

IN THE DISTRICT COURT OF POTTAWATOMIE COUNTY

STATE OF OKLAHOMA

FILED
IN THE DISTRICT COURT

APR 05 2021

POTTAWATOMIE COUNTY, OK
VALERIE N. UELTZEN, COURT CLERK
BY *[Signature]* DEPUTY

STATE OF OKLAHOMA, *ex rel.*, MIKE)
HUNTER, ATTORNEY GENERAL OF)
OKLAHOMA,)

Plaintiff,)

v.)

Case No. CJ-21-92

FARMERS INSURANCE COMPANY, INC.)
et al.)

Defendant.)

FINAL CONSENT JUDGMENT

Plaintiff, the State of Oklahoma (the "State" or "Plaintiff") has filed a Petition for a permanent injunction, damages and other relief in this matter pursuant to the civil provisions of the Oklahoma Consumer Protection Act ("OCPA"), 15 O.S. §§ 751 *et seq.*, the civil provisions of the Unfair Claims Settlement Practices Act ("UCSPA"), 36 O.S. §§ 1250.1 *et seq.*, and the common law claim of unjust enrichment, alleging that Farmers Insurance Exchange; Farmers Group, Inc.; Farmers Insurance Company, Inc.; Foremost Insurance Company Grand Rapids, Michigan; Farmers New World Life Insurance Company; Mid-Century Insurance Company; Fire Insurance Exchange; Foremost Property and Casualty Insurance Company; Foremost Signature Insurance Company, and any and all other owned or affiliated entities (collectively "Farmers" or "Defendant") committed violations of the OCPA, the UCSPA, and was unjustly enriched by its actions. Although Farmers denies any wrongdoing, in order to reach resolution of these matters, Plaintiff, by its counsel, and Farmers, by its counsel, have agreed to the entry of this Final Consent

Judgment (“Consent Judgment”) by the Court without trial or adjudication of any issue of fact or law or finding of any liability by Farmers or admission of wrongdoing or fact of any kind.

IT IS HEREBY ORDERED THAT:

I. FINDINGS

A. For purposes of this proceeding only, this Court has jurisdiction over the subject matter of this lawsuit and over the Parties (as defined below). This Consent Judgment shall not be construed or used as a waiver of any jurisdictional defense Farmers may raise in any other proceeding.

B. The terms of this Consent Judgment shall be governed by the laws of the State of Oklahoma.

C. Entry of this Consent Judgment is in the public interest and reflects a negotiated agreement among the Parties.

D. The Parties have agreed to resolve the issues resulting from the Covered Conduct (as defined below) by entering into this Consent Judgment.

E. Farmers has cooperated with the State and is willing to enter into this Consent Judgment regarding the Covered Conduct in order to resolve the State’s claims and concerns under the OCPA and UCSPA as to the matters addressed in this Consent Judgment and thereby avoid significant expense, inconvenience, and uncertainty.

F. Farmers is entering into this Consent Judgment solely for the purpose of settlement, and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Farmers expressly denies. Farmers does not admit any violation of the OCPA or UCSPA and does not admit any wrongdoing that was or could have been alleged by the State before the date of the Consent Judgment. No part of this Consent Judgment, including its

statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by Farmers.

G. This Consent Judgment shall not be construed or used as a waiver or limitation of any defense otherwise available to Farmers in any other action, or of Farmers' right to defend itself from, or make any arguments in, any other regulatory, governmental, private individual, or class claims or suits relating to the subject matter or terms of this Consent Judgment. This Consent Judgment is made without trial or adjudication of any issue of fact or law or finding of any liability by Farmers or any admission of fact of any kind by Farmers. Notwithstanding the foregoing, and subject to the notice and cure period set forth in paragraph V.D below, the State may file an action to enforce the terms of this Consent Judgment.

H. No part of this Consent Judgment shall create a private cause of action or confer any right to any third party for violation of any federal or state statute except that the State may file an action to enforce the terms of this Judgment. It is the intent of the Parties that this Consent Judgment shall not be binding or admissible in any other matter, including, but not limited to, any investigation or litigation, other than in connection with the enforcement of this Consent Judgment. This Consent Judgment is not enforceable by any persons or entities besides the State, Farmers and this Court.

II. DEFINITIONS

The following definitions shall be used in construing this Consent Judgment:

A. "Additional Payments" means monetary payments beyond the Initial Payment as determined to be necessary by the Claim Administrator to pay all Eligible Earthquake Claims and the costs and expenses of administering the Earthquake Claims Review Process.

B. "Arbitrator" or "Arbitrators" means the independent, third-party arbitrator mutually selected by the Attorney General and Farmers, in consultation with the Commissioner, that, upon

request of an Eligible Insured, reviews the Claim Administrator's determination as to the Eligible Insured's Eligible Earthquake Claim.

C. "Attorney General" means the Attorney General of Oklahoma, or his authorized designee, who has agreed to this Consent Judgment.

D. "Claim Administrator" means the independent, third-party individual(s) or firm(s) mutually selected by the Attorney General and Farmers, in consultation with the Commissioner, to evaluate and determine causation, coverage and compensability of Eligible Earthquake Claims under the Earthquake Claims Review Process.

E. "Commissioner" means the duly elected Insurance Commissioner as established by OKLA. CONST., Art. VI, section 23 and whose authority and duties are set forth in Title 36 of the Oklahoma Statutes.

F. "Covered Conduct" means any and all acts, failures to act, conduct, statements, errors, omissions, events, breaches of duty, services, transactions, or other activity arising out of or otherwise relating to all conduct or activities directly or indirectly referenced or implied in the Attorney General's letter of July 25, 2020 to Farmers, attached as Appendix A, and Farmers' provision of earthquake insurance coverage in Oklahoma between January 1, 2010 and the Effective Date. Such Covered Conduct includes, but is not limited to, Farmers' claims handling practices, sale of insurance, use of software estimating tools, setting of premium rates, use of engineers in the claims handling process, withdrawal from the Oklahoma insurance market, interactions with the insurance regulator, the reporting of claim data, the management of insurance exchanges, or any other activities known or which could have reasonably been known to the Plaintiff.

G. “Earthquake Claim Arbitration Process” means the review of any determination by the Claim Administrator, pursuant to the Earthquake Claim Review Process, submitted for binding arbitration to fully resolve an Eligible Earthquake Claim.

H. “Earthquake Claim Arbitration Process Agreement” means the agreement executed by the Arbitrator or Arbitrators which sets forth the Arbitrators’ authority to evaluate Eligible Earthquake Claims, the arbitration process, the mechanism to pay money on any Eligible Earthquake Claims, and the process for paying the fees and expenses of the Earthquake Claim Arbitration Process.

I. “Earthquake Claims Review Process” means the evaluation of every Eligible Earthquake Claim by an independent, third party to determine causation, coverage and compensability of the Eligible Earthquake Claim.

J. “Earthquake Claims Review Process Agreement” means the agreement executed by the Claim Administrator which sets forth the Claim Administrator’s authority to evaluate Eligible Earthquake Claims, the review process, the mechanism to pay money on any Eligible Earthquake Claims, and the process for paying the fees and expenses of the Earthquake Claims Review Process.

K. “Effective Date” means the date on which this Consent Judgment, duly executed by Farmers and by the State, is approved by, and becomes a Consent Judgment of the Court.

L. “Eligible Earthquake Claim” means a personal lines earthquake property damage claim submitted to Farmers by an Eligible Insured between January 1, 2010 and March 1, 2021.

M. “Eligible Insured” means an insured who (i) has or had an insurance policy with an earthquake endorsement issued by Farmers between January 1, 2010 and March 1, 2021; (ii) purchased and paid premiums for such earthquake endorsement; (iii) submitted an earthquake

property damage claim to Farmers between January 1, 2010 and March 1, 2021; and (iv) is not represented by counsel related to the insured's earthquake claim with Farmers.

N. "Farmers" means Farmers Insurance Exchange; Farmers Group, Inc.; Farmers Insurance Company, Inc.; Foremost Insurance Company Grand Rapids, Michigan; Farmers New World Life Insurance Company; Mid-Century Insurance Company; Fire Insurance Exchange; Foremost Property and Casualty Insurance Company; Foremost Signature Insurance Company, and any and all other owned or affiliated entities.

O. "Initial Payment" means Twenty-Five Million Dollars (\$25,000,000) to be paid by Farmers to the State on April 1, 2021.

P. "OID" means the Oklahoma Insurance Department as established by OKLA. CONST. Art. VI, section 22, and whose authority and duties are set forth in Title 36 of the Oklahoma Statutes.

Q. "Original Claim File" means the documents and other materials in the possession, custody, or control of Farmers relating to the Eligible Earthquake Claim of an Eligible Insured.

R. "Parties" means Farmers and the Attorney General.

S. Any reference to a written document shall mean a physical paper copy of the document, electronic version of the document, or electronic access to such document.

III. PAYMENT

A. In full and complete satisfaction of the Released Claims, see paragraph VI.A, Farmers will make an initial payment of Twenty-Five Million Dollars (\$25,000,000) to the State. Of the Initial Payment, Twenty Million Dollars (\$20,000,000) will be placed in the Attorney General's state treasury account in escrow to make payments directly to Eligible Insureds through the Earthquake Claims Review Process. The remaining Five Million Dollars (\$5,000,000) will be

paid to the Attorney General's state treasury account for costs associated with the investigation, this petition, and consent judgment, and other costs and expenses of the Attorney General's Office. From this amount, the Attorney General shall pay an amount to be determined to OID for its role in enforcing provisions of the Oklahoma Insurance Code.

B. The Initial Payment shall be made to the State on April 1, 2021.

C. Farmers agrees to make Additional Payments as needed beyond the Initial Payment in order to pay Eligible Earthquake Claims under the Earthquake Claims Review Process.

D. If payments to Eligible Insureds through the Earthquake Claims Review Process are less than the Twenty Million Dollars (\$20,000,000) that will be placed in a state treasury account in escrow, the balance remaining will be returned to Farmers.

IV. EARTHQUAKE CLAIMS REVIEW PROCESS

A. Establishment of Process. An Earthquake Claims Review Process will be formed to re-examine every Eligible Earthquake Claim. If an Eligible Insured has more than one Eligible Earthquake Claim, all Eligible Earthquake Claims shall be re-examined under the Earthquake Claims Review Process.

B. Selection of Claim Administrator. The Parties, in consultation with the Commissioner, will mutually agree upon an independent, third-party Claim Administrator with substantial experience in the handling, or reviewing, of property damage claims in Oklahoma. Farmers shall have no prior or existing relationship with the Claim Administrator. The Claim Administrator shall execute an Earthquake Claim Review Process Agreement, which shall be agreed upon by the Parties prior to its execution by the Claim Administrator.

C. Initial Notice to Eligible Insureds. Within 30 days of the Effective Date of this Consent Judgment, Farmers shall send each Eligible Insured written notice that their claim has

been re-opened for review by the Claim Administrator and describe the Earthquake Claims Review Process. The notice shall state that the re-examination process is for the purpose of settling a submitted claim, and that the Eligible Insured's acceptance of any offer by the Claim Administrator shall require that the Eligible Insured release any legal claims the Eligible Insured may have or may have had related to the Eligible Earthquake Claim. The notice shall state that if, at any time, an Eligible Insured elects to retain private counsel and pursue negotiations or litigation against Farmers, the Eligible Insured will no longer be eligible to participate in the Earthquake Claims Review Process. Such written notice shall be approved in advance by the Attorney General.

D. Claim Administrator Review of Eligible Earthquake Claims.

1. The Claim Administrator shall evaluate causation, coverage and compensability to determine, under the terms of the policy, whether payment over the applicable deductible amount, but not to exceed applicable policy limits, is due on an Eligible Earthquake Claim submitted by an Eligible Insured. Any such payment shall include a credit for sums previously paid by Farmers on such Eligible Earthquake Claim. In fulfilling these duties, the Claim Administrator may communicate directly with Eligible Insureds and Farmers. It is anticipated that the Claim Administrator will utilize the personnel and resources of the OID, in consultation with and subject to the approval of the Commissioner.¹ Additionally, the Claim Administrator may retain, on a file-by-file basis, any needed vendor, including an independent contractor or independent engineer whose reasonable fees and expenses shall be paid by Farmers upon notice by the Claim Administrator. In reviewing an Eligible Earthquake Claim, the Claim Administrator

¹ OID personnel and resources utilized by the Claim Administrator under this Consent Judgment shall be funded by the payment to OID contemplated under paragraph III.A. For purposes of clarity, OID shall not be entitled to payment for its personnel and resources utilized by the Claim Administrator under this Consent Judgment through the Earthquake Claims Administration Process Agreement.

may consider any materials submitted by the Eligible Insured and Farmers and any materials in the Original Claim File, except the following, which the Claim Administrator is expressly prohibited from considering:

- a. Any engineering reports completed during the original claim evaluation by a Farmers-retained engineer determining that the claimed property damage or any part thereof was not caused by an earthquake. For purposes of clarity, the Claim Administrator is required to determine the cause of claimed property damage for purposes of appropriately applying the policy coverages and exclusions, both under the policy and the earthquake endorsement, but may not rely on the prior opinion of such retained engineer as the basis of the Claim Administrator's own causation and coverage determination under the earthquake endorsement; and
- b. Any evidence or opinion of uncovered preexisting earthquake damage (earthquake damage caused by an earthquake prior to the applicable policy period), unless the Original Claim File contains evidence that Farmers conducted an inspection of the property prior to the date of loss and such inspection clearly showed the preexisting earthquake damage.

2. In determining compensability of an Eligible Earthquake Claim, the Claim Administrator shall not exclude coverage based on preexisting earthquake damage unless the Claim Administrator determines Farmers conducted an inspection of the property prior to the date of loss and such inspection clearly showed the preexisting earthquake damage. Further, in determining compensability of an Eligible Earthquake Claim, the Claim Administrator shall, in

their professional judgment, include when appropriate the payment of general contractor overhead and profit in calculating the costs of any repairs.

3. Farmers retains the right to ask questions of the Claim Administrator about the process or additional compensation awarded on an Eligible Earthquake Claim.

4. Farmers shall provide a full and complete copy of the Original Claim File upon request of an Eligible Insured, either made directly to Farmers or conveyed through the Claim Administrator.

5. All decisions of the Claim Administrator shall be independent of any determination of or influence from Farmers (other than Farmers' participation in Earthquake Claims Review Process as contemplated herein).

E. Notice of Determination. All Eligible Insureds shall be informed in writing of the results of the Claim Administrator's review as expeditiously as practicable. The form of the letter notifying Eligible Insureds of such results shall be approved in advance by the Parties.

1. If the Claim Administrator determines an Eligible Earthquake Claim is entitled to payment for loss, the Claim Administrator's notification shall include the amount of payment and inform the Eligible Insured they can receive such payment in exchange for their execution of a release of all contractual, extracontractual or statutory claims the Eligible Insured may have against Farmers related to their Eligible Earthquake Claim and the Earthquake Claim Review Process. The notice shall also include a statement regarding the Eligible Insured's right to invoke binding arbitration should the Eligible Insured dispute the Claim Administrator's determination. The notice shall include a release form (approved in advance by the Attorney General) and instructions notifying the Eligible Insured that upon receipt of the executed release, payment will be issued. The Eligible Insured shall have 90 days following receipt of the notice of

determination to execute the release; if no action is taken by the Eligible Insured in that time, the offer contained in the notice of determination shall be considered withdrawn. Upon receipt of an executed release, the Claim Administrator shall provide the original to Farmers, add a copy to the Claim Administrator's file, and provide a copy to the Attorney General. Payment to an Eligible Insured following receipt of the release shall follow the procedures set forth in Section IV.G.

2. If the Claim Administrator determines an Eligible Earthquake Claim is not entitled to payment, the Claim Administrator's notification shall include this determination and a statement regarding the Eligible Insured's right to invoke binding arbitration within 90 days following receipt of the notice of determination, should the Eligible Insured dispute the Claim Administrator's determination. If no action is taken by the Eligible Insured in that time, the Eligible Earthquake Claim shall be considered final and the file closed.

F. Earthquake Claim Arbitration Process. Upon receipt of an executed arbitration request from an Eligible Insured, the Claim Administrator shall provide the request to the Arbitrator, add a copy to the Claim Administrator's file, and provide copies to the Attorney General and Farmers.

1. Selection of Arbitrators. The Parties, in consultation with the Commissioner, will mutually agree upon independent, third-party Arbitrators. Farmers shall have no prior or existing relationship with the Arbitrators. The Arbitrators shall execute an Earthquake Claim Arbitration Process Agreement, which shall be agreed upon by the Parties prior to its execution by the Arbitrators.

2. Initial Notice to Eligible Insureds. Within 14 days of receiving an Earthquake Claim Arbitration Process request, the Arbitrator shall notify the Eligible Insured that they have opened a case and provide contact information to reach the Arbitrator.

3. Arbitrator Review of Eligible Earthquake Claims. The Arbitrator shall make all final determinations regarding Eligible Earthquake Claims that are submitted to the Earthquake Claim Arbitration Process. If the Arbitrator determines that the Claims Administrator did not make a clear error in administrating the claim, the Arbitrator shall affirm the decision of the Claims Administrator. If and only if the Arbitrator determines that the Claims Administrator made a clear error in administrating the claim, the Arbitrator may conduct a full review of the claim. In reviewing a claim adjudged to have been rendered in error, the Arbitrator may communicate directly with Eligible Insureds and Farmers. Additionally, the Arbitrator may retain, on a file-by-file basis, any needed vendor, including an independent contractor or independent engineer whose reasonable fees and expenses shall be paid by Farmers upon notice by the Arbitrator. In reviewing an Eligible Earthquake Claim, the Arbitrator may consider any materials submitted by the Eligible Insured and Farmers and any materials in the Original Claim File, except the following, which the Arbitrator is expressly prohibited from considering:

- a. Any engineering reports completed during the original claim evaluation by a Farmers-retained engineer determining that the claimed property damage or any part thereof was not caused by an earthquake. For purposes of clarity, the Arbitrator is required to determine the cause of claimed property damage for purposes of appropriately applying the policy coverages and exclusions, both under the policy and earthquake endorsement, but may not rely on the prior opinion of such retained engineer as the basis of the Arbitrator's own causation and coverage determination under the earthquake endorsement;
and

- b. Any evidence or opinion of uncovered preexisting earthquake damage (earthquake damage caused by an earthquake prior to the applicable policy period), unless the Original Claim File contains evidence that Farmers conducted an inspection of the property prior to the date of loss and such inspection clearly showed the preexisting earthquake damage.

While the Arbitrator shall not consider live testimony, they may request sworn, written answers on issues relevant to the determination of loss.

4. Determining coverage, causation and compensability. In the event the Arbitrator reviews a claim upon a finding of clear error, the Arbitrator shall evaluate causation, coverage and compensability to determine, under the terms of the policy and earthquake endorsement, whether payment over the applicable deductible amount, but not to exceed applicable policy limits, is due on an Eligible Earthquake Claim submitted by an Eligible Insured. Any such payment shall include a credit for sums previously paid by Farmers on such Eligible Earthquake Claim. In fulfilling these duties, the Arbitrator may communicate directly with Eligible Insureds and Farmers. The Arbitrator shall not exclude coverage based on preexisting earthquake damage unless the Arbitrator determines Farmers conducted an inspection of the property prior to the date of loss and such inspection clearly showed the preexisting earthquake damage. Further, in determining compensability of an Eligible Earthquake Claim, the Arbitrator shall, in their professional judgement, include when appropriate the payment of general contractor overhead and profit in calculating the costs of any repairs.

5. Final, non-appealable decision. The Arbitrator will issue a written binding, final, and non-appealable decision to the Eligible Insured within 90 days of the request for arbitration. Copies of such decision shall be provided to the Attorney General, Farmers, and the

Claim Administrator. If the decision awards payment to the Eligible Insured, such award shall not exceed applicable policy limits and shall be calculated by factoring in the applicable deductible for an Eligible Insured's property and accounting for a credit for any sums previously paid by Farmers on the Eligible Earthquake Claim. Payment to an Eligible Insured following the Arbitrator's written decision shall follow the procedures set forth in Section IV.G.

G. Payment under the Earthquake Claim Review Process and Earthquake Claim Arbitration Process.

1. Earthquake Claims Review Process. Upon receipt of a duly executed release form, the Claim Administrator shall, within 30 days, send a written request to the Attorney General, with a copy provided to Farmers, to release the approved payment amount to the Eligible Insured. The Attorney General shall have 30 days to issue payment. The Attorney General shall notify both the Claim Administrator and Farmers when payment has been issued and the Eligible Earthquake Claim file shall thereafter be closed.

2. Earthquake Claim Arbitration Process. When the Arbitrator issues a decision awarding payment to an Eligible Insured, the Arbitrator shall concurrently send a written request to the Attorney General, with a copy provided to Farmers, to release the approved payment amount to the Eligible Insured. The Attorney General shall have 30 days to issue payment. The Attorney General shall notify the Arbitrator, the Claim Administrator and Farmers when payment has been issued and the Eligible Earthquake Claim file shall thereafter be closed.

3. Determination of Additional Payments. The Claim Administrator shall track the funding needs for payments on Eligible Earthquake Claims. If, at any time during the Earthquake Claims Review Process, the Claim Administrator determines the funds are or will soon be insufficient to pay outstanding Eligible Earthquake Claims, along with all costs and expenses

of administering the Earthquake Claims Review Process, the Claim Administrator shall provide written notice of the need for Additional Payments to Farmers, with a copy to the Attorney General. Within 10 days of receiving such notice, Farmers will provide an Additional Payment to the state treasury account holding the funds in escrow.

V. INJUNCTIVE RELIEF

A. Farmers agrees to comply with the Oklahoma Consumer Protection Act, 15 O.S. §§ 751 *et seq.*, as may be amended;

B. Farmers agrees to comply with the Unfair Claims Settlement Practices Act, 36 O.S. §§ 1250.1 *et seq.*, as may be amended;

C. For a period of 5 years following the Effective Date of this Consent Judgment, Farmers agrees that it will:

1. Only use engineers licensed and in good standing with Oklahoma in connection with Farmers insurance policies covering property in Oklahoma;

2. Promptly provide all insureds with any and all engineering reports provided to Farmers in connection with the evaluation of any claim;

3. Not engage in any tracking of engineering reports regarding the percentage of claims approved or denied (other than as directed by the compliance or legal departments with respect to allegations or concerns of historical improper practices);

4. Not engage in internal or external evaluation or consideration of which engineering firms have historically favored Farmers in making a decision of which engineer to retain;

5. Not favor engineers who issue reports supportive of claims denial over engineers who issue reports supportive of claim payment; and

6. Document in each claim file all activity and communication regarding the

use of engineering firms in the claim's evaluation process, including documenting any specific oral or written communication between the adjuster and the engineer, and make such information available to the insured upon request.

D. If the Attorney General believes Farmers has violated any Injunctive Relief term, as set forth above, the Attorney General shall provide Farmers with a notice that sets forth the Attorney General's basis for believing that Farmers violated an Injunctive Relief term. Upon receipt of such notice, Farmers shall have 30 days to cure the alleged violation.

VI. RELEASE

A. Released Claims. By its execution of this Consent Judgment, the State of Oklahoma releases and forever discharges Farmers and its past and present officers, directors, partners, employees, representatives, agents, affiliates, parents, subsidiaries, operating companies, predecessors, assigns and successors (collectively, the "Releasees") from the following: all civil claims the Attorney General is authorized by law to bring arising from or related to the Covered Conduct occurring up to and including the Effective Date of this Consent Judgment.

B. Notwithstanding any term of this Consent Judgment, specifically reserved and excluded from the release in Section VI.A. as to any entity or person, including Releasees, are any civil or administrative liability that any person and/or entity, including Releasees, has or may have to the State of Oklahoma, for the following claims:

1. state or federal antitrust violations;
2. any claims arising under state tax laws;
3. any claims arising under state securities laws;
4. any action to enforce this Consent Judgment and any subsequent related orders and judgments.

5. Any liability under the OCPA and UCSPA which any person and/or entity, including Releasees, has or may have to private individuals or entities other than the State of Oklahoma, the Attorney General, or any of their officers and employees in their official capacity (including in support of any *qui tam* plaintiff purporting to act on behalf of the State). Nothing herein precludes the Releases from asserting any claims or defenses that may be available to it under the law in any court action.

VII. ADDITIONAL PROVISIONS

A. Nothing in this Consent Judgment shall be construed to authorize or require any action by Farmers in violation of applicable federal, state, or other laws.

B. The signatories of this Consent Judgment represent and warrant that they are authorized by their respective clients or principals to execute this Consent Judgment and to bind the corresponding Party hereto. With respect to the Plaintiff, the relevant signatories affirm that they have authority to execute this Judgment on behalf of the State of Oklahoma.

C. Section headings contained in this Consent Judgment are inserted solely as reference aids for the ease and convenience of the reader. They shall not be deemed to define or limit the scope or substance of the provisions they introduce, nor shall they be used in construing the intent or effect of such provisions or any other aspect of this Consent Judgment.

D. This Consent Judgment may be modified by a stipulation of the Parties as approved by the Court, or by court proceedings resulting in a modified judgment of the Court, except to the extent as otherwise provided herein.

E. The acceptance of this Consent Judgment by the State shall not be deemed approval by the State of any of Farmers' business practices. Further, neither Farmers nor anyone acting on its behalf shall state or imply, or cause to be stated or implied, that the State or any other governmental unit of the State has approved, sanctioned or authorized any practice, act, or conduct of Farmers.

F. Any failure by any party to this Consent Judgment to insist upon the strict performance by any other party of any of the provisions of this Consent Judgment shall not be deemed a waiver of any of the provisions of this Consent Judgment, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Consent Judgment.

G. This Consent Judgment represents the full and complete terms of the settlement entered into by the Parties hereto, except as the parties have otherwise agreed. In any action undertaken by the Parties, no prior versions of this Consent Judgment and no prior versions of any of its terms that were not entered by the Court in this Consent Judgment, may be introduced for any purpose whatsoever.

H. This Court retains jurisdiction of this Consent Judgment and the Parties hereto for the purpose of enforcing and modifying this Consent Judgment and for the purpose of granting such additional relief as may be necessary and appropriate.

I. If any provision of this Consent Judgment shall be held unenforceable, the Consent Judgment shall be construed as if such provision did not exist.

J. This Consent Judgment may be executed in counterparts, and a facsimile or .pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.

K. All Notices under this Consent Judgment shall be provided to the following via email and Overnight Mail:

Defendant:

Christopher W. Martin (#21909)
Martin, Disiere, Jefferson & Wisdom LLP
808 Travis, 11th Floor
Houston, TX 77002
Ph (713) 632-1701
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Dan K. Webb
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Attorney General:

Attorney General Mike Hunter
Abby Dillsaver, General Counsel
Ethan A. Shaner, Deputy General Counsel
313 N.E. 21st Street
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ethan.shaner@oag.ok.gov

L. This Consent Judgment shall be non-appealable and shall constitute a final judgment upon filing in the District Court of Pottawatomie County, State of Oklahoma.

APPROVAL BY COURT

APPROVED FOR FILING and SO ORDERED this 2 day of APRIL, 2021.

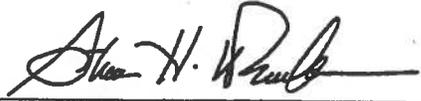
CERTIFICATE OF TRUE COPY
State of Oklahoma }
Pottawatomie County } ss. In the Dist. Court
I, Valerie Ueltzen, Court Clerk, With and for the State and County, do hereby certify that the above foregoing is a full, true, correct and complete copy of Consent Judgment in the above case and fully as the same appears on record and on file in my office.
WITNESSES my hand and official seal this 2 day of APRIL, 2021.
By [Signature]
VALERIE UELTZEN, Court Clerk
DISTRICT COURT POTTAWATOMIE COUNTY

[Signature]

Judge

Approved:

For Farmers

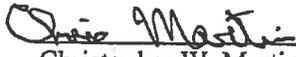


General Counsel for Farmers Group, Inc.

Counsel for Farmers

April 2, 2021

Date



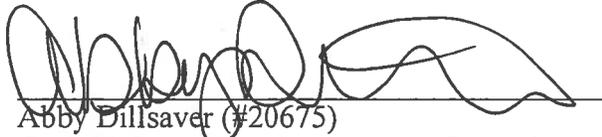
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Date

4/2/21

Approved:

For Plaintiff State of Oklahoma:



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4/1/2021
Date