

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF GEORGIA

If you had a claim for damage under a State Farm Georgia homeowners insurance policy between January 22, 2008, and February 4, 2018, a class action settlement may affect your rights.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- State Farm policyholders have sued State Farm Fire and Casualty Company (“State Farm”), alleging that State Farm breached its homeowners policies in Georgia by not assessing for diminished value arising from claims covered under the policies. There are two lawsuits asserting these claims:
 - One lawsuit (the *Thompson* case) involves homeowners insurance claims with dates of loss between January 22, 2008 and January 24, 2017 for damage caused by flood, water, or back-up of sewer or drain.
 - The other lawsuit (the *Long* case) involves homeowners insurance claims with dates of loss between January 25, 2011 and February 4, 2018 for damage caused by any of the following: flood, water, back-up of sewer or drain, fire, wind or hail, mold or fungus, or which involved foundation repairs.
- The purpose of this notice is to inform you of the proposed settlement of both cases, *Thompson* and *Long*, and to explain important rights you may have as a result of the settlement of these class actions. Please read this notice carefully and in its entirety. Your rights may be affected by proceedings in this action. If you are a class member in either *Thompson* or *Long*, you may be entitled to receive relief pursuant to the proposed settlement described herein and in the settlement agreement, a full copy of which can be obtained at www.statefarmdiminishedvaluelitigation.com.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	<p>Stay in this class action. Potentially receive relief as described in the settlement agreement. Give up certain rights.</p> <p>By doing nothing, you will be part of the settlement class and may potentially receive relief as described in the settlement agreement. But, you give up any rights to sue State Farm separately about the same issues in this class action.</p>
EXCLUDE YOURSELF	<p>Get out of this class action. Get no relief from it. Keep any rights you may have.</p> <p>If you ask to be excluded, you won’t receive any of the relief described in the settlement agreement. But, you keep any rights you may have to sue State Farm separately about the same issues in this class action.</p>
OBJECT	<p>Write to the Court about why you don’t like the settlement.</p> <p>You must prepare and submit your objection in accordance with the instructions below, including the time limit.</p>
GO TO A HEARING	<p>Ask to speak in Court about the fairness of the settlement.</p> <p>You must comply with the instructions below, including the time limit.</p>

- Your options and rights – **and the deadlines to exercise them** – are explained in this notice. You may also visit www.statefarmdiminishedvaluelitigation.com to read the full Settlement Agreement.
- The Court in charge of this case still has to decide whether to approve the settlement. The relief provided under the Settlement Agreement will only be provided if the Court approves the settlement and such approval is upheld after any appeals are resolved. Please be patient.

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BASIC INFORMATION

1. Why did I get this notice?

State Farm's records show that you may be a member of a proposed settlement class. The Court sent you this notice because you have a right to know about the proposed settlement of a class action lawsuit, and about your options, before the Court decides whether to approve the settlement. If the Court approves it and after objections and appeals are resolved, Settlement Class Members may be eligible to receive the benefits provided under the settlement.

This package explains the lawsuit, the settlement, your legal rights, what benefits are available, and who is eligible for them.

The Court in charge of the case is the United States District Court for the Middle District of Georgia, and the cases involved in the settlement are *Thompson v. State Farm Fire & Casualty Co.*, Civil Action No. 5:14-cv-32-MTT and *Long v. State Farm Fire and Casualty Co.*, Civil Action No. 5:17-cv-00028.

2. What are the lawsuits about?

The lawsuits are about whether State Farm breached its homeowners policies in Georgia by failing to assess for and, where found pay, diminished value arising from certain kinds of claims under the homeowners policies. "Diminished value" means a loss in value because of physical damage, even after the damage has been fully repaired. An "assessment" for diminished value is finding out whether a particular home has suffered diminished value.

3. **Why is this a class action?**

In a class action, one or more people, called Class Representatives (in this settlement, John and Leigh Ann Thompson and Tonya and Jason Long) sue on behalf of people who have similar claims. All these people are a Class or Class Members. One court resolves the class issues for all Class Members, except for those Class Members who exclude themselves. United States District Judge Marc T. Treadwell is in charge of the *Thompson* and *Long* class actions.

4. **Why is there a settlement?**

Both sides agreed to a settlement to avoid the cost, delay, and uncertainty of further litigation. Class Counsel think that the settlement is the best interests of the Settlement Classes and that the settlement is fair, adequate, and reasonable.

WHO IS IN THE SETTLEMENT

5. **Who is in the settlement classes?**

On August 10, 2018, the Court entered an Order preliminarily approving the Settlement and defining the following Classes, all of which are part of the settlement:

- (a) The ***Thompson Settlement Class*** includes all current or former policyholders insured under a State Farm homeowners insurance policy that provided coverage for property located in the State of Georgia who made a “Coverage A – Dwelling” claim under the policy (A) that had a date of loss between January 22, 2008 and January 24, 2017; and (B) that was coded by State Farm with Cause of Loss Code 17 (flood), Code 37 (water), and/or Code 47 (back-up of sewer or drain).
- (b) The ***Long Settlement Class*** includes two groups:
 - (i) All current or former policyholders insured under a State Farm homeowners insurance policy that provided coverage for property located in the State of Georgia who made a “Coverage A – Dwelling” claim under the policy (A) that had a date of loss between January 25, 2017 and February 4, 2018; and (B) that was coded by State Farm with Cause of Loss Code 17 (flood), Code 37 (water), and/or Code 47 (back-up of sewer or drain);
AND
 - (ii) All current or former policyholders insured under a State Farm homeowners insurance policy that provided coverage for property located in the State of Georgia who made a “Coverage A – Dwelling” claim under the policy (A) that had a date of loss between January 25, 2011 and February 4, 2018; (B) that was reported to State Farm on or before February 4, 2018; (C) that were coded by State Farm with Cause of Loss Codes other than Code 17 (flood), Code 37 (water), or Code 47 (back-up of sewer or drain); and (D) which fall into one of the following categories: fire claims (Loss Code 33), wind/hail claims (Loss Code 35), claims which include Reason Code M (remediation of mold) or which contain a payment under the “Fungus (including mold) endorsement,” and claims with foundation repairs included on the Xactimate estimates prepared by State Farm.

THE SETTLEMENT BENEFIT – WHAT YOU GET

6. **What is the settlement benefit? What do I get?**

If the settlement receives final approval, members of either the Thompson Settlement Class or the Long Settlement Class (that is, each “Settlement Class Member”) will receive relief as follows:

- (a) Other than Settlement Class Members who fall into one or more of the categories described in (d) below, each Settlement Class Member whose claim had a date of loss on or after May 29, 2011 for which the Coverage A - Dwelling payment was \$3,500.00 or greater will receive a diminished value assessment of the covered loss using the “Assessment Methodology” set forth in the settlement agreement, which is available at www.statefarmdiminishedvaluelitigation.com. After the assessment, the Settlement Class Member will receive a written notice of the results of the assessment, including whether or not the Settlement Class Member was found to have diminished value, and of the Settlement Class Member’s right to challenge the results of the assessment, including applicable time limits to make such a challenge. If the assessment indicates the insured property had diminished value, State Farm will include with the written notification a payment to the Settlement Class Member in the amount of the diminished value found to exist. If the Settlement Class Member receives additional payment for diminished value as a result of the assessment and accepts the payment, that Settlement Class Member waives any right to appeal or challenge the assessment’s findings.

- (b) Other than Settlement Class Members who fall into one or more of the categories described in (d) below, each Settlement Class Member whose claim had a date of loss on or after May 29, 2011 for which the Coverage A payment was between \$500.00 and \$3,499.99, and whose claim falls into one of the categories listed below, will also receive a diminished value assessment of the covered loss using the “Assessment Methodology” discussed above. The included categories are: fire damage (Loss Code 33); claims which include Reason Code M (remediation of mold) or which contain a payment under the “Fungus (including mold) endorsement”; claims which include Reason Code W (water mitigation work performed by vendors with structural Cause of Loss codes 37 [water] or 47 [back-up of sewer or drain]); claims with a payment under the Back-up of Sewer or Drain endorsement; and claims in which foundation repairs are included on the Xactimate estimates prepared by State Farm. After the assessment, the Settlement Class Member will receive a written notice of the results of the assessment, including whether or not the Settlement Class Member was found to have diminished value, and of the Settlement Class Member’s right to challenge the results of the assessment, including applicable time limits to make such a challenge. If the assessment indicates the insured property had diminished value, State Farm will include with the written notification a payment to the Settlement Class Member in the amount of the diminished value found to exist. If the Settlement Class Member receives additional payment for diminished value as a result of the assessment and accepts the payment, that Settlement Class Member waives any right to appeal or challenge the assessment’s findings.
- (c) Other than Settlement Class Members who fall into one or more of the categories described in (d) below, Settlement Class Members not in either of the categories described in (a) and (b) above will receive a written notice explaining that they can request a diminished value assessment and how to request such an assessment. When a Settlement Class Member requests a diminished value assessment, after the assessment, the Settlement Class Member will receive a written notice of the results of the assessment, including whether or not the Settlement Class Member was found to have diminished value, and of the Settlement Class Member’s right to challenge the results of the assessment, including applicable time limits to make such a challenge. If the assessment indicates the insured property had diminished value, State Farm will include with the written notification a payment to the Settlement Class Member in the amount of the diminished value found to exist. If the Settlement Class Member receives additional payment for diminished value as a result of the assessment and accepts the payment, that Settlement Class Member waives any right to appeal or challenge the assessment’s findings.
- (d) The following Settlement Class Members will not receive relief provided for in paragraphs (a), (b), or (c) above: (1) Settlement Class Members whose claims were “Closed Without Payment”; (2) Settlement Class Members as to whom the applicable coverage limits previously were paid on the applicable claim(s); and (3) Settlement Class Members as to whom State Farm Policy Endorsement FE-5621, entitled “Diminution in Value Loss Restriction,” was in effect on the applicable date of loss via a newly-issued policy of insurance.

As mentioned above, you can obtain a full copy of the settlement agreement at [www .statefarmdiminishedvaluelitigation.com](http://www.statefarmdiminishedvaluelitigation.com).

7. **How do I know which benefit group I am in?**

You can call the following toll-free number: 1-888-269-1605 or email the Administrator at info@statefarmdiminishedvaluelitigation.com.

8. **What am I giving up?**

Every Settlement Class Member who does not exclude himself or herself from the Settlement Classes will release all claims arising out of or relating to State Farm’s alleged failure to assess for diminished value with respect to that Class Member’s insurance claim. Any Settlement Class member who receives a diminished value payment from State Farm after a diminished value assessment and does not challenge the amount of the payment within the time allowed also releases all claims arising out of or relating to State Farm’s alleged failure to pay diminished value.

THE LAWYERS REPRESENTING YOU

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

The Court asked the following lawyers to represent you and other Class Members: Adam P. Princenthal, C. Cooper Knowles, Clinton W. Sitton, James C. Bradley, Michael J. Brickman, Nina Fields Britt, Kimberly Keevers Palmer, and Richard Kopelman. Together, 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.

10. **How will the lawyers be paid?**

Class Counsel will ask the Court for attorneys’ fees and expenses up to \$6,700,000, and payments of \$10,000 (Thompsons) and \$5,000 (Longs) to the Class Representatives. The Court may award less than these amounts. State Farm will separately pay the fees and expenses that the Court awards. No Settlement Class Member will have to pay for Class Counsel’s fees or expenses.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want benefits from this settlement, but you want to keep the right to sue or continue to sue State Farm, on your own, about the legal issues in this case, then you must take steps to get out. This is called excluding yourself – or is sometimes referred to as opting out of the Settlement Class.

11. How do I get out of the settlement?

To exclude yourself from the settlement you must submit a written request, postmarked on or before **December 26, 2018** to the address below. The written notice must include the Settlement Class Member's name and address; a clear and unequivocal statement that the Class Member wishes to be excluded from the Settlement Classes; and the signature of the Settlement Class Member or his or her legally authorized representative. The notice must be sent to:

Thompson v. State Farm Fire and Casualty Company
C/O GCG
P.O. Box 10607
Dublin, OH 43017-9207

You can't exclude yourself on the phone or by e-mail.

If a Settlement Class Member submits an exclusion request and then decides that they would like to opt back into the Settlement Classes, the Settlement Class Member may submit a written notice to the address above rescinding his or her exclusion request. Any such notice must be postmarked on or before **December 31, 2018**; it must be in writing; it must include the Settlement Class Member's name and address; it must be signed by the Settlement Class Member or his or her legally authorized representative, and it must contain a sentence stating: "The undersigned hereby rescinds his or her request for exclusion from the Settlement Agreement for the Resolution of the Thompson and Long Actions."

12. If I exclude myself, can I still get benefits from the settlement?

No. If you exclude yourself, you will not get any benefits from the settlement.

13. If I don't exclude myself, can I sue State Farm for the same thing later?

No. Unless you exclude yourself, you give up the right to sue State Farm for the claims that this settlement resolves, other than your right to challenge the findings of a diminished-value assessment of your property under the Settlement Agreement. If you have a pending lawsuit against State Farm about diminished value, speak to your lawyer in that lawsuit immediately. If you do exclude yourself so that you can start or continue your own lawsuit against State Farm, you should talk to your own lawyer soon, because your claims may be barred by a statute of limitations. Remember, the exclusion deadline is **December 26, 2018**.

OBJECTING TO THE SETTLEMENT

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

14. How do I tell the Court that I don't like the settlement?

If you are a Settlement Class Member and do not exclude yourself from the Settlement Class, you can object to the settlement if you don't like any part of it. You can give reasons why the Court should not approve it. The Court will consider your views. To object, you must do so by written notice filed with the Clerk of Court not later than **December 26, 2018** and postmarked no later than **December 26, 2018**. The notice must contain:

- (a) A heading, which includes the name of the Action and the case number;
- (b) The full name, address, and signature of the Class Member or his or her legally authorized representative;
- (c) The specific reasons why the Class Member objects to the proposed settlement;
- (d) If the objecting Class Member intends to appear at the Final Approval Hearing, a statement to that effect, as well as (i) a detailed statement of the specific legal and factual basis for each objection being asserted; (ii) a list of any and all witnesses whom the objecting Class Member may call at the Final Approval Hearing, with the address of each witness and a summary of the proposed testimony; (iii) a detailed description of any evidence, with copies of the exhibits attached, the objecting Class Member may offer at the Final Approval Hearing; and (iv) proof of membership in one of the Settlement Classes.

Any objection filed with the court must comply with all applicable laws and rules for filing documents in the Court, and must state whether the Class Member intends to appear at the Final Approval Hearing.

15. **What's the difference between objecting and excluding myself?**

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. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS 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.

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

The Court will hold a Final Fairness Hearing at 10:00 a.m. on **January 7, 2019**, at the William A. Bootle Federal Building and United States Courthouse, 475 Mulberry Street, Macon, Georgia, 31201. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Treadwell will listen to people who have asked to speak at the hearing. The Court may also decide how much Class Counsel will be paid. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

17. **Do I have to come to the hearing?**

No. Class Counsel will answer questions Judge Treadwell may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

18. **May I speak at the hearing?**

You may ask the Court for permission to speak at the hearing by following the procedure for objections outlined above and in the settlement agreement, including the requirement that your objection/request be postmarked by **December 26, 2018**. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

19. **What happens if I do nothing at all?**

If you do nothing, you may be entitled to settlement relief as outlined above. But, unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against State Farm about the legal issues in this case, ever again.

GETTING MORE INFORMATION

20. **Are there more details about the settlement?**

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can get a copy of the settlement agreement at www.statefarmdiminishedvaluelitigation.com or by emailing the Administrator at info@statefarmdiminishedvaluelitigation.com or by writing to:

Thompson v. State Farm Fire and Casualty Company
C/O GCG
P.O. Box 10607
Dublin, OH 43017-9207

21. **How can I get more information?**

You can call 1-888-269-1605 toll free; email info@statefarmdiminishedvaluelitigation.com; visit the website at www.statefarmdiminishedvaluelitigation.com; or write to:

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