



## North Carolina Reinsurance Facility

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October 12, 2015

### CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Personal Auto Manual Revision  
Safe Driver Insurance Plan (SDIP)

The Commissioner of Insurance has recently approved revisions to the Personal Auto Manual Rule 5. – Safe Driver Insurance Plan (SDIP) for use by member companies of the North Carolina Reinsurance Facility.

This revision was filed to comply with the provisions of House Bill 259 which amends the property damage accident threshold for private passenger auto.

For your convenience please find attached a copy of the revised manual Rule 5. Safe Driver Insurance Plan.

This revision becomes effective in accordance with the following Rule of Application:

This revision is applicable to all at-fault accidents that occur on or after March 1, 2016.

Please see to it that this circular is brought to the attention of all interested personnel in your company.

Very truly yours,

F. Timothy Lucas

Automobile Manager

FTL:dms

Attachment

RF-15-10

# PERSONAL AUTO MANUAL

Material ~~struck through~~ is deleted; material underlined is new.

## **5. SAFE DRIVER INSURANCE PLAN (SDIP)**

The provisions of this Rule apply separately to premiums for Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

### **A. Eligibility**

The Plan shall be applied in rating all eligible autos. An auto is eligible for rating under this Plan if it is owned by an individual or owned jointly by two or more individuals resident in the same household provided such auto is:

1. A four wheel auto of the private passenger or station wagon type, or
2. A motor vehicle that is a pickup truck or van, if it:
  - a. Has a Gross Vehicle Weight as specified by the manufacturer of less than 14,000 lbs.; and
  - b. Is not used for the delivery or transportation of goods or materials unless such use is:
    - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
    - (2) For farming or ranching, or
3. A motorcycle, motorized scooter, auto glide or other similar motorized vehicle of the private passenger type.

### **Exception**

The SDIP applies to policies written for a term in excess of 12 months. Such policy must provide for an annual adjustment of premium.

### **B. Definitions**

#### **1. Driving Record Points**

##### **a. Convictions**

Records of convictions for moving traffic violations to be considered under this Plan shall be obtained at least annually from the Division of Motor Vehicles for the applicant and any currently resident operator.

Points shall be assigned for convictions during the experience period for moving traffic violations of the applicant or any currently resident operator, based on date of conviction, as follows:

- (1) Twelve points shall be assigned for a conviction for:
  - (a) Manslaughter (or negligent homicide) resulting from the operation of a motor vehicle;
  - (b) Prearranged highway racing or knowingly lending a motor vehicle to be used in a prearranged highway race; or
  - (c) Failing to stop and render aid when involved in an accident resulting in bodily injury or death (hit-and-run driving);
  - (d) Impaired driving, including driving a vehicle while under the influence of an impairing substance; driving a vehicle with an alcohol concentration of 0.08 or more; and driving a commercial vehicle with an alcohol concentration of 0.04 or more; and

### **Note**

There shall be no premium surcharge or assessment of points against an insured where **(i)** the insured's driver's license has been revoked under G.S.20-16.5; and **(ii)** the insured is subsequently acquitted of the offense involving impaired driving, as defined in G.S.20-4.01(24a), that is related to the revocation, or the charge for that offense is dismissed.

**(e)** Transportation for the purpose of sale of illegal intoxicating liquors by motor vehicle.

**(2)** Ten points shall be assigned for a conviction for:

**(a)** Highway racing or knowingly lending a motor vehicle to be used in a highway race; or

**(b)** Speeding to elude arrest.

**(3)** Eight points shall be assigned for a conviction for:

**(a)** operating during a period of revocation or suspension of license or registration.

**(b)** aggressive driving.

**(4)** Four points shall be assigned for a conviction for:

**(a)** Failing to stop and report when involved in a motor vehicle accident resulting in property damage only (hit-and-run-driving);

**(b)** Driving a motor vehicle in a reckless manner;

**(c)** Passing a stopped school bus;

**(d)** Speeding in excess of 75 miles per hour when the posted speed limit is less than 70 miles per hour;

**(e)** Speeding in excess of 80 miles per hour when the posted speed limit is 70 miles per hour or greater; or

**(f)** Driving by a person less than 21 years old after consuming alcohol or drugs.

**(5)** Two points shall be assigned for a conviction for:

**(a)** Illegal passing;

**(b)** Speeding more than 10 miles per hour over the posted speed limit, provided the total speed was in excess of 55 miles per hour but less than 76 miles per hour;

**(c)** Speeding 10 miles per hour, or less, in excess of the posted speed limit in a speed zone of 55 miles per hour or greater;

**Waiver**

These points shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

**(d)** Following too closely; or

**(e)** Driving on wrong side of road.

**(6)** One point shall be assigned for a violation resulting in a conviction for speeding 10 miles per hour, or less, in excess of the posted speed limit of less than 55 miles per hour.

**Waiver**

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

**Exceptions**

This **WAIVER** does **NOT** apply to convictions of speeding in a school zone in excess of posted school zone speed.

**(7)** With respect to any other conviction for a moving traffic violation, one point shall be assigned for each such conviction.

### **Exception**

Convictions for the following shall not be regarded as moving traffic violations:

- (a) Inadequate muffler or excess escape of exhaust products;
- (b) Improper lights or other equipment except brakes;
- (c) Failure to sign or display registration card;
- (d) Failure to display license plates;
- (e) Failure to have in possession driver's license provided there is a valid one in existence; or
- (f) Failure to display current inspection certificate.

### **b. Accidents**

Points shall be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating a private passenger auto.

If an accident results both in bodily injury or death and in damage to property, points shall be assigned on the basis of the element of loss (bodily injury, death, or property damage) which generates the greatest number of points for the accident.

### **ACCIDENTS RESULTING IN BODILY INJURY OR DEATH**

- (1) One point shall be assigned for each at fault auto accident that results in total bodily injuries to all persons of \$1,800 or less.
- (2) Three points shall be assigned for each at-fault auto accident that results in:
  - (i) Death or
  - (ii) Total bodily injury to all persons in excess of \$1,800.

### **Exception**

If the insured furnishes adequate proof that incurred medical costs related to the accident were solely for diagnostic purposes and that the accident did not result in any bodily injury, no SDIP points for bodily injury will be assigned, or points for bodily injury assigned as a result of the accident will be removed as of the most recent policy effective date.

### **ACCIDENTS RESULTING IN PROPERTY DAMAGE ONLY**

#### **For accidents that occur prior to March 1, 2016**

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$3,000 or more.
- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,800 but less than \$3,000.
- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,800 or less.

#### **For accidents that occur on or after March 1, 2016**

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$3,085 or more.

- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,850 but less than \$3,085.
- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,850 or less.

### **Exception**

No points are assigned for accidents occurring under the following circumstances:

- (a)** Auto 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
- (b)** The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
- (c)** Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident; or
- (d)** Auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator; or
- (e)** Accidents involving damage by contact with animals or fowl; or
- (f)** Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects.
- (g)** Accidents occurring as a result of the operation of a firefighting, rescue squad, or law enforcement vehicle in response to an emergency if the operator of the vehicle at the time of the accident was a paid or volunteer member of any fire department, rescue squad, or any law enforcement agency. This exception does not include an accident occurring after the vehicle ceases to be used in response to the emergency and the emergency ceases to exist

### **.2. Experience Period**

The experience period shall be the three years immediately preceding the date of application or the preparation of the renewal. SDIP points shall be applied to a policy for a period of not less nor more than three policy years.