



June 21, 2005

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revision to Safe Driver Insurance Plan

The Commissioner of Insurance has recently approved for use by all member companies of the North Carolina Rate Bureau and the North Carolina Reinsurance Facility a revision to the Safe Driver Insurance Plan contained in the Personal Auto Manual. This revision introduces the charging of eight insurance points for a conviction of "aggressive driving".

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

This revision becomes effective with respect to new and renewal policies effective on and after October 1, 2005.

Please see to it that this is brought to the attention of all interested personnel.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dp

A-05-1

Attachment

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

- (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
- (2) For farming or ranching, or
- 3. A motorcycle, motorized scooter, auto glide or other similar motorized vehicle of the private passenger type.

Exception

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

B. Definitions

1. Driving Record Points

a. Convictions

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

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

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

Note

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

- (e) Transportation for the purpose of sale of illegal intoxicating liquors by motor vehicle.
 - (2) Ten points shall be assigned for a conviction for:
 - (a) Highway racing or knowingly lending a motor vehicle to be used in a highway race; or
 - (b) Speeding to elude arrest.
 - (3) Eight points shall be assigned for a conviction:
 - (a) for operating during a period of revocation or suspension of license or Registration.
 - (b) aggressive driving
 - (4) Four points shall be assigned for a conviction for:
 - (a) Failing to stop and report when involved in a motor vehicle accident resulting in property damage only (hit-and-run-driving);
 - (b) Driving a motor vehicle in a reckless manner;
 - (c) Passing a stopped school bus;
 - (d) Speeding in excess of 75 miles per hour when the posted speed limit is less than 70 miles per hour;
 - (e) Speeding in excess of 80 miles per hour when the posted speed limit is 70 miles per hour or greater; or
 - (f) Driving by a person less than 21 years old after consuming alcohol or drugs.
 - (5) Two points shall be assigned for a conviction for:
 - (a) Illegal passing;
 - (b) Speeding more than 10 miles per hour over the posted speed limit, provided the total speed was in excess of 55 miles per hour but less than 76 miles per hour;
 - (c) Speeding 10 miles per hour, or less, in excess of the posted speed limit in a speed zone of 55 miles per hour or greater;
- Waiver**
- These points shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.
- (d) Following too closely; or
 - (e) Driving on wrong side of road.