



August 7, 2025

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revisions to Personal Auto Manual
Inexperienced Operator Surcharge Factors, North Carolina Statistical
Coding Sheet, and Rule 5. Safe Driver Insurance Plan (SDIP)

Summary:

Rating Factors - Inexperienced Operators (<4 to <8 Years)

- Surcharge factors for Inexperienced Operators with <4 to <8 years of driving experience (previously published in Circular Letter A-25-3 dated June 6, 2025) have been added to the Personal Auto Manual.
- These surcharge factors apply ONLY to insureds first licensed on or after July 1, 2025 and shall be applied beginning July 1, 2028.
- The new factors are the result of S.L. 2023-133 and S.L. 2024-29.

Classification Codes – Inexperienced Operators (<4 to <8 Years)

- Primary Classification Codes for Inexperienced Operators with <4 to <8 years of driving experience have been added to the North Carolina Statistical Coding Sheet in the Personal Auto Manual.

Editorial Revision to Rule 5

- Rule 5. Safe Driver Insurance Plan (SDIP) has been revised to include an editorial change of moving the one-point accident surcharge waiver provision from the *Notes* section to the *Accidents Resulting in Property Damage Only* section in the Personal Auto Manual.

These changes to the Personal Auto Manual become effective October 1, 2025.

Please forward this notice to all interested parties within your organization.

On July 31, 2025, the Commissioner of Insurance (COI) approved revisions to the Personal Auto Manual filed by the Rate Bureau that included (1) the addition of primary classification rating factors for operators licensed for less than 4 years to less than 8 years (also referred to as inexperienced operator surcharge factors for operators with less than 4 years to less than 8 years of driving experience); (2) the addition of primary classification codes for inexperienced operators with less than 4 years of driving experience to less than 8 years of driving experience (adding to the primary classification codes already in existence for those operators with less than 3 years of driving experience); and (3) an editorial revision to Rule 5.B.1 which simply relocates the one-point accident surcharge waiver provision from the Notes to Rule 5.B.1.b.ACCIDENTS RESULTING IN PROPERTY DAMAGE ONLY.

These revisions to the Personal Auto Manual are described in more detail below.

Rating Factors – Inexperienced Operators

By Circular Letter to all member companies A-25-3, dated June 6, 2025, the Rate Bureau distributed details of the settlement of the Rate Bureau's 2025 Automobile Insurance Rate Filing, which included, among numerous other items, both revised and new inexperienced operator surcharge factors. The revised factors included changes to some of the surcharge factors for operators with <1 to <3 years driving experience as licensed drivers. The new factors, which have been added as a result of S.L. 2023-133 and S.L. 2024-29, included surcharge factors for operators with <4 to <8 years driving experience as licensed drivers. These revised factors and new factors have now been added to the Personal Auto Manual, where they are displayed as Primary Classification Rating Factors for Inexperienced Operators.

PLEASE NOTE: The new inexperienced operator surcharge factors for operators with <4 to <8 years driving experience as licensed drivers apply only to insureds receiving a driver's license for the first time on or after July 1, 2025. Consequently, the earliest time that companies should begin surcharging inexperienced operators using these new surcharge factors for <4 to <8 years driving experience will be July 1, 2028.

As a result of these changes, insureds receiving a driver's license on or after July 1, 2025, are to be surcharged as inexperienced operators until they attain 8 years of driving experience as licensed drivers. Insureds receiving a driver's license for the first time before July 1, 2025, continue to be surcharged as inexperienced operators only until they attain 3 years of driving experience as licensed drivers.

Classification Codes – Inexperienced Operators

Primary Classification Codes for Inexperienced Operators with less than 4 years driving experience as licensed drivers to less than 8 years driving experience as licensed drivers have been added to the North Carolina Statistical Coding Sheet in the Personal Auto Manual. Statistical organizations have been advised of these new classification codes, along with additional related data fields for such operators. Companies are requested to begin using these new Primary Classification Codes (and related data fields to be supplied by statistical organizations) to report data for these new categories, even though the rating factors to be applied in rating such operators will not, as a practical matter, begin having application until July 1, 2028 (as described above).

Editorial Revision to Rule 5

The waiver provision for one-point accidents resulting in property damage only has simply been relocated within Rule 5. There is no substantive change to this provision.

CHANGES TO BE PUBLISHED IN THE OCTOBER 1, 2025 PERSONAL AUTO MANUAL

These revisions to the surcharge factors for inexperienced operators are to become effective in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2025. No policy effective prior to October 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 October 1, 2025.

Member companies are directed to review the Personal Auto Manual revisions published in this Circular Letter to ensure compliance and make any necessary updates to their processes for premium determination and SDIP point assignment, as well as their processes for data reporting.

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 Letter is brought to the attention of all interested personnel in your company.

Sincerely,

Andy Montano
Personal Lines Director

AM:ko
A-25-5
Attachments

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:

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.

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						
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.

Waiver

This point shall **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.**

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.

PRAYERS FOR JUDGMENT CONTINUED (PJC) – ILLUSTRATIVE SCENARIOS						
NOTE: THE BELOW SCENARIOS APPLY TO PJCS WITHIN THE OWNER'S HOUSEHOLD						
Date of Application or Preparation of Renewal	Date of PJC (A)	Date of PJC (B)	PJC (A) in Experience Period	PJC (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025	PJC (B) within three years of date of application or preparation of renewal AND before July 1, 2025	Result
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	<p>PJC (A): Surcharged</p> <p>PJC (B): If experience period for underlying offense is 3 years, Not Surcharged.</p> <p>If experience period for underlying offense is 5 years, Surcharged.</p> <p>*Refer to Paragraph 5.B.2.b. to determine the experience period for the underlying offense.</p>
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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.**

(76) 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.

(87) 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.

C. Driving Record Sub-Classification

The driving record sub-classification shall be determined from the number of Driving Record Points accumulated during the experience period as follows:

Number of Driving Record Points	Driving Record Sub-Classification
0	0
1	1
2	2
3	3

4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12 Or More	12
Not Eligible For Plan	NE

D. Driving Record Surcharge Premium

1. Single Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Multiply the base premium for each coverage applicable to the auto by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.
- c. The Driving Record Surcharge Premium for each coverage of the auto equals the SDIP Surcharge for that coverage.
- d. Add the applicable Driving Record Surcharge Premium for each coverage to the otherwise applicable premium for each coverage of the auto.

2. Multi-Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Select the auto with the highest Total Base Premium for all coverages combined.
TOTAL BASE PREMIUM is the sum of the base premiums for Bodily Injury and Property Damage Liability, Medical Payments, Comprehensive (or Fire, Theft and Combined Additional Coverage) and Collision coverages that apply to the auto.
- c. For each coverage applicable to the auto with the highest Total Base Premium for all coverages combined.
Multiply the base premium for each coverage by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.
- d. The Driving Record Surcharge Premium is determined separately by coverage for each auto that is insured for that coverage and eligible for SDIP rating.
 - (1) Determine the number of eligible autos insured for each coverage.
 - (2) The Driving Record Surcharge Premium for each coverage of each auto equals the SDIP Surcharge for that coverage divided by the number of eligible autos insured for that coverage.
 - (3) If the above calculation results in a fractional dollar amount for each auto then:
determine the remainder dollar amount and add it to the Driving Record Surcharge Premium for one of the insured autos and disregard the fractional dollar amounts.

Note

The Whole Dollar Premium Rule does not apply in this instance.

- (4) If an auto is insured for a coverage not applicable to the auto with the highest Total Base Premium for all coverages combined, then no surcharge applies to that coverage.
 - e. Add the applicable Driving Record Surcharge Premium for each coverage of each auto to the otherwise applicable premium for each coverage of each auto.
- ##### **3. Statistical Coding**
- a. Single Car Risks – Assign the Driving Record Sub-Classification Statistical Code, reflecting the number of points, to the auto.
 - b. Multi-Car Risks – Assign the Driving Record Sub-Classification Statistical Code reflecting:
 - (1) The number of driving record points, to the auto with the highest Total Base Premium.
 - (2) Zero driving record points, to each other auto insured on the policy.

E. Cancellations and Changes

1. Policies for Terms Not Exceeding One Year

No policy shall be endorsed in term to effect a change of Driving Record Sub-Classification except to recognize the addition or deletion of an operator.

2. Policies for Terms Exceeding One Year

No policy shall be endorsed to effect a change of Driving Record Sub-Classification until the next annual anniversary of the inception of the policy except to recognize the addition or deletion of an operator.

PRIMARY CLASSIFICATION RATING FACTORS*

Use						
Coverage	Pleasure Use	Drive to or from Work		Business Use	TNC Activity**	Farm Use
		Less than 10 Miles	10 or More Miles			
	(1A)	(1B)	(1C)	(3)	TNC	(1AF)
B.I., P.D., Med. Pay	1.00	1.05	1.05	1.05	1.20	.75
Collision	1.00	1.15	1.15	1.15	(a)	.75
Comprehensive Fire, Theft, C.A.C.	1.00	1.25	1.25	1.25	(a)	.75

SINGLE OR MULTI-CAR RISKS AND INEXPERIENCED OPERATOR*

Add the following rating factors to the Use Rating Factor:

No Inexperienced Operator			
Single or Multi-Car Risks	BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor -0.35	Factor -0.35	Factor -0.10

Inexperienced Operator				
Single or Multi-Car Risks		BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Principal Operator Licensed For:			
	Less than One Year	Factor +2.650	Factor +2.310	Factor +0.20
	Less than Two Years	Factor +1.640	Factor +1.520	Factor +0.20
	Less than Three Years	Factor +1.205	Factor +1.350.90	Factor +0.20
	Less than Four Years	Factor +0.85	Factor +0.70	Factor +0.15
	Less than Five Years	Factor +0.65	Factor +0.50	Factor +0.15
	Less than Six Years	Factor +0.50	Factor +0.30	Factor +0.10
	Less than Seven Years	Factor +0.30	Factor +0.20	Factor +0.10
	Less than Eight Years	Factor +0.20	Factor +0.10	Factor 0.00
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.750	Factor +1.400	Factor +0.10
	Less than Two Years	Factor +0.875	Factor +0.860	Factor 0.00
	Less than Three Years	Factor +0.605	Factor +0.640	Factor 0.00
	Less than Four Years	Factor +0.50	Factor +0.30	Factor 0.00
	Less than Five Years	Factor +0.40	Factor +0.20	Factor 0.00
	Less than Six Years	Factor +0.30	Factor +0.10	Factor 0.00

	<u>Less than Seven Years</u>	<u>Factor</u> <u>+0.20</u>	<u>Factor</u> <u>0.00</u>	<u>Factor</u> <u>0.00</u>
	<u>Less than Eight Years</u>	<u>Factor</u> <u>+0.10</u>	<u>Factor</u> <u>0.00</u>	<u>Factor</u> <u>0.00</u>
Multi-Car	Principal Operator Licensed For:			
	Less than One Year	<u>Factor</u> <u>+2.215</u>	<u>Factor</u> <u>+1.975</u>	<u>Factor</u> <u>+0.10</u>
	Less than Two Years	<u>Factor</u> <u>+1.205</u>	<u>Factor</u> <u>+0.854.15</u>	<u>Factor</u> <u>+0.10</u>
	Less than Three Years	<u>Factor</u> <u>+0.970</u>	<u>Factor</u> <u>+0.554.00</u>	<u>Factor</u> <u>+0.10</u>
	<u>Less than Four Years</u>	<u>Factor</u> <u>+0.50</u>	<u>Factor</u> <u>+0.35</u>	<u>Factor</u> <u>+0.05</u>
	<u>Less than Five Years</u>	<u>Factor</u> <u>+0.30</u>	<u>Factor</u> <u>+0.15</u>	<u>Factor</u> <u>+0.05</u>
	<u>Less than Six Years</u>	<u>Factor</u> <u>+0.15</u>	<u>Factor</u> <u>-0.05</u>	<u>Factor</u> <u>0.00</u>
	<u>Less than Seven Years</u>	<u>Factor</u> <u>-0.05</u>	<u>Factor</u> <u>-0.15</u>	<u>Factor</u> <u>0.00</u>
	<u>Less than Eight Years</u>	<u>Factor</u> <u>-0.15</u>	<u>Factor</u> <u>-0.25</u>	<u>Factor</u> <u>-0.10</u>
	Occasional Operator Licensed For:			
	Less than One Year	<u>Factor</u> <u>+1.1540</u>	<u>Factor</u> <u>+4.050.65</u>	<u>Factor</u> <u>0.00</u>
	Less than Two Years	<u>Factor</u> <u>+0.540</u>	<u>Factor</u> <u>+0.425</u>	<u>Factor</u> <u>-0.10</u>
	Less than Three Years	<u>Factor</u> <u>+0.2530</u>	<u>Factor</u> <u>+0.205</u>	<u>Factor</u> <u>-0.10</u>
	<u>Less than Four Years</u>	<u>Factor</u> <u>+0.15</u>	<u>Factor</u> <u>-0.05</u>	<u>Factor</u> <u>-0.10</u>
	<u>Less than Five Years</u>	<u>Factor</u> <u>+0.05</u>	<u>Factor</u> <u>-0.15</u>	<u>Factor</u> <u>-0.10</u>
	<u>Less than Six Years</u>	<u>Factor</u> <u>-0.05</u>	<u>Factor</u> <u>-0.25</u>	<u>Factor</u> <u>-0.10</u>
	<u>Less than Seven Years</u>	<u>Factor</u> <u>-0.15</u>	<u>Factor</u> <u>-0.35</u>	<u>Factor</u> <u>-0.10</u>
	<u>Less than Eight Years</u>	<u>Factor</u> <u>-0.25</u>	<u>Factor</u> <u>-0.35</u>	<u>Factor</u> <u>-0.10</u>

* For Statistical Coding Requirements – Refer to page NC-E-Coding.

** Applies only to those vehicles on policies ceded to the North Carolina Reinsurance Facility affording coverage for TNC activity under Endorsement **PP 55 45**.

(a) For rating a policy that affords this coverage, please refer to the individual company writing the coverage.

SAFE DRIVER INSURANCE PLAN FACTORS AND CODES

Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.

Use the statistical code indicated for the Driving Record Sub-Classification.

Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	0.40
2	2	02	0.55
3	3	03	0.70
4	4	04	0.90
5	5	05	1.10
6	6	06	1.40
7	7	07	1.70
8	8	08	2.00
9	9	09	2.30
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40

Vehicles Not Eligible For SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.

Not Eligible	NE	95	+0.10
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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:

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.

Waiver

This point shall **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.

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.

PRAYERS FOR JUDGMENT CONTINUED (PJC) – ILLUSTRATIVE SCENARIOS						
NOTE: THE BELOW SCENARIOS APPLY TO PJCS WITHIN THE OWNER'S HOUSEHOLD						
Date of Application or Preparation of Renewal	Date of PJC (A)	Date of PJC (B)	PJC (A) in Experience Period	PJC (B) within five years of date of application or preparation of renewal AND on or after July 1, 2025	PJC (B) within three years of date of application or preparation of renewal AND before July 1, 2025	Result
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	<p>PJC (A): Surcharged</p> <p>PJC (B): If experience period for underlying offense is 3 years, Not Surcharged.</p> <p>If experience period for underlying offense is 5 years, Surcharged.</p> <p>*Refer to Paragraph 5.B.2.b. to determine the experience period for the underlying offense.</p>
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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) 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.
 - (7) 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.

C. Driving Record Sub-Classification

The driving record sub-classification shall be determined from the number of Driving Record Points accumulated during the experience period as follows:

Number of Driving Record Points	Driving Record Sub-Classification
0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9

10	10
11	11
12 Or More	12
Not Eligible For Plan	NE

D. Driving Record Surcharge Premium

1. Single Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Multiply the base premium for each coverage applicable to the auto by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.
- c. The Driving Record Surcharge Premium for each coverage of the auto equals the SDIP Surcharge for that coverage.
- d. Add the applicable Driving Record Surcharge Premium for each coverage to the otherwise applicable premium for each coverage of the auto.

2. Multi-Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Select the auto with the highest Total Base Premium for all coverages combined.
TOTAL BASE PREMIUM is the sum of the base premiums for Bodily Injury and Property Damage Liability, Medical Payments, Comprehensive (or Fire, Theft and Combined Additional Coverage) and Collision coverages that apply to the auto.
- c. For each coverage applicable to the auto with the highest Total Base Premium for all coverages combined.
Multiply the base premium for each coverage by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.
- d. The Driving Record Surcharge Premium is determined separately by coverage for each auto that is insured for that coverage and eligible for SDIP rating.
 - (1) Determine the number of eligible autos insured for each coverage.
 - (2) The Driving Record Surcharge Premium for each coverage of each auto equals the SDIP Surcharge for that coverage divided by the number of eligible autos insured for that coverage.
 - (3) If the above calculation results in a fractional dollar amount for each auto then:
determine the remainder dollar amount and add it to the Driving Record Surcharge Premium for one of the insured autos and disregard the fractional dollar amounts.

Note

The Whole Dollar Premium Rule does not apply in this instance.

- (4) If an auto is insured for a coverage not applicable to the auto with the highest Total Base Premium for all coverages combined, then no surcharge applies to that coverage.
 - e. Add the applicable Driving Record Surcharge Premium for each coverage of each auto to the otherwise applicable premium for each coverage of each auto.
- ##### **3. Statistical Coding**
- a. Single Car Risks – Assign the Driving Record Sub-Classification Statistical Code, reflecting the number of points, to the auto.
 - b. Multi-Car Risks – Assign the Driving Record Sub-Classification Statistical Code reflecting:
 - (1) The number of driving record points, to the auto with the highest Total Base Premium.
 - (2) Zero driving record points, to each other auto insured on the policy.

E. Cancellations and Changes

1. Policies for Terms Not Exceeding One Year

No policy shall be endorsed in term to effect a change of Driving Record Sub-Classification except to recognize the addition or deletion of an operator.

2. Policies for Terms Exceeding One Year

No policy shall be endorsed to effect a change of Driving Record Sub-Classification until the next annual anniversary of the inception of the policy except to recognize the addition or deletion of an operator.

PRIMARY CLASSIFICATION RATING FACTORS*

Use						
Coverage	Pleasure Use	Drive to or from Work		Business Use	TNC Activity**	Farm Use
		Less than 10 Miles (1B)	10 or More Miles (1C)			
	(1A)	(1B)	(1C)	(3)	TNC	(1AF)
B.I., P.D., Med. Pay	1.00	1.05	1.05	1.05	1.20	.75
Collision	1.00	1.15	1.15	1.15	(a)	.75
Comprehensive Fire, Theft, C.A.C.	1.00	1.25	1.25	1.25	(a)	.75

SINGLE OR MULTI-CAR RISKS AND INEXPERIENCED OPERATOR*

Add the following rating factors to the Use Rating Factor:

No Inexperienced Operator			
Single or Multi-Car Risks	BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor -0.35	Factor -0.35	Factor -0.10

Inexperienced Operator				
Single or Multi-Car Risks		BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Principal Operator Licensed For:			
	Less than One Year	Factor +2.50	Factor +2.10	Factor +0.20
	Less than Two Years	Factor +1.40	Factor +1.20	Factor +0.20
	Less than Three Years	Factor +1.05	Factor +0.90	Factor +0.20
	Less than Four Years	Factor +0.85	Factor +0.70	Factor +0.15
	Less than Five Years	Factor +0.65	Factor +0.50	Factor +0.15
	Less than Six Years	Factor +0.50	Factor +0.30	Factor +0.10
	Less than Seven Years	Factor +0.30	Factor +0.20	Factor +0.10
	Less than Eight Years	Factor +0.20	Factor +0.10	Factor 0.00
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.50	Factor +1.00	Factor +0.10
	Less than Two Years	Factor +0.75	Factor +0.60	Factor 0.00
	Less than Three Years	Factor +0.60	Factor +0.40	Factor 0.00
	Less than Four Years	Factor +0.50	Factor +0.30	Factor 0.00
	Less than Five Years	Factor +0.40	Factor +0.20	Factor 0.00
	Less than Six Years	Factor +0.30	Factor +0.10	Factor 0.00
	Less than Seven Years	Factor +0.20	Factor 0.00	Factor 0.00
	Less than Eight Years	Factor +0.10	Factor 0.00	Factor 0.00
Multi-Car	Principal Operator Licensed For:			
	Less than One Year	Factor +2.15	Factor +1.75	Factor +0.10
	Less than Two Years	Factor +1.05	Factor +0.85	Factor +0.10
	Less than Three Years	Factor +0.70	Factor +0.55	Factor +0.10
	Less than Four Years	Factor +0.50	Factor +0.35	Factor +0.05

Less than Five Years	Factor +0.30	Factor +0.15	Factor +0.05
Less than Six Years	Factor +0.15	Factor -0.05	Factor 0.00
Less than Seven Years	Factor -0.05	Factor -0.15	Factor 0.00
Less than Eight Years	Factor -0.15	Factor -0.25	Factor -0.10
Occasional Operator Licensed For:			
Less than One Year	Factor +1.15	Factor +0.65	Factor 0.00
Less than Two Years	Factor +0.40	Factor +0.25	Factor -0.10
Less than Three Years	Factor +0.25	Factor +0.05	Factor -0.10
Less than Four Years	Factor +0.15	Factor -0.05	Factor -0.10
Less than Five Years	Factor +0.05	Factor -0.15	Factor -0.10
Less than Six Years	Factor -0.05	Factor -0.25	Factor -0.10
Less than Seven Years	Factor -0.15	Factor -0.35	Factor -0.10
Less than Eight Years	Factor -0.25	Factor -0.35	Factor -0.10

➤ **Note: The new factors highlighted in blue apply only to insureds receiving a driver's license for the first time on or after July 1, 2025.**

* For Statistical Coding Requirements – Refer to page NC-E-Coding.

** Applies only to those vehicles on policies ceded to the North Carolina Reinsurance Facility affording coverage for TNC activity under Endorsement **PP 55 45**.

(a) For rating a policy that affords this coverage, please refer to the individual company writing the coverage.

SAFE DRIVER INSURANCE PLAN FACTORS AND CODES

Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.

Use the statistical code indicated for the Driving Record Sub-Classification.

Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	0.40
2	2	02	0.55
3	3	03	0.70
4	4	04	0.90
5	5	05	1.10
6	6	06	1.40
7	7	07	1.70
8	8	08	2.00
9	9	09	2.30
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40

Vehicles Not Eligible For SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.

Not Eligible	NE	95	+0.10
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PRIMARY CLASSIFICATION CODES*

No Inexperienced Operators

Vehicle Use	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Pleasure	1141	1142
TNC Activity	1151	1152
Work – Less Than 10	1161	1162
Work – 10 or More	1171	1172
Business	1181	1182
Farm	1191	1192

Inexperienced Operators

Years of Driving Experience	Vehicle Use	Principal Operator		Occasional Operator	
		Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Less Than 1 Year	Pleasure	1241	1242	1341	1342
	TNC Activity	1251	1252	1351	1352
	Work – Less Than 10	1261	1262	1361	1362
	Work – 10 or More	1271	1272	1371	1372
	Business	1281	1282	1381	1382
	Farm	1291	1292	1391	1392
Less Than 2 Year	Pleasure	1441	1442	1541	1542
	TNC Activity	1451	1452	1551	1552
	Work – Less Than 10	1461	1462	1561	1562
	Work – 10 or More	1471	1472	1571	1572
	Business	1481	1482	1581	1582
	Farm	1491	1492	1591	1592
Less Than 3 Years	Pleasure	1641	1642	1741	1742
	TNC Activity	1651	1652	1751	1752
	Work – Less Than 10	1661	1662	1761	1762
	Work – 10 or More	1671	1672	1771	1772
	Business	1681	1682	1781	1782
	Farm	1691	1692	1791	1792
<u>Less Than 4 Years</u>	<u>Pleasure</u>	<u>1841</u>	<u>1842</u>	<u>1941</u>	<u>1942</u>
	<u>TNC Activity</u>	<u>1851</u>	<u>1852</u>	<u>1951</u>	<u>1952</u>
	<u>Work – Less Than 10</u>	<u>1861</u>	<u>1862</u>	<u>1961</u>	<u>1962</u>
	<u>Work – 10 or More</u>	<u>1871</u>	<u>1872</u>	<u>1971</u>	<u>1972</u>
	<u>Business</u>	<u>1881</u>	<u>1882</u>	<u>1981</u>	<u>1982</u>
	<u>Farm</u>	<u>1891</u>	<u>1892</u>	<u>1991</u>	<u>1992</u>
<u>Less Than 5 Years</u>	<u>Pleasure</u>	<u>1A41</u>	<u>1A42</u>	<u>1B41</u>	<u>1B42</u>
	<u>TNC Activity</u>	<u>1A51</u>	<u>1A52</u>	<u>1B51</u>	<u>1B52</u>
	<u>Work – Less Than 10</u>	<u>1A61</u>	<u>1A62</u>	<u>1B61</u>	<u>1B62</u>
	<u>Work – 10 or More</u>	<u>1A71</u>	<u>1A72</u>	<u>1B71</u>	<u>1B72</u>
	<u>Business</u>	<u>1A81</u>	<u>1A82</u>	<u>1B81</u>	<u>1B82</u>
	<u>Farm</u>	<u>1A91</u>	<u>1A92</u>	<u>1B91</u>	<u>1B92</u>

		<u>Principal Operator</u>		<u>Occasional Operator</u>	
<u>Years of Driving Experience</u>	<u>Vehicle Use</u>	<u>Single Car Risk or Multi-Car Risk With No Discount</u>	<u>Multi-Car Discount</u>	<u>Years of Driving Experience</u>	<u>Vehicle Use</u>
<u>Less Than 6 Years</u>	<u>Pleasure</u>	<u>1C41</u>	<u>1C42</u>	<u>1D41</u>	<u>1D42</u>
	<u>TNC Activity</u>	<u>1C51</u>	<u>1C52</u>	<u>1D51</u>	<u>1D52</u>
	<u>Work – Less Than 10</u>	<u>1C61</u>	<u>1C62</u>	<u>1D61</u>	<u>1D62</u>
	<u>Work – 10 or More</u>	<u>1C71</u>	<u>1C72</u>	<u>1D71</u>	<u>1D72</u>
	<u>Business</u>	<u>1C81</u>	<u>1C82</u>	<u>1D81</u>	<u>1D82</u>
	<u>Farm</u>	<u>1C91</u>	<u>1C92</u>	<u>1D91</u>	<u>1D92</u>
<u>Less Than 7 Years</u>	<u>Pleasure</u>	<u>1E41</u>	<u>1E42</u>	<u>1F41</u>	<u>1F42</u>
	<u>TNC Activity</u>	<u>1E51</u>	<u>1E52</u>	<u>1F51</u>	<u>1F52</u>
	<u>Work – Less Than 10</u>	<u>1E61</u>	<u>1E62</u>	<u>1F61</u>	<u>1F62</u>
	<u>Work – 10 or More</u>	<u>1E71</u>	<u>1E72</u>	<u>1F71</u>	<u>1F72</u>
	<u>Business</u>	<u>1E81</u>	<u>1E82</u>	<u>1F81</u>	<u>1F82</u>
	<u>Farm</u>	<u>1E91</u>	<u>1E92</u>	<u>1F91</u>	<u>1F92</u>
<u>Less Than 8 Years</u>	<u>Pleasure</u>	<u>1G41</u>	<u>1G42</u>	<u>1H41</u>	<u>1H42</u>
	<u>TNC Activity</u>	<u>1G51</u>	<u>1G52</u>	<u>1H51</u>	<u>1H52</u>
	<u>Work – Less Than 10</u>	<u>1G61</u>	<u>1G62</u>	<u>1H61</u>	<u>1H62</u>
	<u>Work – 10 or More</u>	<u>1G71</u>	<u>1G72</u>	<u>1H71</u>	<u>1H72</u>
	<u>Business</u>	<u>1G81</u>	<u>1G82</u>	<u>1H81</u>	<u>1H82</u>
	<u>Farm</u>	<u>1G91</u>	<u>1G92</u>	<u>1H91</u>	<u>1H92</u>

* Each code must have as the fifth and sixth digits the applicable Safe Driver Insurance Plan code.
For complete coding requirements, refer to the Statistical Plan.