

EXHIBIT 1

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release Agreement (the “Settlement Agreement” or “Agreement”) is entered into between Plaintiffs Jesus Caballero, Charles Creasman, Brynley Wilhelm, and Richard Luna, (“Plaintiffs”) and Defendants Economy Preferred Insurance Company, Farmers Casualty Insurance Company, Economy Premier Insurance Company, and Farmers Group Property and Casualty Company (“Defendants”). Plaintiffs enter into this Settlement Agreement individually as well as on behalf of the class (the “Settlement Class” defined below). Plaintiffs and Defendants are referred to in this Settlement Agreement individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS Plaintiff Jesus Caballero filed a lawsuit against Defendant Economy Preferred Insurance Company titled *Jesus Caballero v. Economy Preferred Insurance Company, et al.*, Case No. CV-22-02023-PHX-MTL; Plaintiff Charles Creasman filed a lawsuit against Defendant Farmers Casualty Insurance Company, titled *Creasman v. Farmers Casualty Ins. Co.*, No. 2:22-cv-01820-MTL; Plaintiff Brynley Wilhelm filed a lawsuit against Defendant Economy Premier Insurance Company, titled *Wilhelm v. Economy Premier Assurance Co.*, No. 2:24-cv-01270-MTL; Plaintiff Richard Luna filed a lawsuit against Defendant Farmers Group Property and Casualty Company, titled *Luna v. Farmers Group Property & Casualty Ins. Co.*, No. 2:24-cv-01267-MTL; which are all pending in the United States District Court, District of Arizona and consolidated under matter CV-22-0232-MTL (the “Actions”).

WHEREAS the Actions allege unlawful denial of “Stacked Uninsured Motorist Coverage” and “Stacked Underinsured Motorist Coverage” to a class of insureds entitled to Uninsured Motorist (“UM”) and Underinsured Motorist (“UIM”) coverage on policies issued by Defendants in Arizona under Arizona Revised Statute § 20-259.01.

WHEREAS Defendants deny all material allegations in the Actions, as to which they also asserted numerous defenses.

WHEREAS Plaintiff Caballero and Defendant Economy Preferred Insurance Company previously entered into a Settlement Agreement on August 14, 2024.

WHEREAS the Parties participated in successful arm’s-length mediations wherein, despite Defendants denying wrongdoing of any kind whatsoever, they reached an agreement on a proposed global classwide settlement for the Actions.

WHEREAS this settlement supersedes the August 14, 2024 Settlement Agreement between Caballero and Economy Preferred Insurance Company.

WHEREAS the Parties wish to resolve their disputes fully and finally without the need for further litigation, and to memorialize that settlement in this Settlement Agreement.

WHEREAS this Settlement Agreement shall serve as the full and final resolution of all claims, disputes, and issues that were or could have been raised in the Litigation.

WHEREAS the Parties acknowledge that this Agreement is entered into in good faith and for no collusive purpose.

NOW, THEREFORE, in consideration of the execution of this Agreement and these recitals, which are incorporated into the terms of this Agreement, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

A. Definitions

1. “Actions” means the class actions captioned *Jesus Caballero v. Economy Preferred Insurance Company, et al.*, Case No. CV-22-02023-PHX-MTL, *Creasman v. Farmers Casualty Ins. Co.*, No. 2:22-cv-01820-MTL, *Wilhelm v. Economy Premier Assurance Co.*, No. 2:24-cv-01270-MTL, *Luna v. Farmers Group Property & Casualty Ins. Co.*, No. 2:24-cv-01267-MTL, consolidated under matter CV-22-0232-MTL.

2. “Class Counsel” means Hagens Berman Sobol Shapiro, LLP, The Slavicek Law Firm, and any other counsel that have worked or will work on behalf of the Class at the direction of lead counsel (Robert Carey).

3. “Class Member” means any person who falls within the definition of the “Settlement Class.”

4. “Class Representatives” or “Plaintiffs” refer to Jesus Caballero, Charles Creasman, Brynley Wilhelm, and Richard Luna.

5. “Court” means the United States District Court for the District of Arizona.

6. “Defendants” means Economy Preferred Insurance Company, Farmers Casualty Insurance Company, Economy Premier Insurance Company, and Farmers Group Property and Casualty Company.

7. “Defendants’ Counsel” means Papetti Samuels Weiss McKirgan, LLP.

8. “Effective Date” means 31 days after the date the Court enters Final Judgment, assuming no appeal has been taken, or in the event of an appeal, 31 days after the later of the issuance of the mandate on appeal or the issuance of a subsequent final judgment entered by the Court pursuant to the mandate on appeal.

9. “Execution Date” means the date the last Party to sign this Settlement Agreement.

10. “Final Allocation” means the final percentage each Settlement Class Member is entitled to recover from the Net Settlement Fund.

11. “Final Judgment” means a final order approving the Settlement Agreement under Rule 23(e) of the Federal Rules of Civil Procedure and dismissing the Actions and all claims against Defendants with prejudice as to all Settlement Class Members.

12. “Initial Allocation” means the initial percentage range each Class Member is entitled to recover from the Net Settlement Fund, before any Class Members have excluded themselves from the Settlement.

13. “Net Settlement Fund” means the Settlement Fund, reduced by the following amounts: (1) the costs of notice and of administering the settlement, as specified below; and (2) attorneys’ fees and expenses awarded to Class Counsel, and service fees awarded to the Class Representatives, as specified below.

14. “Notice” means the Notice of Class Action Settlement, in substantially the same form attached hereto as Exhibit B, and to be agreed to by the Parties (including as to its final form), which will be mailed or emailed to each of the Class Members.

15. “Notice Date” means the date set forth in the Preliminary Approval Order for commencing the transmission of the Notice.

16. “Released Claims” means and includes, to the full extent of claim preclusion and *res judicata* principles: any and all known claims, Unknown Claims, rights, demands, actions, causes of action, allegations, demands for money, or suits of whatever kind or nature (including but not limited to suits for breach of contract, breach of implied covenant of good faith and fair dealing, reasonable expectations, negligence, statutory or common-law bad faith, unfair claims settlement practices, statutory violation, unjust enrichment, fraud, constructive fraud, misrepresentation, deceptive trade practices, unfair practices, declaratory judgment and injunction) that were or could have been brought against the Releasees, whether *ex contractu* or *ex delicto*, debts, liens, contracts, liabilities, agreements, attorneys’ fees, costs, penalties, interest, expenses, or losses (including actual, consequential, statutory, extra-contractual and/or punitive or exemplary damages), arising from or in any way related to a Defendants’ payment or non-payment of UM Coverage or UIM Coverage under an auto policy issued by Defendants and based on the same factual predicate alleged in the Actions.

17. “Releasees” means Defendants, their past and present directors, officers, employees, agents, insurers, shareholders, attorneys, advisers, consultants, representatives, partners, affiliates, parents, subsidiaries, joint venturers, independent contractors, wholesalers, resellers, distributors, retailers, related companies, and divisions, and their predecessors, successors, heirs, and assigns.

18. “Releasers” means the Class Representative and Class Members, and their respective agents, predecessors, successors, heirs, executors, administrators, and assigns.

19. “Settlement Administrator” means Epiq.

20. “Settlement Agreement” means this Settlement Agreement.

21. “Settlement Fund” means the amount as set forth in and calculated under Paragraph 41 below.

22. “Settling Parties” means, collectively, Plaintiffs (on behalf of themselves and the Settlement Class Members) and Defendants.

23. “Settlement Class” means all persons identified in Exhibit A, which roughly includes all persons (a) insured under a policy issued by Defendants in Arizona that contained the UM Endorsement or UIM Endorsement and provided UM Coverage or UIM Coverage for more than one motor vehicle; (b) who made a claim for UM Coverage or UIM Coverage during the Class Period; and (c) who (i) received a claim payment equal to the limit of liability for the UM or UIM benefits for one vehicle, or (ii) who were one of multiple claimants in a claim related to a single incident, where the aggregate total paid on the claim was equal to the per incident limit of liability for the UM Coverage or UIM Coverage for one vehicle.

24. “Settlement Class Member” means a person who is in the Settlement Class, and who does not timely elect to be excluded from the Settlement Class in accordance with the procedure approved by the Court.

25. “UM Coverage” means uninsured motorist coverage, as defined by A.R.S. § 20-259.01.

26. “UIM Coverage” means underinsured motorist coverage, as defined in A.R.S. § 20-259.01.

27. “UM Endorsement” means the Arizona Uninsured Motorist Coverage Endorsement Nos. AE40AZ 0513 or AE40AZ 0118, providing UM Coverage under auto policies issued by Defendants in Arizona.

28. “UIM Endorsement” means the Arizona Underinsured Motorist Coverage

Endorsement Nos. AE41AZ 0513 or AE41AZ 0118, providing UIM Coverage under auto policies issued by Defendants in Arizona.

29. “Unknown Claims” means any unknown claims arising out of the same facts and wrongdoing alleged in the Actions.

B. Approval of this Settlement Agreement

30. *Preliminary Approval.* The Parties agree to recommend the Settlement Agreement to the Court as fair, reasonable, and adequate, and to support certification of the Settlement Class. They will also make their best efforts to obtain such approval and certification. Plaintiffs shall submit this Settlement Agreement, along with its exhibits, to the Court and apply for an order preliminarily approving the settlement. The request will also seek certification of and notice to the Settlement Class, and any other matter necessarily related to these objectives.

31. Class Counsel shall draft the motion (“Motion for Preliminary Approval”) and proposed order (“Preliminary Approval Order”) and provide drafts to Defendants’ Counsel at least 3 calendar days before the filing deadline. Class Counsel will work cooperatively to address any potential issues identified by Defendants’ Counsel regarding the form and substance of the Motion for Preliminary Approval. If the Parties cannot agree on the form of the Motion for Preliminary Approval or Preliminary Approval Order, Class Counsel may file the motion and Defendants’ Counsel may file a response, but neither Party may object to the terms of the Settlement Agreement.

32. The Motion for Preliminary Approval shall include a proposed form of, method for, and date of dissemination of the Notice. Plaintiffs and Defendants must agree on the text of the Notice before submission of the Motion for Preliminary Approval. Individual notice of the settlement shall be as set forth in the Motion for Preliminary Approval or, if modified, as approved by the Court. All expenses will be paid from the Settlement Fund. The Motion for Preliminary Approval will ask the Court to find that mailing (or alternatively emailing, if addresses are not available) the Notice to all Class Members who can be identified upon reasonable effort constitutes valid, due, and sufficient notice to the Class Members, constitutes the best notice practicable under the circumstances, and complies fully with the requirements of Federal Rule of Civil Procedure 23.

33. Upon filing of the Motion for Preliminary Approval, Defendants shall provide timely notice of such motion as required by the Class Action Fairness Act, 28 U.S.C. § 1711 *et seq.* The costs to Defendants of providing such notice shall be paid from the Settlement Fund.

34. Upon Preliminary Approval of this Settlement Agreement, all proceedings in the Actions shall be stayed until further order of the Court; provided, however, the Parties may conduct such limited proceedings as may be necessary to implement or effectuate the terms of

the Settlement Agreement.

35. ***Final Approval and Judgment.*** In accordance with the schedule set in the Preliminary Approval Order and such that the final approval hearing shall not be scheduled in a way that is inconsistent with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1711 *et seq.*, Class Counsel shall draft the motion requesting final approval of the Settlement (the “Motion for Final Approval”), the entry of a final approval order (the “Final Approval Order”), and entry of final judgment (the “Final Judgment”), which shall take a form to be agreed by both Parties in substantial conformance with terms of this Agreement. Class Counsel will provide a draft of the Motion for Final Approval to Defendants’ Counsel at least 7 calendar days before the deadline set by the Court to file the Motion for Final Approval. If the Parties cannot agree on the form of the Motion for Final Approval or Final Approval Order, Class Counsel may file the motion and Defendants’ Counsel may file its response, but neither Party may object to the terms of the Settlement Agreement.

36. At a minimum, the Final Approval Order will:

- a. Find that the Court has jurisdiction over the Parties and the subject matter of the Actions;
- b. Certify the Settlement Class for settlement purposes only;
- c. Find that Class Counsel and Plaintiffs have adequately represented the Settlement Class;
- d. Find there was no collusion or fraud of any kind in obtaining the Settlement Agreement;
- e. Find the terms of the Settlement Agreement are fair, reasonable, and adequate to the Settlement Class;
- f. Approve the Settlement Agreement without material alteration and direct the Parties and their counsel to comply with and consummate the terms of this Settlement Agreement;
- g. Provide that each Settlement Class Member shall be bound by the provisions of this Settlement Agreement, including the class release provisions;
- h. Find the Notice efforts were reasonable, the best practicable notice under the circumstances, and satisfy the requirements of the Federal Rules of Civil Procedure 23;
- i. Find that the Class Members were given notice of the Final Approval

Hearing and an opportunity to be heard in response to the Settlement Agreement; and

j. Permanently enjoin Settlement Class Members from filing, commencing, prosecuting, intervening in, or participating in any new or existing action regarding any Released Claims against any Releasee, and providing that any Settlement Class Member who violates the injunction may be subject to sanctions, including payment of reasonable attorneys' fees incurred in enforcing the injunction.

37. If the Settlement Agreement is not approved, or if its approval is conditioned on any modifications that are not acceptable to all Parties, the procedures outlined in Paragraphs 74-76 below will apply.

C. Release and Discharge

38. Upon the Effective Date, each Settlement Class Member, including Plaintiffs, shall be held to have fully released, waived, relinquished and discharged, to the fullest extent possible by law, the Releasees from the Released Claims. Plaintiffs acknowledge for themselves and the Settlement Class Members that they are aware that they may hereafter discover presently Unknown Claims occurring or arising during the Class Period. Nevertheless, it is Plaintiffs' intent in executing the Settlement Agreement for themselves and the Settlement Class Members that they fully, finally and forever settle and release all such matters, and all claims relating thereto, which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the Released Claims. To the extent any applicable statutes or principles of law limit the release of Unknown Claims, such statutes and principles shall be knowingly and voluntarily waived to the maximum extent permitted by law.

39. Upon the Effective Date, the Settlement Class Members, including Plaintiffs, expressly agree that they, acting individually or together, shall not, nor seek to, institute, maintain, prosecute, sue, assert or cooperate in any action or proceedings against any of the Releasees for any of the Released Claims.

40. Upon the Effective Date, Plaintiffs (on behalf of themselves alone) expressly agree to release the Releasees from any and all known claims, Unknown Claims, rights, demands, actions, causes of action, allegations, demands for money, or suits of whatever kind or nature (including but not limited to suits for breach of contract, breach of implied covenant, reasonable expectations, negligence, statutory or common-law bad faith, unfair claims settlement practices, statutory violation, unjust enrichment, fraud, constructive fraud, misrepresentation, deceptive trade practices, unfair practices, declaratory judgment and injunction) against Released Persons, whether *ex contractu* or *ex delicto*, debts, liens, contracts, liabilities, agreements, attorneys' fees, costs, penalties, interest, expenses, or losses (including actual, consequential, statutory, extra-contractual and/or punitive or exemplary damages) arising from or related to any aspect of the

Plaintiffs' claims at issue in the Actions. This release is in addition to Plaintiffs' release, as part of the Settlement Class, of the Released Claims, which release will also be incorporated in the Final Judgment.

D. Consideration for Settlement and Class Payments

41. **Settlement Fund.** The amount of the Settlement Fund shall be \$11,600,000.00, less any reductions for Settlement Class Members who timely and properly exclude themselves from the Class (the "Settlement Amount"). Specifically, if one or more Class Members exclude themselves from the Settlement pursuant to Paragraphs 58-61 below, the Settlement Fund will be reduced in accordance with the procedure outlined in Paragraph 62 below. Within 14 calendar days after the Effective Date, the total Settlement Amount shall be paid into an account established by the Settlement Administrator for the Settlement Fund. Timely payment of the Settlement Amount is a material term of this Agreement.

42. The Settlement Administrator shall agree to hold the Settlement Fund in an interest-bearing account and to administer the Settlement Fund, subject to the continuing jurisdiction of the Court and from the earliest possible date, as a qualified settlement fund as defined in Treasury Regulation § 1.468B-1 *et seq.* Any taxes owed by the Settlement Fund shall be paid by the Settlement Administrator out of the Settlement Fund. The interest earned in the aforementioned account shall be added to the Settlement Fund.

43. **Disposition of the Settlement Fund.** The Settlement Fund shall be dispensed as follows:

- a. To pay the costs of notice and the costs of administering the settlement, including Defendants' cost of complying with 28 U.S.C. § 1715;
- b. To pay any approved attorneys' fees and expenses to Class Counsel, and any service award to the Class Representatives;
- c. After the Effective Date, to distribute the Net Settlement Fund to the Settlement Class Members.

44. **Allocation of Settlement.** The Net Settlement Fund shall be allocated to the Settlement Class Members in proportion to their relative valuation of damages. Class Counsel, in consultation with experts, will use the data previously provided by Defendants to prepare an exhibit identifying each Class Member and setting forth an estimated range of their percentage allocation of the Net Settlement Fund ("Initial Allocation"). After the deadline to request exclusion has passed and the exclusions are known, the Settlement Fund will be reduced for each excluded Class Member, based on their Initial Allocation percentage, as described below. The percentage allocation of the Net Settlement Fund (the reduced Settlement Fund, less the

costs and fees described in Paragraphs 66-69 for the remaining Class Members shall be recalculated proportionally to reflect the reduction in Class Members, reduced Settlement Fund, and the increase in each Settlement Class Member's percentage ("Final Allocation").

45. **Payment Process.** No earlier than 60 calendar days of the Effective Date or such other later date as may be ordered by the Court, the Settlement Administrator, subject to such supervision and direction of Class Counsel and/or the Court as may be necessary or as circumstances may require, shall distribute payments of the Net Settlement Fund to the Settlement Class Members in accordance with the Final Allocation. Depending on the circumstances, Class Counsel may be required to resolve outstanding Medicare liens against the Settlement Class Members, and may need up to 120 days after the Effective Date to resolve those liens. After any outstanding Medicare liens are resolved, the Settlement Administrator shall mail checks to each Settlement Class Member.

46. The payment described in Paragraph 45 is the only payment to which any Settlement Class Member will be entitled under the Settlement Agreement. Such payment is inclusive of any claims for any potentially applicable penalties, interest, or fees.

47. Any right to a payment under Paragraph 45 shall inure solely to the benefit of the Settlement Class Member and cannot be transferred or assigned to others.

48. Following distribution of the Net Settlement Fund as set forth above, if payments to Settlement Class Members remain uncashed or unclaimed after 90 days (or such other later date if the Court so orders), the funds attributable to those individuals shall be used to pay any unanticipated additional costs of settlement administration as set forth below. If necessary, the Parties shall thereafter confer about the distribution of any remaining unclaimed funds either as a second distribution to Settlement Class Members already receiving settlement payments and, if impracticable, then to a *cy pres* recipient. In no event shall unclaimed funds revert to Defendants. Any such distribution shall be subject to Court approval.

49. **Payment of Expenses.** The Parties agree that the costs associated with notice to the Class Members and the costs of administration of the Settlement Fund shall come solely from the Settlement Fund.

E. Settlement Administration

50. The Settlement Administrator shall administer the notice program described herein and pursuant to the Preliminary Approval Order.

51. Defendants shall provide to the Settlement Administrator and Class Counsel, the names, addresses, email addresses, and phone numbers of the Class Members. The Settlement Administrator shall then search the National Change of Address Database for a more current name and/or address for each Class Member.

a. All contact and identifying information Defendants disclose related to Class Members is highly confidential, shall be designated “CONFIDENTIAL” under the governing protective order in the Actions, and shall not be used or disclosed for any purpose other than complying with the Notice requirements of this Settlement Agreement.

b. Class Counsel shall secure and retain all Confidential information in accordance with their ethical obligations set forth in the Arizona Rules of Professional Conduct, and will destroy such records when their obligation expires.

52. Class Counsel shall not make any disparaging statements to the media about Defendants related to the subject matter of the Actions.

53. The Parties agree to request the Court’s approval of the following forms and methods of notice to the Class Members:

a. After the Court enters the Preliminary Approval Order, the Settlement Administrator will mail each Class Member a copy of the Notice. The Notice will inform Class Members of the settlement and provide contact information for Class Counsel. Class Members can request additional settlement information and case documents from the settlement website or may request those from Class Counsel.

b. After the Court enters the Preliminary Approval Order, Class Counsel may contact Class Members to provide information or answer questions that will aid “prospective class members in deciding whether or not to join the class action.” *Kleiner v. First Nat. Bank of Atlanta*, 102 F.R.D. 754, 769 (N.D. Ga. 1983). For this purpose, Defendants will provide Class Counsel with last known contact information for Class Members in its possession. Class Counsel has consulted with ethics counsel to ensure compliance with all ethical rules, including Rule 4.2 of the Arizona Rules of Professional Conduct. When contacting Class Members, Class Counsel will not advise or encourage any Class Member to exclude themselves from the Settlement (including their current clients). Class Counsel will only provide factual information to Class Members, they will promote the Settlement to the best of their ability, and they shall not make any disparaging or defamatory statements about Defendants.

c. No later than five (5) days before the Final Approval Hearing, Class Counsel shall file with the Court an affidavit from the Administrator confirming dissemination of the Individual Notice in accordance with the Preliminary Approval Order. The affidavit shall also inform the Court of the number of Class Members who have excluded themselves (opted out) from the settlement.

F. Objections, Exclusions, and Attendance at Final Fairness Hearing

54. **Objections.** Any Class Member who wishes to object to the fairness, reasonableness, or adequacy of the Settlement Agreement, and/or any attorneys' fees or expenses to Class Counsel, or any Service Award(s) to the Class Representative, must comply with the following requirements.

55. **Content of Objections.** Content of Objections. All objections and supporting papers must be in writing and must:

- a. Clearly identify the case name and number *Jesus Caballero v. Economy Preferred Insurance Company, et al.*, Case No. CV-22-02023-PHX-MTL;
- b. Include the full name, address, telephone number, and email address of (1) the person objecting (the "Objector") and (2) any counsel for an objector; and
- c. State whether the objection applies only to the Objector, to a specific subset of the Class Members, or to all Class Members, and state with specificity the grounds for the objection.

56. **Deadline for Objections.** Objections must be submitted by the "Objection and Exclusion Deadline," which is 60 days after the Notice Date.

- a. If submitted through ECF, objections must be filed by the Objection and Exclusion Deadline no later than 11:59 p.m. Arizona Time.
- b. If submitted by postal mail, objections must be received by the Objection and Exclusion Deadline.
- c. Class Members who fail to submit timely written objections in the manner specified above shall be deemed to have waived any objections and shall be forever barred from making any objection to the Settlement Agreement, whether in writing, by appearing at the Final Fairness Hearing, by appeal, a collateral attack, or otherwise.

57. **Objectors' Attorneys' Fees and Costs.** If an Objector makes an objection through an attorney, the Objector shall be solely responsible for the Objector's attorneys' fees and costs.

58. **Requests for Exclusion.** The Notice shall advise Class Members of their right to exclude themselves from the Settlement Agreement. This Settlement Agreement will not bind Class Members who exclude themselves from the Settlement Agreement.

59. **How to Request Exclusion.** To request to be excluded from the Settlement Agreement, Class Members must timely submit a written Request for Exclusion. The

Request for Exclusion must be sent by postal mail to the Settlement Administrator.

60. ***Deadline to Request Exclusion.*** To be excluded from the Settlement Agreement, the Request for Exclusion must be received by the Objection and Exclusion Deadline, which is 60 days after the Notice Date.

61. ***Effect of Exclusion.*** Any person who validly and timely requests exclusion from the Settlement Agreement (a) shall not be a Settlement Class Member; (b) shall not be bound by the Settlement Agreement; (c) shall not be eligible to apply for any benefit under the terms of the Settlement Agreement; and (d) shall not be entitled to submit an Objection to the Settlement Agreement.

62. ***Reduction of Settlement Fund.*** If any Class Member timely requests exclusion, the Settlement Fund will be reduced by the top range of the allocation percentage for each excluded Class Member, as set forth in the Initial Allocation. The Settlement Administrator will return funds to Defendants in an amount equal to the reduction to the Settlement Fund.

63. ***Exclusion-Based Termination.*** If Class Members representing a certain percentage of the Settlement Fund, as confidentially agreed between the Parties, exclude themselves from the Settlement Class, Defendants have the right (but not the obligation) to terminate the Settlement Agreement and this Settlement Agreement will have no force and effect. To exercise its right to terminate under this provision, Defendants must file a notice of intent to terminate with the Court no later than fourteen (14) days before the Final Approval Hearing.

64. ***Exclusion List.*** No later than 7 days after the Objection and Exclusion Deadline, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with the exclusion requests submitted by all persons who timely and validly excluded themselves from the Settlement Agreement.

65. ***Attendance at Final Fairness Hearing.*** Settlement Class Members have the option to appear and request to be heard at the Final Fairness Hearing, either in person or through his or her counsel. If a Settlement Class Member wishes to appear and be heard at the Final Fairness Hearing, he or she must file or mail a Notice of Intention to Appear. The Notice of Intention to Appear must be received by the Objection and Exclusion deadline. Settlement Class Members who fail to submit a Notice of Intention to Appear may not speak at the Final Fairness Hearing without permission of the Court.

G. Class Counsel's Attorneys' Fees and Costs, and Service Award for Class Representative

66. ***Attorneys' Fees and Costs.*** Class Counsel will apply for a reasonable award

of attorneys' fees and expenses/costs (the "Fee and Expense Award"), to be drawn exclusively from the Settlement Fund.

67. If the Court approves an award, the Settlement Administrator shall wire the amount of the approved Fee and Expense Award from the Settlement Fund to an account specified by Class Counsel within 21 calendar days of the Effective Date.

68. ***Service Award.*** Class Counsel may also apply for a Service Award for the Class Representatives to compensate them for their service in the Actions, not to exceed \$7,500 per Class Representative, to be drawn exclusively from the Settlement Fund. The Service Award will be treated as a 100% non-wage claim payment for tax purposes. The Settlement Administrator shall issue an IRS Form 1099-MISC for the Service Award payment to the Class Representatives. If the Court approves an award, the Settlement Administrator shall wire any such Service Awards to the account(s) specified by Class Counsel within 21 calendar days of the Effective Date.

69. The Court will consider the application by Class Counsel for a Fee and Expense Award separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to the application for a Fee and Expense Award, the pendency of any such application, or any appeal from any such order, shall not affect or delay the finality of the judgment approving the settlement, nor will it terminate or cancel this Settlement Agreement.

H. Denial of Liability

70. Defendants have indicated their intent to vigorously contest each and every claim, assertion, and allegation in the Actions. Defendants maintain they have at all times paid the full amount of benefits required by the policies they issue and have consistently acted in accordance with the governing laws and regulations of Arizona and each State in which they do business. Defendants deny each and every material allegation in the Actions. Defendants nonetheless have concluded that it is in Defendants' best interest that the Actions be settled on the terms and conditions set forth in this Settlement Agreement. Defendants reached this conclusion after considering the factual and legal issues in the Actions, the substantial benefits of a final resolution of the Actions, and the expense that would be necessary to defend the Actions through trial, appeal and any subsequent proceedings that may occur.

71. As a result of the foregoing, Defendants enter into this Settlement Agreement without in any way admitting, conceding, or acknowledging any fault, liability, or wrongdoing of any kind. Neither this Settlement Agreement, nor any of its provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession of the truth of any of the allegations in the Actions, or of any liability, fault, or wrongdoing of any kind on Defendants' part. This Settlement Agreement shall not be offered or received in

evidence in any action or proceeding in any court, administrative panel or proceeding, or other tribunal, as an admission or concession of liability or wrongdoing of any nature on Defendants' part, nor as an admission or concession that the Actions may properly be maintained as a litigation or arbitration class action. In the event the Settlement Agreement is not finally approved for any reason, Defendants shall retain the right to object to the maintenance of the Actions or any other proceeding as a class action and to contest the Actions or any other case on any ground.

72. Neither this Settlement Agreement, nor the negotiation of this Settlement Agreement, nor any act, statement or document related in any way to the Settlement Agreement or negotiations, nor any pleadings, or other document or action related in any way to the Settlement Agreement shall be offered into evidence or otherwise used in the Actions or in any other case or proceeding for any reason whatsoever, including without limitation, in support of or in opposition to a motion to certify a contested class against Defendants, or to contest standing to sue any Defendants, except in any proceedings brought to enforce the Agreement or the Final Judgment. This Paragraph does not prohibit either Party from citing or relying on any orders issued by the Court, whether unpublished or published, as legal support or precedent in other matters.

I. Cooperation

73. The Parties agree to prepare and execute all documents, to seek Court approvals, and to defend Court approvals. Defendants shall undertake all actions reasonably necessary to complete the settlement described in this Agreement. Such actions may include, but are not limited to, providing necessary documentation and making necessary Court appearances.

J. If the Settlement Agreement is Not Approved or Final Judgment is Not Entered

74. If the Court does not approve this Settlement Agreement or any part of it, or if such approval is materially modified or set aside on appeal, or if the Court does not enter the Final Judgment provided for in this Settlement Agreement, or if the Court enters the Final Judgment and appellate review is sought, and on such review, such Final Judgment is not affirmed in its entirety, then (a) this Settlement Agreement shall be null and void and of no force and effect, (b) any payments of the Settlement Fund and any and all interest earned thereon, less monies expended toward settlement administration, shall be returned to Defendants within ten (10) business days from the date the Settlement Agreement becomes null and void, and (c) any release shall be of no force or effect. In such event, the Parties shall have an obligation to negotiate with each other in good faith regarding a revised settlement agreement that resolves the Actions on terms as close as possible to those set out in this agreement that the Parties reasonably anticipate will be approved by the Court. If the

Parties are unable to agree on a revised settlement agreement, the case will proceed as if no settlement has been attempted, and the Settling Parties shall be returned to their respective procedural postures so that the Parties may take such litigation steps that they otherwise would have been able to take absent the pendency of this Settlement Agreement.

75. If the Settlement Agreement does not become final, it will have no force or effect. All parts of the Settlement Fund, including interest, that were deposited in the Settlement Fund will be returned to Defendants less only disbursements made in accordance with the terms of this Settlement Agreement. All other obligations owing under this Settlement Agreement shall cease immediately. Defendants and Plaintiffs expressly reserve all their rights and defenses if Final Judgment is not entered pursuant to this Settlement Agreement.

76. This Settlement Agreement shall be construed and interpreted to effectuate the intent of the Parties, which is to provide, through this Settlement Agreement, for a complete resolution of the relevant claims with respect to all Parties to this Settlement Agreement.

K. Miscellaneous

77. This Agreement is executed voluntarily by each of the Parties without any duress or undue influence on the part, or on behalf, of any of them. Each Party had the opportunity to negotiate the terms of the Settlement Agreement, which represents a negotiated, arm's-length transaction. The Parties represent and warrant to each other that they have read and fully understand the provisions of this Settlement Agreement and have relied on the advice and representation of legal counsel of their own choosing. Each of the Parties has cooperated in the drafting and preparation of this Settlement Agreement and has been advised by counsel regarding the terms, effects, and consequences of this Agreement. Accordingly, in any construction to be made of this Settlement Agreement, this Agreement shall not be construed as having been drafted solely by any one or more of the Parties.

78. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of Plaintiffs, Settlement Class Members, and Defendants. Each covenant and agreement made herein by Plaintiffs or Class Counsel shall be binding upon all Settlement Class Members and Releasors.

79. **Termination.** The Settlement Agreement will terminate at the sole option and discretion of either Party if:

- a. The Court or an appellate court(s) with jurisdiction over any appeal taken from the Final Judgment, rejects, modifies, or denies approval of any material portion of this Settlement Agreement; or
- b. the Court, or any appellate court(s) with jurisdiction over any appeal taken

from the Final Judgment, does not enter or completely affirm, or modifies, alters, narrows or expands, any material portion of the Final Judgment; provided, however, that no Party may terminate based solely on the amount of attorneys' fees and expenses awarded or approved by the Court or any appellate court.

80. ***Integrated Agreement.*** This Agreement, including all exhibits, constitutes a single, integrated written contract expressing the entire agreement of the Parties relative to the subject matter hereof. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any of the Parties hereto, except as provided for herein.

81. ***Modification and Amendment.*** This Settlement Agreement may not be modified or amended except in a written instrument executed by the Parties' counsel and approved by the Court.

82. ***Consent to Jurisdiction.*** The United States District Court for the District of Arizona shall retain jurisdiction over the implementation, enforcement, and performance of this Settlement Agreement, and shall have exclusive jurisdiction over any suit, action, proceeding, or dispute arising out of or relating to this Settlement Agreement or the applicability of this Settlement Agreement that is not resolved by negotiation and agreement by Plaintiffs and Defendants. Any and all disputes arising from or related to the Settlement or this Agreement must be brought by the Parties, Class Counsel, Defendants' Counsel, and/or each Class Member exclusively in the Court. The Parties, Class Counsel, Defendants' Counsel, and each Class Member hereby submit to the exclusive and continuing jurisdiction of the Court for any suit, action, proceeding, or dispute arising out of or relating to the Settlement or this Agreement.

83. ***Choice of Law.*** All terms of this Agreement shall be governed and interpreted according to the substantive laws of the State of Arizona without regard to its choice of law or conflict of laws principles.

84. ***Headings.*** The headings used in this Settlement Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

85. ***Gender and Plurals.*** As used in this Agreement, the masculine, feminine, or neuter gender, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

86. ***Survival of Warranties and Representations.*** The warranties and representations of this Settlement Agreement are deemed to survive the date of execution hereof.


87. ***Execution in Counterparts.*** This Settlement Agreement may be executed in

any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, even though all Parties do not sign the same counterparts.

88. ***Extensions of Time.*** Unless otherwise ordered by the Court, the Parties may jointly agree to reasonable extensions of time to carry out any of the provisions of this Settlement Agreement.

IN WITNESS WHEREOF, the undersigned Parties hereby agree to this Settlement Agreement as of the date set forth below.

Dated: 11/26 2024


Jesus Caballero (Nov 26, 2024 15:27 MST)

Jesus Caballero
On behalf of himself

Dated: _____ 2024

Charles Creasman
On behalf of himself

Dated: _____ 2024

Brynley Wilhelm
On behalf of herself

Dated: _____ 2024

Richard Luna
On behalf of himself

IN WITNESS WHEREOF, the undersigned Parties hereby agree to this Settlement Agreement as of the date set forth below.

Dated: _____ 2024

Jesus Caballero
On behalf of himself

Dated: 11/27 _____ 2024

Dr. Charles Creasman
Dr. Charles Creasman (Nov 27, 2024 05:07 MST)

Charles Creasman
On behalf of himself

Dated: _____ 2024

Brynley Wilhelm
On behalf of herself

Dated: _____ 2024

Richard Luna
On behalf of himself

IN WITNESS WHEREOF, the undersigned Parties hereby agree to this Settlement Agreement as of the date set forth below.


Dated: _____ 2024

Jesus Caballero
On behalf of himself

Dated: _____ 2024

Charles Creasman
On behalf of himself

Dated: November 27th, _____ 2024



[Brynley Wilhelm \(Nov 27, 2024 09:17 MST\)](#)
Brynley Wilhelm
On behalf of herself

Dated: _____ 2024

Richard Luna
On behalf of himself

IN WITNESS WHEREOF, the undersigned Parties hereby agree to this Settlement Agreement as of the date set forth below.

Dated: _____ 2024

Jesus Caballero
On behalf of himself

Dated: _____ 2024

Charles Creasman
On behalf of himself

Dated: _____ 2024

Brynley Wilhelm
On behalf of herself

Dated: 26 November _____ 2024

Richard Luna
Richard Luna (Nov 26, 2024 20:52 MST)

Richard Luna
On behalf of himself

Dated: 11/22/2024 2024

ECONOMY PREFERRED INSURANCE COMPANY

DocuSigned by:

Margaret Giles

39D398CDA607487...

BY: Margaret Giles
ITS: Assistant Secretary

Dated: 11/22/2024 2024

FARMERS CASUALTY INSURANCE COMPANY

DocuSigned by:

Margaret Giles

39D398CDA607487...

BY: Margaret Giles
ITS: Assistant Secretary

Dated: 11/22/2024 2024

ECONOMY PREMIER ASSURANCE COMPANY

DocuSigned by:

Margaret Giles

39D398CDA607487...

BY: Margaret Giles
ITS: Assistant Secretary

Dated: 11/22/2024 2024

FARMERS GROUP PROPERTY & CASUALTY INSURANCE COMPANY

DocuSigned by:

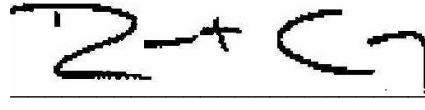
Margaret Giles

39D398CDA607487...

BY: Margaret Giles
ITS: Assistant Secretary

Dated: November 27, 2024

HAGENS BERMAN SOBOL SHAPIRO LLP

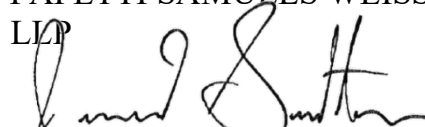


Robert B. Carey
Lead Counsel for the Class on behalf of the
Class

APPROVED AS TO FORM:

Dated: November 27, 2024

PAPETTI SAMUELS WEISS MCKIRGAN
LLP



Jared Sutton
ITS: Partner
Counsel for Defendants