

National General Assurance Company
IMPORTANT NOTICE
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 thirty-five (35) months preceding the effective date of the policy period. Premiums for the following coverages are affected: Bodily Injury, Property Damage, Personal Injury Protection, Medical Payments, Comprehensive and Collision.

CHARGEABLE ACCIDENTS

Surcharge points are assigned for each automobile accident involving the named insured or any operator, resulting in damage to property, bodily injury or death, and occurring within the 35 months preceding the effective date of the policy period as follows:

Time Preceding Policy Period	Points - 1st Occ	Points - 2nd Occ	Points - 3rd + Occ
Less or equal to 12 months	5	6	7
Greater than 12 months	3	3	4

EXCEPTIONS

No points are assigned for an accident if the insured demonstrates that the accident occurred under the following circumstances:

1. car lawfully parked; or
2. named insured or other operator is reimbursed by, or on behalf of, a person responsible for the accident or has judgment 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; or
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 of during the experience period

Chargeable Violations	Points	Occ.	Occ.	Occ.
Alcohol NON Driving Related	1	3	4	4
Careless and/or reckless driving		5	5	5
Defective equipment; Improper use of lights/signal		2	3	3
Drug Convictions: Refusal to submit to chemical test; driving under the influence of drugs; any other drug related convictions.	1	3	4	4
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.		4	4	4
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.	1	3	4	4
Elude or Disobey Officer: Fail to Stop when Signaled		5	5	5
Failure to yield; failure to stop at red light/stop sign; failure to comply with traffic signal; failure to yield to		2	3	3
Felony; assault; manslaughter, or homicide with a motor vehicle; violation of vehicle law resulting in death		6	6	6
Illegal passing; improper passing; passing stopped school bus		2	3	3
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		6	6	6
Unlawful use of vehicle; allow or permit unlawful use of vehicle; abandon vehicle; other major violations		4	4	4
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		2	2	2
Following too closely; driving on wrong side; driving in wrong direction		2	3	3
Negligent driving		5	5	5
Racing		5	5	5
Reckless driving resulting in injury.		5	5	5
Speeding: minor <=15 mph over speed limit unless defined by state		2	1	1
Speeding: major >15 mph over speed limit unless defined by state		3	2	2
Improper or Unsafe Turn		2	3	3
Unlawful Use of License or Registration; Allow Unlicensed to Drive; or Without Permit		4	4	4

EXCEPTIONS

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

1. Failure to display proper license plates or registration stickers provided valid license plates or registration stickers are in existence.
2. 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 amount of surcharge applied to each coverage

Violation Surcharge Points	Percentage of Surcharge Applied By Coverage				
	BI	PD	PIP	Comp	Coll
1	105%	105%	105%	105%	105%
2	133%	133%	117%	120%	135%
3	138%	138%	119%	125%	140%
4	149%	149%	125%	125%	145%
5	156%	156%	140%	130%	149%
6	227%	227%	146%	132%	179%
7	240%	240%	147%	134%	200%
8	250%	250%	158%	140%	220%
9	264%	264%	173%	155%	238%
10	278%	278%	183%	165%	256%
11	292%	292%	188%	175%	274%
12	306%	306%	192%	190%	292%
13	320%	320%	193%	210%	310%
14	334%	334%	195%	225%	328%
15	348%	348%	197%	225%	346%
16	362%	362%	199%	225%	364%
17	376%	376%	201%	225%	382%
18	390%	390%	203%	225%	400%
19	404%	404%	205%	225%	418%
20	418%	418%	207%	225%	436%
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 (5 Points)	Premium Including Surcharge for Two Chargeable Accidents (11 Points)
Bodily Injury/Property Damage	\$80	125	234
Uninsured Motorists	5	5	5
Personal Injury Protection	40	56	75
Comprehensive	25	33	44
Collision	50	75	137
Total Premium	\$200	294	495

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 (5 Points)	Premium Including Surcharge for Two Chargeable Accidents (11 Points)
Bodily Injury/Property Damage	\$80	125	234
Uninsured Motorists	5	5	5
Personal Injury Protection	40	56	75
Comprehensive	25	33	44
Collision	50	75	137
Total Premium	\$200	294	495

Vehicle #2

Coverage	Premium With No Accidents	Premium Including Surcharge for One Chargeable Accident (5 Points)	Premium Including Surcharge for Two Chargeable Accidents (11 Points)
Bodily Injury/Property Damage	\$120	187	350
Uninsured Motorists	5	5	5
Personal Injury Protection	60	84	113
Comprehensive	40	52	70
Collision	75	112	206
Total Premium	\$300	271	744