

If you were an insured of National Automotive Insurance Company and your vehicle was damaged while being driven by someone who was not a named insured on your policy, you could get benefits from a proposed class action settlement.

A state court authorized the attached notice. This is not a solicitation from a lawyer.

- A proposed settlement has been reached in the class action lawsuit about National Automotive Insurance Company charging additional premiums to add drivers to its insureds' policies after the insureds' vehicles were damaged while being driven by those permissive drivers.
- The proposed settlement provides reimbursement of the additional premiums charged and \$2000.00 for each insured.
- Your legal rights are affected whether you act or don't act, so please read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS PROPOSED SETTLEMENT:	
Submit a Claim Form	The only way to get a payment or benefits.
Exclude Yourself	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against National Automotive Insurance Company about the legal claims in this case.
Object	Write to the Court about why you don't like the proposed settlement.
Go to a Hearing	Ask to speak in Court about the proposed settlement.
Do Nothing	Get no payment. Give up rights to be part of any other lawsuit against National Automotive about the legal claims in this case.
Deadlines	Submit a claim: December 1, 2007 Exclude yourself: December 1, 2007 Object: December 1, 2007

- These rights and options — and the deadlines to exercise them — are explained in the notice.
- The Court in charge of this case still has to decide whether to approve the proposed settlement. Payments will be made if the Court approves the proposed settlement and after any appeals are resolved. Please be patient.

**QUESTIONS? CALL 1-800-256-1050 TOLL FREE, OR VISIT
WWW.NAICSETTLEMENT.COM**

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BASIC INFORMATION

1. Why has this notice been issued?

The Court sent you this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your legal rights and options, before the Court decides whether to approve the proposed settlement. If the Court approves it and after objections and appeals are resolved, payments will be made to class members who participate in the settlement. You will be informed of the progress of the proposed settlement.

This package explains the lawsuit, the proposed settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the state district court in the Parish of Orleans. The case is called *Davis v. National Automotive Insurance Company*, Docket Number 2004-1840. The people who sued are called Plaintiffs, and the company they sued, National Automotive Insurance Company (NAIC) is called the Defendant.

2. What is this lawsuit about?

The lawsuit claims that the Plaintiffs and other people like them were insureds of NAIC. The Plaintiffs claim that NAIC improperly charged additional premiums when their vehicles were damaged while being operated by people who had permission to operate the vehicles. Plaintiffs claim that NAIC violated certain laws when it charged those additional premiums.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Barbara Davis and Ramona Lopez), 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. Judge Rosemary Ledet is in charge of this class action.

4. Why is there a proposed settlement?

The Court did not decide in favor of Plaintiffs or Defendant. The Plaintiffs think they would have won if there had been a trial. Defendant thinks the Court would have found it not liable and Plaintiffs would not have won anything from a trial. But there was no trial. Instead, both sides agreed to a proposed settlement. That way, they avoid the cost of a trial, and the people affected will get compensation. The proposed settlement does not mean that NAIC violated any laws or did anything wrong. The Class Representatives and the attorneys representing them think the proposed settlement is best for all Class Members.

WHO IS IN THE PROPOSED SETTLEMENT

To see if you will get money from this proposed settlement, you first have to decide if you are a Class Member.

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

If you were an insured of NAIC and your vehicle was damaged while being driven by someone who was not a named insured on your policy and you were either charged an additional premium to “add” that driver to your policy or your property damage claim was reduced, you are part of the proposed settlement. If you received this notice, you are a class member since NAIC had the names and addresses of class members.

6. I’m still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call 1-800-256-1050 or visit www.naicsettlement.com for more information. Or you can fill out and return the claim form described in question 10, to see if you qualify.

THE PROPOSED SETTLEMENT BENEFITS—WHAT YOU GET

7. What does the proposed settlement provide?

NAIC has agreed to reimburse the additional premiums that were charged to “add” additional drivers to insurance policies after accidents. NAIC has also agreed to pay each class member \$2,000.00. The settlement also provides for payment of “incentive awards” to the class representatives. These incentive awards compensate the class representatives for bringing the suit. NAIC has also agreed to pay attorneys fees and some costs. Payment of the incentive awards, attorneys fees, and costs will not reduce the payment to class members.

8. How much will my payment be?

\$2,000.00 plus whatever amount you were charged to add the additional driver to your insurance policy.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

9. How can I get a payment?

To qualify for payment, you **must** send in a claim form. A claim form is attached to this Notice. You may also get a claim form on the internet at www.naicsettlement.com. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it postmarked no later than December 1, 2007.

11. When would I get my payment?

The Court will hold a hearing December 14, 2007 to decide whether to approve the proposed settlement. If Judge Ledet approves the proposed settlement after that, there may be appeals. It’s always uncertain whether these appeals can be resolved, and resolving them can take time,

perhaps more than a year. Everyone who sends in a claim form will be informed of the progress of the proposed settlement. Please be patient.

12. 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 sue, continue to sue, or be part of any other lawsuit against NAIC about the legal issues in *this* case. It also means that all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE PROPOSED SETTLEMENT

If you don't want a payment from this proposed settlement and you want to keep the right to sue or continue to sue NAIC, on your own, about the legal issues in this case, then you must take steps to get out. This is called excluding yourself—or is sometimes referred to as opting out of the Settlement Class.

13. How do I get out of the proposed settlement?

To exclude yourself from the proposed settlement, you must send a letter by mail saying that you want to be excluded. Be sure to include your name, address, telephone number, date of birth and your signature. You cannot ask for exclusion by phone or on the website. You must mail your exclusion request postmarked no later than **December 1, 2007** to:

Settlement Class Counsel
P.O. Box 1190
Alexandria, LA 71303

If you ask to be excluded, you will not get any settlement payment, and you cannot object to the proposed settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) NAIC for the claims made in this lawsuit

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

No. Unless you exclude yourself, you give up any right to sue NAIC for the claims that this proposed settlement resolves. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **December 1, 2007**.

15. If I exclude myself, can I get money from this proposed settlement?

No. If you exclude yourself, do not send in a claim form to ask for any money. But, you may sue, continue to sue, or be part of a different lawsuit against NAIC.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the following law firms to represent you and other Class Members:

Law Office of Warren "Chip" Forstall
Warren "Chip" Forstall
William E. Mura
320 N. Carrollton
Suite 200
New Orleans, LA. 70119

Neblett, Beard & Arsenault
J. R. Whaley
P.O. Box 1190
Alexandria, LA 71309-1190

Paul G. Moresi, III
111 S. State St.
Abbeville, LA 70511

These lawyers are called Class Counsel. Class Counsel will also ask for attorneys' fees and reimbursement of their costs. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers and other expenses be paid?

Class counsel will ask the Court to approve payment of \$200,000 to them for attorneys' fees. The attorneys' fees would pay Class Counsel for investigating the facts, litigating the case, and negotiating the proposed settlement. The Court may award less than the amounts requested. NAIC has agreed to pay the attorneys fees and to not to oppose the attorneys request for payment of these attorneys fees.

OBJECTING TO THE PROPOSED SETTLEMENT

You can tell the Court that you don't agree with the proposed settlement or some part of it.

18. How do I tell the Court that I don't like the proposed settlement?

If you're a Class Member, you can object to the proposed settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object. Be sure to include your name, address, telephone number, your signature, and the reasons you object to the proposed settlement, along with any information you want the Court to consider. Mail the objection to these three different places postmarked no later than **December 1, 2007**:

COURT	CLASS COUNSEL	DEFENSE COUNSEL
Clerk of the Court 402 Civil Courts Building 421 Loyola Ave. New Orleans, LA 70112	J. R. Whaley Neblett Beard & Arsenault P.O. Box 1190 Alexandria, LA. 71309	Ken Pickering Pickering & Cotogno 301 Magazine Street New Orleans, LA 70130

19. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you don't like something about the proposed 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 and you will not receive any payment from the proposed settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the proposed settlement. You may attend and you may ask to speak, but you don't have to.

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

The Court will hold a Fairness Hearing at 11:00 AM on December 14, 2007, at the Civil Courts Building, 421 Loyola Avenue, New Orleans, LA 70112. At this hearing the Court will consider whether the proposed settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Ledet will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel. After the hearing, the Court will decide whether to approve the proposed settlement. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Class Counsel will answer questions Judge Ledet may have. But you are welcome to come at your own expense. If you send in an objection as described in Question 18 above, you don't have to come to Court to talk about it. As long as you 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.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter saying that it is your "Notice of Intention to Appear." Be sure to include your name, address, telephone number, date of birth and your signature. You must also include the name of your attorney, if any, who will appear on your behalf. See other requirements in the Settlement Agreement. Your Notice of Intention to Appear must be postmarked no later than December 1, 2007, and be sent to the Clerk of the Court, Class Counsel, and Defense Counsel, at the three addresses listed in question 18. You cannot speak at the hearing if you excluded yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you'll get no money from this proposed settlement. But unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against National Automotive about the legal issues in this case, ever again.

GET MORE INFORMATION

24. How do I get more information?

This notice summarizes the proposed settlement. More details are in a Settlement Agreement. You can call 1-800-256-1050 toll free; write to NAIC Claims, P.O. Box 1190, Alexandria, LA 71309; or visit the website at www.naicsettlement.com, where you will find the Settlement Agreement, answers to common questions about the proposed settlement, a claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

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