

ANSWERS TO COMMON QUESTIONS REGARDING THE MULTIPLE PERIL INSURANCE POLICY

1. What has happened to my insurance coverage?

For the last six years, peanut farmers were provided a price support system to protect the farmers from violent swings in prices. Farmers also could obtain crop insurance to insure against different perils including adverse weather conditions. Each year for the past six years, farmers would begin contract negotiations in the preceding year before planting their crops. Relying upon the price support system as well as insurance coverage, peanut farmers entered into leases, bank loan agreements and other contracts with third parties. The farmers were assuming they would receive price support and insurance coverage of 31¢ per pound.

The deadline for making changes to the insurance policy ended in February and March of 2002. The farmers were still operating under the assumption that they would have coverage of at least 31¢ per pound. On or about May 13, 2002, a farm bill was passed which significantly reduced payment for the Year 2002 crop of peanuts. As part of that bill, Congress adjusted the crop insurance policy for peanuts from 31¢ per pound to 17.75¢ per pound. They justified this adjustment under the procedures issued by the Federal Crop Insurance Corporation.

2. How does this affect me?

The growing area has suffered one of the most significant droughts in recent history. As a result, many farmers believe they will lose a substantial portion of their crop. Because the price support system has been cancelled and because the insurance policies have been dropped from the 31¢ per pound coverage, farmers face significant losses for the Year 2002 crop.

3. Can I challenge the action taken by the Government?

Yes. The Law Firm of Boyce & Isley has researched the matter and believes there is a valid claim for breach of the insurance contract. They are prepared to file a lawsuit challenging the Government's action. They may also look into the validity of dropping the price support system after the start of the growing season.

4. If I want to fight the Government, what is the most economical way of preserving my claim?

The Law Firm of Boyce & Isley has agreed to handle this case at a minimal upfront cost. Each farmer participating in this case will be required to submit \$1.00 per acre of peanut acres planted and insured. The case will be handled as a contingency fee case and no additional costs will be incurred by any individual farmer.

5. What do I need to do if I want to participate in this legal action?

1. Gather any documents relating to insurance for Year 2002 crop.
2. Gather any documents such as leases, bank loans or other contracts that you entered based upon your belief that you would be receiving 31¢ per pound in price support and insurance protection of 31¢ per pound.
3. Fill out the enclosed form and send it along with a check of \$1.00 per acre of peanuts planted and insured in the enclosed, self-addressed enveloped.

6. What do I do if I do not want to participate?

If you do not join in this lawsuit, you may waive certain claims or rights against the Government unless you hire your own attorney to file a separate claim challenging the Government's right to reduce the insurance coverage to 17¢ per pound. However, if you are satisfied with the 17¢ per pound coverage, you do not have to do anything.

7. Will I be kept advised of the progress in this case?

Yes. Depending on how the lawsuit is pursued, you will be advised either by telephone, mail or notification in local newspapers as to the progress of this case.

8. What do I do about settling my claim once I have determined the loss?

DO NOT sign any settlement papers waiving any right to future reimbursement for the Year 2002 peanut crop until further notice from the attorneys.