

## **Farmers<sup>®</sup> and MetLife Auto & Home<sup>®</sup> Q&A:**

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### **POLICYHOLDER QUESTIONS:**

**Q: What will the impact be to current MetLife Auto & Home<sup>®</sup> policyholders who are transitioning to Farmers<sup>®</sup>?**

A: Since Farmers has acquired the entirety of the MetLife Auto & Home business, there will be nothing that current policyholders need to do as a result of the change in ownership. The existing policies will remain in-force consistent with current eligibility guidelines. Policyholders will receive a welcome letter from Farmers, with a notice that no changes to their existing policies are being made as a result of the transition, and that the company name of their insurer will be changed after regulatory approval of the new name. Policy documents including Farmers branding as applicable will be delivered once approved by regulators.

**Q: What is the timeline for employees' policies to transfer to Farmers paper?**

A: There is no intent to transfer the policies to Farmers paper. The same entities that issued those policies are now wholly owned subsidiaries of the Farmers Exchanges. Under the agreement and subject to regulatory approval, Farmers will rename those subsidiaries that include Metropolitan in their name. Farmers will also rebrand all policies to replace the MetLife brand with the Farmers brand.

**Q: Will current discounts continue? Will rates change? What happens to the multi-product discounts for policies?**

A: Since Farmers purchased the entities that write the MetLife Auto & Home business, which includes all rate and discount filings, there will be no immediate changes. The current policyholders will need to do nothing different. There will be no change to pricing or discounts in place for existing MetLife policies due to the transition (future changes will occur in the ordinary course of business). New policies will also be eligible for the same discounts available to current policyholders. Policyholders will receive a welcome letter from Farmers informing them that the terms of their existing MetLife policies will not be affected by the acquisition.

**Q: Is it possible that certain existing policyholders will lose their current coverage due to new risk tolerance, underwriting or coverage? Or, receive a rate increase? If yes, would this take place upon closing or after the original policy term?**

A: The intent of Farmers is zero disruption to this business. No customers will lose their current coverage as a result of this transaction. We believe Farmers has a similar, if not somewhat broader, tolerance for underwriting risk as MetLife. Since Farmers purchased the entities that write the MetLife Auto & Home business, which includes all rate and discount filings, there will be no changes to any MetLife policies during their current term. The product, underwriting and service people from MetLife Auto & Home who handled this business will continue to handle this business. New policies will also be subject to the same discounts available to current policyholders, with future changes occurring only in the ordinary course of business.

**Q: Will the claims process change for MetLife Auto & Home policyholders? What happens if someone was mid-claim upon close?**

A: The acquisition includes the entirety of the business and we do not anticipate any changes or disruptions in the claims process. Farmers takes pride in a commitment to provide a seamless customer experience throughout the claims process – leveraging technology and training to provide customers with options at every touchpoint so they can interact with Farmers whenever and wherever they choose. Additionally, Farmers acquired the whole business so claims that were previously handled by MetLife Auto & Home will, for the immediate future, continue to be handled by the former MetLife team.

**Q: Will the 800# and MyBenefits still be used now that the transaction has closed?**

A: Yes, the current 800#'s and MyBenefits group benefits website will direct employees to the Auto and Home business at Farmers.

#### **EMPLOYER / BROKER QUESTIONS:**

**Q: Will Farmers continue to participate in Broker Choice programs?**

A: Yes. Farmers wants to operate with as little disruption as possible after the close and the expectation is that Broker Choice offerings will continue to be important.

**Q: Will Farmers continue to participate in the MetLife Choice offering?**

A: Yes. Farmers wants to operate with as little disruption as possible after the close and the expectation is that this type of offering will continue to be important.

**Q: Will Farmers continue to write business in the Affinity channel?**

A: Yes. Farmers wants to operate with as little disruption as possible after the close and the expectation is that this business will continue to be an important segment of business at Farmers.

**Q: Will anything change for in-force customers as it relates to their payroll interface and eligibility file exchanges?**

A: Nothing will change in terms of program administration. The administration of payroll and eligibility files will continue as it has been done since MetLife will be handling the ongoing administration of payroll deductions and file transfers. The employees that manage the eligibility and payroll process will continue to be MetLife employees.

**Q: Will P&C agents still be available to attend onsite events for Group Accounts?**

A: One of the main reasons Farmers purchased this business was the exciting nature of the Group Accounts distribution channel. It is the goal of both MetLife and Farmers to do everything we can to serve Group Accounts and grow this business. If P&C agents are helpful to that mission, Farmers will make them available.

**Q: How will MetLife and Farmers address employee data security during this transition?**

A: MetLife and Farmers are committed to providing our respective customers with excellent service. Critical to this is protecting their personal data. MetLife will continue handling the ongoing administration of payroll deductions and file transfers; therefore, the administration of payroll and eligibility files will continue as it is done today, handled by MetLife employees. Prior to the transfer of any data outside of MetLife and into the Farmers IT infrastructure, both companies will work together to understand the data security protocols required for the group P&C business and to ensure these requirements are met and any changes are delivered seamlessly.

**Q: How does the Farmers privacy policy compare to the MetLife privacy policy?**

A: MetLife and Farmers are aligned in their commitment to a high standard of care and protection of data privacy, which employers, employees and brokers have come to expect when it involves the handling of personal information. To ensure that data management and governance processes will remain consistent with the standards set by MetLife for employees and customers, MetLife and Farmers have collaborated to carefully review the privacy policies of both organizations. We have focused on all aspects of privacy policy coverage, from the privacy principles shared by the organizations, to the alignment in programs that include privacy risk management (comprised of three levels of defense), privacy risk with third party data processing, privacy training, information lifecycle management, personal data incident management and data subject rights management, among others. The companies are committed to ensuring that personal information of customers and their employees will be handled with a seamless high standard of care shared by both organizations.

**MARKETING AND BRANDING:**

**Q. Are you changing any of the current marketing materials that go to employees?**

A. Now that regulatory approval for name changes is being given, Farmers will work with the MetLife communications teams to begin to introduce the Farmers brand into all future communications and marketing efforts. However, in the interim, until rebranding has occurred and in an effort to be transparent to employees, a buck slip and/or updated disclaimer will be included on marketing materials to explain that MetLife Auto & Home is now a business owned by the Farmers Insurance Group®.

**Q: Can you provide a timeline on when the marketing and communication materials will include the new Farmers branding?**

A: This will be a two-step process. Now that the transaction has closed, the business will continue to use the MetLife® name for a short period of time and will include additional language to make it clear that this is a Farmers-owned business. The Farmers brand will be phased into all communications and marketing materials beginning immediately. These new marketing materials will be shared and reviewed with employers and brokers in a manner similar to the current creative approval process. Following the receipt of all regulatory name approvals, expected in the summer of 2021, the names of the insuring entities that include “Metropolitan” will be updated to include “Farmers.” At that time, all policy documents and communications will be updated to incorporate the new Farmers specific insuring entity names. During this transition to Farmers branding, all approved co-branded mailings to eligible employees will include either a disclaimer or a buck slip to educate employees about the transition to Farmers. A sample of the transition disclaimer language follows:

*“The Farmers Insurance Group® (Farmers®) has acquired the MetLife Auto & Home® business from MetLife, Inc. (MetLife). Therefore, MetLife is no longer affiliated with MetLife Auto & Home and is not responsible for any of MetLife Auto & Home’s activities.”*

**Q: Direct mail has been a staple in driving participation; however, with Farmers digital capabilities, what advantages could brokers, customers and employees see? What level and types of additional marketing materials, supplemental to co-branded direct mail, will Farmers look to implement and when?**

A: The marketing teams from MetLife and Farmers are now able to collaborate and build augmented marketing plans. These newly updated marketing plans will be shared and reviewed with employers and brokers in a manner similar to the current communications plan approval process.

**FARMERS SPECIFIC QUESTIONS:**

**Q: What is the Farmers AM Best rating and the AM Best rating of the entity these policies will be written under?**

A: The Farmers Exchanges have an AM Best Financial strength rating of A, which is also Metropolitan Property and Casualty Insurance Company's current rating.

**Q: Please provide an overview of the structure of Farmers and the entity where this business will be written.**

A: The Farmers Insurance Group<sup>®</sup> is organized as a reciprocal insurance structure. Under the reciprocal structure, there are both insuring entities *and* an attorney-in-fact that provides non-claims administrative and management services to the insuring entities. Within Farmers, the insuring entities are three Insurance Exchanges (Farmers Insurance Exchange, Fire Insurance Exchange and Truck Insurance Exchange). The Exchanges are owned by their policyholders, not unlike a mutual structure. The Exchanges also own various subsidiaries that operate under various brands including Farmers, Foremost<sup>®</sup> and Bristol West<sup>®</sup>. The Metropolitan Property and Casualty Insurance Company and its subsidiaries (collectively MPC) are now additional subsidiaries of the Farmers Exchanges. The Exchanges – by themselves and through their subsidiaries (now including MPC) – assume the underwriting risk and claims handling responsibilities for all of the Group's property and casualty policies. The Exchanges also own the Farmers brand and distribution assets. Farmers Group, Inc. (FGI) serves as the attorney-in-fact for the Exchanges. In that capacity FGI provides all of the Farmers insuring entities (now including MPC) with all non-claims administrative and management services. FGI is a wholly owned subsidiary of the Zurich Insurance Group, based in Zurich Switzerland.