

# Investigative Practices and Protection of Your Privacy

The notice applies only to insurance transactions involving insurance primarily for personal, family or household needs.

Dear Policyholder,

As part of our service to you as a policyholder, we want you to understand the investigative practices that may be used to verify pertinent policy information. We want to assure you that we are as concerned as you are about your privacy and we make every effort to protect it.

## Collection of Information

Most of the information we get comes directly from you at the time that you apply for insurance. In most cases, this is all the information that we need. Sometimes, however, we may need further information or may need to verify information you've given us. In those cases, you, your spouse, or another adult member of your household may be contacted by us either by phone or by mail.

In some instances, we employ the common insurance industry practice of asking an outside source, called a "consumer reporting agency" or "insurance support organization," to contact you or someone in your household.

## Types of Information

The information that is collected is used to help us decide if you qualify for the insurance that you have applied for.

Information such as the use of your vehicle(s), ages and drivers, mileage, items relating to the individual such as personal habits and characteristics, credit items, prior accidents and driving violations, prior arrests or convictions, previous insurance experience, etc., may be requested with regard to your personal vehicles.

Information such as construction type, roof construction, square footage, heating, other physical characteristics, housekeeping habits, personal habits and characteristics, previous insurance experience, etc., may be requested with regard to policies covering your personal property.

This information is kept in a confidential policy file that only members of our organization have access to. We refer to this information for the purpose of issuing and servicing your policy and for settling claims.

## What We Do with Information About You

With few exceptions, we generally do not release any of the information that we've collected about you to anyone else without your consent. When the disclosure is necessary for us to conduct our business we may share information about you without your prior consent. We want to assure you that the only persons that this information might be released to would be persons involved with insurance, such as:

1. Your Agent, who may need the information to service your policy.
2. Another insurance company, if you submit an application for insurance to them.
3. Persons who need this information to perform normal business functions for us, such as — lawyers, insurance support organizations, adjusters, appraisers or investigators.
4. Persons conducting scientific research on our behalf. (Any information involving you will not be individually identifiable.)
5. A medical professional to inform you of a medical condition of which you may not be aware.
6. Our affiliated companies.

Information obtained from a report prepared by an insurance support organization may be retained by that organization and disclosed to other persons who use these reports, but only to the extent permitted by Federal and State Fair Credit Reporting Acts.

## Access To and Correction of Personal Information

You have the right to know the contents of any recorded personal information that our file may contain about you. You also have the right to receive a copy of this information and to request that we correct, amend or delete any of the information that you feel is in error.

These rights do not extend to information collected in connection with or reasonable anticipation of a claim or civil or criminal proceeding, or to specific items of privileged information when an applicant or policyholder is suspected of fraud, material misrepresentation or material nondisclosure.

If you would like more information about how to review and correct recorded personal information, please write to us and we will be glad to provide you with a description of the necessary procedures.

If, after reading this, you have any further questions, please feel free to contact us or your Farmers Agent.

## Notice Required by the Fair Credit Reporting Act

Federal law (15 USC sec. 1681 d), requires all insurance companies to notify their policyholders that an investigation may be made as to character, general reputation, personal characteristics and mode of living, whichever are applicable.

Additional information regarding the nature and scope of any such investigation requested will be furnished to you, upon your written request made within a reasonable time after you receive this notice.

This policy  
is issued  
by:

FIRE INSURANCE EXCHANGE (An inter-insurance exchange sometimes referred to in the policy as the Company:)

Insured •

POLICY NUMBER
POLICY NUMBER
POLICY NUMBER

We have complied with a request to issue your policy although we do not have your written authority. In order to complete our records, would you please sign in the place designated for applicant's signature and return it in the envelope provided. PLEASE DO THIS TODAY.

### Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Fire Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, the Fire Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Fire Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of inter insurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty five per centum of the Premium Deposit for the insurance provided and twenty five per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.

### Privacy Act

APPLICABLE ONLY TO THE STATES WITH THE PRIVACY ACT: I have received a copy of the INVESTIGATIVE PRACTICES AND PROTECTION OF YOUR PRIVACY form, which advises me of my rights concerning the investigative practices of the Farmers Insurance Group of Companies.

I hereby declare that the statements on this application are true and request the Exchange or Company to issue the insurance applied for and any renewals thereof in reliance thereon.

BINDER - The insurance has been applied for and is bound for 60 days from the Effective Date pending issuance of a policy to the Named Insured; except in Oregon and Wisconsin where it is bound until the policy applied for and currently in use by the issuing Company is cancelled in accordance with its terms. Please accept this form as a binder.

THE QUOTED PREMIUM IS SUBJECT TO VERIFICATION AND CHANGE (INCREASE OR DECREASE), WHEN NECESSARY, BY THE COMPANY.

Subscribed to \_\_\_\_\_ M, \_\_\_\_\_ Effective Date \_\_\_\_\_ Applicant's  
Time Month Day Year Signature \_\_\_\_\_

This application is complete and I recommend its acceptance.

Date \_\_\_\_\_ Agent's \_\_\_\_\_ Agent's  
Month Day Year Phone \_\_\_\_\_ Signature \_\_\_\_\_

#### ATTN: AR, CO, NM and OH Policyholders:

For your protection please be advised of the following: Any person who knowingly presents a false or fraudulent claim for payment of a loss, or knowingly presents false or misleading information to an insurance company for the purpose of defrauding or attempting to defraud an insurance company, or provides false information concerning a material fact on an application for insurance, or helps any other person commit such acts, may be guilty of fraud, and may be subject to substantial civil and criminal penalties, pursuant to the laws of the state in which those acts occur.

#### NOTICE TO UTAH APPLICANTS:

Any matter in dispute between you and the Company may be subject to arbitration as an alternative to court action pursuant to the rules of The American Arbitration Association a copy of which is available on request from the Company. Any decision reached by arbitration shall be binding upon both you and the Company. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction.