

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS, TEXARKANA DIVISION

A class action settlement involving Arkansas homeowners insurance structural damage claims may provide payments to those who qualify.

- There is a class action about whether American Modern Home Insurance Company, American Family Home Insurance Company, American Western Home Insurance Company, American Southern Home Insurance Company, American Modern Select Insurance Company, American Modern Surplus Lines Insurance Company, Consumers County Mutual Insurance Company, and American Modern Insurance Group, Inc. (collectively, "American Modern") properly deducted labor depreciation when adjusting certain homeowners' insurance claims in Arkansas.
- You may be eligible for a payment if you qualify and timely submit a valid claim form.
- Your legal rights are affected whether you act, or don't act. Please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment if you qualify.
ASK TO BE EXCLUDED	You get no payment. This is the only option that allows you to individually sue American Modern over the claims resolved by this settlement.
OBJECT	Write to the Court about why you don't agree with the settlement.
GO TO A HEARING	Ask to speak in Court about the settlement.
DO NOTHING	You get no payment. You give up rights.

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. If it does, and if any appeals are resolved in favor of the settlement, then money will be distributed to those who timely submit claims and qualify for payment. Please be patient.

Para una notificación en Español, llamar o visitar nuestro website

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BASIC INFORMATION

1. Why was this notice issued?

A Court authorized this notice because you have a right to know of a proposed settlement of this class action, including the right to claim money, and about your options regarding this settlement before the Court decides whether to give "Final Approval" to the settlement. If the Court approves the parties' Stipulation of Settlement ("Settlement Agreement"), and if any appeals are resolved in favor of the settlement, then payments will be made to those who qualify and timely submit a valid claim. This notice explains the lawsuit, the settlement, your legal rights, what benefits are available, who may be eligible for them, and how to get them.

The United States District Court for the Western District of Arkansas, Texarkana Division, is overseeing this class action. The case is called *Green, et al. v. American Modern Home Insurance Company, et al.*, Case No. 4:14-CV-04074-SOH. The people who sued are called the "Plaintiffs," and the companies they sued are called the "Defendants."

2. What American Modern companies are part of the settlement?

The settlement includes American Modern Home Insurance Company, American Family Home Insurance Company, American Western Home Insurance Company, American Southern Home Insurance Company, American Modern Select Insurance Company, American Modern Surplus Lines Insurance Company, Consumers County Mutual Insurance Company, and American Modern Insurance Group, Inc.

3. What is this lawsuit about?

The lawsuit claims that American Modern improperly deducted depreciation attributable to costs of labor when adjusting some homeowners' insurance claims in Arkansas.

American Modern has maintained that it paid claims when reasonable and appropriate to do so and has denied all allegations that it acted wrongfully or unlawfully.

4. Why is this a class action?

In a class action, one or more people called "Class Representatives" (in this case Pamela Green and Gary Edwards) sue on behalf of people who have similar claims. All these people are a "Class" or "Class Members." One court resolves the issues for all Class Members, except for those who exclude themselves from the Class.

5. Why is there a settlement?

The Court did not decide in favor of the Plaintiffs or American Modern, and has not found that American Modern did anything wrong. Instead, both sides agreed to settle. That way, the parties avoid the cost of a trial and potentially an appeal, and the people who qualify will get compensation. The Class Representatives and their attorneys think the settlement is best for all Class Members. The settlement does not mean that American Modern did anything wrong, no trial has occurred, and no merits determinations have been made.

WHO IS IN THE SETTLEMENT

To see if you are eligible for benefits from this settlement, you first have to determine if you are a Class Member.

6. How do I know if I am part of the settlement?

The Class includes Persons who had a Covered Loss, where the claim was paid at less than the limit of liability (accounting for deductible), and where American Modern made an indemnification payment that included a deduction for depreciation of labor, or

would have resulted in an indemnity payment for Structural Loss but for the deduction of labor depreciation. A Covered Loss means a first party insurance claim for Structural Loss, as defined below, that (a) occurred in Arkansas during the Class Period between April 11, 2009 through April 11, 2014, (b) American Modern or a court determined to be covered under an Arkansas homeowners insurance policy issued by American Modern, and (c) resulted in an indemnity payment for Structural Loss by American Modern, or would have resulted in an indemnity payment for Structural Loss but for the deduction of labor depreciation. Structural Loss means physical loss or damage to a home, building, manufactured home, condo, farm/ranch, rental dwelling, or other structure in Arkansas while covered by a homeowners insurance policy issued by American Modern.

7. Are there exceptions to being included?

Excluded from the Class are: (1) Persons who received indemnification payment(s) for full replacement cost; (2) claims that were open and still being actively adjusted as of April 11, 2014; (3) claims for which American Modern received an executed release during the Class Period; (4) American Modern and its officers and directors; (5) Members of the judiciary and their staff to whom this action is assigned; and (6) Class Counsel.

8. Understanding Class Membership.

This Notice has been mailed to American Modern insureds with Structural Loss claims in Arkansas during the Class Period. This series of questions may help you determine if you are a Class Member. Please consider all of the questions in order:

Question	Yes	No
Do you or did you have an Arkansas homeowners insurance policy issued by American Modern Home Insurance Company, American Family Home Insurance Company, American Western Home Insurance Company, American Southern Home Insurance Company, American Modern Select Insurance Company, American Modern Surplus Lines Insurance Company, or Consumers County Mutual Insurance Company?	Continue	You are not a Class Member
Did you make a first party insurance claim for physical damage to a house or other structure in Arkansas that occurred between April 11, 2009, through April 11, 2014, and receive an indemnity payment under your insurance policy, or would have received an indemnity payment but for the deduction of labor depreciation?	Continue	You are not a Class Member
Was your indemnification payment less than the limit of liability under your insurance policy?	Continue	You are not a Class Member
Did you receive indemnification payment(s) for full replacement cost?	You are not a Class Member	Continue
Did you file a lawsuit related to your claim?	You may not be a Class Member	Continue
Did your indemnification payment(s) include a deduction for estimated depreciation of labor?	You may be a Class Member, subject to certain exclusions	You are not a Class Member

9. I'm still not sure I'm included.

If you are not sure whether you are included in the Class, you may call the toll free number 1-888-320-6771 with questions or visit www.GreenLaborDepreciationSettlement.com.

THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

10. How much will settlement payments be?

Class Members who complete and sign a claim form and timely mail it to the proper address, or submit the claim form online, may be eligible for a payment. Under the settlement, American Modern has agreed to pay 90% of the estimated labor depreciation that was withheld and not subsequently paid to a Class Member, plus 5% prejudgment interest on that amount, subject to some exclusions. You must submit a claim form in order to determine whether and how much estimated labor depreciation was withheld from your insurance claim payment. If you do not, you will not receive a settlement payment.

If you submit a claim form, and American Modern does not have sufficient information to determine whether you are a Class Member or what you are owed on your claim, you will need to provide a copy of the estimate (also called an Adjustor Summary) that was provided to you with your insurance claim. If you cannot provide an estimate, your claim may be denied. If American Modern's information or your estimate shows that labor was depreciated but the amount of labor depreciation is not separately itemized, your payment will be

based on the assumption that 42% of the total depreciation was for labor depreciation. For additional details on the payment terms, please see the Settlement Agreement, which is available at www.GreenLaborDepreciationSettlement.com or may be requested from the Settlement Administrator at:

Green Labor Depreciation Settlement
c/o GCG
PO Box 10350
Dublin, OH 43017-0350

HOW TO GET A PAYMENT—SUBMITTING A CLAIM FORM

11. How can I get a payment?

To find out whether you are eligible for a payment, you must complete a claim form truthfully, accurately, and completely, to the best of your ability. The claim form may be completed in paper form or on the website accessed via www.GreenLaborDepreciationSettlement.com. The claim form must be signed or electronically verified. If you submit the paper claim form, **you must mail the completed claim form to the following address, postmarked no later than July 10, 2017:**

Green Labor Depreciation Settlement
c/o GCG
PO Box 10350
Dublin, OH 43017-0350

If you submit the claim form on the website, it must be submitted by midnight Central Daylight Time on July 10, 2017. A copy of the claim form should accompany this Notice. You may obtain an additional claim form by calling the Settlement Administrator at 1-888-320-6771 or visiting www.GreenLaborDepreciationSettlement.com. If possible, you should attach a copy of your estimate (Adjustor Summary) to your claim form or submit it electronically with your claim form. Otherwise, you may have to provide it later in order to have your claim evaluated. If you sign a claim form as the representative of a Class Member, you must also submit written proof that you are the legally authorized representative.

12. When will I get my payment?

If the Court grants “Final Approval” of the settlement, and if any appeals are resolved in favor of the settlement, then payment will be mailed to eligible Class Members after the claims administration process is completed. This process can take time, so please be patient.

13. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you can’t individually sue American Modern and the Released Persons over the claims settled in this case, relating to deduction of labor depreciation from payments for Covered Losses. It also means that all of the Court’s orders will apply to you and legally bind you.

If you submit a Claim Form, or if you do nothing and stay in the Class, you will agree to “release and discharge” all “Released Persons” of all “Released Claims.” “Released Claims” and “Released Persons” are defined in the Settlement Agreement, which you can request by calling 1-888-320-6771 or view at www.GreenLaborDepreciationSettlement.com.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don’t want a payment from this settlement, and/or if you want to keep the right to individually sue about the issues in this case, then you must take steps to get out of the settlement. This is called excluding yourself from—or “opting out” of—the Class.

14. How do I get out of the settlement?

To exclude yourself from the settlement, you must mail a letter saying that you want to be excluded from the *Green, et al. v. American Modern Home Insurance Company, et al.* settlement. You must include your full name, address, and your signature. You must also include a clear statement that you wish to be excluded from the settlement class. You must mail your request for exclusion postmarked by May 4, 2017 to:

Green Labor Depreciation Settlement
c/o GCG
PO Box 10350
Dublin, OH 43017-0350

Additional instructions are included in the Settlement Agreement available at www.GreenLaborDepreciationSettlement.com. You cannot exclude yourself by phone, by email, or at the website. The right to exclude yourself from the proposed settlement must be exercised individually, not as a member of a group or subclass and, except in the case of a deceased or incapacitated Class Member, not by the

act of another person acting or purporting to act in a representative capacity. If you request exclusion as the representative of a Class Member, you must also submit written proof that you are the legally authorized representative.

15. If I don't exclude myself, can I sue American Modern for the same thing later?

No. Unless you exclude yourself, you give up any right to individually sue American Modern for the claims that this settlement resolves. You must exclude yourself from the Class to individually sue American Modern over the claims resolved by this settlement. Remember, the exclusion deadline is May 4, 2017.

16. If I exclude myself, can I get a payment from this settlement?

No. If you exclude yourself from the settlement, do not submit a Claim Form to ask for a payment.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court appointed the following law firms to represent you and other Class Members as "Class Counsel": Keil & Goodson; Mattingly & Roselius, PLLC; Murphy, Thompson, Arnold, Skinner & Castleberry; Crowley Norman LLP; James M. Pratt, Jr., P.A.; Kessler Topaz Meltzer & Check, LLP; and Taylor Law Partners. You do not have to pay Class Counsel. If you want to be represented by your own lawyer, and potentially have that lawyer appear in court for you in this case, you may hire one at your own expense.

18. How will the lawyers and Class Representatives be paid?

Class Counsel will ask the Court for up to \$820,448.66 to cover attorneys' fees and reimbursement of their expenses, and will ask the Court to award the Class Representatives \$5,000 each for their efforts in prosecuting this litigation (commonly called an Incentive Award). American Modern has agreed not to oppose the request for fees, expenses, and incentive awards up to these amounts. The Court may award less than these amounts. American Modern will pay the fees, expenses, and enhancement awards in addition to the amounts due to Class Members. These payments will not reduce the amount distributed to Class Members. American Modern will also separately pay the costs to administer the settlement.

OBJECTING TO THE SETTLEMENT

You can tell the Court if you don't agree with the settlement or some part of it.

19. How do I tell the Court if I don't agree with the settlement?

If you don't want the Court to approve the settlement you must file a written objection in the case with the Court and send a copy to the Settlement Administrator by the deadline noted below. You should include the name of the case (*Green, et al. v. American Modern Home Insurance Company, et al.*), case number (No. 4:14-cv-04074-SOH), your full name, address, telephone number, your signature, the specific reasons why you object to the settlement, and state whether you intend to appear at the Final Approval Hearing in person or through counsel. If you have a lawyer file an objection for you, he or she must follow all local rules and you must list the attorney's name, address, bar number and telephone number in the written objection filed with the Court.

If you intend to appear at the Final Approval Hearing to object to the settlement, you should also provide with your written objection a detailed statement of the specific legal and factual basis for each objection, a list of any witnesses you will call at the hearing with each witness's address and summary of the witness's testimony, a detailed description of all evidence you will offer at the hearing with copies of the exhibits attached, and documentary proof of your membership in the Class. You or your lawyer may appear at the Final Approval Hearing if you have filed a written objection as provided above. (See the section on the "Court's Final Approval Hearing" below). The Court retains discretion to hear objections absent full, technical compliance with the Stipulation, upon a showing of good cause for failure to comply. The right to object to the Proposed Settlement must be exercised individually by an individual Class Member, not as a member of a group or subclass and, except in the case of a deceased or incapacitated Class Member, not by the act of another person acting or purporting to act in a representative capacity. If you file an objection as the representative of a Class Member, you must also submit written proof that you are the legally authorized representative.

File the objection with the Clerk of the Court at the address below by May 4, 2017. Note: You may send it by mail, but it must be received and filed by the Clerk by this date.	Mail a copy of the objection to the Administrator at the following address so it is postmarked by May 4, 2017.
Court	Administrator
United States Courthouse 500 North State Line Avenue, Room 302 Texarkana, AR 71854-5961	Green Labor Depreciation Settlement c/o GCG PO Box 10350 Dublin, OH 43017-0350

20. What's the difference between objecting and asking to be excluded?

Objecting is simply telling the Court that you don't like something about the settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class or the settlement. If you exclude yourself, you have no basis to object because the case no longer affects you. If you object, and the Court approves the settlement anyway, you will still be legally bound by the result.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

21. When and where will the Court decide whether to approve the settlement?

The Court has scheduled a Final Approval Hearing at 9:00 a.m. (CDT), on May 24, 2017, at the United States Courthouse, 500 North State Line Avenue, Room 302, Texarkana, Arkansas. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court may listen to people who have asked to speak about their objection. The Court may also decide how much to award Class Counsel for fees and expenses for representing the Class and how much to award the Class Representatives as incentive awards. At or after the hearing, the Court will decide whether to approve the settlement. It is not known how long this decision will take. Check the website before to make sure the hearing hasn't been rescheduled.

22. Do I have to come to the hearing?

You are not required to attend, and Class Counsel will answer any questions that the Court may have. If you wish to attend the hearing, you may come at your own expense. You may also pay your own lawyer to attend, but it's not necessary, unless you choose to have a lawyer appear on your behalf to object to the settlement.

23. May I speak at the hearing?

If you submitted a proper written objection to the settlement, you or your lawyer acting on your behalf may speak at the Final Approval Hearing. You cannot speak at the Hearing if you exclude yourself.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you'll get no payment from this settlement. But, unless you exclude yourself from the settlement, you won't be able to individually sue for the claims resolved in this case.

GETTING MORE INFORMATION

25. How do I get more information about the settlement?

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. If you have questions or if you want to request a copy of the Settlement Agreement, which provides more information, call 1-888-320-6771 or visit www.GreenLaborDepreciationSettlement.com.

PLEASE DO NOT CALL OR WRITE THE COURT, THE JUDGE OR HER STAFF, OR AMERICAN MODERN OR ITS COUNSEL FOR INFORMATION OR ADVICE ABOUT THE SETTLEMENT