



## **PASSPORT AUTO SURCHARGE DISCLOSURE STATEMENT**

Thank you for the opportunity to provide this important auto insurance protection. As your auto insurer, we would like to inform you how driving incidents like at-fault accidents and traffic violations affect your auto insurance premium. Please contact your Integrity Agent if you would like to discuss this information.

### **Your Driving Record and Insurance Rates**

Your Integrity Passport policy premium will be adjusted based on the number of at-fault accidents and traffic violations incurred by you and other operators of your automobiles. Statistics show that the more at-fault accidents and/or traffic violations (“driving incidents”) a person has, the more likely he or she is to have claims in the future. So we charge additional premium to cover the likelihood of future claims which is called a surcharge.

Customers who have no at-fault accidents or traffic violations will be rewarded with a lower premium based on their driving record. However, we do consider other factors in determining your premium that predict the likelihood of future claims activity on the policy, such as your payment history, your ability to maintain continuous insurance coverage when required by law, and the number of comprehensive claims and accidents in which you were not at-fault.

Driving incidents are assigned to the operator who incurred them. When multiple incidents result from a single driving event, only the driving incident generating the largest premium increase will be applied.

The surcharge will remain effective for 35 months after the driving incident occurs. Any surcharge will be added at new business or after the first renewal after the incident occurred and will be removed at the first renewal following the end of the 35 month period.

Our surcharges are based on a customer’s driving record, regardless of the vehicle he or she was operating when the incident occurred. If a person not listed on your policy as a driver is involved in an accident with your automobile, it could also impact your premium.

### **Impact on Your Premiums**

- Depending on the severity of a traffic violation, some violations will have a larger impact on your overall premium compared to other such incidents. For example, a driver who is convicted of driving with a suspended license or leaving the scene of an accident will receive a higher premium increase compared to a driver who is convicted of speeding or improper passing. Further, your premium could continue to increase if you incur additional driving incidents.
- If an insured driver is involved in an at-fault accident, it will result in an overall higher premium. An at-fault accident includes any vehicle accident resulting in damage to any property, including his or her own property, or in bodily injury or death and results in a payout by an insurance company.

The following situations are examples of when an accident would be considered a not-at-fault accident. Not-at-fault accidents would not be subject to the same surcharge compared to at-fault accidents, however, these accidents may impact your overall premium in other ways.

- The automobile was lawfully parked.
  - The automobile was struck by a “hit-and-run” driver.
  - The accident was caused by a collision with a bird or animal.
  - The vehicle was damaged by a falling object or flying gravel or other projectiles.
  - Accidents which result in an amount being paid under Personal Injury Protection coverage and no claim is made under the Liability or Collision coverage.
  - Accidents where you have been completely reimbursed by the person responsible for the accident.
- The impact that traffic violations and at-fault accidents will have on your overall premium will also be determined by the amount of time that has passed since an at-fault accident or traffic violation occurred. Incidents that occurred more recently will have a larger impact on your premium compared to the same incident that occurred more than a year ago.

The following categories of violations would also be subject to a surcharge to your premium. Please note the violations are examples and do not include all of the violations that could increase your premium.

- **Major A Violations**, such as driving with a suspended license, leaving the scene of an accident, and reckless operation of a motor vehicle;
- **Major B Violations**, such as fleeing or eluding a police officer and drag racing;
- **Driving While Under the Influence Violations**, such as driving while intoxicated and driving under the influence of drugs;
- **Speeding Violations**; and
- **Minor Violations** such as failure to yield, following too closely, and improper passing.

## Accident Forgiveness

After you’ve been consistently insured in the Integrity Passport product for at least 5 years and have had no at-fault accidents during that entire time period, we will not apply a surcharge if you have an at-fault accident.

## Additional Surcharges

If Integrity is not able to locate your or any other operator’s driving record, an Unverifiable Driving Record surcharge will apply. The surcharge will be removed after we receive a valid driving record and any surcharges will be assigned based on the new information.

If you have a valid driver’s license from another country, you will be assigned an International Driver’s License surcharge. This surcharge will remain on your policy until we receive a driving history of at least 12 months in the United States.

If any regular operator is required to file proof of financial responsibility with the state of Minnesota (also known as an SR-22 filing), an SR-22 Filing surcharge will apply. The surcharge will be removed once the filing is no longer required.

**Examples:**

The following tables display hypothetical examples of how the surcharge plan works in conjunction with the Indemnity Passport Auto Rating Program for situations with and without accidents. These examples are based on premium information required by and set forth in Minnesota regulations. They are for illustration purposes only and the actual surcharge could vary by policy.

**A. One vehicle insured**

Vehicle 1: Adult driver (25-44) with no violations / one insured driver  
one accident 0-12 months / two accidents 1<sup>st</sup> 0-12 months and 2<sup>nd</sup> 13-35 months

Coverage	Premium with no accident	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury/Property Damage	\$80	\$105	\$153
Uninsured/Underinsured Motorist	\$5	\$6	\$8
Personal Injury Protection	\$40	\$50	\$66
Comprehensive	\$25	\$32	\$36
Collision	\$50	\$68	\$81
<b>Total Premium</b>	<b>\$200</b>	<b>\$261</b>	<b>\$344</b>

**B. Two vehicles insured. Accidents chargeable to the principal operator of vehicle number one while operating vehicle number one.**

Vehicle 1: Adult driver (25-44) with no violations / two insured drivers  
one accident 0-12 months / two accidents 1<sup>st</sup> 0-12 months and 2<sup>nd</sup> 13-35 months

Coverage	Premium with no accident	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury/Property Damage	\$80	\$92	\$116
Uninsured/Underinsured Motorist	\$5	\$6	\$7
Personal Injury Protection	\$40	\$45	\$53
Comprehensive	\$25	\$28	\$31
Collision	\$50	\$59	\$65
<b>Total Premium</b>	<b>\$200</b>	<b>\$230</b>	<b>\$272</b>

Vehicle 2: Adult driver (25-44) with no violations / two insured drivers  
one accident 0-12 months / two accidents 1<sup>st</sup> 0-12 months and 2<sup>nd</sup> 13-35 months

Coverage	Premium with no accident	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury/Property Damage	\$120	\$139	\$174
Uninsured/Underinsured Motorist	\$5	\$6	\$7
Personal Injury Protection	\$60	\$67	\$79
Comprehensive	\$40	\$45	\$49
Collision	\$75	\$88	\$98
<b>Total Premium</b>	<b>\$300</b>	<b>\$345</b>	<b>\$407</b>