

**National General Insurance Company**  
**MINNESOTA SURCHARGE DISCLOSURE STATEMENT**  
**Effective July 07, 2007**

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 plans' effect on your automobile rate in the event of a chargeable accident(s) and/or conviction.

What is the Safe Driver Insurance Plan?

The Safe Driver Insurance Plan (hereafter referred to as SDIP) uses past experience (accidents & 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 35 months preceding the effective date of the policy period. Premiums for the following coverages are affected: Liability, Personal Injury Protection and Coverage for Damage to your auto.

### **CHARGEABLE ACCIDENTS**

**A. Three (3) points are assigned for:**

- 1. Each automobile accident involving the named insured or any operator while operating an insured private passenger type automobile occurring in the experience period, resulting in damage to property, bodily injury or death.**

### **EXCEPTIONS**

- a. No points are assigned for an accident if the insured demonstrates that the accident occurred under the following circumstances:
  1. car lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
  2. named insured or other operator is reimbursed by, or on behalf of, a person responsible for the accident or has judgement against such person; or
  3. car operated by the named insured or other operator struck in rear by another vehicle, and the named insured or operator has not been convicted of a moving traffic violation in connection with the accident; or
  4. driver of the other car involved in such accident was convicted of a moving traffic violation and the named insured or other operator was not convicted of a moving traffic violation in connection therewith; or
  5. car operated by named insured or other driver is damaged due to contact with a "hit-and-run" driver, if the named insured or other driver so reports the accident to proper authorities within twenty-four hours; or
  6. accidental damage by contact with animals or fowl, except accidents involving hitting another vehicle or object as a result of swerving to avoid an animal or fowl ARE at fault;
  7. physical damage caused by flying gravel, missiles, or falling objects; or
  8. accidents occurring when using auto in response to an emergency if the operator of the auto, at the time of the accident, was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. (Does not include an accident occurring after the auto ceases to be used in response to such emergency;) or
  9. payment received under Personal Injury Protection, and applicant or other operator of the insured vehicle not at fault.

### **CONVICTION AND PENALTY POINTS**

Points are assigned in accordance with the following for motor vehicle violations for which the applicant or any operator of the vehicle currently resident in the same household has been convicted during the experience period:

1. **Four (4) points for each of the following:**
  - a. **Drug convictions: Refusal to submit to chemical test; driving under the influence of drugs; any other drug related convictions.**
  - b. **Drivers license convictions: Driving while license suspended/revoked/invalid; unlawful use of license; permit unlicensed person to drive (does not include failure to have license in your possession); implied consent.**
  - c. **Alcohol convictions: Driving under the influence of alcohol; driving while impaired; illegal possession of alcohol; illegal transport of alcohol; allowing intoxicated person to drive; etc.**
  - d. **Felony; assault, manslaughter, or homicide with a motor vehicle; violation of vehicle law resulting in death**
  - e. **Hit and run; fleeing or eluding officer; leaving the scene; failure to stop after accident or theft; failure to report accident; failure to obey officer/fireman/authorized person**
  - f. **Reckless driving resulting in injury.**
2. **Three (3) points for each of the following:**
  - a. **Alcohol NON Driving Related**
  - b. **Careless and/or reckless driving**
  - c. **Elude or Disobey Officer: Fail to Stop when Signaled**
  - d. **Unlawful use of vehicle; allow or permit unlawful use of vehicle; abandon vehicle; other major violations**
  - e. **Negligent driving**
  - f. **Racing**
  - g. **Speeding: major >15 mph over speed limit**
  - h. **Unlawful Use of License or Registration; Allow Unlicensed person to drive; or driving without permit**
3. **Two (2) points for each of the following:**
  - a. **Defective equipment; Improper use of lights/signal**
  - b. **Failure to yield; failure to stop at red light/stop sign; failure to comply with traffic signal; failure to yield to pedestrian**
  - c. **Illegal passing; improper passing; passing stopped school bus**
  - d. **Improper lane change/use of lanes; improper turn; failure to keep right; improper signal; drive where prohibited; failure to use restraints/child restraints; other minor violations**
  - e. **Following too closely; driving on wrong side; driving in wrong direction**
  - f. **Improper or Unsafe Turn**
  - g. **1st Offense of Speeding: minor <=15 mph over speed limit**
4. **One (1) point for a 2nd and subsequent offenses of each Speeding: minor <=15 mph over speed limit**
5. **Surcharges may be applied to a vehicle other than the one involved in an accident.**
6. **Surcharges may be based on estimated damage instead of the payment made after the physical damage deductible is applied.**

## **EXCEPTIONS**

A conviction for any of the following shall not be regarded as a "motor vehicle conviction":

1. any motor vehicle "equipment" requirement of the motor vehicle and traffic laws, except improper lights or inadequate brakes;
2. failure to display proper license plates or registration stickers, provided valid license plates or registration stickers are in existence;
3. failure to have in possession operators license or registration certificates, provided valid operators license or registration certificates are in existence;

## POINT VALUES

The number of points assigned determines the surcharge applied to each coverage.

Violation Surcharge Points	Percentage of Surcharge Applied By Coverage			
	Bodily Injury	Property Damage	Personal Injury Protection	Coverage for Damage to Your Auto - Collision
1	110%	110%	110%	110%
2	110%	110%	110%	110%
3	110%	110%	110%	110%
4	140%	140%	118%	138%
5	147%	147%	120%	148%
6	167%	167%	130%	153%
7	170%	170%	132%	160%
8	175%	175%	135%	170%
9	200%	200%	140%	190%
10	215%	215%	150%	200%
11	232%	232%	155%	215%
12	248%	248%	163%	230%
13	264%	264%	168%	249%
14	280%	280%	173%	268%
15	296%	296%	182%	287%
16	312%	312%	187%	306%
17	328%	328%	192%	325%
18	344%	344%	202%	344%
19	360%	360%	206%	363%
20	376%	376%	216%	382%
21 + Points:	Increase the factor shown for 20 points by 10% incrementally for each point above 20.			

## EXAMPLES

Please note that the following tables display hypothetical examples of how the surcharge plan works. These examples are based on premium information required by and set forth in Minnesota Regulations 2770.1800 and 2770.1900. They are for illustrative purposes only.

A. One vehicle insured.

This example is calculated as follows: base premium x points surcharge = total premium.

Coverage	Premium With No Accidents	Premium Including Surcharge for One Chargeable Accident (3 Points)	Premium Including Surcharge for Two Chargeable Accidents (6 Points)
Bodily Injury/Property Damage	\$80	\$88	\$134
Uninsured Motorists	5	5	5
Personal Injury Protection	40	44	52
Comprehensive	25	25	25
Collision	50	55	77
Total Premium	\$200	\$217	\$293

B. Two vehicles insured.

On a multi-car policy points are shared and surcharges assessed equally between all vehicles on the policy. This example is calculated as follows: base premium x points surcharge = total premium.

Vehicle #1

Coverage	Premium With No Accidents	Premium Including Surcharge for One Chargeable Accident (3 Points)	Premium Including Surcharge for Two Chargeable Accidents (6 Points)
Bodily Injury/Property Damage	\$80	\$88	\$134
Uninsured Motorists	5	5	5
Personal Injury Protection	40	44	52
Comprehensive	25	25	25
Collision	50	55	77
Total Premium	\$200	\$217	\$293

Vehicle #2

Coverage	Premium With No Accidents	Premium Including Surcharge for One Chargeable Accident (3 Points)	Premium Including Surcharge for Two Chargeable Accidents (6 Points)
Bodily Injury/Property Damage	\$120	\$132	\$200
Uninsured Motorists	5	5	5
Personal Injury Protection	60	66	78
Comprehensive	40	40	40
Collision	75	83	115
Total Premium	\$300	\$326	\$438