

A class action settlement involving certain Tennessee, Mississippi, and Ohio insurance structural damage claims may provide payments to those who qualify.

- A proposed settlement has been reached in a class action about whether LM Insurance Corporation, Liberty Insurance Corporation, Liberty Mutual Fire Insurance Company, Safeco Insurance Company of America, and Ohio Security Insurance Company (collectively, “the Insurance Companies”) properly deducted nonmaterial depreciation when adjusting certain insurance claims in Tennessee, Mississippi, and Ohio.
- 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 UNDER 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 Insurers 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 legal 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 about 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’ 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 Middle District of Tennessee is overseeing this class action. The case is called *Holmes, et al. v. LM Insurance Corporation et al.*, Case No. 3:19-cv- 00466. The people who sued are called the “Plaintiffs,” and the companies they sued are called the “Defendants.”

2. What companies are part of the settlement?

The settlement includes LM Insurance Corporation, Liberty Insurance Corporation, Liberty Mutual Fire Insurance Company, Safeco Insurance Company of America, and Ohio Security Insurance Company (together “the Insurance Companies”).

3. What is this lawsuit about?

The lawsuit claims that the Insurance Companies improperly deducted depreciation attributable to costs of labor and other nonmaterial items when adjusting some homeowners’ insurance claims in Tennessee and Mississippi, and some commercial property damage insurance claims in Tennessee, Mississippi, and Ohio. The Insurance Companies have maintained that they paid claims when reasonable and appropriate to do so and have denied all allegations that they 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 Martin Holmes, Patricia Holmes, Daphyne Foster, Gerald Foster, Ernest Tepper, Helping Hands Home Improvement, LLC, and Northside Church of Christ) sued 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 the Insurance Companies, and has not found that the Insurance Companies 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 the Insurance Companies 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?

If you received this Notice, then you have been identified as someone who is likely to be a member of the Class. The Class includes: (a) all policyholders under any homeowners residential, manufactured home, condo, dwelling or rental property insurance policy issued by LM Insurance Corporation, Liberty Insurance Corporation, Liberty Mutual Fire Insurance Company, and Safeco Insurance Company of America, except for those excluded (see below), who made a Structural Loss claim for property located in Tennessee or Mississippi during the applicable Class Periods, which was a Covered Loss; and (b) all policyholders under any commercial property insurance policy issued by Ohio Security Insurance Company, except for those excluded (see below), who made a Structural Loss claim for property located in Tennessee, Mississippi, or Ohio during the applicable Class Periods, which was a Covered Loss; and (c) that resulted in an actual cash value payment from which Nonmaterial Depreciation was withheld, or that would have resulted in an actual cash value payment but for the withholding of Nonmaterial Depreciation causing the loss to drop below the applicable deductible.

A Structural Loss means physical damage to a home, building, manufactured home, condo, rental dwelling, or other structure in Tennessee, Mississippi, or Ohio while covered by a homeowners residential, manufactured home, condo, dwelling or rental, or commercial property insurance policy issued by the companies under (a) and (b) above.

A Covered Loss means a first party insurance claim for Structural Loss that (a) occurred during the Class Periods, and (b) the Insurance Companies or a court of competent jurisdiction determined to be covered under a Tennessee, Mississippi, or Ohio insurance policy issued by the companies under (a) and (b) above, and (c) resulted in an ACV Payment by the Insurance Companies, or would have resulted in an ACV Payment but for the deduction of Nonmaterial Depreciation.

Nonmaterial Depreciation means depreciation of labor costs, overhead and profit, or other non-labor items, and not of materials or sales tax, and that is subtracted from replacement cost value in determining an actual cash value payment. Nonmaterial Depreciation includes application of “depreciate removal”, “depreciate nonmaterial”, and “depreciate O&P” settings within Xactimate estimating software.

The Class Periods mean the following time periods:

For Tennessee policyholders of LM Insurance Corporation, Structural Loss claims with dates of loss on or after May 31, 2018.

For Tennessee policyholders of Liberty Corporation, Liberty Mutual Fire Insurance Company and Safeco Insurance Company, Structural Loss claims with dates of loss on or after October 17, 2018.

For Tennessee policyholders of Ohio Security, Structural Loss claims with dates of loss on or after March 2, 2018.

For Mississippi policyholders of LM Insurance Corporation, Liberty Corporation, Liberty Mutual Fire Insurance Company and Safeco Insurance Company, Structural Loss claims with dates of loss on or after October 17, 2016.

For Mississippi policyholders of Ohio Security, Structural Loss claims with dates of loss on or after March 2, 2017.

For Ohio policyholders of Ohio Security, Structural Loss claims with dates of loss on or after March 24, 2018.

7. Are there exceptions to being included in the Class?

Excluded from the Class are: (a) policyholders whose claims arose under policy forms, endorsements, or riders expressly permitting deduction of Nonmaterial Depreciation within the text of the policy form, endorsement or rider, *i.e.*, by express use of the words “depreciation” and “labor”; (b) policyholders who received one or more actual cash value payments that exhausted the applicable limits of insurance; (c) policyholders whose claims were denied or abandoned without actual cash value payments; (d) Defendants and their officers and directors; (e) members of the judiciary and their staff to whom this action is assigned and their immediate families; and (f) Class Counsel and their immediate families (collectively, “Exclusions”).

8. 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 1-833-928-2552 with questions or visit www.homeownersdepreciationsettlement.com.

THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

9. 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 by uploading it on the settlement website, may be eligible for a payment. Under the settlement, the Insurance Companies have agreed to pay Class Members who timely submit valid claims determined as follows: (a) for Class Members to whom all Nonmaterial Depreciation has not been paid, 100% of the estimated Nonmaterial Depreciation that was withheld and not later paid, plus 5% interest on that amount from the last actual cash value payment to the date of Preliminary Approval of the settlement; (b) for Class Members to whom all Nonmaterial Depreciation that was withheld and later paid, 5% interest on the estimated Nonmaterial Depreciation that was initially withheld, from the date of the last actual cash value payment from which Nonmaterial Depreciation was withheld to the date all Nonmaterial Depreciation was paid.

You **MUST** submit a claim form in order to determine whether you are eligible for and the amount of your settlement payment. If you do not, you **WILL NOT** receive a settlement payment. For additional details on the payment terms, please see the Settlement Agreement, which is available at www.homeownersdepreciationsettlement.com, or call toll-free 1-833-928-2552.

HOW TO GET A PAYMENT—SUBMITTING A CLAIM FORM

10. How can I get a payment?

To find out whether you are eligible for a payment, you must complete and sign a claim form truthfully, accurately, and completely, to the best of your ability. **You must mail the completed claim form to the following address, postmarked no later than March 23, 2021:**

Homeowners Depreciation Settlement
c/o JND Legal Administration
PO Box 11050
Seattle, WA 98111

You can also upload to the settlement website at www.homeownersdepreciationsettlement.com a signed, scanned copy of a completed claim form before midnight Central Daylight Time on March 23, 2021. A copy of the claim form was mailed with this Notice. You may obtain an additional claim form by calling the Settlement Administrator at 1-833-928-2552 or visiting www.homeownersdepreciationsettlement.com. If you sign a claim form as the representative of a deceased or incapacitated Class Member, you must also submit written proof that you are the legally authorized representative. If you are a contractor to whom an insurance claim was properly assigned by a policyholder, you must submit written proof of the assignment with the filed claim form.

11. 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 payments will be mailed to eligible Class Members after the claims administration process is completed. This process can take time, so please be patient.

12. 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 you can't individually sue the Insurance Companies and the Released Persons over the claims settled in this case relating to deduction of Nonmaterial 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 all Released Claims against all Released Persons. "Released Claims" and "Released Persons" are defined in the Settlement Agreement, which you can request by calling 1-833-928-2552 or view at www.homeownersdepreciationsettlement.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.

13. 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 *Holmes v. LM Insurance* settlement. Your letter must include your full name, address, and be signed. 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 **January 3, 2021** to:

Homeowners Depreciation Settlement
c/o JND Legal Administration
PO Box 11050
Seattle, WA 98111

More instructions are in the Settlement Agreement available at www.homeownersdepreciationsettlement.com. You cannot exclude yourself by phone, by email, or on the website. The right to exclude yourself from the proposed settlement must be exercised individually, not as a member of a group and, except for a deceased or incapacitated Class Member, not by another person acting or purporting to act in a representative capacity. If you request exclusion on behalf of a deceased or incapacitated Class Member, you must also submit written proof that you are the legally authorized representative.

14. If I don't exclude myself, can I sue the Insurance Companies for the same thing later?

No. Unless you exclude yourself, you give up any right to sue the Insurance Companies for the claims that this settlement resolves. You must exclude yourself from the Class to individually sue the Insurance Companies over the claims resolved by this settlement. The exclusion deadline is January 3, 2021.

15. 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

16. 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:

Erik D. Peterson (*pro hac vice*)
MEHR, FAIRBANKS & PETERSON
TRIAL LAWYERS, PLLC
201 West Short Street, Suite 800
Lexington, KY 40507
T: 859.225.3731
edp@austinmehr.com

J. Brandon McWherter (21600)
Jonathan L Bobbit (23515)
MCWHERTER SCOTT BOBBITT PLC
341 Cool Springs Blvd., Ste. 230
Franklin, TN 37067
T: 615.354.1144
brandon@msb.law

T. Joseph Snodgrass (*pro hac vice*)
LARSON KING, LLP
30 7th Street E., Suite 800
St. Paul, MN 55101
T: 651.312.6510
jsnodgrass@larsonking.com

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.

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

Class Counsel will ask the Court for up to \$1,816,053 for attorneys' fees and up to \$50,000 for reimbursement of their expenses, and will ask the Court to award the Class Representatives \$7,500 each for their efforts in prosecuting this case (called a service award). The Insurance Companies have agreed not to oppose the request for attorneys' fees, expenses, and service awards up to these amounts. The Court may award less than these amounts. The Insurance Companies will pay these attorneys'

fees, expenses, and service awards in addition to amounts due to Class Members. These payments **WILL NOT** reduce the amount distributed to Class Members. The Insurance Companies 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.

18. 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 with the Court and send a copy to the Settlement Administrator by the deadline noted below. You should include the name of the case (*Holmes v. LM Insurance* case number (No. 3:19-cv-00466)), 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, 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 must also provide the Court with your written objection a detailed statement of the specific legal and factual reasons for each objection, a list of any witnesses you may call at the hearing with each witness's address and summary of the witness's testimony, and a description of any documents you may present to the Court at the hearing. 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 right to object to the Proposed Settlement must be exercised individually by an individual Class Member, not as a member of a group and, except in the case of a deceased or incapacitated Class Member, not by 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 January 04, 2021. Note: You may send it by mail, but it must be received and filed by the Clerk by this date.	And mail a copy of the objection to the Administrator at the following address so that it is postmarked by January 04, 2021:
Court	Administrator
Clerk of Court Estes Kefauver Federal Building 801 Broadway, Room 800 Nashville, TN 32703	Homeowners Depreciation Settlement c/o JND Legal Administration PO Box 11050 Seattle, WA 98111

19. 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.

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

The Court has scheduled a Final Approval Hearing at 9:30 a.m., on February 5, 2021 at the United States Courthouse, 801 Broadway, Courtroom A859, Nashville, Tennessee. 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 attorneys' fees and expenses for representing the Class and how much to award the Class Representatives as service 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 settlement website before to make sure the hearing hasn't been rescheduled, or to see whether the Court has scheduled the hearing to proceed by video conference or teleconference only, instead of in person.

21. 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.

22. 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

23. 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

24. 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 1-833-928-2552 or visit www.homeownersdepreciationsettlement.com.

**PLEASE DO NOT CALL OR WRITE THE COURT, THE JUDGE OR HIS STAFF, OR
THE INSURANCE COMPANIES OR THEIR COUNSEL FOR INFORMATION OR
ADVICE ABOUT THE SETTLEMENT**