of Idaho, Illinois Farmers Insurance Company, Farmers New Century Insurance Company, Farmers Insurance Company of Oregon, Farmers Texas County Mutual Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Farmers Insurance Company of Washington, Maryland Casualty Company, Northern Insurance Company of New York, Assurance Company of America, Valiant Insurance Company, Maryland Insurance Company, National Standard Insurance Company, Maine Bonding and Casualty Company, and Maryland Lloyds. "FARMERS" does not include Farmers Group, Inc.

— **BODILY INJURY CLAIM CLASS** —

**Am I part of the Bodily Injury Claim Class?**

If you received this Notice, you may be a member of the **BODILY INJURY CLAIM CLASS**, (either **SUBCLASS 1** or **SUBCLASS 2**) which are described as follows:

**SUBCLASS 1:** INSURED PERSONS who were paid a **GENERAL DAMAGES PAYMENT** by **FARMERS**, during the **CLASS PERIOD**, for a **BODILY INJURY CLAIM**, as determined by and according to the books and records of **FARMERS**, and who, according to the books and records of **FARMERS**: (a) were represented by an attorney; **and** (b) executed a release of their claim to **FARMERS**; and

**SUBCLASS 2:** INSURED PERSONS who do not fall within the definition of **SUBCLASS 1** and who were paid a **GENERAL DAMAGES PAYMENT** by **FARMERS**, during the **CLASS PERIOD**, for a **BODILY INJURY CLAIM**, as determined by and according to the books and records of **FARMERS**.

**What if I am a member of Subclass 1?**

If you are a member of **SUBCLASS 1**, you are entitled to submit the **CLAIM FORM** (which is attached to this Notice as Exhibit A), and receive an amount equal to 7.5% of the amount of the **GENERAL DAMAGES PAYMENT** made to you by **FARMERS** during the period from July 17, 2000 to the **EFFECTIVE DATE** except that in no event will the sum of (1) all prior payments under the policy for the **BODILY INJURY CLAIM** and (2) the additional payment, exceed the the **UM/UIM** limits of the policy. The **CLAIM FORM** must be fully completed, signed and notarized, and returned to Farmers Claims Administrator, Rust Consulting, Inc., by July 22, 2005. **If you do not timely submit a properly completed, signed and notarized form, you will not be entitled to any additional payment.**

**What if I am a member of Subclass 2?**

If you are a member of **SUBCLASS 2**, you may elect **either one, but not both of** (1) submitting a **CLAIM FORM** and receiving 12.5% of the amount of the **GENERAL DAMAGES PAYMENT** made to you by **FARMERS** during the period from July 17, 2000 to the **EFFECTIVE DATE** except that in no event will the sum of (a) all prior payments under the policy for the **BODILY INJURY CLAIM** and (b) the additional payment, exceed the **UM/UIM** limits of the policy; **or** (2) request a re-evaluation of your **GENERAL DAMAGES PAYMENT** by submitting the **PROOF OF CLAIM FORM**.

**Should I submit a Claim Form?**

If, as a member of Subclass 2, you elect to submit the **CLAIM FORM** (which is attached to this Notice as Exhibit A), it must be fully completed, signed and notarized, and returned to Farmers Claims Administrator, Rust Consulting, Inc. by July 22, 2005. **If you do not timely submit a properly completed, signed and notarized form, you will not be entitled to any additional payment. If you elect to have your claim re-evaluated, you will not be entitled to this payment.**

**Should I submit a Proof of Claim Form?**

If you are a member of Subclass 2 and elect instead to have the GENERAL DAMAGES PAYMENT (made to you by FARMERS during the period from July 17, 2000 to the EFFECTIVE DATE) re-evaluated by Farmers Insurance Exchange, you must complete and submit the PROOF OF CLAIM FORM (attached to this Notice as Exhibit B).

This form must be fully completed, signed and notarized, and returned by July 22, 2005. Upon completion of the re-evaluation of the GENERAL DAMAGES PAYMENT, you will be notified of whether you are entitled to any additional payment, which cannot exceed 25% of the GENERAL DAMAGES PAYMENT already made to you by FARMERS. In no event will the sum of (1) all prior payments under the policy for the BODILY INJURY CLAIM and (2) the additional payment due as a result of the re-evaluation, if any, exceed the UM/UIM limits of the policy. **If you do not timely submit a properly completed, signed and notarized form, you will not be entitled to a re-evaluation.**

**C. THE LAWYERS REPRESENTING YOU**

**Do I have a lawyer in this case?**

The COURT appointed the below listed law firms and attorneys to represent you and other Class Members. These lawyers are called CLASS COUNSEL. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

The CLASS COUNSEL are:

Reggie N. Whitten  
Jason E. Roselius  
Simone Gosnell Fulmer  
WHITTEN NELSON MCGUIRE TERRY & ROSELIOUS  
Suite 400, One Leadership Square  
211 North Robinson  
Oklahoma City, Oklahoma 73102

Terry W. West  
Bradley C. West  
THE WEST LAW FIRM  
124 West Highland  
Shawnee, Oklahoma 74801

Michael Burrage  
BURRAGE LAW FIRM  
Suite 100, First United Center  
115 N. Washington  
P.O. Box 1727  
Durant, Oklahoma 74701

Mark E. Bialick  
Rodney D. Stewart  
DURBIN LARIMORE & BIALICK  
920 North Harvey  
Oklahoma City, Oklahoma 73102

Ron Parry  
PARRY DEERING FUTSCHER & SPARKS  
411 Garrard Street  
P.O. Box 2618  
Covington, Kentucky 41012

**How will the lawyers get paid?**

CLASS COUNSEL will ask the COURT for attorneys' fees, costs and expenses up to, but not to exceed \$8,470,000 and an incentive award for class representatives Helen Sikes and Wayne G. Miller totaling \$30,000. The COURT may award less than this amount. You will not be required to pay any portion of these attorneys' fees and expenses. The payment will not reduce, in any way, the benefits being made available to you under the proposed settlement. FARMERS has agreed not to oppose these fees and costs and expenses. FARMERS will also separately pay the costs to administer the settlement.

**D. EXCLUDING YOURSELF FROM THE SETTLEMENT**

**How do I get out of the settlement?**

If you do NOT want to remain a member of the Bodily Injury Claims Class and do not want to participate in the proposed settlement, then you must exclude yourself from the Class. To exclude yourself from the Bodily Injury Claims Class ("opt-out"), you must indicate your desire to opt-out by a personally signed, written request submitted to:

Farmers Claims Administrator  
c/o Rust Consulting, Inc.  
PO Box 103  
Minneapolis, MN 55440-0103

Your exclusion request must be postmarked no later than May 21, 2005. Unsigned requests will not be accepted, and no one else can sign your Exclusion Request for you. Your Exclusion Request must, at a minimum, contain your name, address, insurance policy number, a clear statement that you wish to be excluded from the Class, and your signature.

By electing to be excluded from the Bodily Injury Claims Class: (i) you will not receive any payments that may be paid to the members of the Bodily Injury Claims Class as a result of the settlement; (ii) you will not benefit from or be bound by any further orders or judgments entered for or against the Bodily Injury Claims Class; and (iii) you may present any claims you have against Farmers by filing your own lawsuit at your own expense. If you do not exclude yourself from the Class and the Settlement is approved, you will be bound by its terms and by any judgment entered as a result of the Settlement, and will be permanently enjoined from prosecuting any of the claims released in this matter at any time in the future. If you do not exclude yourself from the Class, you may, if you wish, enter an appearance by an attorney of your own choice at your own expense, but no attorney may participate in the Hearing unless his or her appearance has been filed in this matter and served on counsel for the parties by May 25, 2005.

**You should be aware that, if you opt-out, you may be subject to various defenses against you that may bar your recovery.**

If too many class members opt-out, FARMERS and Farmers Group, Inc. have the right to withdraw from the settlement, making it void for those wishing to remain in the class.

## **E. THE COURT'S FAIRNESS HEARING**

**When and where will the Court decide to approve the settlement?**

The COURT will hold a Final Hearing to decide whether to approve the settlement at 4:00 p.m. on the 27th day of June, 2005 at the Pottawatomie County Courthouse, 325 N. Broadway, Shawnee, Oklahoma 74801. 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 may also decide how much to pay to CLASS COUNSEL. After the hearing, the COURT will decide whether to approve the settlement. We do not know how long these decisions will take.

**How can I object to the settlement?**

If you stay in the settlement, you can object to the settlement if you do not like any part of it. You will still be in the settlement and will still receive the benefits if the settlement is approved. If you want to object, you must file your objection in writing with the Court no later than May 25, 2005. Your objection must include: (i) your name, address and telephone number; (ii) your policy number; (iii) the reason you object to the settlement; and, (iv) the case name and number (*Helen Sikes, et al. v. Farmers Group, Inc., et al.*, Case No. CJ-03-1149). You must mail your objection to:

a. **CLASS COUNSEL:**

Reggie N. Whitten  
WHITTEN NELSON MCGUIRE TERRY & ROSELIUS  
Suite 400, One Leadership Square  
211 North Robinson  
Oklahoma City, Oklahoma 73102

b. **COUNSEL FOR DEFENDANTS:**

Brooke S. Murphy  
CROWE & DUNLEVY  
20 North Broadway, Suite 1800  
Oklahoma City, Oklahoma 73102

c. **COURT CLERK:**

Rita Head  
Court Clerk  
Pottawatomie County  
325 N. Broadway  
Shawnee, Oklahoma 74801

**Do I have  
to go to the  
court  
hearing?**

You do **not** have to attend the Final Fairness Hearing to be part of the settlement and receive the benefits or to have the Court consider your written objection, but you may attend if you like. Any member of the BODILY INJURY CLAIM CLASS or the INJUNCTIVE RELIEF CLASS who wants to speak to the Court at the FAIRNESS HEARING must file no later than May 25, 2005, with the Clerk of the

Pottawatomie County District Court, Shawnee, Oklahoma, and serve upon counsel to all parties listed below, notice in writing of an intention to appear at the FAIRNESS HEARING, together with the following: (i) a written statement of each objection being made, (ii) a written, detailed description of the facts underlying each such objection, (iii) a written, detailed description of the legal authorities underlying each such objection, (iv) a written list of witnesses whom the objector may call by live testimony, oral deposition testimony or affidavit during the FAIRNESS HEARING and a statement of the testimony to be offered, and a written list of the exhibits which the objector may offer during the FAIRNESS HEARING, along with copies of those exhibits to:

a. CLASS COUNSEL:

Reggie N. Whitten  
WHITTEN NELSON MCGUIRE TERRY & ROSELIUS  
Suite 400, One Leadership Square  
211 North Robinson  
Oklahoma City, Oklahoma 73102

b. COUNSEL FOR DEFENDANTS:

Brooke S. Murphy  
CROWE & DUNLEVY  
20 North Broadway, Suite 1800  
Oklahoma City, Oklahoma 73102

c. COURT CLERK:

Rita Head  
Court Clerk  
Pottawatomie County  
325 N. Broadway  
Shawnee, Oklahoma 74801

**IF YOU FAIL TO COMPLY WITH THIS PROCEDURE FOR MAKING OBJECTIONS, ANY OBJECTION YOU HAVE WILL BE DEEMED BY THE COURT TO HAVE BEEN WAIVED.**

**F. ADDITIONAL INFORMATION**

**How do I get  
more  
information?**

This notice summarizes the provisions of the settlement. For more information you can call toll free 1-866-778-1154 or visit *www.Farmers-Colossus-Settlement.com*. You can also speak to the lawyers who represent class members such as yourself by simply calling the toll free number and leaving a message that you want to speak with an attorney. You may also review the Settlement Agreement and other select pleadings by visiting *www.Farmers-Colossus-Settlement.com* or you may review all the pleadings, records and other papers on file in this litigation during regular business hours at the District Clerk's Office, Pottawatomie County Courthouse, 325 North Broadway Avenue, Shawnee, Oklahoma 74801.

**PLEASE DO NOT CALL THE COURT OR THE COURT CLERK.**