



Safe Driver Insurance Plan - Minnesota

(Effective March 2012)

Your driving experience is one of the factors in determining the cost of your automobile policy. The point system described below has been established so that drivers who have no points receive the lowest premium. Higher premiums are charged for other drivers based upon the number of points they have accumulated during the experience period.

The Driver Record Sub-Classification assigned to the automobile appears in the declaration and reflects the number of points accumulated during the experience period and assigned under the Plan.

<u>Sub-Classification Plan</u>	<u>Description</u>
<u>Sub-Classification 0 and 9</u>	<u>No points have been assigned</u>
<u>Sub-Classification A and C</u>	<u>One point has been forgiven</u>
<u>Sub-Classification B</u>	<u>Two points have been forgiven</u>
<u>Sub-Classification 1</u>	<u>One point has been charged</u>
<u>Sub-Classification 2</u>	<u>Two points have been charged</u>
<u>Sub-Classification 3</u>	<u>Three points have been charged</u>
<u>Sub-Classification 4</u>	<u>Four points have been charged</u>

Throughout discussion of the Safe Driver Insurance Plan, the **experience period** refers to the following:

New Customers: (effective 5/1/97 & after) - 36 months immediately prior to the policy effective date.

Existing Customers: (effective 5/1/97 & after) - 36 months ending 4 months prior to the policy anniversary / effective date.

An **automobile** is (1) a four-wheel private passenger or station wagon automobile or (2) an automobile with a pick-up body or van not used for business or commercial purposes other than farming or the transporting of equipment or supplies by an artisan, with a Gross Vehicle Weight of less than 10,000 lbs.

DRIVING RECORD POINTS

A. Convictions

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

(1) **Four points** shall be assigned for conviction of:

- (a) driving while in an intoxicated condition or under the influence of drugs, and this also includes a drivers license record of "implied consent";
- (b) failure to stop and report when involved in an accident;
- (c) a felony involving the use of a motor vehicle (including manslaughter, homicide or assault arising out of the operation of a motor vehicle)
- (d) driving a motor vehicle in a reckless manner which results in an injury to a person; or**
- (e) driving a motor vehicle during the period of time the driver's license is suspended or revoked.

(2) **Three points shall be assigned whenever a Certificate of Insurance is required due to a series of convictions occurring as of the effective date of the policy.**

- (3) **Two points shall be assigned for a conviction of any moving violation requiring the insured to obtain a Certificate of Insurance as of the effective date of the policy. This surcharge is based on the conviction(s) date and not on the suspension(s) date.**
 - (4) **One point shall be assigned for any moving violation and each additional conviction, which has not been assigned points under (1), (2), or (3).**
 - (5) **No points** will be assigned for:
 - (a) a violation of motor vehicle equipment requirements of the motor vehicle and traffic laws except improper lights or inadequate brakes; or
 - (b) failure to display current license plates, registration stickers or inspection stickers provided they are in existence, as required; or
 - (c) failure to sign or have in possession operator's license, chauffeur's license, or registration certificates provided they are in existence; or
 - (d) a conviction that qualifies for a point under (4) above if the violations occurred with an accident that is being assigned points under *Accidents* below.
- Note: If two or more violations, or a license suspension and a violation(s) result from the same occurrence, the violation(s) or suspension which results in the highest number of surcharge points shall be considered for surcharge purposes.**

B. Accidents

- (1) One point has been assigned for each automobile accident involving the applicant or any operator of the automobile currently resident in the same household or any other customary operator of the automobile while operating any private passenger type automobile, resulting in bodily injury or death, or resulting in **damage to property, including his own, in excess of \$750.**
- (2) One point has been assigned if, during the experience period there were two or more accidents each of which resulted in damage to any property which have not been assigned a point under (1) above.

Notes:

- (a) In the case of accidents occurring prior to the date an individual becomes insured by the company, such accidents shall be chargeable as of the date of occurrence.

Accidents occurring after an individual becomes insured by the company shall become chargeable as follows:

- (i) An accident involving only damage to property (including property owned by the insured) shall be chargeable as of the date of payment for such damage is recorded on the loss record of the insured.
 - (ii) An accident involving only injury to persons shall be chargeable as of the date the loss reserve or payment is recorded on the loss record of the insured.
 - (iii) An accident involving both injury to persons and damage to property (including property owned by the insured) shall be chargeable as of the date the bodily injury loss reserve, or the payment for bodily injury or property damage, whichever first occurs, is recorded on the loss record of the insured.
- (b) If a point has been assigned as the result of an accident and it is subsequently determined that the accident falls under one of the exceptions enumerated below, the company shall refund to the insured the increased portion of the premium generated by the accident.

C. Exceptions

- (1) No point shall be assigned for a conviction or accident, as defined, for a customary operator if a surcharge is applied on another policy for the customary operator in connection with the same conviction or accident.
- (2) No point shall be assigned for an accident under paragraph b. (1) or b. (2) above if the insured demonstrates that the accident occurred under the following circumstances:
 - (a) automobile lawfully parked (an automobile rolling from a parked position shall not be considered as lawfully parked, but shall be considered as the operation of the last operator);
or

- (b) applicant, or other operator residing in the same household or other customary operator of the vehicles, or owner, was reimbursed by, or on behalf of, a person responsible for the accident or has judgment against such person; or
- (c) automobile of an applicant or other operator resident in the same household or other customary operator of the vehicle, was struck in rear by another vehicle and the applicant or other resident or customary operator has not been convicted of a moving traffic violation in connection therewith; or
- (d) operator of the other automobile involved in such accident was convicted of a moving traffic violation and the applicant or other operator resident in the same household or other customary operator of the vehicle was not convicted of a moving traffic violation in connection therewith; or
- (e) automobile operated by applicant or other operator resident in the same household or other customary operator of the vehicle is damaged by "hit and run" driver, if applicant or other resident or customary operator so reports the accident to proper authority within 24 hours; or
- (f) accidents involving damage by contact with animals or fowl; or
- (g) accidents resulting in payment of claims expense only or accidents resulting in payments under Uninsured Motorists Coverage only; or
- (h) accidents occurring as a result of the operation of an automobile in response to an emergency, if the operator at the time of the accident was (1) responding to a call to duty as a paid or Volunteer member of any Police or Fire Department, or (2) performing any other governmental function in a public emergency. (Note-this exception does not include an accident occurring after the emergency situation ceases or after the private passenger automobile ceases to be used in response to such an emergency.); or
- (i) accidents which result in an amount being paid under Personal Injury Protection and no payment is made under the liability of collision coverages. This exception does NOT apply to single vehicle accidents in which damage to property occurs.

D. Surcharges

Point accumulations result in the following surcharges (percentage applied to the adult pleasure-use rate) which can be identified by the symbol shown on your schedule or declarations:

1. Conviction Points	Symbol	Surcharge
0	SC0	0
1	SC1	15%
2	SC2	40%
3	SC3	90%
4	SC4	160%

Each point over 4 is an additional 100% debit.

2. Accident Points	Symbol	Surcharge
0	SC9*	10% Credit
1 Point(s) Forgiven	SCA	10% Credit
2 Point(s) Forgiven	SCB	0%
1 Point(s) Forgiven	SCC	0%
0 Point(s) Forgiven	SC0	0%
1 Point(s) Charged	SC1	30%
2 Point(s) Charged	SC2	80%
3 Point(s) Charged	SC3	140%
4 Point(s) Charged	SC4	210%

Each point over 4 is an additional 100% surcharge.

***Risks insured by the company prior to the introduction of the safe driver insurance plan who had earned credits in excess of 10% under the self-rating plan will be assigned driving record Sub-Classification 9 until or unless they become involved in an accident or receive convictions which result in the assignment of driving record points under the SDIP.**



E. Accident Forgiveness

Policyholders subsequently assigned a point will be forgiven the first otherwise chargeable accident if:

- (1) All drivers have otherwise maintained a surchargeable accident free record during the 5-year period ending immediately 4 months prior to their renewal effective date; and
- (2) The policy has been continuously in force with the Liberty Mutual Insurance Group during the 5-year period described above.
 - (a) Those risks currently assigned a Sub-Classification 9 (10% Credit) who qualify for the accident forgiveness and are initially charged one point will be assigned a Sub-Classification A and continue to receive a 10% credit. Those risks currently assigned a Sub-Classification 9 who qualify for the accident forgiveness and initially develop 2 points, or those risks assigned a Sub-Classification A who subsequently develop a second point, will be assigned a Sub-Classification B and charged manual rates.

Any points assigned in excess of two will first be applied to any remaining vehicles carrying the Sub-Classification 9 designation, and points will be forgiven in the manner described above. If additional accidents occur that develop points in excess of those that are forgivable under this section for all vehicles on the policy designated SC9, then the highest rated vehicle will be surcharged for only those additional points developed.

- (b) Those risks currently assigned a Sub-Classification 0 who qualify for the accident forgiveness and initially develop one point will be assigned a Sub-Classification C and be charged manual rates. Risks that have qualified for the forgiveness who develop an additional accident(s) shall be surcharged only for the additional points developed.

If a policy contains more than one car, the surcharge will be applied to the highest rated vehicle. "Highest rated" means the automobile developing the highest premium for all coverages based on the factors of territory, limits selected, physical damage, coverage, age and symbol of the vehicles and the selected deductibles. Please note that although the surcharge is applied to the highest rated car, it is figured as though the car was rated at the lowest classification, at the adult pleasure-use class, regardless of the rating class of that car.

F. For Existing Customers

Prior to the preparation of your enclosed renewal, your account was reviewed to determine if any accidents or serious convictions had occurred during the experience period. If you were free of chargeable accidents and convictions, your policy was renewed without a surcharge and is identified by the code "SC0," "SC9," "SCA," "SCB," or "SCC" on your declarations or schedule.

The following examples show how a surcharge or surcharges would be applied. The first example is for a single car policy and the second is for a two car policy.

- (1) One vehicle insured.

Coverage	Premium with no accidents	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury, Property Damage	<u>\$ 80</u>	<u>\$ 104</u>	<u>\$144</u>
Uninsured Motorist	<u>5</u>	<u>5</u>	<u>5</u>
Personal Injury Protection	<u>40</u>	<u>68</u>	<u>72</u>
Comprehensive	<u>25</u>	<u>25</u>	<u>25</u>
Collision	<u>50</u>	<u>65</u>	<u>90</u>
TOTAL PREMIUM	\$200	\$267	\$336



2. Two vehicles insured. Accidents chargeable to the principal operator of vehicle number one, while operating vehicle number one.

a. Vehicle number one.

Coverage	Premium with no accidents	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury, Property Damage	\$ 80	\$ 80	\$80
Uninsured Motorist	5	5	5
Personal Injury Protection	40	40	40
Comprehensive	25	25	25
Collision	50	50	50
TOTAL PREMIUM	\$200	\$200	\$200

b. Vehicle number two.

Coverage	Premium with no accidents	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury, Property Damage	\$120	\$156	\$216
Uninsured Motorist	5	5	5
Personal Injury Protection	60	78	108
Comprehensive	40	40	40
Collision	75	98	135
TOTAL PREMIUM	\$300	\$377	\$504

NOTES

THESE PREMIUMS ARE ILLUSTRATIVE ONLY. THERE IS NO RELATION TO THE ACTUAL PREMIUMS. THE SURCHARGE IN DOLLARS AND AS A PERCENT WILL VARY. THE FACTORS THAT CHANGE THE PREMIUM INCLUDE AGE, SEX, AND MARITAL STATUS. FOR MORE INFORMATION ABOUT THESE SURCHARGES, PLEASE CONTACT YOUR SALES/SERVICE REPRESENTATIVE.