

## Outstanding US Law-Governed USD Instruments Reset Rate Transitioned to Term SOFR

WOODLAND HILLS, Calif., Sept. 4, 2025 /PRNewswire/ -- Farmers Insurance Exchange (the "Farmers Exchange") today announced the following:

In October, 2017, Farmers Exchange issued \$400 million aggregate principal amount of 4.747% Surplus Notes due November 1, 2057 (the "**2057 Notes**"), pursuant to the Fiscal Agency Agreement, dated October 16, 2017 ("**Fiscal Agency Agreement**"), between Farmers Exchange and The Bank of New York Mellon Trust Company, N.A. (the "**Fiscal Agent**").

Under the terms of the 2057 Notes and the Fiscal Agency Agreement, Farmers Exchange has the right to call (or pay in full) the 2057 Notes on November 1, 2037, and if it does not call the 2057 Notes, the 2057 Notes will change from the fixed rate of the coupon (4.747%) to a LIBOR-based floating rate and continue through the 2057 maturity date (the "**Reset Rate**"). Because LIBOR is no longer available pursuant to the Adjustable Interest Rate (LIBOR) Act (the "**LIBOR Act**"), which was enacted by Congress on March 15, 2022, the fall back Reset Rate as defined in the 2057 Notes and Fiscal Agency Agreement is a fixed interest rate of 4.747% per annum.

On August 29, 2024, Farmers Exchange, along with Truck Insurance Exchange and Fire Insurance Exchange (collectively, the "**Exchanges**"), issued a press release to provide notice that pursuant to LIBOR Act, the Three-Month USD LIBOR rate in each series of the Exchanges' 6.151% Trust Surplus Notes Securities due 2053 (the "**2053 Notes**") and 5.454% Trust Surplus Notes Securities due 2054 (the "**2054 Notes**") would be replaced with the CME Term SOFR Reference Rate published for the three-month tenor corresponding to the relevant USD LIBOR rate as administered by CME Group Benchmark Administration, Ltd. (or any successor administrator thereof) ("**Term SOFR**") plus a tenor spread adjustment.

On September 4, 2025, in response to request by certain noteholders of the 2057 Notes, Farmers Exchange and the Fiscal Agent executed an amendment to the Fiscal Agency Agreement (the "**Amendment No.1**"), which amends the prior Reset Rate of the 2057 Notes to be a floating rate based on Term SOFR with a floor interest rate of 4.747% per annum. The Amendment No.1 harmonizes the Reset Rate with the changes made to the 2053 Notes and 2054 Notes. The Amendment No.1 was executed pursuant to the terms of Fiscal Agency Agreement, and the noteholders' consent was not required.

This press release applies only to the 2057 Notes.

*The 2057 Notes have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities law and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the Securities Act and applicable state securities laws. The 2057 Notes were offered in the United States only to qualified institutional buyers in accordance with Rule 144A under the Securities Act and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act.*

### About Farmers Insurance Exchange

"Farmers Insurance®" and "Farmers®" are tradenames for a group of insurers providing insurance for automobiles, homes, small businesses and a wide range of other insurance and financial services products. For more information about Farmers Insurance, visit [Farmers.com](https://farmers.com) or follow Farmers on Twitter @WeAreFarmers, on Instagram @WeAreFarmers and Facebook.com/FarmersInsurance.

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