



Minnesota Surcharge Disclosure Statement AMCO Insurance Company

Thank you for the opportunity to provide this important insurance protection. As your insurance provider, we like to keep you informed of factors affecting your auto insurance premium.

In compliance with Minnesota law, Allied has prepared a helpful document to show you the variables (effective July 16, 2018) we consider when rating your auto policy.

Your Allied agent will be glad to discuss any of this information with you and how it affects your rates.

ACCIDENT AND VIOLATION RATING PLAN

We believe in rewarding you as your driving record improves. Our rating system is designed to lower your premium as your driving record improves. Our research shows that often drivers who have had accidents or violations have a higher, future accident potential than other drivers. As a result, insurers generally charge higher premiums to drivers who have driving violations or “at fault” accidents. If your driving record is free from accidents or violations, you will pay a lower premium.

Driving Record Points

Each driver’s points will be associated with the auto he/she is assigned to. For Multi-Car Policies with only one driver, the driver’s points are assigned to the vehicle he/she most frequently operates. Each auto will be rated on the basis of the primary factors for all operators and the accident or violation records of all operators associated with that auto. The primary factors for each operator include gender, birth date, marital status, custody of children, and principal or occasional operator. Accident and Violation surcharges are applied to Bodily Injury, Property Damage, Personal Injury Protection, Comprehensive and Collision premiums.

Experience Period

The time period in which a chargeable accident or violation is counted is determined for a new or renewal policy as follows:

- **New Business Rating – 35 months ending on the effective date of the policy.**
- **Renewal Rating – 35 months ending on the renewal date of the policy.**

VIOLATIONS AND AT-FAULT ACCIDENTS

Certain violations or at-fault accidents resulting in injury, death or damage to property will result in a surcharge to your premium. The surcharge level is based on the number of violation points, the number of chargeable accidents in the experience period and the amount of “time since the latest occurrence” for each.

Violation Points

Violation points are assigned as follows:

- Three points shall be assigned for each conviction of a major violation during the experience period. Major violations are defined as follows:
 - Driving while in an intoxicated condition or under the influence of drugs, and also includes a driver’s license entry of “implied consent”, OR
 - Failure to stop and report when involved in an accident, OR
 - A felony involving the use of a motor vehicle, OR
 - Driving a motor vehicle in a reckless manner which results in an injury to a person, OR

16510 (07-18)

- Driving a motor vehicle during the period of time the driver's license is suspended or revoked.
- **One point shall be assigned for any other moving traffic violation during the experience period.**

Minor Violation Forgiveness

The first point resulting from a violation not considered to be "major" will be waived if at the time:

- **the driver does not have any minor violations currently being forgiven,**
- **the Minor Violation Forgiveness feature is active at the time of the minor violation, and**
- **the Minor Violation Forgiveness feature remains active.**

Accidents

- New Business – One point is assigned for each chargeable accident. An accident is chargeable if the insured driver was involved in an accident that resulted in damage to any property, including his/her own, or in bodily injury or death (excluding Uninsured and Underinsured Motorists coverage).
- Renewal - One point is assigned for each chargeable accident. An accident is chargeable if the insured driver was involved in an accident that resulted in damage to any property, including his/her own, in which Allied has paid in excess of \$1,500 or in bodily injury or death (excluding Uninsured and Underinsured Motorists coverage).
- Accidents will not be counted if it can be demonstrated that the Insured was:
 - Lawfully parked, OR
 - Fully reimbursed by, or on behalf of, a person responsible for the accident or has judgment against such person, OR
 - Struck in the rear by another vehicle, and has not been convicted of a moving traffic violation in connection with the accident, OR
 - Hit by a "hit-and-run" driver if the accident is reported to the proper authorities within 24 hours, OR
 - Not convicted of a moving traffic violation in connection with the accident but the operator of the other automobile involved in such accident was convicted of a moving violation, OR
 - Involved in an accident resulting in damage by contact with animal or birds, OR
 - Involved in an accident resulting in physical damage, limited to and caused by flying gravel, missiles, or falling objects, OR
 - Involved in an accident while in the pursuit of official duties as a law enforcement officer, fire fighter, or operator of an emergency vehicle or ambulance, provided the employer furnished the required certification to the State Highway Patrol or the law enforcement agency that investigates the accident, OR
 - Involved in an accident in which the responsible party was protected by sovereign immunity, OR
 - Payments under the collision coverage will not be chargeable if there are valid grounds for subrogation, OR
 - Involved in an accident while operating a vehicle of a type not eligible for rating under this plan. Accidents involving fleet private passenger automobiles are counted, OR
 - Involved in an accident resulting in an amount being paid under Personal Injury Protection with no payment made under Liability or Collision coverage.

Points shall not be assigned for both accidents and violations, which are incurred through the same incident. The points assigned under such circumstances shall be for either the accident or violation, whichever is subject to the greater number of assignable points.

Accident Forgiveness

The first point resulting from an accident assigned to a vehicle will be waived if at the time:

- the policy does not have any accidents currently being forgiven,
- the Accident Forgiveness feature is active at the time of the accident, and
- the Accident Forgiveness feature remains active.

Accident Free Discount

This discount applies to drivers with continuous insurance and a verifiable driving record who have been free of chargeable accidents and major violations in the most recent five years. **A driver with a surchargeable accident or major violation within the experience period would lose the accident free discount in addition to receiving the surcharge for the accident or violation.**

ACCIDENT/VIOLATION SURCHARGE EXAMPLES

Please note that these examples are hypothetical and are meant only to illustrate how some of the possible surcharges, may affect your premium.

EXHIBITS

The following exhibits illustrate how premiums are affected by accidents. The premium is shown for “no” accidents and for “one and two” chargeable accidents.

The premiums shown do not represent rates for any particular territory or policy.

In example A and B the driver of vehicle #1 is:

- a single male operator, age 30

In example B the driver of Vehicle #2 is:

- a single female principal operator, age 22, without Good Student discount

Accident Surcharge Examples:

A. One vehicle insured.

Coverage	Premium with no accidents/violations	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily injury, property damage	\$80.00	\$100.80	\$122.20
Uninsured motorist	\$5.00	\$5.00	\$5.00
Personal Injury Protection	\$40.00	\$48.60	\$57.50
Comprehensive	\$25.00	\$28.00	\$31.10
Collision	\$50.00	\$61.10	\$72.60
TOTAL PREMIUM	\$200.00	\$243.50	\$288.40

Any applicable coverage expense fees associated with any specific coverage are not surcharged. The coverage expense fee is a coverage level fee for administrating your policy. In order to not surcharge the coverage expense fee and appropriately apply the accident surcharge rating, we remove any applicable coverage expense fee, apply the appropriate accident surcharge, and then reapply any applicable coverage expense fee.

B. Two Vehicles insured. Accidents chargeable to the principal operator of vehicle number one, while operating vehicle number one. Multi-car discount applies.

16510 (07-18)

Vehicle #1			
Coverage	Premium with no accidents/violations	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily injury, property damage	\$80.00	\$92.50	\$107.90
Uninsured motorist	\$5.00	\$5.00	\$5.00
Personal Injury Protection	\$40.00	\$45.60	\$52.70
Comprehensive	\$25.00	\$27.50	\$30.60
Collision	\$50.00	\$57.00	\$65.50
TOTAL PREMIUM	\$200.00	\$227.60	\$261.70
Vehicle #2			
Coverage	Premium with no accidents/violations	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily injury, property damage	\$120.00	\$125.20	\$125.20
Uninsured motorist	\$5.00	\$5.00	\$5.00
Personal Injury Protection	\$60.00	\$62.30	\$62.30
Comprehensive	\$40.00	\$41.60	\$41.60
Collision	\$75.00	\$78.10	\$78.10
TOTAL PREMIUM	\$300.00	\$312.20	\$312.20
TOTAL POLICY PREMIUM	\$500.00	\$539.80	\$573.90

(Source: Minnesota Regulations Section 2770.1800-1900)