



**FOREMOST**<sup>®</sup>  
INSURANCE GROUP

# **New Jersey Standard Personal Auto Policy**

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**Foremost Insurance Company  
Grand Rapids, Michigan**



# TABLE OF CONTENTS

	Page
<b>AGREEMENT</b> .....	<b>1</b>
<b>GENERAL DEFINITIONS</b> .....	<b>1</b>
<b>PART A – Liability Coverage</b> .....	<b>5</b>
Insuring Agreement .....	5
Supplementary Payments .....	5
Additional Definitions .....	6
Exclusions .....	6
Limit of Liability.....	9
Financial Responsibility .....	10
Other Insurance .....	10
<b>PART B-1 – Personal Injury Protection Coverage</b> .....	<b>11</b>
Notices to Insured.....	11
Insuring Agreements.....	11
Additional Definitions .....	15
Exclusions .....	24
Limit(s) of Liability.....	28
Other Insurance.....	34
Your Duties After an Accident or Loss .....	35
Our Right to Recover Payment.....	36
Policy Period and Territory .....	37
Special Requirements for Medical Expenses .....	37
Payment of Benefits .....	42
Reconsideration Process .....	44
Other Disputes .....	44
Personal Injury Protection Dispute Resolution.....	45
Proof of Health Benefits Plan Coverage.....	45
Deletion of Benefits Other Than Medical Expense Benefits .....	45
Employee Benefits Reimbursement.....	46
Internal Appeal Process .....	46
<b>PART B-2 – Medical Payments Coverage</b> ..	<b>46</b>
Insuring Agreement .....	46
Additional Definitions .....	48
Exclusions .....	48
Limit of Liability.....	50
Other Insurance .....	51

<b>PART C – Uninsured/Underinsured</b>	
<b>Motorist Coverage</b> .....	<b>51</b>
Insuring Agreement – Uninsured	
Motorist Coverage .....	51
Insuring Agreement – Underinsured	
Motorist Coverage .....	51
Insuring Agreement – Uninsured	
Motorist Property Damage Coverage .....	52
Additional Definitions .....	52
Exclusions .....	55
Limit of Liability .....	57
Other Insurance .....	59
<b>PART D – Damage to Your Auto</b> .....	<b>59</b>
Insuring Agreement – Collision Coverage .....	59
Insuring Agreement – Comprehensive	
Coverage .....	60
Transportation Expenses .....	60
Rental Reimbursement Coverage .....	61
Towing and Labor Coverage .....	61
Additional Equipment Coverage .....	62
Auto Loan/Lease Coverage .....	62
Additional Definitions .....	63
Exclusions .....	64
Limit of Liability .....	67
Total Loss .....	69
Payment of Loss .....	69
Loss Payable Clause .....	69
No Benefit to Bailee .....	70
Other Insurance .....	70
Appraisal .....	70
<b>PART E – Duties After An Accident</b>	
<b>or Loss</b> .....	<b>71</b>
<b>PART F – General Provisions</b> .....	<b>72</b>
Terms Conformed to Statutes .....	72
Coverage Deemed Granted By	
Out-Of-State Statute .....	73
Bankruptcy .....	73
Changes .....	73

	Page
Misrepresentation or Fraud . . . . .	74
Legal Action Against Us . . . . .	75
Our Right to Recover Payment. . . . .	76
Policy Period and Territory . . . . .	77
Cancellation . . . . .	77
Nonrenewal . . . . .	78
Premium Refund. . . . .	78
Automatic Termination . . . . .	79
Proof of Mailing. . . . .	79
Transfer of Your Interest in This Policy. . . . .	79
Two or More Auto Policies . . . . .	79
Additional Premium Due – Loss Settlement. . . . .	80
Claims Settlement . . . . .	80
Named Driver Exclusion. . . . .	80
<b>ENDORSEMENTS</b> . . . . .	<b>81</b>
Named Non-Owner Coverage Endorsement . . . . .	81



# NEW JERSEY

## PERSONAL AUTO POLICY

### **AGREEMENT**

**Your** policy consists of the policy contract, **your** insurance application, the **Declarations**, and all endorsements to this policy. In reliance upon the statements of fact made in the application for this insurance, which statements of fact **you** represent are true to the best of **your** knowledge, and in return for the payment of the premium, **we** agree with **you**, for the coverages shown in the **Declarations** and subject to all the terms and conditions of the policy, as follows:

### **GENERAL DEFINITIONS**

Certain words and phrases are defined by using bold-face type. The defined terms have the same meaning whether in the singular, plural, or any other form. They are defined as follows:

1. **You** and **your** refer to:
  - a. The **named insured** shown in the **Declarations**; and
  - b. The spouse or civil union partner under New Jersey law of the **named insured** shown in the **Declarations**, if a **resident** of the same household.

If the spouse ceases to be a **resident** of the same household during the policy period or prior to the inception of this policy, the spouse will be considered **you** and **your** under this policy but only until the earlier of:

- (1) The end of 90 days following the spouse's change of residency;
  - (2) The effective date of another policy listing the spouse as a **named insured**; or
  - (3) The end of the policy period.
2. **We**, **us** and **our** refer to the insurance company providing this insurance, as shown in the **Declarations**.
  3. **Accident** means a sudden, unexpected and unintended event that arises out of the ownership, maintenance, or use of an **auto** as an **auto**, and

that causes **bodily injury** or **property damage** during the policy period.

4. **Additional auto** means an **auto** you acquire that is in addition to any **auto** shown in the **Declarations**, if:
- a. The **auto** is acquired during the policy period;
  - b. No other insurance policy provides coverage for the **auto**;
  - c. **You** ask **us** to insure the **auto** within 30 days after **you** become the owner of the **auto**;
  - d. **We** insure all **autos** in **your** household; and
  - e. **You** intend to register and principally garage the vehicle in New Jersey.

If an **additional auto** is a vehicle type that is not considered an **auto** as defined in our policy, no coverage will be provided for that vehicle under this policy regardless of **your** acquisition of ownership during the policy period or **your** request for **us** to provide coverage.

An **additional auto** will have the broadest coverage **we** provide for any **auto** shown in the **Declarations**.

However, **we** will not provide any coverage under Part D – Damage to Your Auto, until **you** ask **us** to add such coverage for the additional vehicle, and provided **you** comply with the New Jersey Mandatory Inspection provisions in the General Provisions section of this policy.

5. **Auto** means any self-propelled private passenger motor vehicle with not less than four wheels designed principally for use on paved public streets and highways, provided it has a gross vehicle weight (as determined by the manufacturer's specifications) of 12,000 pounds or less and is not a step-van, parcel delivery van, cargo cutaway van or other van with the cab separate from the cargo area.
6. **Bodily injury** means bodily harm, sickness or disease, including death resulting from bodily harm, sickness or disease.
7. **Business** means any full or part-time profession, occupation, trade or commercial enterprise.

8. **Declarations** means the Personal Auto Policy Declarations that lists the **named insured**, the **autos** to be covered by this policy, the coverages that apply under this policy, the limits of liability, the policy period, and other information pertinent to **your** policy of insurance when purchased from **us**.
9. **Family member** means a person related to **you** by blood, marriage or adoption who is a **resident** of **your** household, including a ward or foster child. **Family members** include **your** unmarried dependent children living temporarily away from home, provided they are not emancipated. **Family members** do not include individuals who are listed as a **named insured** or driver on a Basic Auto Policy issued in accordance with N.J.S.A. 39:6A-3.1, as amended, and N.J.A.C. 11:3-3, as amended.
10. **Named insured** means the person or persons listed in the **Declarations** as the **named insured**.
11. **Non-owned auto** means any private passenger **auto**, pickup, van or **trailer** not **owned** by or furnished or available for the regular use of **you** or any **family member** while in the custody of, or being operated by, **you** or any **family member**. **Non-owned auto** includes a rental vehicle only if the following conditions are met:
  - a. The rental vehicle is not **owned** by or furnished or available for the regular use of **you** or any **family member**;
  - b. The rental vehicle is operated within the United States, its territories or possessions, and Canada;
  - c. The rental vehicle is a private passenger automobile and not a motor home, camper, travel trailer, or customized van;
  - d. The rental vehicle is **owned** by a person engaged in **business** of renting or leasing vehicles rented or leased without a driver to persons other than the owner and is registered in the name of such owner; and
  - e. The rental vehicle is rented under a rental agreement with a term no longer than 30 consecutive days.

**Non-owned auto** does not include a vehicle that is not in the lawful possession of the person operating it.

12. **Occupying** means in, upon, getting in, on, out or off.
13. **Owned** means, with respect to a private passenger type **auto**, the person:
  - a. Holds legal title; or
  - b. Has legal possession under a written lease or loan agreement for a continuous period of at least six months.
14. **Property damage** means physical injury to or destruction of tangible property, including any loss of use.
15. **Replacement auto** means an **auto** that permanently replaces an **auto** shown in the **Declarations**. A **replacement auto** will have the same coverages as the **auto** it replaces provided that no other insurance provides coverage for the **replacement auto** and it is acquired during the policy period. If **you** wish to continue coverage under Part D – Damage to Your Auto for the **replacement auto**, **you** must ask **us** to provide the coverage within 30 days after **you** become the owner of the **replacement auto**. If the **auto** it replaces does not have coverage under Part D – Damage to Your Auto, **you** must ask **us** to add the coverage and **you** must pay the additional premium due prior to the effective date those coverages are added.

A **replacement auto** does not include any **auto** **you** do not intend to register and principally garage in New Jersey.

16. **Resident** means domiciled and actually living in the household in which **you** reside.
17. **Trailer** means a non-motorized vehicle designed to be pulled by a:
  - a. Private passenger **auto**; or
  - b. Pickup, van or panel truck.

It also means a farm wagon or farm implement while being towed by a vehicle listed in a. or b. above. It does not include travel trailers, camper

trailers or other **trailers** used for commercial purposes including as an office, a store or display purposes, or to transport passengers.

18. **Your covered auto** means:

- a. Any **auto** shown in the **Declarations** for the coverages applicable to that **auto**;
- b. Any **additional auto**;
- c. Any **replacement auto**;
- d. Any **trailer owned by you** while attached to **your covered auto**; or
- e. Any **auto** or **trailer you** do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
  - (1) Breakdown;
  - (2) Repair;
  - (3) Servicing;
  - (4) Loss; or
  - (5) Destruction.

This Provision (18.e.) does not apply to Part D – Damage to Your Auto.

## PART A – LIABILITY COVERAGE

### **INSURING AGREEMENT**

If **you** pay **us** the premium when due for this coverage, **we** will pay damages for **bodily injury** and **property damage** for which an **insured person** becomes legally responsible because of an **accident**. Damages include prejudgment interest awarded against an **insured person**.

**We** will settle or defend, at **our** expense and as **we** consider appropriate, any claim or suit asking for these damages. Attorneys selected by **us** will provide a defense to such suit after it is tendered to **us**. **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted by payment, settlement or judgment.

**We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.

### **SUPPLEMENTARY PAYMENTS**

In addition to **our** limit of liability, **we** will pay on behalf of an **insured person**:

1. Up to \$250 for the cost of bail bonds required because of an **accident**, including related traffic law violations. The **accident** must result in **bodily injury** or **property damage** covered under this policy.
2. Premiums on appeal bonds and bonds to release attachments in any suit **we** defend.
3. Interest accruing after a judgment is entered in any suit **we** defend. **Our** duty to pay interest ends when **we** have paid, offered to pay, or deposited into court, that part of the judgment that does not exceed **our** limit of liability for this coverage.
4. Up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at **our** request.
5. Other reasonable expenses incurred at **our** request.

## **ADDITIONAL DEFINITIONS**

When used in this Part A:

1. **Insured person** means:
  - a. **You**, any **family member** or any other person listed as an additional driver in the **Declarations** with respect to an **accident** arising out of the ownership, maintenance or use of **your covered auto** or **non-owned auto**;
  - b. Any person with respect to an **accident** arising out of that person's maintenance or use of **your covered auto** with **your** express or implied permission; and
  - c. Any person or organization vicariously liable for the acts or omissions of a person described in paragraph a. or b. above.

## **EXCLUSIONS THAT APPLY TO PART A – LIABILITY COVERAGE**

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART A.

**We** do not provide Liability Coverage and **we** have no duty to settle or defend any claim or lawsuit:

1. For **bodily injury** or **property damage** caused intentionally by, or at the direction of, any

**insured person**, even if the actual injury or damage is different than that which was intended or expected.

2. For damage to property **owned** by, used by, rented to, being transported by, or in the care, custody or control of an **insured person**. This exclusion does not apply to damage to a rented residence or rented private garage.
3. For **bodily injury** to an employee of an **insured person** during the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless workers' compensation benefits, disability benefits or similar benefits are required or available for that domestic employee.
4. For **bodily injury** or **property damage** arising out of the ownership, maintenance or operation of any vehicle while it is being used to carry persons or property for compensation or a fee, including but not limited to the pickup or delivery or return from a pick-up or delivery of products, documents, newspapers, or food. This exclusion does not apply to a share-the-expense car pool.
5. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle by a person who is employed or otherwise engaged in the **business** of:
  - a. Selling;
  - b. Repairing;
  - c. Servicing;
  - d. Storing;
  - e. Parking; or
  - f. Washing;vehicles. This includes road testing and delivery.
6. For **bodily injury** or **property damage** arising out of the maintenance or use of any vehicle while an **insured person** is employed or otherwise engaged in any **business** not described in exclusion 5. This exclusion (6.) does not apply to the maintenance or use of a:
  - a. Private passenger **auto**;
  - b. Pickup or van that:
    - (1) **You** own; or
    - (2) **You** do not own while used as a temporary substitute for **your covered auto** which is out of its normal use because of

its breakdown, loss, repair, destruction or servicing; or

- c. **Trailer** used with a vehicle described in a. or b. above.
7. For **bodily injury** or **property damage** arising out of any person's use of a vehicle without the owner's express or implied permission.
8. For **bodily injury** or **property damage** for which an **insured person**:
  - a. Is an insured under a nuclear energy liability policy; or
  - b. Would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

A nuclear energy liability policy is a policy issued by any of the following or their successors:

  - a. American Nuclear Insurers;
  - b. Mutual Atomic Energy Liability Underwriters; or
  - c. Nuclear Insurance Association of Canada.
9. For punitive, exemplary, multiple damages, fines, penalties, or restitution.
10. For liability assumed by an **insured person** under any contract or agreement.
11. Arising out of the ownership, maintenance or use of any vehicle, other than **your covered auto** which is:
  - a. **Owned** by you; or
  - b. Furnished or available for **your** regular use.
12. Arising out of the ownership, maintenance or use of any vehicle, other than **your covered auto**, which is:
  - a. **Owned** by any **family member** or any person specifically listed as an additional driver in the **Declarations**; or
  - b. Furnished or available for the regular use of any **family member** or any person specifically listed as an additional driver in the **Declarations**.

This exclusion does not apply to **your** maintenance or use of such vehicle.

13. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used in any racing, speed, or demolition event or contest or stunting activity or in preparation for such an event, contest, or activity.
14. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used to commit a felony or other criminal activity.
15. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used to flee a law enforcement agent or crime scene.
16. For any obligation for which the United States Government is liable under the Federal Tort Claims Act.
17. Arising out of the ownership, maintenance or use of **your covered auto** while it is rented to or leased to another.
18. Arising out of the ownership, maintenance or use of any vehicle that is principally designed for use off public roads. This exclusion does not apply while such vehicle is being used by an insured in a medical emergency, to any **trailer**, or to any non-owned golf cart.
19. For charges, fees and administrative expenses for services performed by law enforcement and municipal personnel when responding to a motor vehicle **accident** or loss.

## **LIMIT OF LIABILITY**

The Bodily Injury Liability Limit for “each person” as shown in the **Declarations** is the maximum **we** will pay for **bodily injury** sustained by any one person in any one **accident**, including all derivative claims which include, but are not limited to, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship. **Bodily injury** to any one **person** includes all injury and damages to others resulting from this **bodily injury**.

Subject to the Bodily Injury Liability Limit for “each person”, the Bodily Injury Liability Limit for “each accident” as stated in the **Declarations** is the

maximum **we** will pay for **bodily injury** sustained by two or more persons in any one **accident**.

The Property Damage Liability Limit for each **accident** as stated in the **Declarations** is the maximum **we** will pay for all **property damage** arising out of any one **accident**.

If the **Declarations** show that a “combined single limit” or “CSL” applies, the amount shown is the most **we** will pay for the total of all damages resulting from any one **accident**.

The limit of liability shown in the **Declarations** is the most **we** will pay regardless of the number of vehicles involved in the **accident**, **insured persons**, claims made, lawsuits brought, premiums paid, or the number of vehicles or premiums shown in the **Declarations**.

No one will be entitled to receive duplicate payments from this policy or from any source for the same elements of **bodily injury**, **property damage**, or loss.

## **FINANCIAL RESPONSIBILITY**

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required. If, due to certification as future proof of financial responsibility **we** are required to pay a claim that would otherwise have not been covered under this Part, **you** agree to reimburse **us** to the extent of that payment.

## **OTHER INSURANCE**

Any insurance **we** provide under Part A shall be excess over any other collectible insurance, self-insurance, protection and/or any other source of recovery, except for the insurance **we** provide for the ownership, maintenance and use of **your covered auto**. If other insurance, self-insurance, protection and/or other source of recovery with the same priority applies, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable insurance limits, self-insurance amounts or limits, and/or other sources of recovery.

## PART B-1 – PERSONAL INJURY PROTECTION COVERAGE

### **NOTICES TO INSURED**

- A. MAGNETIC RESONANCE IMAGERY, COMPUTER ASSISTED TOMOGRAPHY, ELECTRODIAGNOSTIC TESTING OTHER THAN NEEDLE EMGS, H-REFLEX AND NERVE CONDUCTION VELOCITY (NCV) TESTING PERFORMED TOGETHER BY THE TREATING PHYSICIAN, SERVICES, EQUIPMENT OR ACCOMMODATIONS PROVIDED BY AN **AMBULATORY SURGERY FACILITY**, DURABLE MEDICAL EQUIPMENT AND PRESCRIPTION DRUGS IN ACCORDANCE WITH DECISION POINT REVIEW PLAN APPROVED BY THE NEW JERSEY DOBI ARE SUBJECT TO AN ADDITIONAL CO-PAYMENT BY THE INSURED PER SERVICE UNLESS THESE SERVICES ARE PROVIDED THROUGH **OUR** DESIGNATED UTILIZATION NETWORK.
- B. FAILURE TO COMPLY WITH DECISION POINT REVIEW AND MANDATORY PRE-CERTIFICATION REQUIREMENTS AND OTHER CONDITIONS OF PART B-1 MAY RESULT IN A REDUCTION OF **YOUR** BENEFITS IN ACCORDANCE WITH DECISION POINT REVIEW PLAN.

### **INSURING AGREEMENTS**

- A. **PRINCIPAL PERSONAL INJURY PROTECTION INSURING AGREEMENT**
1. Subject to the limits of liability stated on **your Declarations Page**, if **you** pay the premium for Principal Personal Injury Protection Coverage, **we** will pay principal personal injury protection benefits to or for an insured who sustains ***bodily injury*** that is:
    - a. Caused by an **accident**; and
    - b. Arises out of the ownership, maintenance or use, including loading or unloading, of an ***auto*** as an automobile.
  2. Principal personal injury protection benefits consist of:

- a. *Medical expenses*;
  - b. *Income continuation*;
  - c. *Essential services*;
  - d. *Death benefits*; and
  - e. *Funeral expenses*.
3. With respect to Principal Personal Injury Protection Coverage, insured means:
- a. The *named insured* or any **family member** who sustains *bodily injury* while:
    - (1) **Occupying** or using an *auto*; or
    - (2) A *pedestrian*, when caused by:
      - (a) An *auto*; or
      - (b) An object propelled by or from an *auto*; and
  - b. Any other person who sustains *bodily injury* while **occupying** or using *your covered auto* with the permission of the *named insured*.

**B. ADDITIONAL PERSONAL INJURY PROTECTION INSURING AGREEMENT**

**1. Medical Expense Benefits**

If **you** pay the premium for Additional Personal Injury Protection, **we** will pay the limit of liability shown on **your Declarations** Page under Additional Personal Injury Protection for medical expense benefits instead of Principal Personal Injury Protection Coverage medical expense benefits, to or for the person(s) named on **your Declarations** Page as insured for Additional Personal Injury Protection medical expense benefits who sustain *bodily injury* that:

- a. Is caused by an **accident**; and
  - b. Arises out of the ownership, maintenance or use, including loading or unloading, of an *auto* as an automobile.
- 2. Income Continuation, Essential Services, and Funeral Expense Benefits, and Death Benefits**

If **you** pay the premium for Additional Personal Injury Protection, **we** will pay the

limit of liability shown on **your Declarations** Page under Additional Personal Injury Protection for *income continuation, essential services, funeral expenses*, and/or *death benefits*, to or for the person(s) named on **your Declarations** Page as insured for these benefits, who sustain *bodily injury* that:

- a. Is caused by an **accident**; and
- b. Arises out of the ownership, maintenance or use, including loading or unloading, of an *auto* as an automobile.

When Additional Personal Injury Protection applies for *income continuation, essential services, funeral expense*, and/or *death benefits*:

- a. The limit(s) of liability for the benefits under Principal Personal Injury Protection Coverage does not apply;
- b. The limits shown on **your Declarations** Page under Additional Personal Injury Protection for *income continuation, essential services* and *funeral expense* benefits shall apply; and
- c. *Income continuation* shall be calculated as follows:

- (1) 100% of weekly loss of *income* up to \$100; and
- (2) 75% of weekly loss of *income* greater than \$100;

for up to 52 weeks of loss of *income*. If loss of *income* does not occur immediately after the **accident**, or if there is any lapse in loss of *income* following the **accident**, for any loss of *income* incurred more than 52 weeks after the **accident**, loss of *income* shall be calculated at 75% of weekly loss of *income*.

- d. If **your Declarations** Page indicates that the unlimited option applies, we will pay *income continuation* benefits for as long as the *bodily injury* disability lasts.
- e. Added benefits shall not increase the amount of *death benefits* payable under

Principal Personal Injury Protection Coverage.

- f. In the event of the death of an insured who is insured under Part B-1 for Additional Personal Injury Protection for *death benefits*, we will also pay an additional death benefit, equal to the amount stated on **your Declarations** Page to:
- (1) A surviving spouse or surviving person who has entered into a civil union with the insured who is insured under Part B-1 for Additional Personal Injury Protection for *death benefits*; or
  - (2) If there is no surviving spouse or surviving person who has entered into a civil union with the insured who is insured under Part B-1 for Additional Personal Injury Protection for *death benefits*, the surviving children; or
  - (3) If there are no surviving children, the estate of the person insured for the additional death benefit.

This additional death benefit applies in addition to any *death benefits* payable under Principal Personal Injury Protection Coverage. However, *we* will only pay the additional death benefit if the death:

- (1) Results from *bodily injury* for which benefits under Principal Personal Injury Protection are payable; and
- (2) Occurs within two years of the date of the **accident**.

**C. EXTENDED MEDICAL EXPENSE COVERAGE INSURING AGREEMENT**

1. Subject to a limit of liability of \$1,000, or if **you** pay the premium for extended Medical Expense Coverage, the limit of liability stated on **your Declarations** Page for Extended

Medical Expense Coverage, we will pay Extended Medical Expense Coverage to or for an insured who sustains *bodily injury* that:

- a. Is caused by an **accident**; and
  - b. Arises out of the ownership, maintenance or use, including loading and unloading, of a *highway vehicle* not **owned** by or furnished or available for the regular use of the *named insured* or any **family member**.
2. As used for Extended Medical Expense Coverage, insured means:
- a. The *named insured* or any **family member** who sustains *bodily injury*:
    - (1) While **occupying** or using a *highway vehicle*; or
    - (2) Caused by a *highway vehicle* while a *pedestrian*;
  - b. Any other person who sustains *bodily injury* while **occupying** a *highway vehicle* being operated by the *named insured* or any **family member**, other than:
    - (1) A motorcycle; or
    - (2) A vehicle being used as a public or livery conveyance; or
  - c. Any other person using such *highway vehicle* with the permission of the *named insured*.

## **ADDITIONAL DEFINITIONS FOR PART B-1 – PERSONAL INJURY PROTECTION COVERAGE**

- A. When the following terms shown in *boldface italics* typeface in Part B-1, the policy Definition for that term shall not apply and shall instead be defined as follows:
1. *Auto* means a self-propelled vehicle of one of the following types, which is designed for use principally on public roads:
    - a. A private passenger or station wagon type automobile;

- b. A pickup, delivery sedan or van; or
- c. A utility automobile designed for personal use as a camper, motor home, or for family recreational purposes.

However, **auto** does not include:

- a. A motorcycle;
  - b. A motor vehicle used to carry persons or property for a fee or any compensation, or while it is available for public hire;
  - c. A pickup, delivery sedan, van, or utility type motor vehicle customarily used in the occupation, profession or **business** of an insured other than farming or ranching; or
  - d. A utility motor vehicle customarily used for the transportation of passengers other than members of the user's family or their guests.
2. **Bodily injury** means bodily harm, sickness or disease, including any resulting **identified injury** or death.
3. **Your covered auto** means an **auto**:
- a. For which the **named insured** is required to maintain automobile liability insurance coverage under the New Jersey Automobile Reparation Reform Act;
  - b. To which the Bodily Injury Liability Coverage under this policy applies; and
  - c. For which a specific premium is charged.

B. The terms appearing below, when shown in **bold-face italics** typeface in Part B-1, are defined as follows:

- 1. **Actual benefits** means those benefits determined to be payable for **allowable expenses**.
- 2. **Allowable expense** means a medically necessary and customary item of expense covered as benefits by the **named insured's** or a **family member's** health benefits plan or personal injury protection benefits as an **eligible expense**, at least in part. When benefits provided are in the form of services, the reasonable monetary value of each such

service shall be considered as both an *allowable expense* and a paid benefit.

3. ***Ambulatory Surgery Facility*** means:
  - a. A surgical facility, licensed as an ***ambulatory surgery facility*** in New Jersey in accordance with N.J.A.C. 8:43A, in which ambulatory surgical cases are performed and which is separate and apart from any other facility license; or
  - b. A physician-owned single operating room in an office setting that is certified by Medicare.
4. ***Business Day*** means any day other than a Saturday, Sunday or legal holiday. A ***business day*** ends at the time of the close of business hours as we define in our Decision Point Review Plan.
5. ***Catastrophic injury treatment*** means ***medical expenses*** incurred for treatment of:
  - a. Permanent or significant brain injury, spinal cord injury or disfigurement; or
  - b. Other permanent or significant injuries rendered at a trauma center or acute care ***hospital*** immediately following the ***accident*** and until the insured:
    - (1) Is stable;
    - (2) No longer requires critical care; and
    - (3) Can be safely discharged or transferred to another facility in the judgment of the attending ***health care provider***.
6. ***Clinically supported*** means that a ***health care provider***, prior to selecting, performing or ordering the administration of a treatment or ***diagnostic test***, has:
  - a. Physically examined the insured to ensure that the proper medical indications exist to justify ordering the treatment or test;
  - b. Made an assessment of any current and/or historical subjective complaints, observations, objective findings,

neurologic indications, and physical tests;

- c. Considered any and all previously performed tests that:
    - (1) Relate to the injury and the results; and
    - (2) Are relevant to the proposed treatment or test; and
  - d. Recorded and documented these observations, positive and negative findings and conclusions on the insured's medical records.
7. **Days** means calendar days unless specifically designated as **business days**. A calendar and **business day** both end at the time of the close of business hours as we define in our Decision Point Review Plan.
8. **Death Benefits** means an amount payable in the event of the death of an insured, calculated as follows:
- a. If the insured was an **income producer** at the time of the **accident**, the amount of any unpaid **income continuation** benefits available to such insured at the time of the insured's death.
  - b. If the insured ordinarily performed **essential services** for the care and maintenance of the insured or any **family member**, the amount of any unpaid essential services benefits available to such insured at the time of the insured's death.
9. **Diagnostic test** means a medical service or procedure utilizing any means, other than bio-analysis, intended to assist in establishing a:
- a. Medical;
  - b. Dental;
  - c. Physical therapy;
  - d. Chiropractic; or
  - e. Psychological;

diagnosis for the purpose of recommending or developing a course of treatment for the tested patient to be implemented by the treating practitioner or by the consultant.

10. **Eligible expense** means:

- a. With respect to health benefit plans, that portion of the **medical expenses** incurred for the treatment of **bodily injury** which is covered under the terms and conditions of the plan, without application of the deductible(s) and co-payment(s), if any.
- b. With respect to personal injury protection benefits, that portion of the **medical expenses** incurred for the treatment of **bodily injury** which, without considering any deductible and co-payment, shall not exceed:
  - (1) The percent or dollar amounts specified on the medical fee schedules, or the actual billed expense, whichever is less; or
  - (2) When an incurred medical expense is not included on the medical fee schedules, the reasonable amount as determined by **us**, considering independent sources of information selected by **us**, which may include the use of an independent health care expense database and/or medical fee schedules for similar services or equipment in the region where the service or equipment was provided.

11. **Emergency care** means all treatment of a **bodily injury** which manifests itself by acute symptoms of sufficient severity such that absence of immediate attention could reasonably be expected to result in:

- a. Death;
- b. Serious impairment to bodily functions; or
- c. Serious dysfunction of a bodily organ or part.

**Emergency care** shall include medically necessary care initiated within 120 hours following an **auto accident**, including but not limited to immediate pre-hospitalization or trauma center care, transportation to a **hospital** or trauma center, emergency room care, surgery, critical care and other acute care. **Emergency care** ends when the insured is discharged from acute care by the attending **health care provider**.

12. **Essential Services** means reimbursement to an insured, for payments made to others, for necessary and reasonable expenses incurred in obtaining substitute **essential services** ordinarily performed by such insured during his lifetime, not for **income** but for the benefit of himself and any **family members**. The amount we will pay as **essential services** benefits for an injured insured shall not exceed:
  - a. The daily limit set forth in N.J.S.A. 39:6A-4.c., as amended; or
  - b. The lifetime per **accident** limit set forth in N.J.S.A. 39:6A-4.c., as amended.
13. **Funeral Expenses** means reasonable expenses incurred for funeral, burial, and cremation.
14. **Health care provider** means those persons licensed or certified to perform health care treatment or services compensable as **medical expenses** and shall include, but not be limited to:
  - a. **Hospital** or health care facilities that are:
    - (1) Maintained by a state or any of its political subdivisions; or
    - (2) Licensed by the Department of Health and Senior Services;
  - b. Other **hospitals** or health care facilities designated by the Department of Health and Senior Services to provide health care services, or other facilities, including facilities for radiology and diagnostic testing, free-standing emergency clinics or offices, and private treatment centers;

- c. A non-profit voluntary visiting nurse organization providing health care services other than in a **hospital**;
- d. **Hospitals** or other health care facilities or treatment centers located in other states or nations;
- e. Physicians licensed to practice medicine and surgery;
- f. Licensed:
  - (1) Audiologists;
  - (2) Chiropodists (podiatrists);
  - (3) Chiropractors;
  - (4) Dentists;
  - (5) Health Maintenance Organizations;
  - (6) Occupational Therapists;
  - (7) Occupational Therapy Assistants;
  - (8) Optometrists;
  - (9) Orthotists and Prosthetists;
  - (10) Pharmacists;
  - (11) Physical Therapists;
  - (12) Physical Therapists Assistants;
  - (13) Physician Assistants;
  - (14) Professional Nurses;
  - (15) Psychologists; and
  - (16) Speech-Language Pathologists;
- g. Registered bio-analytical laboratories;
- h. Certified nurse-midwives and nurse practitioners/clinical nurse-specialists; or
- i. Providers of other health care services or supplies including durable medical goods.

15. **Highway vehicle** means a land motor vehicle or **trailer** other than:

- a. An **auto**;
- b. A farm type tractor or other equipment designed for use principally off public roads, while not on public roads;
- c. A vehicle operated on rails or crawler treads; or
- d. A vehicle while located for use as a residence or premises.

16. **Hospital** means a general acute care hospital, a long-term acute care hospital or a comprehensive rehabilitation hospital as defined by the New Jersey Department of Health.
17. **Identified injury** means **bodily injuries** for which the New Jersey Department of Banking and Insurance has established standard courses of diagnosis and treatment for **medical expenses** resulting from such injuries, including any additions or deletions as defined by the New Jersey Department of Banking and Insurance.
18. **Income** means salary, wages, tips, commissions, fees and other earnings derived from work or employment.
19. **Income Continuation** means loss of **income** of an **income producer** payable during that person's lifetime as a result of **bodily injury** disability. The amount we will pay an **income continuation benefits** shall not exceed:
  - a. Net **income** normally earned by the **income producer** during the period in which benefits are payable;
  - b. The maximum weekly payment set forth in N.J.S.A. 39:6A-4.b., as amended; or
  - c. The maximum lifetime payment per **accident** set forth in N.J.S.A. 39:6A-4.b., as amended.
20. **Income Producer** means a person who, at the time of the **accident**, was in an occupational status earning or producing **income**.
21. **Medical expenses** means reasonable and necessary expenses incurred for:
  - a. Medical, surgical, rehabilitative and diagnostic treatments and services;
  - b. **Hospital** expenses;
  - c. Ambulance or transportation services;
  - d. Medication; and
  - e. Non-**medical expenses** that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-*medical expense* means charges for:

- (1) Products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvements to real or personal property, fixtures; and
- (2) Services and activities such as recreational activities, trips and leisure activities.

An expense shall not be considered *medical expenses* unless it:

- a. Is rendered by a *health care provider*;
- b. Is *clinically supported* and consistent with the symptoms, diagnosis or indications of the insured;
- c. Is consistent with the most appropriate level of service that is in accordance with the commonly accepted protocols and professional standards and practices which are commonly accepted as being beneficial for the treatment of the covered injury, including care paths for an *identified injury*;
- d. Is not rendered primarily for the convenience of the insured or the *health care provider*; and
- e. Does not include unnecessary testing or treatment.

Also, *medical expenses* include any appropriate nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

22. *Named insured* means:

- a. The person named on **your Declarations Page** as the policyholder; and
- b. That person's spouse, or a person who has entered into a civil union with the *named insured*, if a **resident** of the same household.

However, if:

- a. The spouse or a person who has entered into a civil union with the *named insured* ceases to be a **resident** of the same household during the policy period, the spouse or person who has entered into a civil union with the *named insured* shall be a *named insured* for the full term of that policy period.
- b. The spouse or person who has entered into a civil union with the *named insured* is a *named insured* or listed as a driver on a Basic Auto Policy issued in accordance with N.J.S.A. 39:6A-3.1 and N.J.A.C. 11:33, as amended, or a Special Auto Policy in accordance with PL2003 C.89, the spouse or person who has entered into a civil union with the *named insured* shall not be a *named insured*, **family member** or an insured under this policy while **occupying** a vehicle insured under a Basic Auto Policy or a Special Auto Policy.
- c. *Your covered auto* is **owned** by a farm family co-partnership or corporation, *named insured* includes the head of the household of each family designated in the policy as having a working interest in the farm.

23. *Pedestrian* means any person who is not **occupying** a vehicle:

- a. Propelled by other than muscular power; and
- b. Designed primarily for use on highways, rails and tracks.

## **EXCLUSIONS THAT APPLY TO PART B-1 – PERSONAL INJURY PROTECTION COVERAGE**

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART B-1.

- A. We do not provide coverage under Part B-1 for ***bodily injury***:
1. To any insured:
    - a. Whose conduct contributed to the ***bodily injury*** in any of the following ways:
      - (1) While committing a high misdemeanor or felony, or seeking to avoid lawful apprehension or arrest by a police officer; or
      - (2) While acting with specific intent to cause injury or damage to himself/herself or others.
    - b. Operating or **occupying** an ***auto*** without the permission of the:
      - (1) Owner of the ***auto***; or
      - (2) ***Named insured*** under the policy insuring that ***auto***.
    - c. Operating or **occupying** an ***auto*** without a reasonable belief of being legally entitled to do so.
    - d. If that insured is entitled to New Jersey Personal Injury Protection Coverage as a ***named insured*** or **family member** under the terms of another policy, including but not limited to a Basic Auto Policy issued in accordance with N.J.S.A. 39:6A-3.1 and N.J.A.C. 11:3-3, as amended, or Special Auto Policy issued in accordance with PL 2003 C:89. This exclusion does not apply to a **family member** who is entitled to New Jersey Personal Injury Protection Coverage as a **family member** under the terms of another policy but does apply to a **family member** who is entitled to New Jersey Personal Injury Protection Coverage as a ***named insured*** under the terms of another policy.
  2. Arising out of the ownership, maintenance or use, including loading or unloading, of any vehicle while located for use as a residence or premises, other than for transitory recreational purposes.
  3. Due to:

- a. War (declared or undeclared);
- b. Civil war;
- c. Insurrection;
- d. Rebellion or revolution; or
- e. Any act or condition incident to any of the above.

4. Resulting from the:

- a. Radioactive;
- b. Toxic;
- c. Explosive; or
- d. Other hazardous properties of nuclear material.

B. We do not provide:

1. Principal Personal Injury Protection Coverage for *bodily injury* to any person who is not **occupying your covered auto** if the **accident** occurs outside of New Jersey. However, this exclusion does not apply to:

- a. The *named insured*;
- b. Any **family member**; or
- c. Any **resident** of New Jersey.

2. Principal Personal Injury Protection Coverage or Extended Medical Expense Coverage for *bodily injury* to any person who:

- a. At the time of the **accident**, was the owner or registrant of an *auto* registered or principally garaged in New Jersey that was being operated without Personal Injury Protection Coverage;
- b. Is entitled to New Jersey Personal Injury Protection Coverage as a *named insured* or **family member** under the terms of another policy.

3. Extended Medical Expense Coverage for *bodily injury* to any insured:

- a. Who is entitled to benefits for the *bodily injury* under:
  - (1) Principal Personal Injury Protection Coverage; or
  - (2) Any:
    - (a) Workers' compensation law; or

(b) Medicare provided under federal law.

b. Who would be entitled to benefits for the ***bodily injury*** under Principal Personal Injury Protection Coverage, except for the application of a:

- (1) Deductible;
- (2) Co-payment; or
- (3) Medical fee schedule promulgated by the New Jersey Department of Banking and Insurance.

c. If the **accident** occurs outside of New Jersey. However, this exclusion does not apply to:

- (1) The ***named insured***;
- (2) Any **family member**; or
- (3) Any **resident** of New Jersey.

4. Payment under ***medical expenses*** for any physical therapy treatment unless rendered by a licensed physical therapist pursuant to a referral from a licensed physician, dentist, podiatrist or chiropractor within the scope of their respective practices.

5. Any coverage under Part B-1 for punitive damages.

C. We do not provide Personal Injury Protection Coverage with respect to the following ***diagnostic tests***:

1. Brain mapping, when not done in conjunction with appropriate neurodiagnostic testing;
2. Iridology;
3. Mandibular tracking and simulation;
4. Reflexology;
5. Spinal diagnostic ultrasound;
6. Surface electromyography (surface EMG);
7. Surrogate arm mentoring;
8. When used to diagnose or treat temporomandibular joint disorder (TMJ/D):
  - a. Doppler ultrasound;
  - b. Electroencephalogram (EEG);
  - c. Needle electromyography (needle EMG);

- d. Sonography;
  - e. Thermograms/thermographs;
  - f. Videofluoroscopy; or
9. Any other **diagnostic test** that is determined to be ineligible for coverage under Personal Injury Protection Coverage by New Jersey law or regulation.
- D. **We** do not provide coverage for **medical expenses**:
1. For **bodily injury** sustained while **occupying your covered auto** when it is being used as a public or livery conveyance;
  2. Compensable under any workers' compensation benefits or similar law;
  3. For treatment deemed to be experimental or investigational, unless such treatment is the only realistic means for treating the insured as determined by the treating physician; or
  4. Deducted or deductible pursuant to N.J.S.C. 39:6A-6, as amended (relating to collateral sources).

## **LIMIT(S) OF LIABILITY – PERSONAL INJURY PROTECTION COVERAGE**

- A. The limit of liability shown on **your Declarations Page** for any coverage under Part B-1 is the most **we** will pay due to **bodily injury** sustained by any one person in any one **accident**, regardless of the number of:
1. Persons insured;
  2. Policies applicable;
  3. Claims made; or
  4. Vehicles or premiums shown on **your Declarations Page**.
- B. If this policy and any other auto insurance policy issued to **you** by **us** apply to the same **accident**, the maximum limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy. This provision does not apply to Extended Medical Expense Coverage.
- C. Any amounts payable under Part B-1 shall be reduced by any amounts:

1. Paid;
2. Payable; or
3. Required to be provided;

under any of the following:

1. Workers' compensation law, disability benefits law, or similar law;
2. Medicare provided under federal law; or
3. Benefits actually collected that are provided under federal law to active and retired military personnel.

D. Any amounts payable for medical expense benefits shall be limited by:

1. The medical fee schedules promulgated by the New Jersey Department of Banking and Insurance for specific injuries or services, as amended; or
2. The reasonable and customary charge determined by **us**, considering third party sources of information selected by **us**, which may include the use of a third party health care expense database at the eightieth percentile for similar services or equipment in the region where the service or equipment was provided;

whichever is less; or

3. The reasonable and customary charge determined by **us**, as described in paragraph 2. above, if an item of expense is not included on such promulgated medical fee schedules.

E. Any amounts payable for medical expense benefits as a result of any one **accident** shall be:

1. Reduced by the deductible:
  - a. Shown on **your Declarations** Page for **you** or a **family member**. This will be a shared deductible for **you** and **your family members**; and
  - b. \$250 per person/per **accident** for any other insured person;

whichever is applicable as determined by **us**;  
and

2. Subject to a co-payment of 20% for the amount between the applicable deductible and \$5,000.
  - a. This will be a shared co-payment for **you and your family members**; and
  - b. Applied per person/per **accident** for any other insured person.
- F. If **your Declarations** Page indicates that the *named insured* has elected the Health Insurance option, coverage under this policy for medical expense benefits will be secondary to that provided by **your** health insurer and the following provisions will apply to medical expense benefits:
  1. **Priority of Benefits**
    - a. The health benefits plans under which the *named insured* and any **family member** are insured shall provide primary coverage for *allowable expenses* incurred by the *named insured* or any **family member** before any medical expense benefits are paid by **us**.
    - b. This insurance shall provide secondary coverage for medical expense benefits for *allowable expenses* which remain uncovered after the health benefits plans, under which the *named insured* and any **family member** are insured, have paid benefits towards those *allowable expenses*.
    - c. The total benefits paid by the health benefits plans and this insurance shall not exceed the total amount of *allowable expenses*.
  2. **Determination of Medical Expense Benefits Payable**
    - a. To calculate the amount of *actual benefits* to be paid by **us**, we will first determine the amount of *eligible expenses* which would have been paid by **us**, after application of the deductible and co-payment indicated on **your Declarations** Page, had the *named insured* not elected the Health Insurance option.
    - b. If the remaining *allowable expenses* are:

- (1) Less than the benefits calculated in paragraph a. above, **we** will pay ***actual benefits*** equal to the remaining ***allowable expenses***, without reducing the remaining ***allowable expenses*** by the deductible or co-payment.
  - (2) Greater than the benefits calculated in paragraph a. above, **we** will pay ***actual benefits*** equal to the benefits calculated in Paragraph a. above, without reducing the remaining ***allowable expenses*** by the deductible or co-payment.
- c. **We** will not reduce the ***actual benefits*** determined in paragraph b.:
- (1) By any deductibles or co-payments of the health benefits plans which have provided primary coverage for medical expense benefits; or
  - (2) For any ***allowable expenses*** remaining uncovered which otherwise would not be an ***eligible expense*** under Personal Injury Protection Coverage except as set forth in paragraph d. below.
- d. In determining uncovered ***allowable expenses***, **we** shall not consider any amount for items of expense which exceed the dollar or percent amounts recognized by the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance.
- e. The total amount of medical expense benefits for the ***named insured*** or any **family member** arising out of any one **accident** shall not exceed the maximum amount payable for medical expense benefits under this policy.
- f. No one will be entitled to receive duplicate benefits for the same elements of loss or expense.

g. If the notice of the **accident**, proof of claim or other reasonably obtainable information regarding the **accident** is received by **us** 30 or more *days* after the **accident**, **we** may impose an additional medical expense benefits co-payment in accordance with New Jersey law or regulation. This co-payment shall be in addition to:

- (1) Any medical expense benefits deductible or co-payment; or
- (2) Any penalty imposed in accordance with **our** Decision Point Review Plan.

### 3. **Health Benefits Plan Ineligibility**

a. After the *named insured* has elected the Health Insurance option, if it is determined that the *named insured* or any **family member** did not have a health benefits plan in effect at the time an **accident** occurred which resulted in *bodily injury* to the *named insured* or any **family member**, medical expense benefits shall be provided to the *named insured* or any **family member**, subject to the following:

- (1) Only paragraphs A. and C. of the Limit of Liability provision will apply with respect to medical expense benefits.
- (2) Any amount payable for medical expense benefits for the *named insured* and any **family member** as a result of any one **accident** shall:
  - (a) Be reduced by a deductible equal to the sum of \$750 plus the applicable deductible indicated on **your Declarations Page**. This will be a shared deductible for **you** and **your family members**; and
  - (b) Be subject to a co-payment of 20% for amounts less than \$5,000 after the deductible has

been applied. This will be a shared co-payment for **you** and **your family members**.

- (c) Be determined:
- (i) By the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance; or
  - (ii) By **us**, on a reasonable basis, considering third party sources of information selected by **us**, which may include the use of a third party health care expense database at the eightieth percentile for similar services or equipment in the region where the service or equipment was provided;
- whichever is less; or
- (iii) By **us**, on a reasonable basis as described in paragraph (ii) above, if an item of expense is not included on the medical fee schedules.
  - (d) Not exceed the maximum amount payable for medical expense benefits under this policy.

b. All items of medical expense incurred by the **named insured** or any **family member** for the treatment of **bodily injury** shall be **eligible expenses** to the extent the treatment or procedure from which the expense arose:

- (1) Is recognized on the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance; or
- (2) Are reasonable expenses in accordance with Section 4 of the New Jersey Automobile Reparation Reform Act, as amended.

- c. **We** shall be entitled to recover the difference between:
- (1) The reduced premium paid under this policy for the Health Insurance option; and
  - (2) The premium which would have been paid under this policy had the ***named insured*** not elected such option.

**We** will not provide any premium reduction for the Health Insurance option for the remainder of the policy period.

- G. Out of State Losses – Personal Injury Protection Coverage for those not insured through a household policy (insureds other than ***named insured***, relatives and New Jersey residents)

A non-New Jersey insured is eligible for the state minimums for Personal Injury, required by law of the state in which the **accident** occurs or \$250,000 per person/per accident, whichever is less.

## **OTHER INSURANCE**

- A. No one will be entitled to duplicate payments for the same elements of loss under this or any similar insurance, including approved plans of self-insurance. If an insured receives personal injury protection benefits from another insurer, that insurer shall be entitled to recover from **us** its pro rata share of the benefits paid, to the extent required by law. An insurer's pro rata share is the proportion that the insurer's liability bears to the total of all applicable limits.
- B. With respect to Principal Personal Injury Protection Coverage, if there is other applicable insurance, including approved self-insurance plans, the maximum recovery under all such insurance shall not exceed the amount which would have been payable under the insurance with the highest limit of liability.
- C. With respect to Extended Medical Expense Coverage, any insurance **we** provide under this policy shall be excess over any amounts:
1. Payable; or

2. Required to be provided;

under any other automobile no-fault law or Medical Payments Coverage.

If there is other applicable auto medical payments insurance, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide that arises from the use of any vehicle that is not *your covered auto* shall be excess over any other collectible auto insurance providing payments for medical or *funeral expenses*.

## **YOUR DUTIES AFTER AN ACCIDENT OR LOSS FOR PART B-1**

**We** have no duty to provide coverage under Part B-1 if the failure to comply with the following duties is prejudicial to **us**:

- A. In the event of an **accident**, prompt written notice must be given to **us** or **our** authorized representative. Such notice shall include:
1. Sufficient details to identify the insured; and
  2. Reasonable obtainable information as to how, when and where the **accident** happened.
- B. A person seeking Personal Injury Protection Coverage must:
1. Promptly give **us** written proof of claim, including:
    - a. Full particulars of the nature and extent of the *bodily injury*; and
    - b. Any other information which may assist **us** in determining the amount due and payable.
  2. Promptly send **us** copies of:
    - a. The summons and complaint; or
    - b. Other process;served in connection with any legal action taken, to recover damages for *bodily injury*, against a person or organization who is or may be legally liable.
  3. Submit, as often as **we** require, to physical exams by *health care providers we* select.

**We** will provide the insured with a copy of the medical report if requested.

4. Submit to an examination under oath if required by **us**.
5. If the notice, proof of claim or other reasonable obtainable information regarding the **accident** is received by **us** 30 or more *days* after the **accident**, **we** may impose an additional medical expense benefits co-payment in accordance with New Jersey law or regulation.

This co-payment shall be in addition to:

- a. Any medical expense benefits deductible or co-payment; or
- b. Any penalty imposed in accordance with **our** Decision Point Review Plan.

## **OUR RIGHT TO RECOVER PAYMENT UNDER PART B-1**

If **we** make a payment under Part B-1 and the person to or for whom payment was made recovers damages from another:

- A. That person shall:
  1. Hold in trust for **us** the proceeds of the recovery;
  2. Reimburse **us** to the extent of **our** payment;
  3. Execute and deliver such instruments and papers as may be appropriate to secure the rights and obligations of that person and **us**; and
  4. Do nothing after loss to prejudice these rights.
- B. **We** shall have a lien to the extent of such payment.

**We** may give notice of lien to:

1. The person or organization causing the *bodily injury*;
2. His agent;
3. His insurer; or
4. A court having jurisdiction.

## POLICY PERIOD AND TERRITORY FOR PART B-1

Coverage under Part B-1 applies only to **accidents** and losses that occur during the policy period as shown on **your Declarations** Page within the policy territory which is anywhere in the world.

## SPECIAL REQUIREMENTS FOR MEDICAL EXPENSES

### A. Care Paths for “Identified Injuries” (Medical Protocols)

1. The New Jersey Department of Banking and Insurance has established by regulation the standard courses of diagnosis and treatment for *medical expenses* resulting from “identified injuries”. These courses of diagnosis and treatment are known as care paths.

The care paths do not apply to treatment administered during *emergency care*.

2. Where the care paths indicate a decision point, further treatment or the administration of a *diagnostic test* is subject to **our** Decision Point Review Plan. A decision point means the juncture in treatment where a determination must be made about the continuation or choice of further treatment of an *identified injury*.

### B. Coverage For Diagnostic Tests

1. In addition to the care path requirements for an *identified injury*, the administration of any of the following *diagnostic tests* is also subject to the requirements of **our** Decision Point Review Plan.
  - a. Brain audio evoked potential (BAEP);
  - b. Brain evoked potential (BEP);
  - c. Computer assisted tomographic studies (CT, CAT Scan);
  - d. Dynatron/cyber station/cybex;
  - e. H-reflex Study;
  - f. Magnetic resonance imaging (MRI);
  - g. Nerve conduction velocity (NCV);
  - h. Somasensory evoked potential (SSEP);
  - i. Sonogram/ultrasound;

- j. Visual evoked potential (VEP);
- k. Any of the following *diagnostic tests* when not otherwise excluded under exclusion C.:
  - (1) Brain mapping;
  - (2) Doppler Ultrasound;
  - (3) Electroencephalogram (EEG);
  - (4) Needle electromyography (Needle EMG);
  - (5) Sonography;
  - (6) Thermography/thermograms;
  - (7) Videofluoroscopy; or
    - (a) Any other *diagnostic test* that is subject to the requirements of **our** Decision Point Review Plan by New Jersey law or regulation.
    - (b) The *diagnostic tests* listed under paragraph B.1. must be administered in accordance with New Jersey Department of Banking and Insurance regulations which set forth the requirements for the use of *diagnostic tests* in evaluating injuries sustained in an **auto accident**. However, those requirements do not apply to *diagnostic tests* administered during *emergency care*.
    - (c) **We** will pay for other *diagnostic tests* which are:
      - (i) Not subject to **our** Decision Point Review Plan; and
      - (ii) Not specifically excluded under exclusion C.;if administered in accordance with the criteria for *medical expenses* as provided under this coverage.

### C. Decision Point Review Plan

- 1. Coverage for certain *medical expenses* under Part B-1 is subject to **our** Decision

Point Review Plan, which provides appropriate notice and procedural requirements that must be adhered to in accordance with New Jersey law or regulation. **We** will provide a copy of this plan upon request, or in the event of any claim for *medical expenses* under this coverage.

2. **Our** Decision Point Review Plan includes the following minimum requirements as prescribed by New Jersey law or regulation:
  - a. The requirements of the Decision Point Review Plan only apply after the tenth day following the **accident**.
  - b. **We** must be provided prior notice as indicated in **our** plan, with appropriate *clinically supported* findings, that:
    - (1) Additional treatment for an *identified injury*; or
    - (2) The administration of a *diagnostic test* listed above in paragraph B.1. is required.
  - c. The notice and *clinically supported* findings may include a comprehensive treatment plan for additional treatment.
3. Once **we** receive such notice with the appropriate *clinically supported* findings, **we** will in accordance with **our** plan:
  - a. Promptly review the notice and supporting materials; and
  - b. If required as part of **our** review:
    - (1) Request any additional medical records; or
    - (2) Schedule a physical examination.
4. **We** will then determine, and notify the insured, whether **we** will provide coverage for the additional treatment or *diagnostic test* as indicated in **our** plan. Any determination **we** make will be based on the determination of a physician.
5. Any physical examination of an insured scheduled by **us** will be conducted in accordance with **our** plan.

#### D. Voluntary Pre-Certification

Voluntary Pre-Certification is also an option. This assessment will be discussed with **you** and **your health care provider** for the purpose of developing a medically appropriate treatment plan. This plan is intended to create a consensus agreement with **your** provider and reduce the need for constant review of **your** treatment.

#### E. Mandatory Pre-Certification

1. To be eligible for maximum benefits under this policy, **you** are required to follow the Pre-Certification requirements of **our** Decision Point Review Plan. In accordance with the Pre-Certification requirements, Pre-Certification applies to certain treatments, **diagnostic tests** and durable medical equipment for injuries other than **identified injuries**. Pre-Certification does not apply to services provided within 10 **days** of the covered **accident** and does not apply to **emergency care**.
2. **We** must be provided reasonable prior notice, with appropriate **clinically supported** findings, that:
  - a. Treatment;
  - b. Tests; or
  - c. Durable medical equipment;is required.
3. Once **we** receive such notice with the appropriate **clinically supported** findings **we** will:
  - a. Promptly review the notice and supporting materials; and
  - b. If required as part of **our** review:
    - (1) Request any additional medical records; or
    - (2) Schedule a physical examination.
4. **We** will then determine, and notify the insured, whether **we** will provide coverage for the treatment or **diagnostic test** in accordance with **our** plan. Any determination **we** make will be based on the input of a **health care provider**. The decision to deny

a Pre-Certification request on the basis of medical necessity will be the determination of a physician or dentist.

#### F. **Physical Examination**

Any physical examination of an insured scheduled as part of **our** Decision Point Review Plan will be conducted as described in **our** Decision Point Review Plan.

#### G. **Penalty**

1. If any insured fails to request Decision Point Review or Pre-Certification when required by this plan or fails to submit *clinically supported* findings that support the request for Decision Point Review or Pre-Certification, then the benefits of this coverage may be reduced in accordance with **our** Decision Point Review Plan approved by the New Jersey Department of Banking and Insurance by a portion of the lesser of:

- a. The treating *health care provider's* usual, customary and reasonable charge. The reasonable charge shall be determined by **us**, considering third party sources of information selected by **us**, which may include the use of a third party health care expense database at the eightieth percentile for similar services or equipment in the region where the service or equipment was provided;
- b. The upper limit of the medical fee schedule promulgated by the New Jersey Department of Banking and Insurance;

for any medically necessary *medical expenses* incurred after notification to **us** is required but before authorization for continued treatment or the administration of a test is made by **us**.

However, **we** will not impose the additional co-payment where **we** received the required request with *clinically supported* findings, but failed to request further information, modify or deny reimbursement of further treatment, *diagnostic tests* or durable

medical equipment in accordance with **our** Decision Point Review Plan.

2. If the insured fails to use a designated provider in the voluntary network for durable medical equipment, prescription drugs, services, equipment or accommodations provided by an *ambulatory surgery facility*, Magnetic Resonance Imagery, Computer electrodiagnostic testing other than needle EMGs, H-Reflex and Nerve Conduction Velocity testing performed together by the treating physician, **our** payment liability is limited to the *eligible expense* less a penalty co-payment in accordance with Decision Point Review Plan approved by the New Jersey Department of Banking and Insurance.
3. If the insured fails to attend two or more scheduled physical and/or mental exams as required under Your Duties After An Accident Or Loss For Part B-1, **we** will immediately notify:
  - a. The insured or his or her designee; and
  - b. All providers treating the insured for the diagnosis (and related diagnosis);that all future treatment, diagnostic testing or durable medical equipment required for the diagnosis (and related diagnosis) will not be reimbursable because the insured failed to comply.

This penalty will not apply if the insured's failure to attend the exam is deemed excused by **us**.

## **PAYMENT OF BENEFITS UNDER PART B-1**

- A. **We** may, at **our** option, pay any medical expense benefits or *essential services* benefits to the:
  1. Insured; or
  2. Person or organization providing products or services for such benefits.

These benefits shall not be assignable except to providers of service benefits. Any attempt to assign benefits to a party who is not a provider of service benefits shall be null and void and shall

not be honored. If assigned, all requirements, duties and conditions of the policy, including but not limited to Pre-Certification, Decision Point Reviews, exclusions, deductibles, co-payments and duties of cooperation following an **accident** or loss, shall remain in effect.

- B. A valid assignment is not enforceable unless the provider of service benefits agrees to be subject to the requirements of **our** Decision Point Review Plan, including **our** requirements for Decision Point Review and Pre-Certification requests.
- C. No assignment made by an insured and accepted by the provider of the assigned services benefit is valid unless **we** have given **our** written consent, and the provider agrees to:
  - 1. Hold the insured harmless of penalty co-payments imposed by **us** based on the provider's failure to follow the requirements of **our** Decision Point Review Plan;
  - 2. Follow the Reconsideration Process for disputes arising out of a request for Decision Point Review or Pre-Certification;
  - 3. Follow the Appeal Process for Other Disputes for any issues other than a decision related to a treatment request; and
  - 4. Submit disputes to PIP Dispute Resolution pursuant to N.J.A.C. 11:3-5. However, prior to submitting to PIP Dispute Resolution, the provider must comply with the Reconsideration Process and the Appeals Process for other disputes in 2. and 3. above.
- D. In the event of the death of an insured, **we** will pay:
  - 1. Any amounts payable for medical expense benefits but unpaid prior to death, to the insured's estate.
  - 2. **Death benefits:**
    - a. For an insured who was an **income producer**, the amount of any unpaid **income continuation** benefits to:
      - (1) The surviving spouse or person who has entered into a civil union with the insured; or

- (2) If there is no surviving spouse or person who has entered into a civil union with the insured, the surviving children; or
  - (3) If there are no surviving children, the insured's estate.
- b. For an insured who was a provider of *essential services*, to the person who has incurred the expense of providing *essential services*.
3. Funeral expense benefits to the estate of the insured.

## RECONSIDERATION PROCESS

If **we** fail to certify a request for Decision Point Review or Pre-Certification under **our** Decision Point Review Plan, the insured or the treating *health care provider* may request the clinical rationale for this decision. This request must be in writing. The insured or the *health care provider* may request the decision be reconsidered by submitting a written request with the reason for the appeal and all supporting documentation within **30 days** of receipt of the decision in question. Submission of documentation that is identical to the documentation submitted in support of the initial request shall not be accepted as a request for reconsideration. If the *health care provider* has taken on an assignment of benefits or has a power of attorney from the insured, such provider is required to participate in this Internal Appeal Process. Provided that additional necessary medical information has been submitted, a response to the reconsideration request will be provided within **14 days** of the request. This process will afford the *health care provider* the opportunity to discuss the appeal with a medical director of a similar discipline or request an independent medical examination.

## OTHER DISPUTES

For other disputes not related to Decision Point Review or Pre-Certification, **we** provide an Internal Appeal Process which is available for review of the decision to which **you** object. The appeal must be submitted at least **30 days** prior to the initiation of any arbitration or litigation. The appeal must be signed

by the treating provider and submitted in writing stating the issue being disputed along with supporting documentation. If the *health care provider* has taken on an assignment of benefits or has a power of attorney from the insured, such provider is required to participate in this Internal Appeal Process. A decision will be provided within 30 *days* from receipt of the written appeal and supporting documentation. To ensure proper receipt of the appeal by **us**, it shall be submitted via certified mail/return receipt requested through the U.S. Postal Service or via another courier that provides proof of delivery. Proof of receipt by **us** must be provided at **our** request.

## **PERSONAL INJURY PROTECTION DISPUTE RESOLUTION**

If **we** and any person seeking Personal Injury Protection Coverage do not agree as to the recovery of Personal Injury Protection Coverage under Part B-1, then the matter may be submitted to dispute resolution, on the initiative of any party to the dispute, in accordance with N.J.A.C. 11:3-5.6. Any request for dispute resolution may include a request for review by a Medical Review Organization. However, prior to submitting such matter to Dispute Resolution, providers who are assigned service benefits by the insured or have a power of attorney from the insured, shall be subject to the Internal Appeal Process set forth in this endorsement. Failure to utilize the Internal Appeal Process prior to filing arbitration or litigation will invalidate an assignment of benefits.

## **PROOF OF HEALTH BENEFITS PLAN COVERAGE**

If **your Declarations** Page indicates that the Health Insurance option applies, the *named insured* must provide proof that the *named insured* and **family members** are insured by Health Insurance Coverage or benefits in a manner and to the extent approved by the New Jersey Department of Banking and Insurance.

## **DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSE BENEFITS**

If **your Declarations** Page indicates that the Medical Expense Only option applies, **we** will pay only

medical expense benefits and no other coverages will be provided for the *named insured* or any **family member** under this Part B-1.

## **EMPLOYEE BENEFITS REIMBURSEMENT**

If an insured fails to apply for workers' compensation benefits or disability benefits for which that insured is eligible, **we** may immediately apply to the provider of such benefits for reimbursement of any benefits **we** have paid under this coverage, and the insured shall cooperate in the process of this claim.

## **INTERNAL APPEAL PROCESS**

If the *health care provider* has accepted an assignment of benefits or has a power of attorney from the insured and **we** fail to certify a request or other decision is disputed, the Internal Appeal Process must be followed prior to the initiation of any arbitration or litigation. Should the *health care provider* retain an attorney to handle the appeal process, the provider does so at their own expense. No counsel fees or any other costs incurred during the appeal process will be compensated by **us** regardless of whether the dispute is resolved on appeal or litigated. The *health care provider* agrees to hold harmless and indemnify **us** for any legal fees and/or costs awarded should the *health care provider* litigate any matter prior to fulfilling the Dispute Resolution requirements including the Internal Appeal Process. The Internal Appeal Process includes the Reconsideration Process for treatment request disputes and Other Disputes for disputes other than treatment request disputes. **We** are not required to pay for tests, treatments, services or equipment that are not medically necessary.

## PART B-2 – MEDICAL PAYMENTS COVERAGE

### **INSURING AGREEMENT**

- A. Subject to the Medical Payments Coverage limit of liability stated on **your Declarations** Page, if **you** pay the premium for Medical Payments Coverage, **we** will pay the reasonable and necessary medical expenses and funeral expenses incurred because of **bodily injury**:

1. Caused by an **accident** arising out of the ownership, maintenance or use of an **auto** or **trailer**; and
  2. Sustained by an **insured**. **We** will pay only those expenses incurred for services rendered within two years from the date of the **accident**.
- B. Covered expenses must be incurred for:
1. Medical services performed, medical supplies, medication, or drugs prescribed by a medical provider licensed by the state to provide the specific medical services; and
  2. Funeral services.
- C. **We** have the right to review the medical expenses to determine if they are reasonable and necessary for diagnosis and treatment of the **bodily injury**. **We** may use independent sources of information selected by **us** to determine if any medical expense is reasonable and necessary. These sources may include, but are not limited to:
1. Physical exams by physicians **we** select. **We** will pay for these exams;
  2. Review of medical files;
  3. Computer databases; or
  4. Published sources of medical expense information.
- D. **We** may refuse to pay for any portion of any medical expense that is unreasonable because the fee for the service is greater than the fee which is usual and customary for the geographic location in which the service is rendered. **We** may also refuse to pay for any portion of any medical expense because the service rendered is unnecessary for the treatment of the **bodily injury** sustained. If **we** refuse to pay for any portion of any medical expense because the fee is unreasonable or for any service because the service is unnecessary and the **insured** is sued for payment of this expense, **we** will defend the **insured** with an attorney of **our** choice. **We** will pay defense costs and any judgment against the **insured** up to **our** limit of liability. The **insured** must cooperate with **us** in the defense of the lawsuit and attend hearings or trials at **our** request. **We** will pay the **insured**

up to \$200 per day for lost wages or salary due to attendance at a hearing or trial. **We** will also pay other reasonable expenses the *insured* incurs at **our** request as a result of a lawsuit.

## **ADDITIONAL DEFINITIONS FOR PART B-2 – MEDICAL PAYMENTS COVERAGE**

The terms appearing below, when shown in *boldface italics* typeface in Part B-2, are defined as follows:

- A. *Insured* means:
1. **You** or any **family member**:
    - a. While **occupying**; or
    - b. As a pedestrian when struck by;  
a motor vehicle designed for use mainly on public roads or a *trailer* of any type.
  2. Any other person while **occupying your covered auto** or while **occupying a trailer** attached to **your covered auto** or shown on **your Declarations Page**.
- B. *Non-owned auto* means any **auto** that is not **owned by you** or a **family member**.
- C. *Trailer* means a non-motorized attachment, including a farm wagon or farm implement, designed to be towed on public roads by an **auto** provided the *trailer* is not used:
1. For commercial or **business** purposes;
  2. As a primary residence;
  3. As an office, store, or for commercial display purposes; or
  4. To transport passengers.

## **EXCLUSIONS THAT APPLY TO PART B-2 – MEDICAL PAYMENTS COVERAGE**

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART B-2.

**We** do not provide Medical Payments Coverage for any *insured* for **bodily injury**:

- A. Sustained while **occupying** any motorized vehicle having fewer than four wheels.

- B. Sustained while **occupying your covered auto** when it is being used to carry persons or property for a fee or any compensation or while it is available for public hire. This exclusion (B.) applies to, but is not limited to, delivery of goods to customers either on a wholesale or retail basis such as food, newspapers or flowers. It does not apply to a share-the-expense car pool.
- C. Sustained while **occupying** any vehicle or **trailer** being used as a residence or premises.
- D. Occurring during the course of employment if workers' compensation benefits are required or available for the **bodily injury**.
- E. Sustained while **occupying** or when struck by any vehicle, other than **your covered auto**, that is:
1. **Owned by you**; or
  2. Furnished or available for **your** regular use.
- F. Sustained while **occupying** or when struck by any vehicle, other than **your covered auto**, that is:
1. **Owned by any family member**; or
  2. Furnished or available for the regular use of any **family member**.
- However, this exclusion (F.) does not apply to **you**.
- G. Sustained by any person while **occupying** a covered **auto** or **trailer** without the express or implied permission of **you** or a **family member**. This exclusion (G.) does not apply to a **family member** using **your covered auto** that is **owned** by **you**. This includes anyone operating a vehicle without a valid driver's license.
- H. Sustained by **you** or a **family member** while **occupying** a **non-owned auto** without the express or implied permission of the owner. This includes anyone operating a vehicle without a valid driver's license.
- I. Caused by or as a consequence of:
1. Nuclear reaction or radioactive contamination;
  2. Discharge of a nuclear weapon (even if accidental);
  3. War;

4. Civil War;
  5. Insurrection; or
  6. Rebellion or revolution.
- J. For which insurance is available under a nuclear energy liability policy.
- K. That results from:
1. Nuclear radiation, exposure or contamination; or
  2. Bio-chemical attack or exposure to bio-chemical agents.
- L. Sustained while **occupying** any vehicle while participating in:
1. Racing;
  2. Drag racing;
  3. Speed or demolition contests;
  4. Stunting activities; or
  5. The practice or preparation for such contest or activities.
- M. Sustained while **occupying** any vehicle on a driving track in a facility designed for racing vehicles.
- N. That is self-inflicted by the *insured* or inflicted on an *insured* at the request of that *insured*.
- O. Sustained while **occupying** any vehicle insured for Personal Injury Protection Coverage.
- P. Sustained while a pedestrian, and:
1. Caused by any vehicle insured for Personal Injury Protection Coverage; or
  2. As a result of being struck by an object propelled by or from a vehicle insured for Personal Injury Protection Coverage.

## **MEDICAL PAYMENTS COVERAGE LIMIT OF LIABILITY**

- A. The limit of liability for this coverage shown on **your Declarations** Page for a vehicle is the maximum **we** will pay for each person injured in any one **auto accident**. This is the most **we** will pay regardless of the number of:
1. *Insureds*;
  2. Claims made;

3. Vehicles or premiums shown on **your Declarations Page**; or
  4. Vehicles involved in the **accident**.
- B. No one will be entitled to receive duplicate payments for the same elements of loss under Part B-2 of this policy and:
1. Part A;
  2. Part B-1; or
  3. Part C;
- of this policy.

## **OTHER INSURANCE**

If there is other applicable auto medical payments insurance, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits. However, any insurance **we** provide that arises from the use of any vehicle that is not **your covered auto** shall be excess over any other collectible auto insurance providing payments for medical or funeral expenses.

## PART C - UNINSURED/ UNDERINSURED MOTORIST COVERAGE

### **INSURING AGREEMENT – UNINSURED MOTORIST COVERAGE**

If **you pay us** the premium when due for this coverage, **we** will pay for damages an **insured person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by an **insured person**, caused by an **accident**, and arising out of the ownership, maintenance or use of an **uninsured motor vehicle**.

### **INSURING AGREEMENT – UNDERINSURED MOTORIST COVERAGE**

If **you pay us** the premium when due for this coverage, **we** will pay for damages an **insured person** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of **bodily injury** sustained by an **insured person**, caused by an **accident**, and arising out of the ownership, maintenance or use of an **underinsured motor vehicle**.

## **INSURING AGREEMENT – UNINSURED MOTORIST PROPERTY DAMAGE COVERAGE**

If **you** pay **us** the premium when due for this coverage, **we** will pay for damages an **insured person** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of **property damage** to **your covered auto** caused by an **accident** and arising out of the ownership, maintenance or use of an **uninsured motor vehicle**.

**We** will pay under Part C only after the limits of liability under all liability policies applicable to an **uninsured motor vehicle** have been exhausted by payment of judgments or settlements.

**We** will pay under Part C only after the limits of liability under all liability bonds and policies applicable to an **underinsured motor vehicle** have been exhausted by payment of judgments or settlements.

Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

Recovery of damages by an **insured person** under Uninsured/Underinsured Motorist Bodily Injury Coverage is subject to the limitation on lawsuit tort election under NJSA 39:6A-8.

An **insured person** must notify **us** in writing at least 30 days before entering into any settlement with the owner or operator of an **uninsured motor vehicle** or **underinsured motor vehicle**, or that person's liability insurer. If, within 30 days after **we** receive notice of tentative settlement from the **insured person**, **we** notify the **insured person** that **we** refuse to consent to a proposed settlement, the **insured person** must protect and preserve **our** right of subrogation to the claim against the operator or owner of any **uninsured motor vehicle** or **underinsured motor vehicle** who is liable for the **accident**.

### **ADDITIONAL DEFINITIONS**

When used in this Part C:

1. **Insured person** means:
  - a. **You**, any **family member** or civil union partner under New Jersey law, or any other person listed as an additional driver in the **Declarations**;

- b. Any other person while **occupying your covered auto**, provided the actual use thereof is with the permission of the **named insured**; and
  - c. Any person entitled to recover damages for **bodily injury** covered under Part C of this policy sustained by a person meeting the definition of an **insured person** in 1.a. or 1.b. above.
2. **Property damage** means physical damage to, or destruction of **your covered auto** or property owned by an **insured person** and contained in the covered **auto** at the time of the **accident**.
3. **Underinsured motor vehicle** means a land motor vehicle or **trailer** of any type to which a **bodily injury** liability policy applies at the time of the **accident** but the sum of all applicable limits of liability for **bodily injury** is less than the coverage limit shown in the **Declarations** for Uninsured/Underinsured Motorist Coverage.

However, an **underinsured motor vehicle** does not include:

- a. A vehicle that is **owned** or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar law;
- b. A vehicle that is **owned** by the United States of America, Canada, a state, a political subdivision of any such government or an agency of any such government;
- c. A land motor vehicle or **trailer**, if operated on rails or crawler-treads or while located for use as a residence or premises and not as a vehicle;
- d. A farm-type tractor or equipment designed for use principally off public roads, except while actually upon public roads;
- e. A vehicle **owned** by or furnished for the regular or frequent use of an **insured person** or any member of the household of the **insured person**;
- f. Any vehicle or equipment to which coverage under Part A applies; or

- g. Any vehicle or equipment that is an **uninsured motor vehicle**.
4. **Uninsured motor vehicle** means a land motor vehicle or **trailer** of any type:
- a. For which no liability policy or bond applies at the time of the **accident**;
  - b. To which a liability policy applies at the time of the **accident** but the insuring company:
    - (1) Denies coverage; or
    - (2) Is or becomes insolvent, declared bankrupt, or subject to the appointment of a receiver;
  - c. Which is a hit-and-run vehicle whose owner or operator cannot be identified and which causes an **accident** with:
    - (1) **You** or any **family member**; or
    - (2) A vehicle which **you** or any **family member** are **occupying**; or
    - (3) **Your covered auto**.

However, **uninsured motor vehicle** does not include any vehicle:

- a. **Owned** by an **insured person** or furnished or available for the regular use of an **insured person**;
- b. **Owned** or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar law;
- c. **Owned** by the United States of America, Canada, a state, a political subdivision of any such government or an agency of any such government;
- d. Operated on rails or crawler-treads or while located for use as a residence or premises and not as a vehicle;
- e. That is a farm-type tractor or equipment designed for use principally off public roads, except while actually upon public roads;
- f. That is an **underinsured motor vehicle**;
- g. For which coverage under Part A applies; or

- h. That is insured under a Basic Automobile Insurance Policy issued in accordance with New Jersey law or regulation.

## **EXCLUSIONS THAT APPLY TO PART C – UNINSURED/UNDERINSURED MOTORIST COVERAGE**

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART C.

Coverage under Part C does not apply:

1. For damages for pain, suffering and inconvenience resulting from **bodily injury** caused by an **accident** involving an **uninsured motor vehicle**, unless the injured insured has a legal right to recover damages for such pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act. The injured insured's legal right to recover damages for pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act will be determined by the liability tort limitation, if any, applicable to that insured.
2. If the **insured person** or their legal representative settles or prosecutes to a judgment a claim for **bodily injury** or **property damage** without **our** consent.
3. To **bodily injury** or **property damage** arising out of the ownership, maintenance or operation of any vehicle while it is being used to carry persons or property for compensation or a fee, including but not limited to the pickup or delivery or return from a pick-up or delivery of products, documents, newspapers, or food. This exclusion does not apply to a share-the-expense car pool.
4. To **bodily injury** or **property damage** when an **insured person** is using a vehicle without a reasonable belief that the person is entitled to do so.
5. To **bodily injury** sustained by **you** or any **family member** or civil union partner under New Jersey law while **occupying** or when struck by any motor vehicle **owned** by **you** or any **family member** or civil union partner or any other person specifically listed as an additional driver listed in the

**Declarations** which is not insured for this coverage under this policy. This includes a **trailer** of any type used with a motor vehicle **owned** by **you** or any **family member** or civil union partner or any other person specifically listed as an additional driver listed in the **Declarations** which is not insured for this coverage under this policy. This exclusion does not apply to **you** unless **you** are **occupying**, at the time of the accident, a motor vehicle of which **you** are the owner or a motor vehicle which is required to be insured in accordance with New Jersey law or regulations but which is not insured for this coverage under any similar form.

6. Directly or indirectly to benefit:
  - a. Any **insured person** or self-insurer under any of the following or similar law:
    - (1) Workers' compensation law; or
    - (2) Disability benefits law; or
  - b. Any insurer of property.
7. Directly to the benefit of the United States or any state or political subdivision thereof.
8. To any claim for punitive, exemplary, multiple damages, fines, penalties, or restitution.
9. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used to commit a felony or other criminal activity.
10. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used to flee a law enforcement agent or crime scene.
11. For **bodily injury** or **property damage** arising out of the ownership or operation of any vehicle while it is being used in any racing, speed, or demolition event or contest or stunting activity or in preparation for such an event, contest, or activity; or any driving activity conducted on a permanent or temporary racetrack or racecourse.
12. To the first \$500 of the amount of **property damage** sustained by each **insured person** as the result of any one **accident**.

13. To **property damage** sustained while an insured vehicle is being used or driven by a person while employed or engaged in the **business** of selling, leasing, repairing, parking, storing, servicing, delivering or testing vehicles. However, this exclusion does not apply to **you**, a **family member**, a civil union member under New Jersey law, or an agent or employee of **you** or a **family member** or a civil union member under New Jersey law, when using an insured vehicle.
14. To **property damage** for which insurance is afforded under a nuclear energy liability insurance contract.

## LIMIT OF LIABILITY

### A. Split Limit of Liability

The limit of Uninsured/Underinsured Motorist Bodily Injury Liability or Uninsured Motorist Property Damage Liability shown in the Schedule or in the **Declarations** is the most we will pay regardless of the number of:

1. **Insured persons;**
2. Claims made;
3. Vehicles or premiums shown in the **Declarations;**
4. Vehicles involved in the **accident;** or
5. Premiums paid.

### B. Combined Single Limit

If the **Declarations** show that a “combined single limit” or “CSL” applies, the amount shown is the most we will pay for the total of all damages resulting from any one **accident**. This is the most we will pay regardless of the number of:

1. **Insured persons;**
2. Claims made;
3. Vehicles or premiums shown in the **Declarations;**
4. Vehicles involved in the **auto accident;** or
5. Premiums paid.

In no event shall the limit of liability for two or more motor vehicles or two or more policies be added together, combined, or stacked to determine the limit of insurance coverage available as

Uninsured Motorist Coverage or Underinsured Motorist Coverage benefits.

The Uninsured/Underinsured Motorist Bodily Injury limit for each person as shown in the **Declarations** is the maximum we will pay for **bodily injury** sustained by any one person in any one **accident**, including all derivative claims which include, but are not limited to, loss of consortium, loss of services, loss of companionship, or injury to any personal relationship. **Bodily injury** to any one person includes all injury and damages to others resulting from this **bodily injury**.

Subject to the Uninsured/Underinsured Motorist Bodily Injury limit for each person, the **bodily injury** limit for each **accident** as stated in the **Declarations** is the maximum we will pay for **bodily injury** sustained by two or more persons in any one **accident**.

**Our** maximum limit of liability for all damages for **property damage** resulting from any one **accident** will be the lesser of:

1. The limit of Uninsured Motorist Property Damage Liability shown in the **Declarations**;
2. The actual cash value of **your covered auto**, reduced by the salvage value if **you** or the owner of the property retain the salvage; or
3. The amount to repair the vehicle or property; reduced by:
  1. All sums paid for the **property damage** by or on behalf of any persons or organizations who may be legally liable;
  2. Any amounts paid under this policy for the same elements of **property damage** or loss;
  3. A deductible of \$500; and
  4. If the **auto** is repaired, all sums that represents any increase in:
    - a. The value of the **auto**, when repair of prior damage increases the value of the **auto** to a condition that was better than it was prior to the **accident**; and
    - b. The value of the increase of useful life of replaced parts that have a useful

life shorter than the **auto's** useful life, including but not limited to, tires, batteries and struts.

Any amount payable under the terms of this coverage because of **bodily injury** or **property damage** sustained in an **accident** by a person who is an **insured person** under this coverage shall be reduced by:

1. All sums paid on account of the **bodily injury** or **property damage** by or on behalf of the owner or operator of the uninsured vehicle and by or on behalf of any other person or organization jointly or severally liable together with the owner or operator for the **bodily injury** or **property damage**, including all sums paid under Part A – Liability Coverage of this policy; and
2. The amount paid and the present value of all amounts payable on account of the **bodily injury** or **property damage** under any worker's compensation law, disability benefits law, or any similar law.

No one will be entitled to duplicate payments for the same elements of damages.

## **OTHER INSURANCE**

If there is other applicable Uninsured/Underinsured Motorist Coverage, **we** will pay only **our** share of the damages. **Our** share of the damages is the proportion that **our** limit of coverage under this Part C bears to the total of all applicable limits. However, any insurance **we** provide with respect to an **auto you** do not own shall be excess over any other valid and collectible insurance.

## PART D – DAMAGE TO YOUR AUTO

### **INSURING AGREEMENT – COLLISION COVERAGE**

If **you** pay **us** the premium for Collision Coverage when due, **we** will pay for damage to **your covered auto** or **non-owned auto** and its **additional equipment** resulting from **collision**.

In addition, **we** will pay the reasonable cost to replace any child safety seat damaged in an **accident** to which this coverage applies.

## **INSURING AGREEMENT – COMPREHENSIVE COVERAGE**

If **you** pay **us** the premium for Comprehensive Coverage when due, **we** will pay for comprehensive loss to **your covered auto** or **non-owned auto** and its **additional equipment**. A comprehensive loss is a loss caused by the following:

1. Missiles or falling objects;
2. Fire;
3. Theft or larceny;
4. Explosion or earthquake;
5. Windstorm;
6. Hail, water, or flood;
7. Malicious mischief or vandalism;
8. Riot or civil commotion;
9. Contact with bird or animal; or
10. Breakage of glass, when not caused by **collision**.

## **TRANSPORTATION EXPENSES**

If **you** have purchased Comprehensive Coverage and **your covered auto** is stolen, **we** will pay up to \$20 per day, to a maximum of \$600, for transportation expenses incurred by **you**. **We** will pay only reasonable transportation expenses actually and necessarily incurred during the period:

1. Beginning on the date of the theft; and
2. Ending when **your covered auto** has been repaired or replaced, whichever occurs first. If **your covered auto** is determined by **us** to be a total loss, coverage for transportation expense will end 72 hours after reported.

**We** will not pay **you** the cost of renting a car from an individual. The car must be rented from a **business** whose day-to-day operations involve car rental. **We** will not pay for insurance, collision damage waivers, fuel, or any other charges, except for the actual cost of the rental of the vehicle including applicable taxes.

If transportation costs are payable under both Transportation Expenses and Rental Reimbursement

Coverage, **we** will pay only under the one coverage in which **you** collect the most.

## **RENTAL REIMBURSEMENT COVERAGE**

If **you** pay **us** the premium for Rental Reimbursement Coverage when due, **we** will pay for the cost incurred by **you** for rental of an **auto** from an auto rental agency or a vehicle repair shop while **your covered auto** for which this coverage is purchased is inoperable as a result of **collision** or a comprehensive loss to which coverage under this Part D applies. **We** will not pay Rental Reimbursement when **your covered auto** is inoperable due to wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires.

The limit of liability for Rental Reimbursement Coverage is the amount shown in the **Declarations** as the daily limit, for up to 30 days for each **accident**, loss or theft covered under Part D.

If transportation costs are payable under both Transportation Expenses and Rental Reimbursement Coverage, **we** will pay only under the one coverage in which **you** collect the most.

Rental charges will be reimbursed beginning when:

1. **Your covered auto** cannot be driven due to a loss; or
2. If **your covered auto** can be driven, when **you** deliver or **your** representative delivers **your covered auto** to an auto repair shop for repairs due to the loss.

Rental charges will end when **your covered auto** has been repaired or replaced. If **your covered auto** is determined by **us** to be a total loss, coverage for rental charges will end 72 hours after **we** make an offer to pay the actual cash value of **your covered auto**.

**You** must provide **us** written proof of **your** rental charges. Duplicate recovery for identical elements of damages is not permitted under this policy.

## **TOWING AND LABOR COVERAGE**

If **you** pay **us** the premium for Towing and Labor Coverage for **your covered auto** when due, **we** will reimburse **you** for towing and labor costs incurred as a result of the disablement of that **auto**, up to the

limit of the coverage stated in the **Declarations** of this policy, provided that:

1. The labor, if any, is performed at the place of disablement; or
2. If towed, the **auto** is towed to the nearest qualified repair facility and the towing is necessary due to:
  - a. Mechanical or electrical breakdown;
  - b. Battery failure;
  - c. Insufficient supply of fuel, oil, water, or other fluid;
  - d. Flat tire;
  - e. Lock-out; or
  - f. Entrapment in snow, mud, water or sand, within 100 feet of a road or highway.

## **ADDITIONAL EQUIPMENT COVERAGE**

If **you** pay **us** the premium for Additional Equipment Coverage for **your covered auto** when due, **we** will provide Comprehensive and Collision Coverage for **additional equipment**. This coverage applies in addition to any coverage automatically included for **additional equipment** under Comprehensive and Collision Coverage.

No coverage will be provided that duplicates payment for the same element of loss paid under any other coverage or any other insurance.

## **AUTO LOAN/LEASE COVERAGE**

### **Insuring Agreement – Loan Coverage**

If **you** pay the premium for Loan Coverage, then in the event of a total loss to **your covered auto**, **we** will pay the greater of the:

1. Outstanding indebtedness under a finance agreement covering **your covered auto** not to exceed 125% of the actual cash value of **your covered auto** less any costs for extended warranties, Credit Life insurance, Health, Accident or Disability insurance, or Lender's Collateral Protection insurance purchased with or applied to the loan, and carry-over balances from previous loans or leases; or
2. Actual cash value of **your covered auto**.

## Insuring Agreement – Lease Coverage

If **you** pay the premium for Lease Coverage, then in the event of a total loss to **your covered auto**, we will pay any unpaid amount due on the lease for **your covered auto** less:

1. Any amount paid under Part D of the policy; and
2. Any:
  - a. Overdue lease payments at the time of the loss;
  - b. Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
  - c. Security deposits not refunded by a lessor;
  - d. Costs for extended warranties, Credit Life insurance, Health, Accident or Disability insurance purchased with the lease; and
  - e. Carry-over balances from previous leases or loans.

If there are other sources of recovery, we will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable limits.

## ADDITIONAL DEFINITIONS

When used in this Part D:

1. **Collision** means the upset of **your covered auto** or **non-owned auto** or its impact with another vehicle or object.
2. **Additional equipment** means permanently installed or attached custom parts, equipment, devices, accessories, enhancements, and changes that alter the appearance or performance of **your covered auto** and that were not installed by the original automobile manufacturer. **Additional equipment** includes, but is not limited to, permanently installed stereo equipment, custom paint and exterior body panels, custom wheels and tires, equipment to modify vehicle height on both raised and lowered vehicles, custom seats, and safety or alarm devices.
3. **Diminution in value** means the actual or perceived loss in market or resale value which results from a direct and accidental loss.

## EXCLUSIONS THAT APPLY TO PART D – DAMAGE TO YOUR AUTO

READ THE FOLLOWING EXCLUSIONS CAREFULLY. IF AN EXCLUSION APPLIES, COVERAGE WILL NOT BE AFFORDED UNDER THIS PART D.

Coverage under this Part D does not apply for loss:

1. To **your covered auto** or **non-owned auto** while it is being used to carry persons or property for compensation or a fee, including but not limited to the pickup or delivery or return from a pick-up or delivery of products, documents, newspapers, or food. This exclusion does not apply to a share-the-expense car pool.
2. Arising out of the ownership, maintenance or use of **your covered auto** or **non-owned auto** while it is rented to or leased to another, or hired for a fee. This exclusion does not apply to the operation of a covered **auto** by **you** or a relative.
3. To any vehicle that is due and confined to:
  - a. Wear and tear;
  - b. Deterioration including but not limited to rust, rot or mold unless that deterioration is caused by a covered loss under Part D;
  - c. Latent or inherent defects;
  - d. Freezing;
  - e. Mechanical or electrical breakdown or failure;
  - f. Road damage to tires;
  - g. Lack of maintenance, including but not limited to lack or loss of lubricants, oil, transmission fluid, or coolant; or
  - h. Leakage or seepage of water, whether or not wind driven, unless entering the vehicle through an opening caused by a covered peril.

This exclusion does not apply if the damage results from the total theft of **your covered auto**.

4. To any vehicle due to or as a consequence of:
  - a. Radioactive contamination;
  - b. Discharge of any nuclear weapon (even if accidental);
  - c. War (declared or undeclared);
  - d. Civil war, insurrection, rebellion or revolution.

5. To tapes, records, CD's, DVD's, video or other devices that are not permanently attached to the vehicle for use with equipment designed for the reproduction of sound or video.
6. To any **non-owned auto** when used by **you** or any **family member** or any person specifically listed as an additional driver in the **Declarations** without the owner's express or implied permission to do so.
7. To any vehicle operated by any person who has had their driving privileges permanently revoked, and where that revocation of driving privileges is known by the policyholder.
8. To TV antennas, awnings, cabanas, or equipment designed to create additional living facilities.
9. To any of the following or their accessories:
  - a. Citizen band radio;
  - b. Two-way mobile radio;
  - c. Telephone;
  - d. Scanning monitor receiver; or
  - e. Radar detectors or similar devices.
10. To any part of the vehicle, or its equipment, that is not permanently attached to the vehicle at the time of loss.
11. To any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in the **business** of:
  - a. Selling;
  - b. Repairing;
  - c. Servicing;
  - d. Storing;
  - e. Parking; or
  - f. Washing;vehicles. This includes road testing and delivery.
12. To any vehicle being towed by **your covered auto**, which is not shown in the **Declarations** and for which premium has not been paid. This exclusion does not apply to a **trailer**.
13. Due to the cost of delay in repair, nor will **we** pay more than the cost of repair and/or replacement of automobiles of standard makes and similar type, and **we** will not pay for any extraneous items or any finish or special customizing of such vehicle other than as originally and normally manufactured.

14. To any specially built body, food vending equipment, catering equipment, or refrigeration equipment, nor to travel trailers, unless such equipment is described in the application and a premium charged therefore.
15. To any vehicle while it is being used in any racing, speed, or demolition event or contest or stunting activity or preparation for such an event, contest, or activity.
16. To any vehicle arising out of or during its commercial use for the transportation of any explosive substance, flammable liquid, or similar hazardous material, except transportation incidental to **your** ordinary household or farm activities.
17. Due to taking or confiscation by governmental or civil authority, for any purpose, including temporary taking or temporary confiscation.
18. Due to illegal sale, or repossession of a motor vehicle by the rightful owner.
19. Due to theft, embezzlement or other unlawful conversion of **your covered auto** or **non-owned auto** after custody of said **auto** has been entrusted to another party for the purpose of subleasing, leasing or selling said automobile, whether under a consignment or not.
20. Due to the destruction of any vehicle, in whole or in part, intentionally caused by, or at the direction of **you**, a relative, or the owner of a **non-owned auto**, even if the actual damage is different than that which was intended or expected.
21. Covered by Collision Coverage under this policy if any vehicle is being operated by any person not listed on the application, **Declarations** or policy, who knowingly has either a suspended or revoked driver's license, regardless of where that person resides.
22. To any vehicle due to **diminution in value**.
23. Arising out of the ownership, maintenance or use of any vehicle that is principally designed for use off public roads.
24. Arising out of the ownership or operation of any vehicle while it is being used to commit a felony or other criminal activity.

25. Arising out of the ownership or operation of any vehicle while it is being used to flee a law enforcement agent or crime scene.
26. Loss caused by fungus or mold unless it is the direct result of physical loss or damage by a peril covered by this policy.

## LIMIT OF LIABILITY

**Our** limit of liability for loss to **your covered auto, non-owned auto** or **additional equipment** is the lowest of:

1. The actual cash value of the stolen or damaged property at the time of the loss, but not to exceed \$125,000 unless Other or Additional Coverage applies, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage;
2. The amount necessary to replace the stolen or damaged property, but not to exceed \$125,000 unless other or additional coverage applies, reduced by the applicable deductible, and by its salvage value if **you** or the owner retain the salvage; or
3. The amount necessary to repair the damaged property to its pre-loss condition reduced by the applicable deductible.

However, the most **we** will pay for loss to:

1. A **trailer** is \$500;
2. **Additional equipment** is \$1,000, unless **you** have purchased Additional Equipment Coverage. If **you** have purchased Additional Equipment Coverage, the most **we** will pay is \$1,000, plus the amount of Additional Equipment Coverage **you** have purchased.

Payments for loss to **your covered auto, non-owned auto** or **additional equipment** are subject to the following provisions:

1. **We** reserve the right to make payment for repairs or replacement of property with other property of like kind and quality, specifically including the vehicle age, use and condition and/or parts supplied by a source other than the manufacturer of

the vehicle such as aftermarket, used, recycled, rebuilt, restored, or exchanged parts.

2. If the repair or replacement results in the betterment of the property or part, meaning that the value of the repaired or replaced property or part has been increased above its pre-loss market value as a result of the repair or replacement, **you** may be responsible, subject to applicable laws and regulation, for the amount of the betterment.
3. Deductions for betterment or depreciation will be taken only for parts or specific repair process normally subject to repair or replacement during the useful life of the vehicle. Deductions will be limited to an amount equal to the proportion that the expired life of the part or specific repair process to be repaired or replaced bears to the normal life of that part or repair process.
4. In the event of a total loss, an adjustment for depreciation and physical condition will be made in determining the actual cash value of the vehicle.
5. **Our** payment will be reduced by the value of the salvage when **you** or the owner of the vehicle retains the salvage.
6. No person may receive a duplicate recovery under this policy for the same elements of damages.
7. No deductible will apply to a loss to window glass when the glass is repaired instead of replaced.
8. Actual cash value is determined by the market value, age, and condition of the vehicle at the time of the loss.
9. Coverage for **additional equipment**, unless **you** have purchased Additional Equipment Coverage, will not cause **our** limit of liability for loss to **your covered auto** under this Part D to be increased to an amount in excess to the actual cash value of **your covered auto**, including its **additional equipment**.
10. If the **additional equipment** takes the place of parts or equipment that were included on **your covered auto** by the original vehicle manufacturer, no credit will be given for the value of the corresponding original part or equipment in the payment of the loss.

## TOTAL LOSS

In the event that **we** determine **your** vehicle to be a total loss, **you** must allow **us** to move **your** vehicle to a free storage location of **our** choice. **We** reserve the right to retain **your** vehicle and/or its salvage property after **we** determine that **your** vehicle is a total loss if **you** choose to not keep the salvage.

## PAYMENT OF LOSS

**We** may pay for loss in money or repair or replace the damaged or stolen property. **We** may make this payment to **you** or any loss payee as the person or entity's interest appears. **We** may, at **our** expense, return any stolen property to:

1. **You**; or
2. The address shown in this policy. If **we** return stolen property, **we** will pay for any damage resulting from the theft. **We** may keep all or part of the property at an agreed or appraised value.

## LOSS PAYABLE CLAUSE

Loss or damage under this policy shall be paid, as interests may appear, to **you** and the loss payee shown in the **Declarations**. If **you** surrender possession of **your covered auto** to the loss payee or the loss payee repossesses **your covered auto**, **we** will not pay the loss payee for loss occurring after the date the loss payee or its agent takes possession of the **auto**. The interest of a loss payee shall be no greater than **your** interest under this policy.

When **we** pay a loss payee, **we** will not pay the loss payee more than the repair costs of **your covered auto**, actual cash value of **your covered auto** or the existing loan balance as of the date of loss, whichever is less, reduced by any applicable deductible and salvage value if **we** do not retain the salvage. Any insurance covering the interest of a loss payee shall not be protected and shall become invalid for any damage, destruction or other loss resulting from **your** illegal or fraudulent acts and/or omissions. Additionally, **we** will not pay for any loss caused by conversion, embezzlement, or concealment by **you** or anyone acting on **your** direction or behalf. **We** will not pay for any destruction or damage and/or loss to an **auto** caused by any intentional act done by, at the direction

of, or on behalf of any **insured person**. If **we** pay the loss payee for any loss that is not covered under this policy, **we** shall, to the extent of that payment, be subrogated to the loss payee's rights to recovery against **you** or any other **insured person**.

**We** reserve the right to cancel the policy as permitted by the policy terms. Cancellation shall terminate the policy and this agreement as to the loss payee's interest. **We** will give notice of cancellation to the loss payee and **named insured** as required under the law.

## **NO BENEFIT TO BAILEE**

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

## **OTHER INSURANCE**

If other insurance also covers the loss, **we** will pay only **our** share of the loss. **Our** share is the proportion that **our** limit of liability bears to the total of all applicable insurance, self-insurance, and/or protection limits or amounts regardless of source. However, any insurance **we** provide with respect to a **non-owned auto** shall be excess over any other collectible insurance, self-insurance, and any other source of recovery applicable to the loss.

## **APPRAISAL**

If **we** and **you** do not agree on the amount of loss, then **we** and **you** may agree to an appraisal of the loss. If **we** and **you** agree to an appraisal, each party will select a competent and impartial appraiser and notify the other party in writing of the appraiser's identity within 30 days of the request for appraisal. The two appraisers will select an umpire. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A written decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the expenses of the appraisal and umpire equally.

**We** do not waive any of **our** rights under this policy by agreeing to an appraisal.

## PART E – DUTIES AFTER AN ACCIDENT OR LOSS

For coverage to apply under this policy, **you** or the person seeking coverage must promptly report to **us** how, when and where the **accident** or loss happened, including the names and addresses of any injured persons and of any witnesses.

A person seeking any coverage must:

1. Cooperate with **us** in the investigation, settlement or defense of any claim or suit.
2. Promptly send **us** copies of any notices or legal papers received in connection with the **accident** or loss.
3. Submit, as often as **we** reasonably require:
  - a. To physical exams by physicians **we** select. **We** will pay for these exams.
  - b. To examinations under oath at a place of **our** choosing, within a reasonable distance of the residence of the **named insured**, and require the person to correct and sign under oath the transcript of the examination(s) under oath.
  - c. To a request for production of documents at the time of the examination under oath and any other time, and allow the copying of any documents **we** or **our** designated representative requests. Such documents must be provided to **us** or **our** designated representative in a timely manner, and if requested, prior to an examination under oath.
4. Authorize **us** to obtain:
  - a. Medical reports;
  - b. Any documents **we** indicate are necessary to investigate and process **your** claim; and
  - c. Event data recorders and/or sensing and diagnostic modules or any other recording device for the purpose of retrieving data following an **accident** or loss.
5. Submit a proof of loss when required by **us**.
6. Provide any statements to **us** when **we** request them, whether in writing, oral, or recorded form, or in person, at **our** option.

A person seeking Uninsured/Underinsured Motorist Coverage must also:

1. Promptly notify the police if a hit-and-run driver is involved.
2. Promptly provide **us** with a copy of the complaint, if a lawsuit is brought by the **insured person** against the owner or operator of the **uninsured motor vehicle** or **underinsured motor vehicle**, or against the owner or operator of any other vehicle in the **accident**.
3. Within a reasonable time, make available at **our** expense all pleadings and depositions, if an **insured person** brings a lawsuit against the owner or operator of the **uninsured motor vehicle** or **underinsured motor vehicle**, or against the owner or operator of any other vehicle in the **accident**.
4. Promptly notify **us** or **our** agent of the **accident** for Uninsured Motorist Property Damage Coverage.

A person seeking coverage under Part D – Damage to Your Auto must also:

1. Take reasonable steps after loss to protect **your covered auto** or a **non-owned auto** and its equipment from further loss.
2. Promptly notify the police if **your covered auto** is stolen.
3. Permit **us** to inspect and appraise the damaged property as often as **we** reasonably require before its repair or disposal.
4. Promptly send **us your** signed sworn statement in proof of loss in the form provided to **you**; or, if no form is provided to **you**, a form of **your** own creation, sworn to under oath, and showing the date and time of loss, the cause of loss, the actual cash value and amount of loss to **your covered auto**, and attaching detailed repair estimates.

## PART F – GENERAL PROVISIONS

### **TERMS CONFORMED TO STATUTES**

This policy shall be deemed amended to conform to the statutes of the state listed in **your** application if any provision fails to conform to such statutes. Any

dispute as to coverages or the provisions of this policy shall be determined and governed by the law of the state listed in **your** application as **your** residence.

## **COVERAGE DEEMED GRANTED BY OUT-OF-STATE STATUTE**

If an **accident** to which this policy applies occurs in any state or province other than the one in which **your covered auto** is principally garaged, and if a statute of that state or province that is applicable to **us** deems out-of-state automobile or motor vehicle policies issued by **us** to provide particular forms or limits of coverage not provided for in this policy when **your covered auto** is involved in an **accident** in that state, then for purposes of that **accident** only, **we** will interpret **your** policy as providing the minimum coverage deemed to be provided, at the minimum amounts permitted by law, and subject to the exclusions set forth in any coverage part of this policy, to the fullest extent permissible by law. All such coverage shall be excess over any other collectible insurance, to the fullest extent permissible by law. Further, **our** obligation to pay such coverage shall be reduced by other available insurance, to the fullest extent permissible by law. Nothing contained herein constitutes a choice of law provision or consents to the application of the law of any particular state or province. No one will be entitled to duplicate payments for the same elements of loss.

## **BANKRUPTCY**

Bankruptcy or insolvency of the **insured person** shall not relieve **us** of any obligations under this policy. If execution of a judgment against an **insured person** under Part A – Liability Coverage is returned unsatisfied because of the insolvency or bankruptcy of the **insured person**, a person claiming payment for damages under Part A – Liability Coverage may maintain an action against **us** for the portion of the judgment that does not exceed **our** limit of liability, subject to all the terms and conditions of this policy.

## **CHANGES**

This policy, any endorsements to this policy, the **Declarations**, and **your** application contain all the agreements between **you** and **us**. Their terms may not

be changed or waived except by endorsement issued by **us**. If a change requires a premium adjustment, **we** will adjust the premium as of the effective date of change.

The premium for this policy is based on the information **you** provided to **us** or other sources **we** use. **You** agree to cooperate with **us** in determining if this information is accurate and complete. **You** agree to notify **us** of any changes during the policy period. If this information is incomplete, incorrect, or changes during the policy period, **you** agree that **we** may adjust **your** premium, or take other legally permissible action.

Changes that may result in a premium change include, but are not limited to, **you** or a **family member** obtaining a driver's license or operator's permit, or changes in:

1. **Your** address;
2. **Your** garaging address;
3. **Resident** drivers and additional frequent drivers;
4. The number, type, or use classifications of **your covered autos**; and
5. Coverages, deductibles, or limits of liability.

**You** must promptly notify **us** when a person becomes a **resident** of **your** household who was not previously listed on the policy.

## **MISREPRESENTATION OR FRAUD**

This policy was issued in reliance on the information provided on **your** insurance application, including, but not limited to information regarding license and driving history of **you, family members**, all persons of driving age residing in **your** household, the description of the vehicles to be insured, the location of the principal place of garaging, and **your** place of residence.

**We** may void this policy if **you** or any insured have knowingly concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct, at the time application was made. **We** may void this policy or deny coverage for an **accident** or loss if **you** or any insured have knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

**We** may void this policy for fraud or misrepresentation even after the occurrence of an **accident** or loss.

This means that **we** will not be liable for any claims or damages that would otherwise be covered. If **we** void this policy, it will be void from its inception (void ab initio), and no coverage will be provided whatsoever.

If **we** cancel this policy, **we** will provide payment:

1. Under Part A of this policy up to minimum limits required by the New Jersey Automobile Reparation Reform Act for **bodily injury** and **property damage** that would be otherwise covered for persons who have not participated in fraud, misrepresentation, concealment or misstatement of a material fact; or
2. Under Part C of this policy for any injured persons who have not participated in fraud, misrepresentation, concealment or misstatement of a material fact.

To the extent that **we** make payments to **you** under this policy and **our** subsequent investigation reveals **your** involvement in fraud or misrepresentation in the presentation of a claim, **you** must indemnify **us** for all payments made.

## **LEGAL ACTION AGAINST US**

No legal action may be brought against **us** until there has been full compliance with all the terms and conditions of this policy. In addition, under Part A – Liability Coverage of this policy, no legal action may be brought against **us** until:

1. **We** agree in writing that the **insured person** has an obligation to pay; or
2. The amount of that obligation has been finally determined by judgment after trial.

No person or organization has any right under this policy to bring **us** into any action brought to determine the liability of an **insured person**.

If **we** retain the salvage, **we** have no duty to preserve or otherwise retain the salvage for any purpose, including evidence for any civil or criminal proceeding.

Under Part B-2 – Medical Payments Coverage or Part D – Damage to Your Auto, no legal action may be brought against **us** on or upon this policy, or arising out of any activities of the Company in any way related

to this policy, or claims **you** have presented, unless filed within the applicable statute of limitations.

The **insured person** and **we** agree that no cause of action shall accrue to the insured under Part C – Uninsured/Underinsured Motorist Coverage unless:

1. Agreement as to the amount due under the policy has been concluded;
2. The **insured person** or **we** has formally instituted arbitration proceedings;
3. The **insured person** has filed an action against **us** in a court of competent jurisdiction; or
4. Suit for **bodily injury** has been filed against the uninsured motorist in a court of competent jurisdiction and, within the applicable statute of limitations from the date of settlement or final judgment against the uninsured motorist, the **insured person** has formally instituted arbitration proceedings or filed an action against **us** in a court of competent jurisdiction.

## **OUR RIGHT TO RECOVER PAYMENT**

If **we** make a payment under this policy, and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. **We** shall be entitled to the payment, reimbursement, and subrogation as provided in this section, regardless of whether the total amount of the recovery of the person (or his or her estate, parent or legal guardian) on account of the injury, illness or **property damage** is less than the actual loss suffered by the person (or his or her estate, parent or legal guardian). That person shall do:

1. Whatever is necessary to enable **us** to exercise **our** rights; and
2. Nothing after loss to prejudice **our** rights.

However, **our** rights in this provision do not apply under Part D – Damage to Your Auto, against any person using **your covered auto** with a reasonable belief that that person is entitled to do so.

If **we** make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:

1. Hold in trust for **us** the proceeds of the recovery; and
2. Reimburse **us** to the extent of **our** payment within a reasonable amount of time of receipt of the proceeds of any recovery.

If payment is made to an **insured person** under Part B-1 – Personal Injury Protection, **we** are entitled to reimbursement to the extent of **our** payment, reduced by **our** share of the expenses, and costs incurred by the **insured person** in connection with any recovery from a liable person.

If an **insured person** under this policy makes recovery from a responsible party, without **our** written consent, the **insured person's** right to payment under any affected coverage will no longer exist.

If **we** exercise **our** right to recovery against another, **we** will also attempt to recover any deductible incurred by an **insured person** under this policy. **We** reserve the right to compromise or settle the deductible and **property damage** claims against the responsible parties for less than the full amount. **We** will not recover the deductible if **you** instruct **us** not to.

## **POLICY PERIOD AND TERRITORY**

This policy applies only to **accidents** and losses that occur during the policy period as shown in the **Declarations** and within the policy territory. The policy territory is:

1. The United States of America, its territories or possessions;
2. Puerto Rico; or
3. Canada.

This policy also applies to loss to, or **accidents** involving, **your covered auto** while being transported between their ports.

## **CANCELLATION**

**You** may cancel this policy by calling **us** or giving **us** advance notice of the future date cancellation is to take effect. If **your** initial premium is paid by check, draft, credit card, electronic funds transfer, or similar form of remittance, and the remittance is not honored or is returned due to non-sufficient funds, the policy shall be deemed void from inception.

**We** may cancel this policy at any time for nonpayment of premium by providing at least 15 days notice to **you** at the address shown in **our** records.

During the first 60 days of the initial policy term, **we** may cancel this policy for not meeting **our** acceptance criteria by providing at least 10 days notice to **you** at the address shown in **our** records. In all other cases, other than nonpayment of premium, at least 20 days notice of cancellation will be provided.

After this policy is in effect for 60 days, or if this is a renewal or continuation policy, **we** may cancel only for one or more of the following reasons:

1. Nonpayment of premium;
2. If **your** driver's license or that of:
  - a. Any driver who lives with **you**; or
  - b. Any driver who customarily uses **your covered auto**;has been suspended or revoked. This must have occurred:
  - a. During the policy period; or
  - b. Since the last anniversary of the original effective date if the policy period is other than one year;
3. If the policy was obtained through material misrepresentation; or
4. Any **insured person** knowingly made a false or fraudulent claim, or knowingly aided or abetted another in the presentation of such a claim.

The effective date and time of cancellation stated in the notice shall become the end of the policy period. Any cancellation will be effective for all coverages for all persons and all vehicles.

## **NONRENEWAL**

If **we** decide not to renew or continue this policy, **we** will mail notice to **you** at the address shown in **our** records. Notice will be mailed at least 60 days before the end of the policy period.

## **PREMIUM REFUND**

If this policy is canceled, **you** may be entitled to a premium refund. Any refund due will be computed

on a daily pro rata basis. **Our** making or offering to make a refund is not a condition of cancellation.

## **AUTOMATIC TERMINATION**

If **we** offer to renew or continue and **you** or **your** representative do not accept, this policy will automatically terminate at the end of the current policy period. If **you** fail to pay the required renewal or continuation premium when due, this shall mean that **you** have not accepted **our** offer. If **you** obtain other insurance on **your covered auto**, any similar insurance provided by this policy will terminate as to that **auto** on the effective date of the other insurance. All coverage associated with any vehicle **you** own will automatically terminate upon the sale or transfer of vehicle ownership.

## **PROOF OF MAILING**

**We** may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.

## **TRANSFER OF YOUR INTEREST IN THIS POLICY**

**Your** rights and duties under this policy may not be assigned without **our** written consent. However, if a **named insured** shown in the **Declarations** dies, coverage will be provided for:

1. The surviving spouse or person who has entered into a civil union with the **named insured** recognized under New Jersey law, if residing in the same household at the time of death; and
2. The legal representative of the deceased person as if a **named insured** shown in the **Declarations**. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.

Coverage will only be provided until the end of the policy period.

## **TWO OR MORE AUTO POLICIES**

If this policy and any other automobile insurance policy issued to **you** by **us** apply to the same **accident**, the maximum limit of **our** liability under all the policies shall not exceed the highest applicable limit of liability under any one policy.

This provision does not apply to Extended Medical Payments Coverage. However, no one will be entitled to receive duplicate payments for the same elements of loss under Extended Medical Payments Coverage.

## **ADDITIONAL PREMIUM DUE – LOSS SETTLEMENT**

In the event of additional premium due to the incorrect rating of this policy, **we** shall have the right to correct the premium in accordance with **our** published rates and underwriting rules.

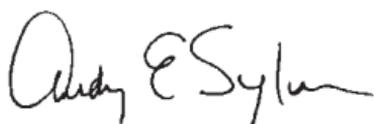
## **CLAIMS SETTLEMENT**

To assist **us** in determining the amount of damages, expenses, or loss payable under the terms of this policy, **we** may use estimating, appraisal, or injury evaluation systems developed by third parties or **us** and may include the use of computer software, databases and other specialized technology.

## **NAMED DRIVER EXCLUSION**

If **you** have elected to exclude a driver who may, by law, be excluded, coverage under Part D – Damage to Your Auto shall not apply nor shall they accrue to the benefit of **you**, any third party claimant, or any other person, while any **auto** is being operated by the driver that has been excluded (listed on the Application and/or **Declarations** and/or a Named Driver Exclusion acknowledgment), regardless of where the person resides or whether the person is licensed to drive.

This exclusion applies to the policy, or any continuation, renewal, or replacement of the policy by the **named insured**, or reinstatement within 30 days of any lapse thereof.



AUDREY E. SYLVAN  
President



MARTIN R. BROWN  
Secretary

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## ENDORSEMENTS

### **NAMED NON-OWNER COVERAGE ENDORSEMENT**

Form Number NNO (05/14)

If **you** pay the premium for Named Non-Owner Coverage, then **you** agree that this policy is amended as follows:

#### **I. General Definitions**

- A. The definition of **you** and **your** is deleted and replaced by the following:

**You** and **your** means only the person shown as the **named insured** on the **Declarations**.

- B. The definition of **your covered auto** is deleted and replaced by the following:

**Your covered auto** means:

1. Any **auto** not **owned** by **you**, **your** spouse, or members of the household in which **you** reside, which **you** are using with the permission of the owner; and
2. Any **auto** of which **you** acquire ownership during the policy period. For coverage to apply under Part A – Liability Coverage, **you** must, however, notify **us** within 30 days of its acquisition. **You** must pay any additional premium charges for coverage for the newly acquired vehicle.

#### **II. Part A – Liability to Others**

- A. The Insuring Agreement is deleted and replaced by the following:

##### **INSURING AGREEMENT**

If **you** pay **us** the premium when due for this coverage, **we** will pay damages for **bodily injury** and **property damage** for which **you** become legally responsible because of an **accident** arising out of **your** use of **your covered auto**. Damages include prejudgment interest awarded against an **insured person**. **We** will settle or defend, at **our** expense and as **we** consider appropriate, any claim

or suit asking for these damages. Attorneys selected by **us** will provide a defense to such suit after it is tendered to **us**. **Our** duty to settle or defend ends when **our** limit of liability for this coverage has been exhausted by payment, settlement or judgment. **We** have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy. **We** may recover from **you** any amounts **we** have paid to defend **you** in a lawsuit if it is determined that **we** had no duty to defend **you**.

B. The Additional Definition of **insured person** is deleted and replaced by the following:

1. **Insured person** means:

- a. **You** with respect to an **accident** arising out of the maintenance or use of **your covered auto**;
- b. Any person with respect to an **accident** arising out of that person's maintenance or use of **your covered auto** with **your** express or implied permission; and
- c. Any person or organization vicariously liable for the acts or omissions of a person described in paragraph a. or b. above.

C. Exclusion 5. is deleted and replaced by the following:

5. For **bodily injury** or **property damage** arising out of the ownership, maintenance or use of any **auto** by a person who is employed or otherwise engaged in the **business** of:

- |               |                |
|---------------|----------------|
| a. Selling;   | d. Storing;    |
| b. Repairing; | e. Parking; or |
| c. Servicing; | f. Washing;    |

vehicles. This includes road testing and delivery. This exclusion does not apply to an **auto** operated or occupied by **you**.

D. Exclusion 11. is deleted and replaced by the following:

11. Arising out of the ownership, maintenance or use of any vehicle, other than **your covered auto**, which is **owned by you**.

E. Exclusion 12. is deleted.

F. The Other Insurance provision is deleted and replaced by the following:

This coverage is excess over any other applicable liability insurance or bond.

### III. Part B-1 – Personal Injury Protection Coverage

A. The Additional Definition of **insured person** is deleted and replaced by the following:

As used in this Part B, **insured person** means **you** while **occupying** an *auto* or when struck as a pedestrian by an *auto*.

B. Exclusion 5. is amended as follows:

5. Sustained while **occupying** or when struck by any vehicle which is **owned by you**, other than **your covered auto**.

C. Exclusion 6. is deleted.

D. The following is added to exclusion 15.:

This exclusion does not apply to the operation of **your covered auto** by **you**.

E. The Other Insurance Clause is replaced in its entirety with the following:

This coverage is excess over any other applicable insurance for Medical Payments Coverage.

### IV. Part C – Uninsured/Underinsured Motorist Coverage

The Additional Definition of **insured person** is deleted and replaced by the following:

1. **Insured person** means:

a. **You**; and

b. Any other person while **occupying your covered auto** provided the actual use thereof is with **your** permission.

**All other terms, conditions, limits and provisions of this policy remain unchanged.**

Form Number: NNO (05/14)





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