

PRIVACY NOTICE

21st Century Insurance, general agent for Old American County Mutual Fire Insurance Company, recognizes the importance of respecting the privacy of its policyholders. We want to make sure that you know the steps we take to protect the privacy of the customer information we collect and, in some cases, share.

We encourage you to read the following information about how we collect, disclose and protect your information. No action is required on your part.

1. What information do we collect?

We collect the information we need to underwrite and to rate your policy. This information also helps us to keep up and improve customer service and claims handling practices for our policyholders.

We gather nonpublic personal information about you. Most of this comes from you when you request a quotation of rates, when you send us an application or when you make policy changes, claims, from your visits to farmers.com, 21st.com or other websites we operate, use of our mobile sites and application, use of our social media sites, and your interaction with our online advertisements, or interact with us in other ways. Information is also obtained from credit reporting agencies, motor vehicle departments, claim history reporting agencies and other third parties.

The information we collect may include your name, address, birth date, phone number, e-mail address and drivers license number. It may also include the following:

- claims history
- violation history
- information about vehicle operators
- mortgages, lien/lease holders
- vehicle and property information
- credit card information
- credit report information
- occupation
- whether you own or rent your home

2. How do we use collected information?

The information we gather helps us identify you and carry on our relationship with you. It also helps us to develop products and services that meet your needs, offer you reliable rates and provide you with excellent customer service. We obtain and use this information only in accordance with state and federal laws. We do not sell your information to other companies for any reason. We use your information only for administrative reasons, to service your policy and as described in this Notice.

3. What information do we disclose?

A. In some instances we share information with affiliates and unaffiliated third parties for the purpose of servicing your insurance needs. For example, information about our policyholders such as name, address, telephone number, policy number and coverages is shared with service providers so they may render specific services. These are services such as inspections and appraisals after a claim and marketing our insurance products. We also disclose information so these parties may perform business services for us. Any other disclosure of information is done only as permitted or required by law.

We contribute to several insurance databases of reported claims and additional driver information to help to prevent fraud. In some cases, we give information to organizations conducting actuarial studies. On occasion, we also disclose information to companies that perform research and marketing services for us.

Your personal medical information will not be shared for any purpose other than to handle a claim. If we intend to share medical information, we will tell you when the information is collected. Of course, medical information about you may be shared when you have given your consent.

B. Under certain conditions, we may share information we have collected with financial institutions such as banks and other insurance companies with whom we have joint marketing agreements. We make sure that these companies agree to respect your privacy and protect your information.

Because the disclosures described above are permitted, there is no need to offer an opt-out.

4. What security procedures are used?

We have physical, electronic and procedural safeguards in place to guard against unauthorized access, disclosure or use of your information.

This system also protects your information from accidental loss, alteration or destruction. Our offices are protected by professional security guards and we have taken steps to eliminate illegal access to our computer systems. We permit only staff, trained in the proper handling of policyholder information, to have access to that information.

We choose only companies as our business partners that agree to support our commitment to privacy protection in their handling of personal data about our policyholders. We require service providers and others to keep your information strictly confidential and to use the information solely on our behalf and as directed by us. We also require them to protect this information as we would.

This Privacy Policy relates only to policyholders who have purchased, through direct marketing methods, personal insurance such as private passenger automobile insurance.

USE OF CREDIT INFORMATION DISCLOSURE

Insurer's Name:

Address: 3 Beaver Valley Road
Wilmington, DE 19803

Telephone Number (toll free if available): 1-877-307-1823

We **will** **will not** (choose one) obtain and use credit information on you or any other member(s) of your household as a part of the insurance credit scoring process.

If you have questions regarding this disclosure, contact the insurer at the above address or phone number. For information or other questions, contact the Texas Department of Insurance at 1-800-252-3439 or P.O. Box 149091, Austin, Texas 78714.

Article 21.49-2U, Sec. 7(d), of the Texas Insurance Code requires an insurer or its agents to disclose to its customers whether credit information will be obtained on the applicant or insured or on any other member(s) of the applicant's or insured's household and used as part of the insurance credit scoring process.

If credit information is obtained or used on the applicant or insured or on any member of the applicant's or insured's household, the insurer shall disclose to the applicant the name of each person on whom credit information was obtained or used and how each person's credit information was used to underwrite or rate the policy. An insurer may provide this information with this disclosure or in a separate notice.

Adverse effect means an action taken by an insurer in connection with the underwriting of insurance for a consumer that results in the denial of coverage, the cancellation or nonrenewal of coverage, or the offer to and acceptance by a consumer of a policy form, premium rate, or deductible other than the policy form, premium rate, or deductible for which the consumer specifically applied.

Credit information is any credit related information derived from a credit report itself, or provided in an application for personal insurance. The term does not include information that is not credit-related, regardless of whether the information is contained in a credit report or in an application for insurance coverage or is used to compute a credit score.

Credit score or insurance score is a number or rating derived from a mathematical formula, computer application, model, or other process that is based on credit information and used to predict the future insurance loss exposure of a consumer.

SUMMARY OF CONSUMER PROTECTIONS CONTAINED IN ARTICLE 21.42-2U

PROHIBITED USE OF CREDIT INFORMATION. An insurer may not:

- (1) use a credit score that is computed using factors that constitute unfair discrimination;
- (2) deny, cancel, or nonrenew a policy of personal insurance solely on the bases of credit information without consideration of any other applicable underwriting factor independent of credit information; or
- (3) take an action that results in an adverse effect against a consumer because the consumer does not have a credit card account without consideration of any other applicable factor independent of credit information.

An insurer may not consider an absence of credit information or an inability to determine credit information for an applicant for insurance coverage or insured as a factor in underwriting or rating an insurance policy unless the insurer:

- (1) has statistical, actuarial, or reasonable underwriting information that: (A) is reasonably related to actual or anticipated loss experience; and (B) shows that the absence of credit information could result in actual or anticipated loss differences;
- (2) treats the consumer as if the applicant for insurance coverage or insured had neutral credit information, as defined by the insurer, or
- (3) excludes the use of credit information as a factor in underwriting and uses only other underwriting criteria.

NEGATIVE FACTORS. An insurer may not use any of the following as a negative factor in any credit scoring methodology or in reviewing credit information to underwrite or rate a policy of personal insurance:

- (1) a credit inquiry that is not initiated by the consumer;
- (2) an inquiry relating to insurance coverage, if so identified on a consumer's credit report
- (3) a collection account with a medical industry code, if so identified on the consumer's credit report.

Multiple lender inquiries made within 30 days of a prior inquiry, if coded by the consumer reporting agency on the consumer's credit report as from the home mortgage or motor vehicle lending industry, shall be considered by an insurer as only one inquiry.

EFFECT OF EXTRAORDINARY EVENTS. An insurer shall, on written request from an applicant for insurance coverage or an insured, provide reasonable exceptions to the insurer's rates, rating classifications, or underwriting rules for a consumer whose credit information has been directly influenced by a catastrophic illness or injury, by the death of a spouse, child, or parent, by temporary loss of employment, by divorce, or by identity theft. In such a case, the insurer may consider only credit information not affected by the event or shall assign a neutral credit score.

An insurer may require reasonable written and independently verifiable documentation of the event and the effect of the event on the person's credit before granting an exception. An insurer is not required to consider repeated events or events the insurer reconsidered previously as an extraordinary event.

An insurer may also consider granting an exception to an applicant for insurance coverage or an insured for an extraordinary event not listed in this section. An insurer is not out of compliance with any law or rule relating to underwriting, rating, or rate filing as a result of granting an exception under this article.

NOTICE OF ACTION RESULTING IN ADVERSE EFFECT. If an insurer takes an action resulting in an adverse effect with respect to an applicant for insurance coverage or insured based in whole or in part on information contained in a credit report, the insurer must provide to the applicant or insured within 30 days certain information regarding how an applicant or insured may verify and dispute information contained in a credit report.

DISPUTE RESOLUTION; ERROR CORRECTION. If it is determined through the dispute resolution process established under Section 611(a)(5), Fair Credit Reporting Act (15 U.S.C Section 1681i), as amended, that the credit information of a current insured was inaccurate or incomplete or could not be verified and the insurer receives notice of that determination from the consumer reporting agency or from the insured, the insurer shall re-underwrite and re-rate the insured not later than the 30th day after the date of receipt of the notice.

After re-underwriting or re-rating the insured, the insurer shall make any adjustments necessary within 30 days, consistent with the insurer's underwriting and rating guidelines. If an insurer determines that the insured has overpaid premium, the insurer shall credit the amount of overpayment. The insurer shall compute the overpayment back to the shorter of the last 12 months of coverage; or the actual pay period.