

## If your private information was impacted by Builders Mutual’s data incident on December 14, 2022, you may be entitled to benefits from a class action settlement.

*A federal court authorized this Notice. This is not a solicitation from a lawyer.*

- A Settlement has been proposed in a class action lawsuit against Builders Mutual Insurance Company and Builders Mutual Insurance Company, Inc. (“Builders Mutual” or “Defendants”). The lawsuit arises from the data incident affecting Builders Mutual on December 14, 2022 (“Data Incident”) where the computer systems of Builders Mutual were allegedly subject to unauthorized access. This Data Incident allegedly exposed certain private information of Builders Mutual’s stakeholders, customers, employees of policyholders, current and former employees, and claimants. Builders Mutual denies all liability.
- Builder Mutual’s records indicate that you are included in the Settlement. The Settlement includes all individuals residing in the United States whose Private Information was compromised in the Data Incident that occurred in December 2022 (the “Settlement Class Members”).
- The Settlement provides Settlement Class Members with their choice of:
  - o (1) three years of credit monitoring services, compensation for unreimbursed economic losses (up to \$10,000), and compensation for lost time (up to 6 hours at \$25 per hour for a total of \$150);
  - o ***OR*** (2) an estimated \$100 cash payment.
- Your legal rights are affected regardless of whether you act or don’t act. Read this notice carefully.

Your Legal Rights and Options in this Settlement	
<b>Submit a Claim Form</b>	This is the only way you can get benefits from this Settlement.
<b>Exclude Yourself from the Settlement</b>	Do not get a settlement benefit. This is the only option that allows you to be part of any other lawsuit against the Defendants for the legal claims made in this case and released by the Settlement.
<b>Object to the Settlement</b>	Write to the Court with reasons why you do not agree with the Settlement.
<b>Go to the Final Fairness Hearing</b>	You may ask the Court for permission for you or your attorney to speak about your objection at the Final Fairness Hearing.
<b>Do Nothing</b>	If you do nothing, then you will <b><i>not</i></b> get benefits from this Settlement and you will give up certain legal rights.

- These rights and options—and the deadlines to exercise them—are explained in this Notice. For complete details, view the Settlement Agreement, available at [www.BuildersMutualDataBreach.com](http://www.BuildersMutualDataBreach.com).
- The Court in charge of this case still has to decide whether to approve the Settlement. If the Court denies final approval, the Settlement will be null and void and the litigation will continue with the Defendants.

**QUESTIONS? CALL 1-877-558-9511 TOLL-FREE OR VISIT [WWW.BUILDERSMUTUALDATABREACH.COM](http://WWW.BUILDERSMUTUALDATABREACH.COM)**

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## **BASIC INFORMATION**

### **1. Why is this Notice being provided?**

The Court directed that this Notice be provided because you have a right to know about a proposed settlement that has been reached in this class action lawsuit and about all of your options before the Court decides whether to grant final approval to the Settlement. If the Court approves the Settlement, and after objections or appeals, if any, are resolved, the Settlement Administrator appointed by the Court will distribute the benefits that the Settlement allows. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of this case is the United States District Court for the Eastern District of North Carolina. The case is known as *In re: Builders Mutual Data Security Incident Litigation, Case No. 5:23-CV-579-M-KS* (E.D. N.C. 2023) (the “Action”). The people who filed the lawsuit are called Plaintiffs. And the companies sued (Builders Mutual Insurance Company and Builders Mutual Insurance Company, Inc.) are called the Defendants.

### **2. What is this lawsuit about?**

Plaintiffs claim that Builders Mutual was hacked on December 14, 2022 (the “Data Incident”). Plaintiffs claim that this hacking exposed certain personally identifiable information (“PII”) and protected health information (“PHI”)—including, names, Social Security numbers, dates of birth, medical information, health insurance information, and worker’s compensation information provided in connection with employment — of Builders Mutual’s stakeholders, customers, employees of policyholders, current and former employees, and claimants.

Builders Mutual has denied and continues to deny all of the claims made in the Action, as well as all charges of wrongdoing or liability against them.

### **3. What is a class action?**

In a class action, one or more people called Class Representatives (in this case, Matthew Kocher, Mark Rogolino, and James Jackson) sue on behalf of people who have similar claims. Together, all these people are called a Class or Class Members. One Court resolves the issues for all Class Members, except for those who exclude themselves from the Settlement Class.

### **4. Why is there a settlement?**

The Court did not decide in favor of the Plaintiffs or the Defendants. Instead, the Plaintiffs and Defendants negotiated a settlement that allows them to avoid the risks and costs of lengthy and uncertain litigation and the uncertainty of a trial and appeals. It also allows Settlement Class Members to be compensated without further delay. The Class Representatives and their attorneys think the Settlement is best for all Settlement Class Members.

## **WHO IS INCLUDED IN THE SETTLEMENT?**

### **5. How do I know if I am part of the Settlement?**

You are part of this Settlement as a Settlement Class Member if you reside in the United States and your Private Information was compromised in the Builders Mutual Data Security Incident that occurred in December 2022.

### **6. Are there exceptions to being included in the Settlement?**

Yes. Excluded from the Settlement are: (1) the judges presiding over this Action, and members of their direct families; (2) the Defendants, their subsidiaries, parent companies, successors, predecessors, and any entity in which the Defendants or their parents have a controlling interest and their current or former officers and directors; and (3) Settlement Class Members who submit a valid Request for Exclusion prior to the Opt-Out Deadline.

## 7. I am still not sure if I am included.

If you are still not sure whether you are included, you can call 1-877-558-9511 or visit [www.BuildersMutualDataBreach.com](http://www.BuildersMutualDataBreach.com) for more information.

## THE SETTLEMENT BENEFITS—WHAT YOU GET IF YOU QUALIFY

### 8. What does the Settlement provide?

The Settlement provides Settlement Class Members with their choice of:

- (1) three years of credit monitoring services, compensation for unreimbursed economic losses (up to \$10,000), and compensation for lost time (up to 6 hours at \$25 per hour, up to \$150);
- **OR** (2) an estimated \$100 cash payment.

Builders Mutual has agreed to pay a total of \$1,475,000 into a Settlement Fund. After deducting the costs of notice and settlement administration, Court-approved attorneys' fees, costs and expenses, and Class Representative service awards, the net Settlement Fund will be used to pay Settlement Class Members who submit a valid Claim Form.

### 9. Tell me about the Credit Monitoring Services and Compensation.

Each Settlement Class Member who submits a valid Claim Form and opts to receive credit monitoring services will receive a three-year subscription that will include one-bureau credit monitoring, dark web monitoring, real-time inquiry alerts, and \$1,000,000 in identity theft insurance, among other features.

In addition to Credit Monitoring Services, Settlement Class Members are eligible to receive compensation for unreimbursed economic losses and for lost time.

- Unreimbursed Economic Losses are out-of-pocket costs related to fraud and identity theft, professional fees including attorneys' fees, accountants' fees, and fees for credit repair services; costs associated with freezing or unfreezing credit with any credit reporting agency; credit monitoring costs that were incurred on or after the Data Incident through the date of claim submission; and miscellaneous expenses such as notary, fax, postage, copying, mileage, and long-distance telephone charges that are fairly traceable to the Data Breach and have not already been reimbursed by a third party. Settlement Class Members who submit a valid Claim Form with documentation, such as receipts, showing unreimbursed economic losses may receive up to \$10,000.
- Lost Time is time spent remediating issues related to the Data Incident. Settlement Class Members who submit a valid Claim Form are eligible to receive up to 6 hours of lost time, at \$25.00/hour (up to \$150).

### 10. Tell me about the cash option.

Each Settlement Class Member who submits a valid Claim Form and selects the cash option will receive an *estimated* \$100 payment from the Settlement Fund. This cash option, also called an "Alternative Cash Payment," may be selected instead of the credit monitoring and compensation described above. The amount of the Alternative Cash Payments will be increased or decreased on a pro rata basis depending upon the number of valid claims filed and the amount of funds available for these payments. This means that Settlement Class Members who select this option may receive more or less than the estimated \$100.

## HOW TO GET BENEFITS—SUBMITTING A CLAIM FORM

### 11. How do I get a settlement benefit?

To qualify for a settlement benefit, you must complete and submit a Claim Form by **January 8, 2025**. Claim Forms are available and may be filed online at [www.BuildersMutualDataBreach.com](http://www.BuildersMutualDataBreach.com). Claim Forms are also available by calling 1-877-558-9511 or by writing to: *In re: Builders Mutual Data Security Incident Litigation* Settlement Administrator, P.O. Box 3259, Portland, OR 97208-3259.

**QUESTIONS? CALL 1-877-558-9511 TOLL-FREE OR VISIT [WWW.BUILDERSMUTUALDATABREACH.COM](http://WWW.BUILDERSMUTUALDATABREACH.COM)**

## 12. When will I get my Settlement benefit?

The Court will hold a Final Fairness Hearing at 10:30 a.m. on January 17, 2025, at Courtroom 1 at the Alton Lennon Federal Courthouse, 2 Princess Street, Wilmington, NC 28401 to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals. It is always uncertain whether any appeals can be resolved favorably, and resolving them can take time, perhaps more than a year.

## 13. What am I giving up to get a settlement benefit or stay in the Settlement?

Unless you exclude yourself from the Settlement, you will release certain legal claims as they relate to the Settlement. This means that you will no longer be able to sue, continue to sue, or be part of any other lawsuit against Builders Mutual and the Released Parties about the claims made in this Action and released by the Settlement Agreement. You will be legally bound by all of the Court's orders, as well as the "Released Claims," below.

## 14. What are the Released Claims?

"Released Claims" mean any and all past, present, and future liabilities, rights, claims, counterclaims, actions, causes of action, demands, damages, penalties, costs, attorneys' fees, losses, and remedies, whether known or unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated, legal, statutory, or equitable, that result from, arise out of, are based upon, including, but not limited to negligence, negligence *per se*, breach of implied contract, breach of the implied covenant of good faith and fair dealing, breach of third-party beneficiary contract, unjust enrichment, breach of fiduciary duty, any state or federal consumer protection statute, misrepresentation (whether fraudulent, negligent, or innocent), bailment, wantonness, failure to provide adequate notice pursuant to any breach notification statute, regulation, or common law duty, and all relevant statutes in effect in any states in the United States as defined herein, and including, but not limited to, any and all claims for damages, injunctive relief, disgorgement, declaratory relief, equitable relief, attorneys' fees, costs and expenses, set-offs, losses, pre-judgment interest, credit monitoring services, the creation of a fund for future damages, statutory damages, punitive damages, special damages, exemplary damages, restitution, the appointment of a receiver, and any other form of relief that either has been asserted, or could have been asserted, or relate to the exposure of Private Information in the Data Incident, including conduct that was alleged or could have been alleged in the Lawsuit, without limitation, any claims, actions, causes of action, demands, damages, penalties, losses, or remedies relating to, based upon, resulting from, or arising out of the disclosure of Private Information, which the Class Representatives or any member of the Settlement Class ever had, now has, or hereinafter may have, prior to entry of the final order and judgment in this Action. Released Claims shall not include the right of Named Plaintiffs, Settlement Class Members, or any Released Person to enforce the terms of the Settlement Agreement and claims not arising from the facts alleged in the Action.

## EXCLUDING YOURSELF FROM THE SETTLEMENT

## 15. How do I get out of the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from the Settlement in *In re: Builders Mutual Data Security Incident Litigation, Case No. 5:23-CV-579* (E.D.N.C. 2023). Your letter must also include your full name, current address, personal signature, and a statement such as "Request for Exclusion" indicating you do not wish to participate in the Settlement or you want to opt-out of the Settlement. Each request for exclusion must request exclusion only for that one individual whose personal signature appears on the request. You must mail your exclusion request, postmarked no later than **December 9, 2024**, to:

*In re: Builders Mutual Data Security Incident Litigation*, Settlement Administrator  
P.O. Box 3259  
Portland, OR 97208-3259

## 16. If I exclude myself, can I still get a benefit from the Settlement?

No. If you exclude yourself from the Settlement, do not send in a Claim Form to ask for a settlement benefit because you will no longer be eligible for one.

## 17. If I do not exclude myself, can I sue the Defendants for the same thing later?

No. If you stay in the Settlement (*i.e.*, do nothing or do not exclude yourself from the Settlement), you give up any right to separately sue the Defendants for the claims released by the Settlement Agreement.

## THE LAWYERS REPRESENTING YOU

## 18. Do I have a lawyer in this case?

Yes. The Court appointed Raina C. Borrelli of Strauss Borrelli PLLC, Tyler Bean of Siri & Glimstad LLP, and Daniel Srourian of Srourian Law Firm P.C. to represent you and other Settlement Class Members as Class Counsel. Class Counsel is experienced in handling similar cases. You will not be charged for this lawyer. If you want to be represented by your own lawyer, you may hire one at your own expense.

## 19. How will Class Counsel be paid?

If the Settlement is approved and becomes final, Class Counsel will ask the Court to award attorneys' fees in the amount of \$491,617.50, plus litigation expenses up to \$25,000, as well as \$5,000 Service Awards to each of the three Class Representatives. If approved, these amounts, as well as the costs of notice and settlement administration, will be deducted from the Settlement Fund before making payments to Settlement Class Members who submit a valid Claim Form.

## OBJECTING TO THE SETTLEMENT

## 20. How do I tell the Court that I do not like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like it or a portion of it. You can give reasons why you think the Court should not approve the Settlement. The Court will consider your views before making a decision. To object, you must file a written objection with the Court by **December 9, 2024**.

Your objection must include:

- 1) the name of the case (*In re: Builders Mutual Data Security Incident Litigation, Case No. 5:23-CV-579* (E.D.N.C. 2023));
- 2) your full name, current address, and telephone number;
- 3) the reasons why you object to the Settlement, including any documents supporting your objection and a description of whether the objection applies only to yourself, a subset of the Settlement Class, or the entire Settlement Class;
- 4) a statement indicating whether you or your attorney intend to appear at the Final Approval Hearing;
- 5) a description and/or copies of evidence that may be introduced at the Final Approval Hearing;
- 6) a list of proceedings in which the Settlement Class Member has submitted an objection during the past five years; and
- 7) your signature or the signature of your attorney.

Your objection must be mailed to the Clerk of the United States District Court for the Eastern District of North Carolina, United States Courthouse, Peter A. Moore, Jr., Clerk of Court, PO Box 25670, Raleigh, NC 27611 by **December 9, 2024**.

## 21. What is the difference between objecting to and excluding myself from the Settlement?

Objecting is telling the Court that you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Class in this Settlement. If you exclude yourself from the Settlement, you have no basis to object or file a claim because the Settlement no longer applies to you.

## THE COURT'S FINAL FAIRNESS HEARING

### **22. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Final Fairness Hearing at 10:30 a.m. on January 17, 2025, at Courtroom 1 at the Alton Lennon Federal Courthouse, 2 Princess Street, Wilmington, NC 28401. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will take into consideration any properly-filed written objections and may also listen to people who have asked to speak at the hearing (*see* Question 20). The Court will also decide whether to approve payments of fees, expenses, and service awards.

### **23. Do I have to come to the Final Fairness Hearing?**

No. Class Counsel will answer any questions the Court may have. But, you are welcome to come at your own expense. If you file an objection, you do not have to come to Court to talk about it. You may also hire your own lawyer to attend, at your own expense, but you are not required to do so.

### **24. May I speak at the Final Fairness Hearing?**

Yes, you may ask the Court for permission to speak at the Final Fairness Hearing. To do so, you must follow the instructions provided in Question 20 above. You cannot speak at the hearing if you exclude yourself from the Settlement.

## IF YOU DO NOTHING

### **25. What happens if I do nothing?**

If you do nothing, you will not receive any benefits from this Settlement. If the Court approves the Settlement, you will be bound by the Settlement Agreement and Release. This means you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants or the Released Parties about the issues resolved by this Settlement and released by the Settlement Agreement.

## GETTING MORE INFORMATION

### **26. How do I get more information?**

More details are in the Settlement Agreement, which is available at [www.BuildersMutualDataBreach.com](http://www.BuildersMutualDataBreach.com). You may also call 1-877-558-9511 or write to *In re: Builders Mutual Data Security Incident Litigation* Settlement Administrator, P.O. Box 3259, Portland, OR 97208-3259.

***Please do not call the Court or the Clerk of the Court for additional information.  
They cannot answer any questions regarding the Settlement or the Lawsuit.***