

A class action settlement involving Nationwide homeowner's insurance will provide payments to those who qualify.

A court authorized this notice. This is not a solicitation from a lawyer.

- There is a class action about whether Nationwide Mutual Insurance Company and certain affiliates ("Nationwide") improperly withheld payments of general contractor's overhead and profit from amounts paid on claims for Structural Losses under homeowner's policies.
- 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. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
SUBMIT A CLAIM FORM	The only way to get a payment if you qualify.
ASK TO BE EXCLUDED	Get no payment. The only option that allows you to individually sue Nationwide 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	Get no payment. Give up 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 after any appeals are resolved, money will be distributed to those who qualify. Please be patient.

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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 nationwide settlement of this class action, including the right to claim money, and about all of your options, before the Court decides whether to give “final approval” to the settlement. If the Court approves the settlement, and after any appeals are resolved, payments will be made to everyone who qualifies and submits 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.

Judge Kirk D. Johnson in the Circuit Court of Miller County, State of Arkansas is overseeing this class action. The case is known as *Alexander, et al. v. Nationwide Mutual Insurance Company, et al.*, Case No. CV-2009-120-3. The people who sued are called the “Plaintiffs,” and the companies they sued are called the “Defendants.”

2. What Nationwide insurance companies are part of the Settlement?

The settlement includes these “Nationwide” homeowner insurance companies: Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, AMCO Insurance Company, Allied Property and Casualty Insurance Company, Depositors Insurance Company, National Casualty Company, Nationwide Insurance Company of America, Nationwide Affinity Insurance Company of America, Nationwide Property and Casualty Insurance Company, Nationwide Lloyds, Nationwide Insurance Company of Florida, Nationwide Indemnity Company, Scottsdale Indemnity Company, Scottsdale Surplus Lines Insurance Company, and Scottsdale Insurance Company.

3. What is this lawsuit about?

The lawsuit claims that Nationwide improperly withheld payments of general contractor’s overhead and profit (“GCO&P”) from amounts paid on claims for Structural Losses under homeowner’s policies. Nationwide has denied all of these claims and maintains that it did not act wrongfully or unlawfully.

4. What is general contractor’s overhead and profit (“GCO&P”)?

GCO&P is an amount customarily charged by a general contractor for, among other things, supervising, scheduling, and/or warranting work and/or materials supplied by one or more subcontractors in the course of repairing damage to a building or structure.

5. What is a Structural Loss?

A Structural Loss is damage to a building or other structure located in the United States while covered under a homeowner’s policy issued by Nationwide.

6. Why is this a class action?

In a class action, one or more people called “Class Representatives” (in this case Phillip Alexander, Cyndi Alexander, Edwin Nelson, Bruce Schaffroth, and Diana Schaffroth) sue 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.

7. Why is there a settlement?

The Court did not decide in favor of the Plaintiffs or Nationwide. Instead, both sides agreed to settle. That way, they avoid the cost of a trial, 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 Nationwide did anything wrong.

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.

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

The Class includes everyone who is, or was, insured under a Nationwide homeowner's policy that provided coverage for any building or other structure located in the United States who submitted a claim for a Structural Loss that:

- occurred from January 1, 1996 through March 20, 2009, inclusive;
- was determined by Nationwide or by a court or arbitrator of competent jurisdiction to be covered by a homeowner's policy issued by Nationwide; and
- resulted in a payment by Nationwide from January 1, 1996 through March 20, 2009.

9. Are there exceptions to being included?

You are not included in the settlement if you filed a lawsuit from January 1, 1996 through March 20, 2009 involving a Nationwide claim that included GCO&P or you provided an executed release to Nationwide for your claim. Additionally, Nationwide, all present or former officers and/or directors of Nationwide, Neutral Evaluators, Class Counsel and their immediate family, any member of the Arkansas Judiciary and their immediate family, Nationwide's counsel of record and their immediate family, and all Persons who make a timely election to be excluded from the Settlement Class are not included in the settlement. Neutral Evaluators are people who will help the Court resolve disputes about claims in the settlement (See Question 19).

10. Understanding Class membership.

This series of questions may also help you determine if you are a Class member. Please answer all of the questions in order.

Question	Yes	No
Do you or did you have a Nationwide homeowner's policy from one of the insurers in Question 2?	Continue.	You are not a Class member.
Does it or did it cover a building or structure in the United States?	Continue.	You are not a Class member.
Did you have a Structural Loss that occurred from January 1, 1996 through March 20, 2009?	Continue.	You are not a Class member.

Question	Yes	No
Was the Structural Loss covered by the Nationwide homeowner's policy?	Continue.	You are not a Class member.
Did you receive a payment from Nationwide for your claim from January 1, 1996 through March 20, 2009?	Continue.	You are not a Class member.
Did you file a lawsuit from January 1, 1996 through March 20, 2009 involving a Nationwide claim that included GCO&P?	You are not a Class member.	Continue.
Did you provide an executed release to Nationwide for your claim?	You are not a Class member.	You are probably a Class member.

11. 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 1-888-287-1333 with questions.

THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

12. What does the settlement provide?

The settlement will pay to compensate eligible Class members for Nationwide's alleged failure to include an appropriate amount for GCO&P when it paid certain claims for Structural Losses.

13. How do I qualify for a payment?

To qualify for a payment you must have had a loss that included estimated repairs involving three or more "trades," excluding emergency remediation services, but you may qualify even if the repairs weren't actually made. You must have filed a timely claim for your Structural Loss, were not paid the policy limits of your coverage, and were not paid by Nationwide based on a general contractor's estimate. You do not qualify for a payment from this settlement if Nationwide paid 20% or more for GCO&P for your Structural Loss.

14. What is a trade?

A trade is an occupation of a skilled craftsman, e.g., electrician, drywall installer, carpenter, and others.

15. What is an emergency remediation service?

An emergency remediation service is a cleaning and/or restoration service scheduled and/or performed immediately after a loss or the discovery of a loss to clean, restore or prevent further damage to the property.

16. How much will payments be?

Payments to eligible Class members will be 20% of the amount previously paid to complete repairs, excluding amounts paid for emergency remediation services, minus any GCO&P previously paid by Nationwide. Payments will also be limited by the terms of the homeowner's policy involved.

HOW TO GET A PAYMENT—SUBMITTING A CLAIM FORM

17. How can I get a payment?

To ask for a payment, you must complete and timely submit a claim form. You can get a claim form at www.alexanderclassactionsettlement.com or by calling the Settlement Administrator at 1-888-287-1333. You'll need to attach any documents that you have showing that you were insured under a Nationwide homeowner's policy that provided coverage for a Structural Loss and that you submitted a timely claim. See Section 3 of the claim form for more details on the required documentation. Please read the instructions carefully, fill out the claim form (including a notarized signature) and mail it postmarked no later than, **August 26, 2009** to:

Alexander v. Nationwide Claims
P.O. Box 6659
Portland, OR 97228-6659

18. When will I get my payment?

The payments will be mailed to eligible Class members who send in valid claim forms on time, after the Court grants "final approval" of the settlement, and any appeals are resolved. If Judge Johnson approves the settlement after a hearing on **July 27, 2009** (see the section "The Court's Fairness Hearing" below), there may be appeals. It's always uncertain whether these appeals can be resolved, and resolving them can take time. Please be patient.

19. What if I disagree with my eligibility or the amount of my payment?

There is a process in the settlement to resolve disagreements between you and Nationwide over whether you are eligible and how much money you should get. You will get further details in the letter you receive about your eligibility. The Settlement Agreement available at www.alexanderclassactionsettlement.com also provides more information.

20. 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 that you can't individually sue Nationwide over the claims settled in *this* case. 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 simply stay in the Class, you will agree to "release and discharge" Nationwide as described in Section VI of the Settlement Agreement. A complete copy of the Settlement Agreement can be obtained at www.alexanderclassactionsettlement.com. The Settlement Agreement specifically describes the released claims in necessarily accurate legal terminology. Talk to Class Counsel (See the section on "The Lawyers Representing You") or your own lawyer if you have questions about the released claims or what they mean.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want a payment from this settlement, but you want to keep the right to individually sue Nationwide about the issues in this case, then you must take steps to get out. This is called excluding yourself from—or is sometimes referred to as “opting out” of—the settlement Class.

21. How do I get out of the settlement?

To exclude yourself from the settlement, you must send a letter by mail saying that you want to be excluded from *Alexander v. Nationwide*. You must include the case number (No. CV-2009-120-3), your full name, address, telephone number, and your signature. 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 **July 13, 2009** to:

Alexander v. Nationwide Exclusions
P.O. Box 6839
Portland, OR 97228-6839

You can't exclude yourself on the phone, by email, or at the website.

22. If I don't exclude myself, can I sue Nationwide for the same thing later?

No. Unless you exclude yourself, you give up any right to individually sue Nationwide for the claims that this settlement resolves. You must exclude yourself from *this* Class to individually sue Nationwide over the claims resolved by this settlement. Remember, the exclusion deadline is **July 13, 2009**.

23. If I exclude myself, can I get a payment from this settlement?

No. If you exclude yourself, do not submit a claim form to ask for a payment.

THE LAWYERS REPRESENTING YOU

24. Do I have a lawyer in this case?

The Court appointed Nix, Patterson & Roach LLP of Texarkana, Texas; Keil & Goodson of Texarkana, Arkansas; Nelson, Roselius, Terry, O'Hara & Morton of Edmond, Oklahoma; and Whitten, Burrage, Priest, Fulmer, Anderson & Eisel of Oklahoma City, Oklahoma to represent you and other Class members as “Class Counsel.” You do not have to pay Class Counsel. If you want to be represented by your own lawyer, and have that lawyer appear in court for you in this case, you may hire one at your own expense.

25. How will the lawyers be paid?

Class Counsel will ask the Court for \$32,000,000 to cover attorneys' fees and reimbursement of their expenses. Class Counsel will also ask that each Class Representative receive \$5,000 for representing the Class; any amount awarded to the Class Representatives will be deducted from any fees awarded to Class Counsel. Nationwide has agreed not to oppose the request for fees and expenses up to the amount above. The Court may award less than this amount. Nationwide will separately pay the fees and expenses the Court orders. These payments will not reduce the amount distributed to Class members. Nationwide 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.

26. 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 in the case with the Circuit Court of Miller County, Arkansas and send a copy to the Administrator as noted below. You must include the name of the case (*Alexander v. Nationwide*), case number (No. CV-2009-120-3), your full name, address, telephone number, your signature, the specific reasons why you object to the settlement, and whether you or your attorney will appear at the fairness hearing (See the section on the "Court's Fairness Hearing" below). If you have a lawyer file an objection for you he or she must follow all Arkansas rules.

File the objection with the Clerk of the Court at the address below by July 13, 2009 . Note: You may send it by mail, but it must be received and filed by the Clerk by this date:	Mail a copy of the objection to the Administrator at the following address so that it is postmarked by July 13, 2009 :
Court	Administrator
Miller County Court Clerk Room 109 412 Laurel Street Texarkana, AR 71854	Alexander v. Nationwide Objections P.O. Box 6839 Portland, OR 97228-6839

27. 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. 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 FAIRNESS 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.

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

The Court has scheduled a Fairness Hearing at 9:00 a.m., Central time on **July 27, 2009**, at the 3rd Floor Courtroom, Miller County, Texarkana, Arkansas. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Johnson may listen to people who have asked to speak about an objection according to Question 26 above. The Court may also decide how much to award Class Counsel as fees for representing the Class and whether and how much to award the Class Representatives for representing the Class. At or after the hearing, the Court will decide whether to approve the settlement. It is not known how long this decision will take.

29. Do I have to come to the hearing?

No. Class Counsel will answer any questions that Judge Johnson may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you filed and mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it's not necessary.

30. May I speak at the hearing?

If you submitted an objection to the settlement you may ask the Court for permission to speak at the Fairness Hearing by telling the Court in your objection that you are requesting permission to speak at the Fairness Hearing. If you request permission to speak at the Fairness Hearing, you must include the following additional information in your objection:

- a detailed statement of the specific legal and factual basis for each objection;
- any documents you have that show you are a member of the Class;
- a list of any witnesses you intend to call at the Fairness Hearing, including the address of each witness and a summary of his or her proposed testimony; and
- a description of all evidence you may offer and copies of all exhibits you intend to introduce at the Fairness Hearing.

You cannot speak at the Fairness Hearing if you exclude yourself.

IF YOU DO NOTHING

31. 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, you won't be able to individually sue Nationwide for the claims resolved in this case.

GETTING MORE INFORMATION

32. How do I get more information about the settlement?

This notice summarizes the proposed settlement. More details are in a Settlement Stipulation. If you have questions, visit www.alexanderclassactionsettlement.com. Do not contact the Court or Nationwide.