

# NORTH STAR INSURANCE COMPANIES

## MINNESOTA SURCHARGE DISCLOSURE STATEMENT

In accordance with Minnesota law, we are providing you with an explanation of our Safe Driver Insurance Plan, under which your policy has been rated, and the Plan's effect on your automobile rate in the event of a chargeable accident(s) and/or conviction(s).

### **SAFE DRIVER INSURANCE PLAN** (Effective date of Plan = 5-1-2017)

The Safe Driver Insurance Plan (hereinafter referred to as SDIP) uses past experience (accidents and convictions) as part of the determination of your premium cost. The Plan uses a point system with points assigned for chargeable accidents and/or convictions. The system gives the lowest premium to drivers without points. Higher premiums are charged for drivers based upon the number of points accumulated during the experience period. The experience period is the preceding 36 months prior to the effective date of the policy term. Premiums for the following coverages are affected: Liability, Personal Injury Protection, Additional Personal Injury Protection, and Coverage for Damage to Your Auto. The uninsured/underinsured motorist coverages are not subject to points under the Safe Driver Insurance Plan.

### **DRIVING RECORD POINTS**

**Autos will be rated on the basis of: (1) the primary factors for the highest rated operator, and (2) the accident or violation records of all operators. Loss of a discount may occur as the result of an accident or conviction.** Points will not be assigned for both accidents and violations which are incurred through the same incident. The points assigned under such circumstances shall be for either the accident or violation, whichever is greater. Surcharges will begin at initial policy issuance for new business and at the first renewal after the incident for existing business.

### **CONVICTIONS**

Points will be assigned for motor vehicle violations for which the insured or any operator of the vehicle has been convicted during the experience period.

- A. **One-half point is assigned for conviction of any moving traffic violation by any driver under the age of 30 which is not assigned under one of the following paragraphs. (This is limited to the first two convictions during the experience period.)**
- B. **One point will be assigned for conviction of any other moving traffic violation as a result of which (1) an operator's license was suspended or revoked, (2) the filing of evidence of insurance under the No Fault Law is required, or (3) the 3<sup>rd</sup> and successive violations by a driver under the age of 30 during the experience period not qualifying under paragraphs C. or D. below.**
- C. **Two points will be assigned for (1) the accumulation of points under a state point system or a series of convictions as a result of which we must file evidence of insurance under the No Fault Law, or (2) conviction of reckless driving.**
- D. **Three points will be assigned for conviction of:**
  1. Driving while intoxicated or under the influence of drugs; or
  2. Failure to stop and report when involved in an accident; or
  3. Homicide or felonious assault arising out of the operation of a motor vehicle; or
  4. Driving during a period while license is suspended or revoked; or
  5. Driving a motor vehicle in a reckless manner wherein injury to person results.

### **ACCIDENTS**

- A. Points shall be assigned for each accident that occurred during the experience period, involving the insured or operator of the vehicle, who is 50% or more at fault.
  1. **One-half point is assigned for each auto accident that results in total amount paid under Bodily Injury, Property Damage, PIP and Collision less than \$2,000 for occurrences prior to 05-01-2017 or less than \$2,500 for occurrences on or after 05-01-2017.**
  2. **One point is assigned for each auto accident that results in:**
    - a. total amount paid under Bodily Injury, Property Damage, PIP, and Collision of \$2,000 or more for occurrences prior to 05-01-2017 or \$2,500 or more for occurrences on or after 05-01-2017; or
    - b. a loss experience under the OTC (Comprehensive) Coverage portion of the policy under the following conditions:
      - A Vehicle falling through the ice of any body of water;
      - An at fault accident in which the loss would normally be paid under Collision Coverage, but glass breakage is paid under the OTC Coverage.
  3. **One point is assigned if, during the experience period, there were two or more accidents, each of which resulted in payment but have not been assigned a point under 2. above.**

- B. Exceptions: No points will be assigned for an accident if the accident occurred under the following circumstances:
1. Auto was lawfully parked (an auto rolling from a parked position shall not be considered as lawfully parked, but shall be considered as the operation of the last operator); or
  2. Insured or other operator or owner was reimbursed for a loss incurred or has a judgment for reimbursement; or
  3. Your auto was struck in the rear by another vehicle and the operator of your vehicle was not convicted of a moving traffic violation in connection with the accident; or
  4. Operator of the other auto involved in such accident was convicted of a moving traffic violation and the operator of your vehicle was not; or
  5. Auto was damaged as a result of contact with a "hit-and-run" driver and the operator of your vehicle reported the accident to the proper authority within 24 hours; or
  6. Damage was caused by contact with animals or fowl; or
  7. Damage was caused by flying gravel, missiles, or falling objects; or
  8. Accidents occurring as a result of the operation of any auto in response to an emergency if the operator at the time of the accident was responding to a call to duty as a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in response to such emergency; or
  9. Accidents which result in an amount being paid under Personal Injury Protection or Additional Personal Injury Protection and no payment is made under the Liability or Collision coverage. This exception does not apply to single vehicle accidents in which damage to property occurs.

### CONVICTIONS AND ACCIDENTS

One point is assigned if, during the experience period there was one-half point assigned under convictions and one-half point assigned under accidents.

### REFUND OF SURCHARGE PREMIUM

If a point has been assigned as a result of an accident and it is subsequently learned that the accident falls under one of the exceptions, the Company shall refund the insured the increased portion of the premium generated by the accident.

### POINT AND SURCHARGE CALCULATION

The number of points assigned determines the surcharge. This table shows some of the possible surcharges as a percent of the premium.

	One Car	Multi-Car
1 Point	30%	19%
2 Points	90%	57%
3 Points	170%	119%
4 Points	320%	140%

**With two cars this surcharge applies to each car. If there are more cars, it applies to the two cars with the highest premium. Usually these are the highest valued cars.**

### HOW THIS AFFECTS YOU

The following tables display examples of how the surcharge plan works in conjunction with the Private Passenger Auto Rating Program and for situations with and without accidents.

- A. One vehicle insured: Adult driver, pleasure use.

Coverage	Premium With No Accidents	Premium Including Surcharge for One Chargeable Accident	Premium Including Surcharge for Two Chargeable Accidents
Bodily Injury, Property Damage	\$ 80	\$104	\$152
Uninsured Motorist	5	5	5
Personal Injury Protection	40	52	76
Comprehensive	25	33	48
Collision	<u>50</u>	<u>65</u>	<u>95</u>
Total Premium	\$200	\$259	\$376

B. Two vehicles insured. Accidents chargeable to the principal operator of vehicle number one, while operating vehicle number one. Drivers include an adult and an occasional youthful male operator.

1. Vehicle number one: Adult driving to work 10 miles one way.

Coverage	Premium With No Accidents	Premium Including Surcharge for One Chargeable Accident	Premium Including Surcharge for Two Chargeable Accidents
Bodily Injury, Property Damage	\$ 80	\$ 95	\$126
Uninsured Motorist	5	5	5
Personal Injury Protection	40	48	63
Comprehensive	25	30	39
Collision	<u>50</u>	<u>60</u>	<u>79</u>
Total Premium	\$200	\$238	\$312

2. Vehicle number two: Occasional operator who is a 20-year-old youthful unmarried male driving for pleasure

Coverage	Premium With No Accidents	Premium Including Surcharge for One Chargeable Accident	Premium Including Surcharge for Two Chargeable Accidents
Bodily Injury, Property Damage	\$120	\$143	\$188
Uninsured Motorist	5	5	5
Personal Injury Protection	60	71	94
Comprehensive	40	48	63
Collision	<u>75</u>	<u>89</u>	<u>118</u>
Total Premium	\$300	\$356	\$468

**NOTES**

These premiums are illustrative only. There is no relation to actual premiums. The surcharge in dollars and as a percent will vary. The factors that change the premium include age, sex, marital status, use of the vehicle, and Safe Driver Insurance Plan.

For more information about these surcharges, please contact your agent or company.

**IMPORTANT FRAUD INFORMATION**

A person who gives false or incorrect underwriting information (*for the purposes of obtaining coverage or a lower premium*) to an insurer, with intent to defraud, is guilty of a crime.

**NOTICE OF INSURANCE INFORMATION PRACTICES**

**(Minnesota Insurance Fair Information Reporting Act)**

This notice is to inform you that in connection with your application for insurance (1) an investigative consumer report may be prepared as to your credit, character, general reputation, personal characteristics, mode of living or condition of your vehicles by an insurance-support organization or through personal interviews with your neighbors, friends or others with whom you are acquainted; (2) you have the right to make a written request to receive additional information as to the nature and substance of the personal information received as a result of any such investigation; (3) you have the right to make a written request to correct, amend or delete personal information and if denied such request you may file an explanatory statement concerning the personal information at issue or you may file an appeal with the Commissioner of Commerce (Director); and (4) information obtained from an insurance-support organization may be retained by that organization and could be disclosed to other persons. We may also share this information with your agent, our adjusters and attorneys.

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