

CURE RATING INFORMATION – MICHIGAN

RATING PROCEDURE

The information on the following pages explains how we classified your auto. We established the classification based on statements made by or on behalf of the named insured.

This classification is one of the components we use in developing your premiums for the following coverages: Bodily Injury and Property Damage Liability, Personal Injury Protection, Property Protection Insurance, Other Than Collision and Collision.

We rate your policy based on the following:

- I. Primary Classification;
- II. Secondary Classification – Safe Driver Insurance Plan (SDIP); and
- III. Premium Discounts.

I. Primary Classification

The primary classification is based on the age, use, principal operator and mileage status of the operator. Determine which operator primary classifications apply to your auto by the following steps below:

1. Refer to Paragraph **A.** for the definitions of Adult and Youthful Operators.
2. Refer to Paragraph **B.** for the following classifications: Use, Age, Principal Operator and Mileage.

A. Primary Classification Operator Assignment

1. Adult Operator

Adult Operator means an applicant or any other operator resident in the same household as the applicant, who customarily operates the auto, or any other person who customarily operates the auto, who is 25 years of age or older.

2. Youthful Operator

Youthful Operator means an applicant or any other operator resident in the same household as the applicant, who customarily operates the auto, or any other person who customarily operates the auto, who is under the age of 25.

B. Primary Classification Plan Variables

1. Use Classifications

- a. BUSINESS USE means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the principal place of occupation, profession or business.
- b. FARM USE means the auto is principally garaged on a farm or ranch; and
 - (1) It is not customarily used in going to or from work other than farming or ranching, or driving to or from school; and
 - (2) It is not customarily used in any occupation other than farming or ranching.
- c. PLEASURE USE means:
 - (1) No BUSINESS USE.
 - (2) Personal use including driving to or from work or school:
 - (a) Less than three road miles one way; or
 - (b) Three or more, but less than 15, road miles one way for not more than two days per week or not more than two weeks in any five-week period.

d. WORK LESS THAN 15 MILES means:

(1) No BUSINESS USE.

(2) Personal use including driving to or from work or school:

(a) Three or more, but less than 15, road miles one way if such usage is more than two days per week or more than two weeks per five-week period; or

(b) 15 or more road miles one way, for not more than two days per week or not more than two weeks in any five-week period.

e. WORK 15 OR MORE MILES means:

(1) No BUSINESS USE.

(2) Personal use including driving to or from work or school 15 or more road miles one way more than two days per week or more than two weeks in any five-week period.

2. Age Classification

AGE means the age attained on the last birthday.

3. Principal Operator Classification

PRINCIPAL OPERATOR means an applicant or any other operator resident in the same household as the applicant who most frequently operates a specific auto listed on the Policy.

4. Mileage Classification

Mileage means the number of estimated yearly miles a vehicle will travel.

NOTE

An auto used in the business of the U.S. Government by one of its employees may be classified and rated as PLEASURE USE, WORK LESS THAN 15 MILES or WORK 15 OR MORE MILES when the federal employees using autos in government business endorsement is used to limit coverage.

II. Secondary Classification – Safe Driver Insurance Plan (SDIP)

The Plan under which your policy is rated uses past experience, accidents and convictions, in addition to the number of vehicles insured, as part of the determination of your premium cost. The rating system described below has been established under which those drivers that have no accidents and violations receive the lowest premiums. Higher premiums are charged for other drivers based upon the number of accidents and convictions they have accumulated during the experience period and number of vehicles insured.

A. Experience Period

1. The experience period for major convictions and accidents shall be the three years immediately preceding the date of application or the preparation of the renewal.
2. The experience period for civil infractions according to Paragraph C.2. shall be the two-year period immediately preceding the date of application for a new policy or the effective date of a renewal policy.

B. Drivers Subject To SDIP Classification

The driving record of all drivers who customarily operate the autos being insured shall be used for the purpose of determining SDIP rating factors.

The following exceptions apply:

No surcharges are assigned for the convictions or accidents of:

1. A driver demonstrated to be a named insured or a principal operator of an auto insured under a separate policy.
2. A driver specifically excluded under a named driver exclusion.

C. Convictions

1. Major Convictions

The following are Major Convictions:

- a. 257.602a. (Pertaining to failure to stop on direction of police or conservation officers);
- b. 257.617. (Pertaining to accident resulting in serious or aggravated personal injury or death; stopping);

- c. 257.617a. (Pertaining to accident resulting in personal injury; stopping);
- d. 257.618. (Pertaining to accident resulting only in damage to a vehicle; stopping);
- e. 257.625. (Pertaining to person operating vehicle under the influence of intoxicating liquor or controlled substance, upon highway or other public places);
- f. 257.626. (Pertaining to reckless driving upon highway or other public places).

2. Minor Convictions

A minor conviction is a conviction of a moving traffic violation set forth in Sections 257.601 to 257.750 of the Michigan Compiled Laws.

3. Exceptions To Conviction Surcharges

No surcharges shall be assigned for conviction of the following:

- a. "Administrative" violations such as:
 - (1) Failure to have operator's or chauffeur's license in possession (provided person actually has a license at the time).
 - (2) Failure to display current license plates, registration stickers or inspection stickers provided they are in existence, as required.
 - (3) Failure to provide proof of insurance when required.
- b. Vehicle equipment violations such as:
 - (1) A violation of motor vehicle equipment requirements of motor vehicle and traffic laws.
 - (2) A seatbelt violation.
- c. Rating factors resulting from convictions or accidents shall not be applied to Comprehensive premium.

D. Accidents

1. BI Accidents

A BI Accident is an at-fault auto accident that results in bodily injury or death and where the driver's action or inaction was more than 50% of the cause of the accident.

2. PD-only Accidents

A PD-only Accident is an at-fault auto accident that results in damage to property only, in which the total damage to all property including the driver's property is greater than \$1,000 and where the driver's action or inaction was more than 50% of the cause of the accident.

3. Exceptions To Accident Surcharges

Accidents occurring under the following circumstances are **not** considered at-fault accidents and are not assigned an SDIP surcharge:

- 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);
- b. The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has a judgment against such person;
- 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;
- d. Operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident;
- e. 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, or as soon as reasonably possible, by the applicant or resident operator;
- f. Accidents involving damage by contact with animals or fowl;
- g. Accidents involving Physical Damage, limited to and caused by flying gravel, missiles or falling objects;

- h. Accidents occurring when using auto in response to an emergency if the operator of the auto at the time of the accident was a paid or volunteer member of any Police or Fire Department, First Aid Squad, or any law enforcement agency. This exception does not include an accident occurring after the auto ceases to be used in response to such emergency;
- i. Applicant or other operator residing in the same household, or owner, who receives payment under Personal Injury Protection Insurance where such individual is not at fault;
- j. Applicant, owner or other operator was reimbursed for damage to the auto under Limited Collision Coverage or under the Broadened Collision "Limited Waiver of Collision Deductible" Coverage;
- k. Rating factors resulting from convictions or accidents shall not be applied to Comprehensive premium;
- l. Applicant, owner or other operator was reimbursed for damage to the auto under Collision Coverage where such individual was not more than 50% at fault.

4. Refund Of Surcharged Premium

If a surcharge has been assigned for an accident and it is later determined that the accident falls under one of the exceptions in Paragraph 3. of this form, we shall refund to you the increased portion of the premium generated by the accident.

E. Number Of Vehicles Factor

The Number of Vehicles (NV) factor for the Policy is based on the number of eligible vehicles.

F. Exceptions To Surcharge Assignment

1. SDIP Surcharge Exceptions – Minor Convictions

- a. No surcharge shall be assigned for the driver's first minor conviction during the experience period, if the criteria in Paragraph 1.b. of this rule are met.
- b. This surcharge exception only applies if:
 - (1) This driver has had no convictions or accidents for the prior three years; and
 - (2) No other driver assigned to the same auto as this driver has had a conviction or accident for the prior three years.

All drivers assigned to the auto must be free of convictions and accidents for three years prior to the date of the subsequent incident to become eligible for a waiver of the surcharge for the subsequent incident.

2. SDIP Surcharge Exceptions – Single Occurrence Resulting In Multiple Surchargeable Incidents

If a single occurrence results in a surchargeable accident and a conviction, multiple convictions and a surchargeable accident, or multiple convictions but no accident, the following surcharge exception rules apply:

- a. One of the multiple incidents will be excluded from surcharge, but surcharges will be assigned for the remaining surchargeable incidents.
- b. The incident to be excluded from surcharge is the one incident that appears first on the list below:
 - (1) Minor Conviction;
 - (2) PD-only Accident;
 - (3) BI-only Accident;
 - (4) Major Conviction.

III. Premium Discounts

- A. A discount on Comprehensive coverage premiums, ranging from 5% to 15%, is afforded for vehicles equipped with eligible anti-theft devices.
- B. A discount on PIP coverage premiums is afforded for private passenger autos equipped with eligible factory installed automatic occupant restraints, conforming to the federal crash protection requirements. Discounts are provided for restraint systems meeting the criteria of either Paragraph 1. or 2. below:
 - 1. 20% discount is afforded when the restraint is installed in the driver side only position.
 - 2. 30% discount is afforded when the restraints are installed in both front outboard seat positions.

- C. A 5% discount is afforded for Personal Injury Protection, Bodily Injury and Property Damage Liability (or Single Limit Liability) coverage premiums for private passenger autos equipped with a factory installed four-wheel anti-lock braking system.
- D. A 25% Youthful Operator Away At School Discount is afforded to the premiums for Bodily Injury and Property Damage Liability, Personal Injury Protection, Comprehensive and Collision Coverages provided:
 - 1. The rated driver of the vehicle is a Youthful operator;
 - 2. The operator resides at an educational institution over 100 road miles from the auto's place of principal garaging; and
 - 3. The youthful operator does NOT regularly have access to the vehicle while residing at the educational institution.
- E. The Good Driver Discount is applied to policies that meet the following criteria:
 - 1. All drivers on the policy have at least 3 years of driving experience
 - 2. For new business, a 10% good driver discount is afforded provided that all rated drivers have been loss free as well as minor and major violation free for a period of three years immediately preceding the date of application.
 - 3. For renewals, a 10% good driver discount is afforded provided that all rated drivers have been loss free as well as minor and major violation free for a period of three years immediately preceding the date of renewal. A 20% good driver discount is afforded provided that all rated drivers have been loss free as well as minor and major violation free for a period of five years immediately preceding the date of renewal and have been insured with CURE for two or more years.
 - 4. The Good Driver Discount will only be removed if:
 - a. A rated driver has an at-fault accident that meets or exceeds the applicable dollar threshold amount and is chargeable as described in the Expanded Driver Record Rating Plan; or
 - b. A rated driver has a minor or major violation that is chargeable as described in the Expanded Driver Record Rating Plan; or
 - c. A rated driver that does not have at least 3 years of driving experience is added to the policy.
 - 5. This discount applies to Bodily Injury, Property Damage, Personal Injury Protection, Other than Collision (Comprehensive), and Collision.
 - 6. If the vehicle qualifies for both the Good Driver and Parking Discounts, only the higher of the two discounts will be applied to Comprehensive and Collision.
- F. Parking Discounts are applied to Comprehensive and Collision. To qualify, the vehicle must be customarily parked as follows:
 - 1. Off-Street Parking Discount: A 10% discount shall be afforded on vehicles that are customarily parked off-street. This discount applies to vehicles that are parked in a garage, driveway, or non-secure parking facility.
 - 2. Secure Parking Discount: A 25% discount shall be afforded on vehicles that are customarily kept in a secure parking facility that provides 24 hours a day/7 days a week guard service and/or requires a security code/key for entry and exit. In order to receive the secure parking discount, proof is required.
 - 3. If the vehicle qualifies for both the Good Driver and Parking Discounts, only the higher of the two discounts will be applied to Comprehensive and Collision.
- G. An Affiliate Discount will apply to Bodily Injury, Property Damage, Personal Injury Protection, Other than Collision (Comprehensive) and Collision coverages as follows:
 - 1. A discount of up to 10% will be afforded to CURE policies when the named insured is an active member or full time employee of the affiliate.

H. Advanced Driver Assistance Systems (ADAS)

A rating factor shall be applied to the premiums for Bodily Injury and Property Damage Liability (or Single Limit Liability), PIP and Collision Coverages for vehicles equipped with at least one of the ADAS features described in Table 16.E.1.

ADAS RATING GROUPS AND FEATURES			
Passive	Parking Feedback	Driving Feedback	Active
Hill Hold	Rear Parking Sensor	Forward Collision Warning	Forward Collision Mitigation
Hill Descent	Rear Camera	Lane Departure Warning	Lane Departure Prevention
Brake Assist	Front Parking Sensor	Blind Spot Warning	Blind Spot Intervention
Brake Override	Front Camera	Pedestrian Warning	Rollover Mitigation
Emergency Brake Preparation	360 Degree Camera	Driver Attention Alert	Pedestrian Protection
Night Vision Assist	Rear Cross Traffic Alert (Warning)		Rear Cross Traffic Alert (Response)
			Adaptive Cruise Control
			City Collision Mitigation
			Automatic Parking Assist

Table 16.E.1. ADAS Rating Groups And Features

If the vehicle is equipped with at least one ADAS feature from an ADAS Rating Group, the rating factor displayed in Table 16.E.2. for that rating group and coverage shall apply. The total ADAS Rating Factor for each coverage shall be determined by multiplying the factors for all applicable ADAS Rating Groups together. Note: The total ADAS Rating Factor applied for any one coverage shall be no less than 0.70.

ADAS RATING FACTORS					
ADAS Rating Groups	BI Factor	PD Factor	SL Factor	PIP Factor	Collision Factor
Passive	1.000	1.000	1.000	1.000	1.000
Parking Feedback	0.975	0.950	0.963	0.975	1.000
Driving Feedback	0.950	0.850	0.900	0.950	0.925
Active	0.950	0.850	0.900	0.950	0.950

Table 16.E.2. ADAS Rating Factors

You have the following rights in connection with the above information:

- **The right to appeal the application of our rating plan to determine your premium**
- **The right to obtain documentation from us regarding the determination of your rate**
- **The right to appeal the application of our underwriting rules to your policy**
- **The right to request a private informal managerial-level conference with us**
- **The right to file a complaint as an aggrieved person with the Director**

If you believe that your policy has not been rated properly, please direct your request for a review of this matter to:

**CURE Auto Insurance
 Attn: Underwriting Department
 214 Carnegie Center, Suite 301
 Princeton, NJ 08540
 800-535-2873**

If we fail to propose a resolution to you within 30 days of your request, or if you disagree with the proposed resolution, you are entitled to a review of the matter by the Commissioner of Insurance at P.O. Box 30220, Lansing, MI 48909-7720. You also have the right to request and receive, subject to a reasonable copying charge, copies of information relating to this action.

Please feel free to contact us with any questions or concerns at (800) 535-2873.

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