

July 9, 2025

**CIRCULAR LETTER TO ALL MEMBER COMPANIES**

Re: Revisions to Personal Auto Manual Rule 5. Safe Driver Insurance Plan (SDIP)  
due to S.L. 2023-133, S.L. 2024-29, and S.L. 2025-45

**Summary:**

- **Important Revision to Rule 5. SDIP pertaining to:**
  - **The experience period and the surcharge period for certain convictions for which four or more SDIP points are assigned expand from 3 years to 5 years**
  - **The operation of the waiver provision for convictions of speeding 10 mph or less over the posted speed limit**
  - **The operation of the waiver provision for prayers for judgment continued (PJC)s**
- **Based on legislative changes provided by S.L. 2023-133, S.L. 2024-29, and S.L. 2025-45**
- **These changes become effective July 1, 2025**
- **Member companies are directed to review their processes for premium determination and Safe Driver Insurance Plan (SDIP) point assignment to ensure compliance with the revised Rule 5. SDIP**
- **Please forward this notice to all interested parties within your organization**

By Circular Letter to all member companies RF-25-14, dated June 9, 2025, the North Carolina Reinsurance Facility communicated that there were pending revisions to **Rule 5. Safe Driver Insurance Plan (SDIP)** necessitated by Session Law 2023-133 and Session Law 2024-29 that would be forthcoming after further anticipated legislation. These revisions included (1) revisions to the experience period and the surcharge period for certain convictions for which four or more SDIP points are assigned; (2) revisions to operation of the waiver provision for convictions of speeding 10 mph or less over the posted speed limit; and (3) revisions to operation of the waiver provision for prayers for judgment continued (PJC)s.

Since Circular Letter RF-25-14 was published, the Governor signed S.L. 2025-45 (former H.B. 737) into law on July 1, 2025. S.L. 2025-45 includes technical corrections to certain provisions of S.L. 2023-133 and S.L. 2024-29 pertaining to revisions (2) and (3) outlined above. In accordance with S.L. 2024-29 and S.L. 2025-45, revisions (1), (2), and (3) outlined above became effective July 1, 2025.

The Reinsurance Facility has adopted and filed revisions to **Rule 5. SDIP** of the Personal Auto Manual as necessitated by S.L. 2023-133, S.L. 2024-29, and S.L. 2025-45. (Note that these revisions were announced for the voluntary market by the North Carolina Rate Bureau by Circular Letter to All Member Companies A-25-4 dated July 9, 2025.)

The following is a detailed description of the revisions in **Rule 5. SDIP** described above:

**(1) REVISIONS TO THE EXPERIENCE PERIOD AND THE SURCHARGE PERIOD FOR CERTAIN CONVICTIONS FOR WHICH FOUR OR MORE SDIP POINTS ARE ASSIGNED**

Experience Period

For convictions for which four or more points are assigned under the SDIP that occur prior to July 1, 2025, the experience period shall be THREE years preceding the date of application or the preparation of the renewal. There is no change here.

For convictions for which four or more points are assigned under the SDIP (other than convictions for speeding in excess of the posted speed limit) occurring on or after July 1, 2025, S.L. 2023-133 and S.L. 2024-29 expand the experience period from THREE years to FIVE years immediately preceding the date of application or the preparation of the renewal, except that the experience period shall not include any period prior to July 1, 2025.

Surcharge Period

For convictions for which four or more points are assigned under the SDIP that occur prior to July 1, 2025, the surcharge period shall be not less nor more than THREE policy years. There is no change here.

For convictions for which four or more points are assigned under the SDIP (other than convictions for speeding in excess of the posted speed limit) occurring on or after July 1, 2025, S.L. 2023-133 and S.L. 2024-29 expand the surcharge period from THREE policy years to FIVE policy years.

*To summarize, the changes pertaining to the experience period and the surcharge period only apply to:*

- *Convictions for which FOUR or MORE SDIP points are assigned, other than convictions for speeding in excess of the posted speed limit.*
- *The experience period for these convictions occurring on or after July 1, 2025, expands from THREE to FIVE years preceding the date of application or the preparation of the renewal, except that the experience period shall not include any period before July 1, 2025.*
- *The surcharge period for these convictions occurring on or after July 1, 2025, expands from THREE to FIVE policy years.*
- *For all other convictions, the experience period continues to be THREE years preceding the date of application or preparation of the renewal, and the surcharge period continues to be not less nor more than THREE policy years.*
- ***Table 5.B.2.b.** has been added to the Personal Auto Manual to provide scenarios that illustrate the experience period and surcharge period for convictions.*
- ***Table 5.B.2.a.** has been added to the Personal Auto Manual to illustrate the experience period and surcharge period for accidents. Please note that there have been no changes made to the experience period or surcharge period relative to accidents.*

## **(2) REVISIONS TO OPERATION OF THE WAIVER PROVISION FOR CONVICTIONS OF SPEEDING 10 MPH OR LESS OVER THE POSTED SPEED LIMIT**

S.L. 2025-45 (former H.B. 737) includes technical corrections to certain provisions of S.L. 2023-133 and S.L. 2024-29 pertaining to a waiver of SDIP points for a conviction of speeding 10 mph per hour or less over the posted speed limit.

For convictions of speeding 10 mph or less over the posted speed limit that occur prior to July 1, 2025, the points to be assigned under the SDIP shall NOT apply unless the same driver has also been convicted of at least one *other* moving traffic violation during the THREE years immediately preceding the date of application or the preparation of the renewal. There is no change here.

For convictions of speeding 10 mph or less over the posted speed limit that occur on or after July 1, 2025, the points to be assigned under the SDIP shall NOT apply unless the same driver has also been convicted of at least one *other* moving traffic violation during the FIVE years immediately preceding the date of application or preparation of the renewal. However, if the other moving traffic violation occurred prior to July 1, 2025, then these points shall NOT apply unless the same driver has also been convicted of at least one other moving traffic violation during the THREE years immediately preceding the date of application or the preparation of the renewal.

**Note** that convictions of speeding in a school zone in excess of the posted school zone speed are not subject to a waiver.

**Note** that if the moving traffic violation results in a PJC, that situation is addressed in revision (3) described below.

*To summarize, review the following to determine whether a conviction for speeding 10 mph or less over the posted speed limit is waived, surcharged, or assessed points:*

- *Determine whether the conviction for speeding 10 mph or less over the posted speed limit is within the experience period.*
- *Review the same driver's record and determine whether there is another conviction for a moving traffic violation within five years of the date of application or the preparation of the renewal AND on or after July 1, 2025.*
- *Review the same driver's record and determine whether there is another conviction for a moving traffic violation within three years of the date of application or the preparation of the renewal AND before July 1, 2025.*
- **Table 5.B.1.a.(5)(c) and Table 5.B.1.a.(6)** have been added to the Personal Auto Manual to provide scenarios that illustrate when convictions of speeding 10 mph or less over the posted speed limit are waived, surcharged, or assessed points.

## **(3) REVISIONS TO OPERATION OF THE WAIVER PROVISION FOR PRAYERS FOR JUDGMENT CONTINUED (PJCs)**

S.L. 2025-45 (former H.B. 737) includes technical corrections to certain provisions of S.L. 2023-133 and S.L. 2024-29 pertaining to the waiver provision for PJC's.

With respect to a PJC for any moving traffic violation, there shall be no premium surcharge nor any assessment of points unless the vehicle owner, principal operator, or any licensed operator in the owner's household has a driving record consisting of:

At least one *other* prayer for judgment continued for any moving traffic violation during the FIVE years immediately preceding the date of application or the preparation of the renewal; PROVIDED that such other prayer for judgment continued was granted ON or AFTER July 1, 2025;

AND/OR

At least one *other* prayer for judgment continued for any moving traffic violation during the THREE years immediately preceding the date of application or the preparation of the renewal; PROVIDED that such other prayer for judgment continued was granted BEFORE July 1, 2025.

*To summarize, review the following to determine if a PJC is waived, surcharged, or assessed points:*

- *Determine whether the PJC under review is within the experience period.*
- *Determine whether any other PJC in the owner's household for any other moving traffic violation is within five years of the date of application or the preparation of the renewal AND granted on or after July 1, 2025.*
- *Determine whether any other PJC in the owner's household for any other moving traffic violation is within three years of the date of application or the preparation of the renewal AND granted before July 1, 2025.*
- **Table 5.B.1.Notes(1)** *has been added to the Personal Auto Manual to provide scenarios to illustrate when a PJC is waived, surcharged, or assessed points.*

#### **CHANGES TO BE IMPLEMENTED JULY 1, 2025**

These revisions are to become effective in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after July 1, 2025. No policy effective prior to July 1, 2025 shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of these changes except at the request of the insured and at the customary short rate charges as of the date of such request, but in no event prior to July 1, 2025.

Member companies are directed to review the rule revisions published in this Circular Letter to ensure compliance and make any necessary updates to their processes for premium determination and SDIP point assignment, bearing in mind the rule of application above.

The enclosed exhibits are intended to enable you to implement the approved revisions in accordance with the above Rule of Application. Reprinted manual pages will be distributed in the usual manner as soon as possible.

Please see to it that this circular is brought to the attention of all interested parties in your company. Any questions regarding this circular letter should be directed to Andy Montano at (919) 582-1021 or via email to [afm@ncrb.org](mailto:afm@ncrb.org).

Sincerely,

Andy Montano

Automobile Manager

AM:lad

Attachment

RF-25-18

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## 5. SAFE DRIVER INSURANCE PLAN (SDIP)

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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:

1. By an individual,
2. Jointly by two or more individuals resident in the same household,
3. By cohabitational partners in accordance with Rule 2.A., or
4. By a grantor/settlor of a trust and/or a trust in accordance with Rule 2.G.;

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 (or other governmental entity responsible for maintaining such records) for the applicant and any currently resident operator. For a policy of new business, records of such convictions shall be obtained prior to the sale of the policy.

##### Exception:

If the records required by this rule for a policy of new business are not available at the time of sale of the policy, or if the applicant for the policy has provided incorrect or incomplete data necessary to access such records, the insurer shall obtain such records and perform an underwriting review within a reasonable period following the binding of coverage.

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 (or date of prayer for judgment continued, if applicable), 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/or~~

##### 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**

##### **For convictions that occur prior to July 1, 2025**

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~~, **THREE** years immediately preceding the date of application or the preparation of the renewal.

##### **For convictions that occur on or after July 1, 2025**

These points shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the **FIVE** years immediately preceding the date of application or the preparation of the renewal; **EXCEPT** that, where such other conviction occurred before July 1, 2025, these points shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the **THREE** years immediately preceding the date of application or the preparation of the renewal.

#### **Exception**

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

#### **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 — ILLUSTRATIVE SCENARIOS**

**NOTE: THE BELOW SCENARIOS APPLY WHEN THE SAME DRIVER HAS THE CONVICTIONS**

<u>Date of Application or Preparation of Renewal</u>	<u>Date of Conviction (A) - 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</u>	<u>Date of Conviction (B) - Any other moving traffic violation*</u>	<u>Conviction (A) in Experience Period</u>	<u>Conviction (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025</u>	<u>Conviction (B) within three years of date of application or preparation of renewal AND before July 1, 2025</u>	<u>Result of Conviction (A)</u>
August 1, 2025	July 15, 2025	June 1, 2025	Yes	No	Yes	Surcharged
August 1, 2025	July 15, 2025	July 31, 2022	Yes	No	No	Not Surcharged
August 1, 2025	June 15, 2025	August 2, 2024	Yes	No	Yes	Surcharged
August 1, 2030	August 1, 2028	July 15, 2025	Yes	No	No	Not Surcharged
August 1, 2030	August 1, 2028	August 30, 2025	Yes	Yes	No	Surcharged

\* Refer to Paragraph 5.B.1.Notes(1) for additional information regarding a PJC for any moving traffic violation

**Table 5.B.1.a.(5)(c)**

- (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**

**For convictions that occur prior to July 1, 2025**

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~~ THREE years immediately preceding the date of application or the preparation of the renewal.

**For convictions that occur on or after July 1, 2025**

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the FIVE years immediately preceding the date of application or the preparation of the renewal; **EXCEPT** that, where such other conviction occurred before July 1, 2025, this point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the THREE years immediately preceding the date of application or the preparation of the renewal.

**Exceptions**

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

<b><u>SPEEDING 10 MILES PER HOUR, OR LESS, IN EXCESS OF THE POSTED SPEED LIMIT OF LESS THAN 55 MILES PER HOUR - ILLUSTRATIVE SCENARIOS</u></b>						
<b><u>NOTE: THE BELOW SCENARIOS APPLY WHEN THE SAME DRIVER HAS THE CONVICTIONS. THE WAIVER DOES NOT APPLY TO CONVICTIONS OF SPEEDING IN A SCHOOL ZONE IN EXCESS OF POSTED SCHOOL ZONE SPEED.</u></b>						
<b><u>Date of Application or Preparation of Renewal</u></b>	<b><u>Date of Conviction (A) - Speeding 10 miles per hour, or less, in excess of the posted speed limit in a speed zone of less than 55 miles per hour</u></b>	<b><u>Date of Conviction (B) - Any other moving traffic violation*</u></b>	<b><u>Conviction (A) in Experience Period</u></b>	<b><u>Conviction (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025</u></b>	<b><u>Conviction (B) within three years of date of application or preparation of renewal AND before July 1, 2025</u></b>	<b><u>Result of Conviction (A)</u></b>
<a href="#">August 1, 2025</a>	<a href="#">July 15, 2025</a>	<a href="#">June 1, 2025</a>	<a href="#">Yes</a>	<a href="#">No</a>	<a href="#">Yes</a>	<a href="#">Surcharged</a>
<a href="#">August 1, 2025</a>	<a href="#">July 15, 2025</a>	<a href="#">July 31, 2022</a>	<a href="#">Yes</a>	<a href="#">No</a>	<a href="#">No</a>	<a href="#">Not Surcharged</a>
<a href="#">August 1, 2025</a>	<a href="#">June 15, 2025</a>	<a href="#">August 2, 2024</a>	<a href="#">Yes</a>	<a href="#">No</a>	<a href="#">Yes</a>	<a href="#">Surcharged</a>
<a href="#">August 1, 2030</a>	<a href="#">August 1, 2028</a>	<a href="#">July 15, 2025</a>	<a href="#">Yes</a>	<a href="#">No</a>	<a href="#">No</a>	<a href="#">Not Surcharged</a>
<a href="#">August 1, 2030</a>	<a href="#">August 1, 2028</a>	<a href="#">August 30, 2025</a>	<a href="#">Yes</a>	<a href="#">Yes</a>	<a href="#">No</a>	<a href="#">Surcharged</a>
<i>* Refer to Paragraph 5.B.1.Notes(1) for additional information regarding a PJC for any moving traffic violation</i>						

**Table 5.B.1.a.(6)**

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

**Exceptions**

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**

- (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 \$3,850 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 \$2,300 but less than \$3,850.
- (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 \$2,300 or less.

**Exceptions**

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.

**Notes**

- (1) For the purpose of this Plan, a "conviction" shall mean a plea of guilty, a plea of no contest, or of nolo contendere or the determination of guilt by a jury or by a court, even if no sentence has been imposed, or if imposed, has been suspended, though no sentence has been imposed (prayer for judgment continued) or, if imposed, has been suspended (unless it is the first prayer for judgment continued for all licensed operators in the household); and it includes a forfeiture of bail or collateral deposited to secure appearance in court of the defendant, unless the forfeiture has been vacated, and it includes a prayer for judgment continued (unless it is the first prayer for judgment continued for all licensed operators in the household). A "prayer for judgment continued" shall mean a determination of guilt by a jury or a court though no sentence has been imposed. With respect to a prayer for judgment continued for any moving traffic violation, there shall be no premium surcharge nor any assessment of points unless the vehicle owner, principal operator, or any licensed operator in the owner's household has a driving record consisting of:

- (a) At least one *other* prayer for judgment continued for any moving traffic violation during the **FIVE** years immediately preceding the date of application or the preparation of the renewal; **PROVIDED** that such *other* prayer for judgment continued was granted **ON** or **AFTER** July 1, 2025; and/or
- (b) At least one *other* prayer for judgment continued for any moving traffic violation during the **THREE** years immediately preceding the date of application or the preparation of the renewal; **PROVIDED** that such *other* prayer for judgment continued was granted **BEFORE** July 1, 2025.

<b>PRAYERS FOR JUDGMENT CONTINUED (PJC) — ILLUSTRATIVE SCENARIOS</b>						
<b><u>NOTE: THE BELOW SCENARIOS APPLY TO PJCS WITHIN THE OWNER'S HOUSEHOLD</u></b>						
<u>Date of Application or Preparation of Renewal</u>	<u>Date of PJC (A)</u>	<u>Date of PJC (B)</u>	<u>PJC (A) in Experience Period</u>	<u>PJC (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025</u>	<u>PJC (B) within three years of date of application or preparation of renewal AND before July 1, 2025</u>	<u>Result</u>
<u>August 1, 2025</u>	<u>July 15, 2025</u>	<u>June 1, 2025</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	PJC (A): <u>Surcharged</u>  PJC (B): <u>Surcharged</u>
<u>August 1, 2025</u>	<u>July 15, 2025</u>	<u>July 31, 2022</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	PJC (A): <u>Not Surcharged</u>  PJC (B): <u>Not Surcharged</u>
<u>August 1, 2025</u>	<u>June 15, 2025</u>	<u>August 2, 2024</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	PJC (A): <u>Surcharged</u>  PJC (B): <u>Surcharged</u>
<u>August 1, 2030</u>	<u>August 1, 2028</u>	<u>July 15, 2025</u>	<u>Yes</u>	<u>No</u>	<u>No</u>	PJC (A): <u>Not Surcharged</u>  PJC (B): <u>Not Surcharged</u>
<u>August 1, 2030</u>	<u>August 1, 2028</u>	<u>August 30, 2025</u>	<u>Yes</u>	<u>Yes</u>	<u>No</u>	PJC (A): <u>Surcharged</u>  PJC (B): <u>If experience period for underlying offense is 3 years, Not Surcharged.</u>  <u>If experience period for underlying offense is 5 years, Surcharged.</u>  <u>*Refer to Paragraph 5.B.2.b. to determine the experience period for the underlying offense.</u>

**Table 5.B.1.Notes(1)**

- (2) For the purpose of this Plan, a "moving traffic violation" shall include an infraction as described in **G.S. 14-3.1**.
- (3) The phrase "at-fault" means "negligent". No points shall be assigned for accidents when the operator of an insured vehicle is free of negligence.
- (4) References to other operators residing in the applicant's household shall also include a principal operator who is not a resident in the applicant's household.
- (5) In the event the applicant or any current resident operator has an at-fault accident and is convicted of a moving traffic violation in connection with the accident, only the higher surcharge points between the accident and the violation shall be assigned.
- (6) The One Point accident surcharge in Section **B.1.b.(3)** of this rule does not apply if both of the following conditions are met:
  - (a) The operator was not convicted of a moving traffic violation in connection with the accident; and
  - (b) The vehicle owner, principal operator, and all licensed operators in the owner's household have had no convictions for moving traffic violations and no other at-fault accidents during the ~~three~~**THREE**-year period immediately preceding the date of the application or the date of preparation of the renewal.
- (7) With respect to at-fault accidents occurring on or after October 1, 2012, the phrase "total damage to all property" shall be determined based on the following:
  - (a) For damage to property not owned by the insured, amounts paid or payable to third parties for damage to property, rental reimbursement, loss of use, towing and labor and storage shall be included in the calculation of the accident threshold.
  - (b) For damage to property owned by the insured, amounts paid or payable for damage to owned property, towing and labor and storage shall be included in the calculation of the accident threshold. Amounts paid for rental reimbursement and loss of use shall not be included in the calculation of the accident threshold.
- (8) For a conviction or at-fault accident that occurs while the operator holds only a learner's permit or limited learner's permit, points shall not be assigned until the operator becomes a licensed driver (including limited provisional license or full provisional license) and shall then be assigned for the remainder of the ~~experience~~**surcharge** period.

## 2. Experience Period and Surcharge Period

### a. Accidents

#### (1) Experience Period

The experience period shall be the ~~THREE~~**three** years immediately preceding the date of application or the preparation of the renewal.

#### (2) Surcharge Period

SDIP points shall be applied to a policy for a period of not less nor more than ~~THREE~~**three** policy years.

<u>SDIP ILLUSTRATIVE SCENARIOS - ACCIDENTS</u>			
<u>Date of Accident</u>	<u>Surcharge Trigger</u>	<u>Experience Period</u>	<u>Surcharge Period</u>
<u>All dates</u>	<u>At-Fault Accident</u>	<u>Three years immediately preceding date of application or preparation of renewal</u>	<u>Not less nor more than three policy years</u>

Table 5.B.2.a.

### b. Convictions

#### (1) Experience Period

The experience period shall be the **THREE** years immediately preceding the date of application or the preparation of the renewal.

However, for convictions on or after July 1, 2025, for which four or more points under the Safe Driver Insurance Plan (SDIP) are assigned, other than convictions for speeding in excess of the posted speed limit, the experience period shall be the **FIVE** years immediately preceding the date of application or the preparation of the renewal, except that the experience period shall not include any period prior to July 1, 2025.

#### (2) Surcharge Period

SDIP points shall be applied to a policy for a period of not less nor more than **THREE** policy years.

However, for convictions on or after July 1, 2025, for which four or more points under the Safe Driver Insurance Plan (SDIP) are assigned, other than convictions for speeding in excess of the posted speed limit, SDIP points shall be applied to a policy for a period of not less nor more than **FIVE** policy years.

**Note**

In no event shall:

(a) The **FIVE**-year surcharge period apply to a conviction that occurred prior to July 1, 2025; or

(b) A conviction that occurred prior to July 1, 2025 and satisfied the **THREE**-year surcharge period be subject to an additional SDIP surcharge.

<b>SDIP ILLUSTRATIVE SCENARIOS - CONVICTIONS</b>			
<b><u>Date of Conviction</u></b>	<b><u>Surcharge Trigger</u></b>	<b><u>Experience Period</u></b>	<b><u>Surcharge Period</u></b>
<u>Prior to July 1, 2025</u>	<u>Convictions of a Surchargeable Offense</u>	<u>Three years immediately preceding date of application or preparation of renewal</u>	<u>Not less nor more than three policy years</u>
<u>July 1, 2025 and after</u>	<u>Convictions – Surchargeable offense receiving three or fewer SDIP points</u>	<u>Three years immediately preceding date of application or preparation of renewal</u>	<u>Not less nor more than three policy years</u>
<u>July 1, 2025 and after</u>	<u>Convictions – Speeding in excess of the posted speed limit</u>	<u>Three years immediately preceding date of application or preparation of renewal</u>	<u>Not less nor more than three policy years</u>
<u>July 1, 2025 and after</u>	<u>Convictions – Surchargeable offense, other than speeding in excess of the posted speed limit, receiving four or more SDIP points</u>	<u>Five years immediately preceding date of application or preparation of renewal, but not prior to July 1, 2025</u>	<u>Not less nor more than five policy years</u>

**Table 5.B.2.b.**

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## 5. SAFE DRIVER INSURANCE PLAN (SDIP)

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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:

1. By an individual,
2. Jointly by two or more individuals resident in the same household,
3. By cohabitational partners in accordance with Rule **2.A.**, or
4. By a grantor/settlor of a trust and/or a trust in accordance with Rule **2.G.**;

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 (or other governmental entity responsible for maintaining such records) for the applicant and any currently resident operator. For a policy of new business, records of such convictions shall be obtained prior to the sale of the policy.

#### Exception

If the records required by this rule for a policy of new business are not available at the time of sale of the policy, or if the applicant for the policy has provided incorrect or incomplete data necessary to access such records, the insurer shall obtain such records and perform an underwriting review within a reasonable period following the binding of coverage.

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 (or date of prayer for judgment continued, if applicable), 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;
- (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; or

#### 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.

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 – ILLUSTRATIVE SCENARIOS						
NOTE: THE BELOW SCENARIOS APPLY WHEN THE SAME DRIVER HAS THE CONVICTIONS						
Date of Application or Preparation of Renewal	Date of Conviction (A) - 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	Date of Conviction (B) - Any other moving traffic violation*	Conviction (A) in Experience Period	Conviction (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025	Conviction (B) within three years of date of application or preparation of renewal AND before July 1, 2025	Result of Conviction (A)
August 1, 2025	July 15, 2025	June 1, 2025	Yes	No	Yes	Surcharged
August 1, 2025	July 15, 2025	July 31, 2022	Yes	No	No	Not Surcharged
August 1, 2025	June 15, 2025	August 2, 2024	Yes	No	Yes	Surcharged
August 1, 2030	August 1, 2028	July 15, 2025	Yes	No	No	Not Surcharged
August 1, 2030	August 1, 2028	August 30, 2025	Yes	Yes	No	Surcharged

\* Refer to Paragraph 5.B.1.Notes(1) for additional information regarding a PJC for any moving traffic violation

**Table 5.B.1.a.(5)(c)**

- (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**

**For convictions that occur prior to July 1, 2025**

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the **THREE** years immediately preceding the date of application or the preparation of the renewal.

**For convictions that occur on or after July 1, 2025**

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the **FIVE** years immediately preceding the date of application or the preparation of the renewal; **EXCEPT** that, where such other conviction occurred before July 1, 2025, this point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the **THREE** years immediately preceding the date of application or the preparation of the renewal.

**Exception**

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

SPEEDING 10 MILES PER HOUR, OR LESS, IN EXCESS OF THE POSTED SPEED LIMIT OF LESS THAN 55 MILES PER HOUR - ILLUSTRATIVE SCENARIOS						
NOTE: THE BELOW SCENARIOS APPLY WHEN THE SAME DRIVER HAS THE CONVICTIONS. THE WAIVER DOES NOT APPLY TO CONVICTIONS OF SPEEDING IN A SCHOOL ZONE IN EXCESS OF POSTED SCHOOL ZONE SPEED.						
Date of Application or Preparation of Renewal	Date of Conviction (A) - Speeding 10 miles per hour, or less, in excess of the posted speed limit in a speed zone of less than 55 miles per hour	Date of Conviction (B) - Any other moving traffic violation*	Conviction (A) in Experience Period	Conviction (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025	Conviction (B) within three years of date of application or preparation of renewal AND before July 1, 2025	Result of Conviction (A)
August 1, 2025	July 15, 2025	June 1, 2025	Yes	No	Yes	Surcharged
August 1, 2025	July 15, 2025	July 31, 2022	Yes	No	No	Not Surcharged
August 1, 2025	June 15, 2025	August 2, 2024	Yes	No	Yes	Surcharged
August 1, 2030	August 1, 2028	July 15, 2025	Yes	No	No	Not Surcharged
August 1, 2030	August 1, 2028	August 30, 2025	Yes	Yes	No	Surcharged
* Refer to Paragraph 5.B.1.Notes(1) for additional information regarding a PJC for any moving traffic violation						

**Table 5.B.1.a.(6)**

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

**Exceptions**

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**

- (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 \$3,850 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 \$2,300 but less than \$3,850.
- (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 \$2,300 or less.

**Exceptions**

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.

**Notes**

- (1) For the purpose of this Plan, a "conviction" shall mean a plea of guilty, a plea of no contest, or the determination of guilt by a jury or by a court, even if no sentence has been imposed, or if imposed, has been suspended; it includes a forfeiture of bail or collateral deposited to secure appearance in court of the defendant, unless the forfeiture has been vacated, and it includes a prayer for judgment continued (unless it is the first prayer for judgment continued for all licensed operators in the household). A "prayer for judgment continued" shall mean a determination of guilt by a jury or a court though no sentence has been imposed. With respect to a prayer for judgment continued for any moving traffic violation, there shall be no premium surcharge nor any assessment of points unless the vehicle owner, principal operator, or any licensed operator in the owner's household has a driving record consisting of:
  - (a) At least one *other* prayer for judgment continued for any moving traffic violation during the **FIVE** years immediately preceding the date of application or the preparation of the renewal; **PROVIDED** that such *other* prayer for judgment continued was granted **ON** or **AFTER** July 1, 2025; and/or



- (b) At least one *other* prayer for judgment continued for any moving traffic violation during the **THREE** years immediately preceding the date of application or the preparation of the renewal; **PROVIDED** that such *other* prayer for judgment continued was granted **BEFORE** July 1, 2025.

<b>PRAYERS FOR JUDGMENT CONTINUED (PJC) – ILLUSTRATIVE SCENARIOS</b>						
<b>NOTE: THE BELOW SCENARIOS APPLY TO PJCS WITHIN THE OWNER'S HOUSEHOLD</b>						
<b>Date of Application or Preparation of Renewal</b>	<b>Date of PJC (A)</b>	<b>Date of PJC (B)</b>	<b>PJC (A) in Experience Period</b>	<b>PJC (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025</b>	<b>PJC (B) within three years of date of application or preparation of renewal AND before July 1, 2025</b>	<b>Result</b>
August 1, 2025	July 15, 2025	June 1, 2025	Yes	No	Yes	PJC (A): Surcharged  PJC (B): Surcharged
August 1, 2025	July 15, 2025	July 31, 2022	Yes	No	No	PJC (A): Not Surcharged  PJC (B): Not Surcharged
August 1, 2025	June 15, 2025	August 2, 2024	Yes	No	Yes	PJC (A): Surcharged  PJC (B): Surcharged
August 1, 2030	August 1, 2028	July 15, 2025	Yes	No	No	PJC (A): Not Surcharged  PJC (B): Not Surcharged
August 1, 2030	August 1, 2028	August 30, 2025	Yes	Yes	No	PJC (A): Surcharged  PJC (B): If experience period for underlying offense is 3 years, Not Surcharged.  If experience period for underlying offense is 5 years, Surcharged.  *Refer to Paragraph 5.B.2.b. to determine the experience period for the underlying offense.

Table 5.B.1.Notes(1)

- (2) For the purpose of this Plan, a "moving traffic violation" shall include an infraction as described in **G.S. 14-3.1**.

- (3) The phrase "at-fault" means "negligent". No points shall be assigned for accidents when the operator of an insured vehicle is free of negligence.
- (4) References to other operators residing in the applicant's household shall also include a principal operator who is not a resident in the applicant's household.
- (5) In the event the applicant or any current resident operator has an at-fault accident and is convicted of a moving traffic violation in connection with the accident, only the higher surcharge points between the accident and the violation shall be assigned.
- (6) The One Point accident surcharge in Section **B.1.b.(3)** of this rule does not apply if both of the following conditions are met:
  - (a) The operator was not convicted of a moving traffic violation in connection with the accident; and
  - (b) The vehicle owner, principal operator, and all licensed operators in the owner's household have had no convictions for moving traffic violations and no other at-fault accidents during the **THREE**-year period immediately preceding the date of the application or the date of preparation of the renewal.
- (7) With respect to at-fault accidents occurring on or after October 1, 2012, the phrase "total damage to all property" shall be determined based on the following:
  - (a) For damage to property not owned by the insured, amounts paid or payable to third parties for damage to property, rental reimbursement, loss of use, towing and labor and storage shall be included in the calculation of the accident threshold.
  - (b) For damage to property owned by the insured, amounts paid or payable for damage to owned property, towing and labor and storage shall be included in the calculation of the accident threshold. Amounts paid for rental reimbursement and loss of use shall not be included in the calculation of the accident threshold.
- (8) For a conviction or at-fault accident that occurs while the operator holds only a learner's permit or limited learner's permit, points shall not be assigned until the operator becomes a licensed driver (including limited provisional license or full provisional license) and shall then be assigned for the remainder of the surcharge period.

## 2. Experience Period and Surcharge Period

### a. Accidents

#### (1) Experience Period

The experience period shall be the **THREE** years immediately preceding the date of application or the preparation of the renewal.

#### (2) Surcharge Period

SDIP points shall be applied to a policy for a period of not less nor more than **THREE** policy years.

SDIP ILLUSTRATIVE SCENARIOS - ACCIDENTS			
Date of Accident	Surcharge Trigger	Experience Period	Surcharge Period
All dates	At-Fault Accident	Three years immediately preceding date of application or preparation of renewal	Not less nor more than three policy years

**Table 5.B.2.a.**

### b. Convictions

#### (1) Experience Period

The experience period shall be the **THREE** years immediately preceding the date of application or the preparation of the renewal.

However, for convictions on or after July 1, 2025, for which four or more points under the Safe Driver Insurance Plan (SDIP) are assigned, other than convictions for speeding in excess of the posted speed limit, the experience period shall be the **FIVE** years immediately preceding the date of application or the preparation of the renewal, except that the experience period shall not include any period prior to July 1, 2025.

#### (2) Surcharge Period

SDIP points shall be applied to a policy for a period of not less nor more than **THREE** policy years.

However, for convictions on or after July 1, 2025, for which four or more points under the Safe Driver Insurance Plan (SDIP) are assigned, other than convictions for speeding in excess of the posted speed limit, SDIP points shall be applied to a policy for a period of not less nor more than **FIVE** policy years.

**Note**

In no event shall:

- (a) The **FIVE**-year surcharge period apply to a conviction that occurred prior to July 1, 2025; or
- (b) A conviction that occurred prior to July 1, 2025 and satisfied the **THREE**-year surcharge period be subject to an additional SDIP surcharge.

SDIP ILLUSTRATIVE SCENARIOS - CONVICTIONS			
Date of Conviction	Surcharge Trigger	Experience Period	Surcharge Period
Prior to July 1, 2025	Convictions of a Surchargeable Offense	Three years immediately preceding date of application or preparation of renewal	Not less nor more than three policy years
July 1, 2025 and after	Convictions – Surchargeable offense receiving three or fewer SDIP points	Three years immediately preceding date of application or preparation of renewal	Not less nor more than three policy years
July 1, 2025 and after	Convictions – Speeding in excess of the posted speed limit	Three years immediately preceding date of application or preparation of renewal	Not less nor more than three policy years
July 1, 2025 and after	Convictions – Surchargeable offense, other than speeding in excess of the posted speed limit, receiving four or more SDIP points	Five years immediately preceding date of application or preparation of renewal, but not prior to July 1, 2025	Not less nor more than five policy years

**Table 5.B.2.b.**