

**NOTICE OF CLASS ACTION SETTLEMENT
TO CURRENT AND FORMER
CSAA AUTO INSURANCE CUSTOMERS**

California Superior Court, County of Sacramento

The records of California State Automobile Association Inter-Insurance Bureau (“CSAA”) indicate that you may have been charged a deductible in connection with damage to your automobile arising from a collision with an uninsured motorist, and that you may be eligible for benefits from a proposed class action settlement.

**You should read this notice carefully
because it affects your legal rights.**

This is a court-ordered notice. It is not from a lawyer, and you are not being sued.

The settlement resolves a lawsuit about whether CSAA improperly charged deductibles on property damage claims arising from collisions between its California insurance customers and uninsured motorists.

The settlement will provide an award of cash to specified Class Members. The amount of the cash payments may be all or part of the Class Members’ deductibles and may include interest.

You must file a claim form to be eligible for benefits.

Your legal rights will be affected whether or not you act.

Please read this notice carefully.

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Basic Information

1. What is this lawsuit about?

Two CSAA insurance customers are plaintiffs in a class action lawsuit against CSAA in Sacramento County Superior Court alleging that CSAA improperly charged deductibles in connection with collision claims arising from accidents between CSAA customers and uninsured motorists. The plaintiffs allege that the terms of CSAA’s California auto insurance policy required CSAA to waive the collision deductible in the case of accidents with uninsured motorists, regardless of which driver was at fault.

2. Why is this a Class Action?

In a class action lawsuit, one or more people called “Class Representatives” (in this case, Plaintiffs Carol Johnson and Robert Garcia) sue on behalf of people whom they allege have similar claims. The people together are a “Class” or “Class Members.” One court decides the lawsuit for everyone in the Class. In this case, the court decided that this lawsuit can be a class action for settlement purposes only. That means that if the settlement is not approved by the court, the Class Members will not get the benefits of this settlement and the Plaintiffs will need to go back to court to prove their case through trial.

3. Why is there a settlement?

In the interests of efficiency and economy, the parties to the litigation have decided to resolve the litigation through settlement. In this way, the parties avoid the costs and risks of trial. After settling the case, the court will not decide who is right or wrong. Instead, it will determine whether the settlement is fair, reasonable, and adequate. If the court approves the settlement as fair, reasonable, and adequate, it will enter a judgment extinguishing all claims of those represented in the lawsuit.

4. Why did I receive this notice?

You received this Notice because CSAA's records show that you may be a "Class Member" in this case, as described below.

Who is in the Settlement?

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

Whether you are in the settlement depends on whether you are a "Class Member." You are a Class Member if:

- (1) You insured an automobile with CSAA; and
- (2) Between December 1, 1998 and February 28, 2006, you made an insurance claim under the collision coverage of your policy; and
- (3) The collision claim arose from an accident between your insured vehicle and an uninsured motorist; and
- (4) CSAA charged you a deductible on your collision claim – that is, if CSAA deducted the amount of the deductible from a repair reimbursement check to you or to a repair shop, or you were required to pay a deductible to a repair shop, or if CSAA withheld the amount of the deductible from your total loss payment. You also may be a Class Member if you were told not to pursue a claim because the cost of repair was less than the amount of your Collision deductible.

CSAA's records indicate that you may be a Class Member.

6. What are my options?

As a Class Member, you have several options available to you. You may:

- (i) Participate in the settlement and obtain a settlement award (*see* Sections 7-10);
- (ii) Object to the settlement (*see* Sections 11-14);
- (iii) Request to be excluded from the settlement (*see* Sections 15-17); or
- (iv) Take no action, in which case you will be bound by the settlement if it is approved by the court (*see* Section 18).

Settlement Benefits – What You Could Receive

7. What are the possible settlement benefits from this settlement?

If you submit a claim form, a more detailed review of CSAA's files will be conducted to determine the amount of the benefit (if any) payable to you. The amount of your payment will depend on what that review shows, and the date your claim originally was handled by CSAA:

- If you made a qualifying collision claim between July 12, 2003 and February 28, 2006, and CSAA's file for your claim shows you were charged a deductible and that the adverse party to your accident was uninsured, the amount of your settlement award will be 100% of the collision deductible that you were charged (or the cost of repair if lower), plus 10% simple interest from the date that deductible was charged. For example, if you were charged a deductible of \$500.00, you would get back your deductible of \$500.00, plus \$50.00 per year from the date that deductible was charged.
- If you made a qualifying collision claim between July 12, 2003 and February 28, 2006, and CSAA's file for your claim shows you were charged a deductible but does not contain sufficient information to determine whether the adverse party to your accident was uninsured, then CSAA will pay you a cash benefit equal to 50% of the collision deductible that you were charged (or the cost of repair if lower), plus 10% simple interest from the date that deductible was charged. For example, if you were charged a deductible of \$500.00, you would get one half of your deductible, \$250.00, plus \$25.00 per year from the date that deductible was charged.
- If you made a qualifying collision claim between December 1, 1998 and July 11, 2003, and CSAA's file for your claim shows you were charged a deductible and that the adverse party to your accident was uninsured, the amount of your settlement award will be 100% of the collision deductible that you were charged (or the cost of repair if lower) with no interest. For example, if you were charged a deductible of \$500.00, you would receive \$500.00.
- If you made a qualifying collision claim between December 1, 1998 and July 11, 2003, and CSAA's file for your claim shows you were charged a deductible but does not contain sufficient information to determine whether the adverse party to your accident was uninsured, then CSAA will pay you a cash benefit equal to 20% of the collision deductible that you were charged (or the cost of repair if lower) with no interest. For example, if your deductible was \$500.00, you would receive \$100.00.
- If CSAA's files do not contain sufficient information to determine whether the adverse party to your accident was uninsured, you will receive a further notice and an opportunity to submit additional documentation to show entitlement to a greater settlement award.
- If CSAA's files indicate that your accident does not fall within the scope of the lawsuit, you will not receive an award even though you submitted a claim form.

8. How do I participate in the settlement and get a settlement award?

To participate and get a settlement award, you must submit a valid and timely claim form. A blank claim form is attached to this Notice. As that form explains, if you submit a claim form, a more detailed review of CSAA's files will be conducted to determine the amount of the benefit (if any) payable to you. To be valid, the claim form must be filled out completely and must be postmarked by no later than **July 12, 2010**. The completed claim form must be sent to:

**CSAA Class Action Administrator
PO Box 4153
Portland, OR 97208-4153**

9. When will I get my settlement award?

Checks for the amount of Class Member's settlement awards will be distributed if and when settlement is approved by the court. Please keep in mind that all checks issued will remain valid and negotiable for one hundred eighty (180) days from the date of issuance. All checks not cashed within that time will automatically be canceled, and CSAA will be under no obligation to issue replacement checks.

Settlement checks will be sent to the addresses provided on submitted claim forms. If you move after submitting a claim form, send a letter to the address in Section 8 stating both your new address and your prior address.

10. Am I giving anything up by remaining in the Class?

Unless you remove yourself from the settlement (which is called "excluding yourself" or "opting out"), you are part of the Class. By staying part of the Class, court orders will apply to you, and you will be deemed to have released any claim against CSAA. A release means you can't sue or be part of any other lawsuit against CSAA about the claims or issues in this lawsuit for the Class Period ever again. You will be bound by the terms of the settlement, and will be barred from suing CSAA for the alleged violation of any local, state, or federal law in connection with any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions, or failures to act, which are or could be the basis of any legal claim arising from the handling of the collision claim that may make you eligible for participation in this settlement.

Settlement Benefits – What You Could Receive

11. Can I tell the court I do not like the settlement?

You may tell the court that you do not like the settlement or some part of it by submitting an objection. You may object to any of the terms of the settlement.

12. How do I object to the settlement?

You must file a written statement describing your objection and any reasons supporting your position with the Sacramento County Superior Court by no later than **February 16, 2010**. You must also send your objection to each of the individuals listed below and postmarked no later than **February 16, 2010**:

Class Counsel
ATTN CLASS ACTION OBJECTION
Robert A. Buccola
DREYER BABICH BUCCOLA &
CALLAHAM
20 Bicentennial Circle
Sacramento, CA 95826

CSAA's Counsel
ATTN CLASS ACTION OBJECTION
Eduardo G. Roy
DLA PIPER LP (US)
555 Mission Street, Suite 2400
San Francisco, CA 94105

ATTN CLASS ACTION OBJECTION
C. Brooks Cutter
KERSHAW CUTTER & RATINOFF LLP
401 Watt Avenue
Sacramento, CA 95864

13. Can I receive a settlement award if I object to the settlement?

If you object to the settlement, you will still be entitled to receive a settlement award if you nevertheless timely submit a claim form and otherwise qualify for a settlement disbursement, and if the court gives final approval to the settlement.

14. Can I appear at the settlement hearing?

As long as you do not exclude yourself, you can (but do not have to) participate and speak for yourself at the settlement hearing. This is called making an appearance. If you wish to be represented by a lawyer other than Class Counsel, you will have to pay for the lawyer yourself.

If you want to appear, or if you want your own lawyer to participate and speak for you regarding the settlement, you must first file a timely objection to the settlement (as described above in Section 13). You must also include in the objection the statement "I intend to appear at the hearing."

Your Rights – Getting Out of the Settlement

15. Can I remove myself from the settlement?

You can remove yourself from the settlement and the Class. This is called "excluding yourself" or "opting out." If you exclude yourself from the settlement, you will not receive any of the benefits of the settlement. However, you will not be bound by any judgment or settlement of the case and will keep your right to sue CSAA independently, if you want.

16. How can I exclude myself from the settlement?

To exclude yourself from the settlement, you must submit a written statement by February 16, 2010 requesting exclusion from the Class. To be effective, this written request must contain your name and address, a statement that you are a member of the class, and a statement that you are requesting exclusion from the class. This written statement must be postmarked on or before **February 16, 2010**. If you fail to submit a valid and timely request for exclusion in this manner, you will be bound by the settlement and judgment entered by the court. You must also send a copy of this statement to each of the individuals listed below:

Class Counsel

ATTN CLASS ACTION EXCLUSION
Robert A. Buccola
DREYER BABICH BUCCOLA &
CALLAHAM
20 Bicentennial Circle
Sacramento, CA 95826

CSAA’s Counsel

ATTN CLASS ACTION EXCLUSION
Eduardo G. Roy
DLA PIPER LP (US)
555 Mission Street, Suite 2400
San Francisco, CA 94105

ATTN CLASS ACTION EXCLUSION
C. Brooks Cutter
KERSHAW CUTTER & RATINOFF
LLP 401 Watt Avenue
Sacramento, CA 95864

17. What is the difference between excluding and objecting?

Excluding yourself or opting out means removing yourself from the Class and the settlement altogether – you would not receive any benefits or be bound by the terms of the settlement. Objecting means remaining in the Class, but complaining about some part of the settlement that you do not like.

What if You Do Nothing

18. What if I do nothing?

If you do nothing, you will not receive any benefits from this settlement, but you will be a Class Member. You will be bound by the terms of the settlement, which means you cannot bring a lawsuit against CSAA regarding the claims covered by it.

Who are the Lawyers Representing You

19. Do I need to hire my own attorney?

You do not need to hire an attorney, but you can if you want to. Plaintiffs, you, and the entire class are already represented by the attorneys listed below, who are known as Class Counsel. You do not need to pay for their services. If you decide to hire your own attorney, you will have to pay for his or her services. Your attorney must also file the papers required to let the court know that he or she will be appearing in this case.

Robert A. Buccola
DREYER BABICH BUCCOLA &
CALLAHAM
20 Bicentennial Circle
Sacramento, CA 95826
Phone: (916) 379-3500
Fax (916) 379-3599

C. Brooks Cutter
KERSHAW CUTTER & RATINOFF LLP
401 Watt Avenue
Sacramento, CA 95864
Phone: (916) 448-9800
Toll-free: (888) 285-3333
Fax: (916) 669-4499

You may contact Class Counsel if you have any questions about this Notice or the settlement, but please *do not contact the court or CSAA.*

20. What will Class Counsel and the Lead Plaintiffs get from this settlement?

Class Counsel will receive an award of attorneys' fees and costs in an amount to be awarded by the court. Class Counsel have agreed that they will not request more than \$8,000,000 and CSAA has agreed not to object to such a request. Plaintiffs Carol Johnson and Robert Garcia may also be granted individual incentive awards for prosecuting this lawsuit. All attorneys' fees are being paid for by CSAA in addition to the payments made to the class and do not reduce the payments to the class.

Final Approval of Settlement

21. When will the settlement be final?

The Court has tentatively scheduled a final settlement fairness hearing to be held on May 26, 2010, to decide whether to approve the settlement. The court is located at 720 9th Street, Sacramento, CA 95814. The hearing may be rescheduled to a later time without further notice to you. You may, but do not have to, attend the final approval hearing. After the court rules on the final approval, and either the time to appeal has expired or any appeal filed has been resolved, the settlement will become final.

As explained in Section 10, above, if the settlement becomes final and you remain part of the Class, you cannot bring any other lawsuit against CSAA relating to the claims made or which could have been made in this lawsuit, whether known or unknown. All such claims are released and forever barred under the settlement.

More Information

22. Where can I get more information?

This Notice contains only a summary of the lawsuit and settlement. For a more detailed description, you may review the pleadings, the Settlement Agreement, and other papers on file at the Sacramento County Superior Court, 720 9th Street, Sacramento, CA 95814. Please direct all your questions regarding this Notice, and the settlement to Class Counsel. **PLEASE DO NOT TELEPHONE THE COURT OR CSAA.**

If you have any questions log on to www.johnsonumsettlement.com or call toll free at 1-877-276-7350.

23. What are some important dates?

Deadline to submit claim form:	July 12, 2010
Deadline to file objections (including any requests to appear before the Court):	February 16, 2010
Deadline to submit requests for exclusion:	February 16, 2010

The deadlines above are the dates by which objections and requests for exclusion must be postmarked.

Final Approval Hearing:	May 26, 2010
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