

IMPORTANT LEGAL NOTICE

**IF YOU HAD ACCIDENT REPAIRS PAID FOR UNDER YOUR AMERICAN FAMILY MUTUAL  
AUTOMOBILE INSURANCE POLICY, A CLASS ACTION MAY AFFECT YOUR RIGHTS.**

IF YOU RECEIVED PAYMENT FOR A TOTAL LOSS, YOU ARE NOT PART OF THE CLASS.

A lawsuit, entitled *Smith v. American Family Mutual Automobile Insurance Co.*, No. 00-CV-211554, is now pending in the Circuit Court of Jackson County, Missouri, at Kansas City. Notice of this lawsuit is given pursuant to Missouri law and by order of the Court, to inform you of the Court's decision to certify the Class described below, the nature of plaintiffs' claims, and your right to participate in or exclude yourself from the Class.

**What is this case about?** Nicholas H. Smith and Amy and Bryce Johnson are American Family policyholders and are plaintiffs in this lawsuit. They have been appointed by the Court as Class Representatives to represent American Family policyholders who are similarly affected. Mr. Smith and the Johnsons claim that American Family pays less than required to repair its insureds' damaged vehicles in two ways: (1) paying for allegedly inferior Non-OEM (Non-Original Equipment Manufacturer) Crash Parts<sup>1</sup>; and (2) using an estimating software program that allegedly systematically omits payment for certain repairs<sup>2</sup>. Mr. Smith and the Johnsons claim that American Family breaches its policy contracts by paying claims based on repair estimates that specify non-OEM parts and fail to include specific repairs. Mr. Smith and the Johnsons, on behalf of members of the Class, seek legal damages and injunctive relief. American Family denies any wrongdoing and asserts certain facts give it defenses to plaintiffs' claims including: 1. American Family contends that its insurance policies do not require that OEM crash parts be used for all repairs and in all circumstances as claimed by Plaintiffs; 2. American Family contends that it complies with a 1987 Missouri Department of Insurance Rule that authorizes automobile insurers to specify Non-OEM crash parts for the repair of a vehicle so long as the specified parts are of like kind and quality to the parts being replaced as they actually existed just prior to the accident; 3. In addition to meeting the requirements of the above Rule, American Family contends that it guarantees that its insureds will be satisfied with the fit, finish and corrosion resistance of all Non-OEM crash parts it specifies; 4. American Family contends that the so-called omitted repairs were not omitted by body shops or by American Family in preparing estimates or were not necessary to repair the vehicle to its pre-loss condition; 5. American Family contends that its obligation under Missouri law is to pay for a repair that will return the damaged vehicle to the condition it was in just prior to the accident, but that Plaintiffs insist that the condition of insured vehicles prior to the accident or after the repair is irrelevant; 6. American Family contends that Plaintiffs depend on the contention that all Non-OEM crash parts are inferior to all OEM crash parts and are always incapable of repairing any vehicle to pre-accident condition.

**Am I a Class Member?** The Court has certified for litigation and trial the following plaintiff Class: All American Family insureds subject to the laws of the State of Missouri and/or residents of Missouri who, from or after May 11, 1990 until December 1, 2004, made a claim for vehicle repairs pursuant to their policy and who received payment based on an estimate prepared or approved by American Family which included Non-OEM Crash Parts and/or did not include one or more Omitted Repairs, where the vehicle was not a total loss or whose claim involved only glass repairs.

Excluded from the Class are all directors, officers, agents, and/or employees of American Family. Also excluded from the Class are all persons who have claims in excess of \$75,000.00.

**Who represents me?** The Court has appointed the following firms as Class counsel to represent the Class' interests: Waldeck, Matteuzzi & Sloan, P.C.; Lerach Coughlin Stoia Geller Rudman & Robbins LLP; Bonnett, Fairbourn, Friedman & Balint, P.C.; and Parry, Deering, Futscher & Sparks, P.S.C. You will not be charged for Class counsel's services. Instead, if they obtain a recovery for the Class, Class counsel may apply to the Court for payment of reasonable attorneys' fees and costs, which may be paid out of any funds recovered on behalf of the Class.

You have the right to hire your own attorney. If you hire your own attorney, you will be responsible for paying that attorney's fee. You also have the right to enter an appearance in this case through your attorney, if you desire.

**How do I remain a Class Member?** To remain in the Class, YOU DO NOT HAVE TO DO ANYTHING AT THIS TIME. Class Members may participate in any recovery obtained for the Class through a claims process the Court will oversee after further proceedings which may include a trial on the merits or settlement. As Class Members, you will be bound by all orders and judgments of the Court concerning your breach of contract claims based on receipt of an estimate calling for the use of non-OEM parts and/or that did not provide for one or more of the ten enumerated Omitted Repairs, and your claims will be terminated by the judgment in this case.

If you wish to exclude yourself from the Class, you may do so by writing to the following address and expressly stating that you wish to be excluded from the Class:

Class Counsel, c/o American Family Auto  
Class Action Information Center  
P.O. Box 24691  
West Palm Beach, FL 33416

**The letter requesting exclusion must be postmarked by January 16, 2006.** If you exclude yourself from the Class, you will not participate in any recovery for the Class; nor will you be bound by any Court orders or judgments concerning breach of contract claims based on receipt of an estimate calling for the use of non-OEM parts and/or that did not provide for one or more of the ten enumerated Omitted Repairs. You do not need to send a letter if you wish to remain in the Class.

**What if I have any questions?** If you have questions regarding this litigation, you may write to plaintiffs' Class counsel at the address above, call 877-290-3681 or visit the website at [www.MissouriAutoInsuranceLitigation.com](http://www.MissouriAutoInsuranceLitigation.com).

PLEASE DO NOT CALL OR WRITE THE CLERK OF THE COURT

<sup>1</sup> "Non-OEM Crash Parts" include: fenders, hoods, doors, deck lids, quarter panels, rear outer panels, front end panels, header panels, filler panels, door shells, pickup truck beds, box sides and tail gates, radiator and grill support panels, grilles, head and tail lamp mounting panels/brackets/housing/lenses, doors, bumpers (excluding chrome), bumper covers/face bars, and bumper brackets/supports.

<sup>2</sup> "Omitted Repairs" include: seat belt check, rust proofing, weld through primer, undercoating, flex additive, masking inner surfaces, front wheel alignment, four wheel alignment, aim lamps and replace EPA label.