

Allstate Indemnity Company

Important Notice

Special Notice to Minnesota Auto Insureds

The following surcharge information effective as of 8/2/2010 is provided to help you better understand your auto insurance billing.

Surcharge Disclosure

The amount you pay for your automobile insurance premium is determined by a number of factors, including the driving records of the operators of your vehicles. The determination of the chargeability of accidents and/or violations, and the subsequent changes in classification due solely to the time elapsed since the accidents and/or violations became chargeable will occur on a semi-annual basis. An accident and/or violation surcharge is the additional premium you must pay as a result of chargeable accidents and/or violations. The terms are defined as follows:

"Chargeable Violations"

1. If you have not previously been insured with Allstate Indemnity, a violation is chargeable if:
 - you, your spouse, or any other individual residing in your household has been convicted of a violation, and
 - that conviction occurred within the 36 months ending on the effective date of your policy.

2. If you have been insured with Allstate Indemnity for a period of six months or more, a violation is chargeable if:
 - you, your spouse, or any other individual residing in the same household has been convicted of a violation, and
 - that conviction occurred within the 36 months ending 45 days prior to the expiration date of the premium period.

Major violations are:

- a. driving while under the influence of alcohol or drugs (including implied consent),
- b. driving while license is suspended or revoked,
- c. failure to stop and report when involved in an accident/leaving the scene of an accident, and
- d. committing a felony involving the use of a motor vehicle.

Any other type of moving violation is considered to be a minor chargeable violation.

The following are types of violations which are not considered chargeable:

- a. a motor vehicle equipment requirement violation,
- b. failure to display proper license plate number provided such license plates are in existence,
- c. failure to have in possession an operator's or chauffeur's license, provided that one is in existence,
- d. failure to sign or display registration card,
- e. failure to wear a seat belt, and
- f. failure to provide proof of insurance when required.

"Chargeable Accidents"

1. If you have been insured with Allstate for a period of less than six months, an accident is chargeable if:
 - it occurred within 36 months ending on the effective date of your policy, and
 - the vehicle involved in the accident was owned or operated by you, your spouse, or any other individual residing in your household who will operate automobiles covered under your policy, and the accident resulted in:
 - a. **damage to property, regardless of amount, excluding that owned by or in the care, custody or control of the operator,**
 - b. **in the case of a single car accident, damage to any property, or**
 - c. **bodily injury or death.**
2. An accident will **NOT** be chargeable under number 1. above if you demonstrate that:
 - a. the automobile was lawfully parked, or
 - b. the owner or operator has been reimbursed for 50% or more of his or her property damage loss by, or on behalf of, another person responsible for the accident, or has obtained judgment against the other person for 50% or more of his or her property damage loss, or
 - c. the automobile was struck in the rear by another vehicle and the insured has not been convicted of a moving traffic violation in connection with the accident, or
 - d. the automobile was struck by a "hit-and-run" driver, provided the accident was so reported to the proper authorities within 24 hours, or
 - e. the insured was not convicted of a moving traffic violation in connection with the accident, but the driver of another vehicle involved in the accident was convicted of a moving traffic violation, or
 - f. the accident was caused by collision with a bird or animal, or
 - g. the insurer recovered 80% or more of the collision loss through subrogation, or
 - h. the accident resulted in an amount being paid under Personal Injury Protection or Additional Personal Injury Protection and no payment was made under Liability or Collision coverage.

3. If you have been insured with Allstate for a period of six months or more, an accident is chargeable if the date of occurrence falls within the 36 months ending 45 days prior to the expiration date of your current premium period, the operator has been determined to be more than 50% at fault, and the sum of Allstate's payment for injuries to others, for damage to property of others, and for damage to your vehicle resulting from a single accident, is \$500 or more.

Any accident(s) chargeable under 1. above, when your policy was last rated, will continue to be chargeable if the accident(s) occurred within 36 months prior to the expiration date of your current premium period. With respect to any other previously chargeable accident(s), it will continue to be chargeable if the date upon which the accident(s) became chargeable falls within 36 months ending 45 days prior to the expiration date of your current premium period.

4. An accident surcharge will not be changed unless you are able to clearly demonstrate that the non-resident operator responsible for the accident, defined above as chargeable, will not be permitted to operate any vehicle insured under the policy in the future.
5. When an operator is dropped from a policy, any chargeable accidents attributable to that operator are removed from the policy. All vehicles on the policy are then reassigned to the appropriate accident surcharge level and rated accordingly.

How to Determine the Surcharge Amount

You can use the tables shown below to estimate what your surcharge dollar amount is-or would be. The factors are applied to your Bodily Injury (AA), Property Damage (BB), Personal Injury Protection (VA), and Collision (DD) base premiums depending on the number of accidents and violations for which you are being charged. *The exact percentage applied will vary depending on various rating factors. The factors in the following examples are based on insureds with no current surcharges or discounts.*

Minor Violations in Last 3 Years	Minor Violation Factors			
	AA	BB	VA	DD
0	1.00	1.00	1.00	1.00
1	1.06	1.06	1.06	1.06
2	1.21	1.21	1.21	1.18
Each Add'l Violation	Add .15	Add .15	Add .15	Add .12

Major Violations in Last 3 Years	Major Violation Factors		
	AA	BB	DD
0	1.00	1.00	1.00
1	1.50	1.73	1.57
Each Add'l Violation	Add .50	Add .80	Add .60

Accident factors are determined through a point system. Using the table below, find the number of points assigned for your first two accidents. If you have more than two chargeable accidents, add 4 points for each additional accident after the second.

Accident Points				
Years Since Most Recent Accident	Years Since 2 nd Most Recent Accident			
	0-1	1-2	2-3	None
0-1	9	8	6	3
1-2		7	5	2
2-3			4	1
None				0

Accident Points	Accident Surcharge Factors		
	AA	BB	DD
0	1.00	1.00	1.00
1	1.07	1.08	1.11
2	1.13	1.14	1.17
3	1.21	1.20	1.23
4	1.21	1.29	1.32
5	1.36	1.36	1.40
6	1.49	1.53	1.51
7	1.53	1.54	1.54
8	1.64	1.60	1.70
9	1.85	1.71	1.81
Each Add'l Point	Add 0.10	Add 0.11	Add 0.11

Note: Each year you remain accident free, you will be assigned to a lower accident surcharge level until you have been accident free for a period of three (3) years, at which time you will no longer be surcharged.

How to Determine the Surcharge Amount

The following examples are for illustrative purposes only and do not reflect actual premiums. They are intended to show how the surcharge plan works.

Example Policy A. One vehicle insured.

Coverage	Premium with no accidents	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury, Property Damage	\$ 80	\$ 97	\$ 144
Uninsured Motorist	\$ 5	\$ 5	\$ 5
Personal Injury Protection	\$ 40	\$ 40	\$ 40
Comprehensive	\$ 25	\$ 25	\$ 25
Collision	\$ 50	\$ 62	\$ 91
Total Premium	\$ 200	\$ 228	\$ 304

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

(1) Vehicle number one.

Coverage	Premium with no accidents	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury, Property Damage	\$ 80	\$ 97	\$ 144
Uninsured Motorist	\$ 5	\$ 5	\$ 5
Personal Injury Protection	\$ 40	\$ 40	\$ 40
Comprehensive	\$ 25	\$ 25	\$ 25
Collision	\$ 50	\$ 62	\$ 91
Total Premium	\$ 200	\$ 228	\$ 304

(2) Vehicle number two.

Coverage	Premium with no accidents	Premium including surcharge for one chargeable accident	Premium including surcharge for two chargeable accidents
Bodily Injury, Property Damage	\$ 120	\$ 120	\$ 120
Uninsured Motorist	\$ 5	\$ 5	\$ 5
Personal Injury Protection	\$ 60	\$ 60	\$ 60
Comprehensive	\$ 40	\$ 40	\$ 40
Collision	\$ 75	\$ 75	\$ 75
Total Premium	\$ 300	\$ 300	\$ 300

Note:

- **At your initial rating under the plan, if two or more automobiles are insured on the same policy and are driven by residents of the same household, each operator will be identified with the automobile he or she drives most frequently and his or her chargeable accidents and/or violations will be assigned to that automobile.**
- **The premium rates shown do not reflect the Premier or Premier Plus Discount. If you have no chargeable accidents and/or violations within the last 5 years, you may be eligible for more than a 30% discount.**
- **Accidents may be waived if you have been with Allstate for longer than 5 years or if you have chosen the Allstate Gold Protection or Platinum Protection option packages.**
- **You will be surcharged for accidents and/or violations only if they qualify as chargeable accidents and/or violations.**

Questions?

If you have any questions about the surcharge amounts or how they are determined, just call your Allstate agent or the nearest Allstate office. We're here to help and to make sure you're satisfied with your Allstate protection.