

NORTH STAR INSURANCE COMPANIES

NORTH DAKOTA SURCHARGE DISCLOSURE STATEMENT

In accordance with North Dakota 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

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.

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 financial responsibility under a Financial Responsibility Law is required, or (3) the 3rd and successive convictions not qualifying under paragraphs C. and D. of this section by a driver under age 30.
- 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 financial responsibility under a Financial Responsibility 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 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 at an excessive rate of speed and/or in a reckless manner wherein injury to person or damage to property results.

ACCIDENTS

- A. Points shall be assigned for each auto accident 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 experienced 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 damage which resulted in payment but have not been assigned a point under 1. 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.

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.