

APPENDIX C - 1

STANDARD PERSONAL AUTOMOBILE POLICY

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AGREEMENT

In return for payment of the premium and subject to all the terms of this policy, we agree with you as follows:

DEFINITIONS

A. Throughout this policy, you and your refer to:

1. The named insured shown in the Declarations; and
2. The spouse 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.

B. We, us and our refer to the Company providing this insurance.

C. For purposes of this policy, a private passenger type auto, pickup or van shall be deemed to be owned by a person if leased:

1. Under a written agreement to that person; and
2. For a continuous period of at least six months.

Other words and phrases are defined. They are boldfaced when used.

D. Bodily injury means bodily harm, sickness or disease, including death that results.

E. Business includes trade, profession or occupation.

F. Family member means a person related to you by blood, marriage or adoption who is a resident of your household. This includes a ward or foster child.

G. Occupying means in, upon, getting in, on, out or off.

H. Property damage means physical injury to, destruction of or loss of use of tangible property.

I. Trailer means a vehicle designed to be pulled by a:

1. Private passenger auto; or
2. Pickup or van.

It also means a farm wagon or farm implement while towed by a vehicle listed in "1." or "2." above.

J. Your covered auto means:

1. Any vehicle shown in the Declarations.
2. A newly acquired auto.
3. Any trailer you own.

4. 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:

- a. Breakdown;
- b. Repair;
- c. Servicing;

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- d. Loss; or
- e. Destruction.

This provision ("4.") does not apply to Coverage For Damage To Your Auto.
K. Newly acquired auto means:

1. Any of the following types of vehicles you become the owner of during the policy period:

- a. A private passenger auto; or
- b. A pickup or van for which no other insurance policy provides coverage.

2. Coverage for a newly acquired auto is provided as described below. If you ask us to insure a newly acquired auto after a specified time period described below has elapsed, any coverage we provide for a newly acquired auto will begin at the time you request the coverage.

a. For any coverage provided in this policy except Coverage For Damage To Your Auto, a newly acquired auto will have the broadest coverage we now provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to a newly acquired auto which in addition to any vehicle shown in the Declarations, you must ask us to insure it within 14 days after you become the owner.

If a newly acquired auto replaces a vehicle shown in the Declarations, coverage is provided for this vehicle without your having to ask us to insure it.

b. For coverage provided in the policy for damage to your newly acquired auto which replaces a vehicle insured for Coverage For Damage To Your Auto under our policy for at least the 12-month period preceding the replacement date:

(1) The Collision Coverage with the lowest deductible applies provided at least one vehicle shown in the Declarations is insured for Other Than Collision;

(2) The Other Than Collision Coverage with the lowest deductible applies provided at least one vehicle shown in the Declarations is insured for Other Than Collision;

however, for this coverage to apply you must ask us to insure the newly acquired auto within 3 days after you acquire the vehicle. We will extend this 3 day period one day for a Saturday, Sunday or New Jersey State holiday which falls within the 3 day period.

c. For coverage for damage to your newly acquired auto that does not qualify under b. above, you must notify us before coverage can be effective.

IMPORTANT NOTE: Advise the Company as soon as possible of newly acquired vehicles to arrange for the coverage you want! Coverage for newly acquired autos is very limited. There is no coverage for damage to your newly acquired autos except as noted in b. above until you advise the Company. Please read the **MANDATORY INSPECTION** provision under **PART D - COVERAGE FOR DAMAGE TO YOUR AUTO**.

L. Diminution in value means the actual or perceived loss in market or resale value which results from a direct and accidental loss.

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PART A - LIABILITY COVERAGE

INSURING AGREEMENT

A. We will pay damages for bodily injury or property damage for which any insured becomes legally responsible because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted by payment of the policy limits. We have no duty to defend any suit or settle any claim for bodily injury or property damage not covered under this policy.

B. Insured as used in this Part means:

1. You or any family member for the ownership, maintenance or use of any auto or trailer.
2. Any person using your covered auto.
3. For your covered auto, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under this Part.
4. For any auto or trailer, other than your covered auto, any other person or organization but only with respect to legal responsibility for acts or omissions of you or any family member for whom coverage is afforded under this Part. This provision ("B.4.") applies only if the person or organization does not own or hire the auto or trailer.

SUPPLEMENTARY PAYMENTS

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

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 offer to pay that part of the judgment which 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.

EXCLUSIONS

A. We do not provide Liability Coverage for any insured:

1. Who intentionally causes bodily injury or property damage.
2. For property damage to property owned or being transported by that insured.
3. For property damage to property:
 - a. Rented to;
 - b. Used by; or
 - c. In the care of;that insured.

This exclusion ("A.3.") does not apply to property damage to a residence or private garage.

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4. For bodily injury to an employee of that insured during the course of employment. This exclusion ("A.4.") does not apply to bodily injury to a domestic employee unless workers' compensation benefits are required or available for that domestic employee.

5. For that insured's liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion ("A.5.") does not apply to a share-the-expense car pool.

6. While employed or otherwise engaged in the business of:

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

vehicles designed for use mainly on public highways. This includes road testing and delivery. This exclusion ("A.6.") does not apply to the ownership, maintenance or use of your covered auto by:

- a. You;
- b. Any family member; or
- c. Any partner, agent or employee of you or any family member.

7. Maintaining or using any vehicle while that insured is employed or otherwise engaged in any business (other than farming or ranching) not described in Exclusion "A.6."

This exclusion ("A.7.") does not apply to the maintenance or use of a:

- a. Private passenger auto;
- b. Pickup or van; or
- c. Trailer used with a vehicle described in "a." or "b." above.

8. Using a vehicle without a reasonable belief that that insured is entitled to do so. This exclusion ("A.8.") does not apply to a family member using your covered auto which is owned by you.

9. For bodily injury or property damage for which that insured:

- 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. Nuclear Energy Liability Insurance Association;
- b. Mutual Atomic Energy Liability Underwriters; or
- c. Nuclear Insurance Association of Canada.

B. We do not provide Liability Coverage for the ownership, maintenance or use of:

1. Any vehicle which:

- a. Has fewer than four wheels; or
- b. Is designed mainly for use off public roads.

This exclusion ("B.1.") does not apply:

- a. While such vehicle is being used by an insured in a medical emergency; or
- b. To any trailer; or
- c. To any non-owned golf cart.

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2. Any vehicle, other than your covered auto, which is:
 - a. Owned by you; or
 - b. Furnished or available for your regular use.
3. Any vehicle, other than your covered auto, which is:
 - a. Owned by any family member; or
 - b. Furnished or available for the regular use of any family member.However, this exclusion ("B.3.") does not apply to your maintenance or use of any vehicle which is:
 - a. Owned by a family member; or
 - b. Furnished or available for the regular use of a family member.
4. Any vehicle, located inside a facility designed for racing, for the purpose of:
 - a. Competing in; or
 - b. Practicing or preparing for;any prearranged or organized racing or speed contest.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for all damages resulting from 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 in the Declarations; or
4. Vehicles involved in the auto accident.

B. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and Part B of this policy.

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than the one in which your covered auto is principally garaged, we will interpret your policy for that accident as follows:

A. If the state or province has:

1. A financial responsibility or similar law specifying limits of liability for bodily injury or property damage higher than the limit shown in the Declarations, your policy will provide the higher specified limit.

2. A compulsory insurance or similar law requiring a nonresident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum amounts and types of coverage.

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

OTHER INSURANCE

If there is other applicable liability 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 for a vehicle you do not own shall be excess over any other collectible insurance.

PART B. UNINSURED MOTORISTS COVERAGE - NEW JERSEY (PP 04 80 01 04)*

INSURING AGREEMENT

We will pay compensatory damages which an insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle or underinsured motor vehicle because of:

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1. Bodily injury sustained by an insured and caused by an accident; and
2. Property damage caused by an accident except under paragraph "2." of the definition of uninsured motor vehicle.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the uninsured motor vehicle or underinsured motor vehicle.

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

Insured as used in this endorsement means:

1. You or any family member.
2. Any other person occupying your covered auto.
3. Any person for damages that person is entitled to recover because of bodily injury to which this coverage applies sustained by a person described in "1." or "2." above.

Property damage as used in this endorsement means injury to or destruction of:

1. Your covered auto.
2. Any property owned by a person listed in "1." and "2." of insured while contained in your covered auto.

Underinsured motor vehicle means the following:

1. With respect to an insured who:
 - a. Is not the named insured under this policy; and
 - b. Is a named insured under one or more other policies providing similar coverage;

underinsured motor vehicle means a land motor vehicle or trailer of any type to which a liability bond or policy applies at the time of the accident but its limit for liability is less than the highest applicable limit of liability under any insurance providing coverage to that insured as a named insured.

2. With respect to an insured who:
 - a. Is not the named insured under this policy or any other policy; and
 - b. Is insured as a spouse or family member under one or more other policies providing similar coverage;

underinsured motor vehicle means a land motor vehicle or trailer of any type to which a liability bond or policy applies at the time of the accident but its limit for liability is less than the highest applicable limit of liability under any insurance providing coverage to that insured as a spouse or family member.

3. With respect to any other insured not described in paragraphs "1." or "2." above, underinsured motor vehicle means a land motor vehicle or trailer of any type to which a liability bond or policy applies at the time of the accident but its limit for liability is less than the limit of liability for this coverage.

However, underinsured motor vehicle does not include:

1. An uninsured motor vehicle.
2. Any vehicle or equipment owned or operated by a self-insurer under any applicable motor vehicle law.

Uninsured motor vehicle means a land motor vehicle or trailer of any type:

1. To which no liability bond or policy applies at the time of the accident.
2. Which, with respect to damages for bodily injury only, is a hit-and-run vehicle whose operator or owner cannot be identified and which hits, or causes an accident resulting in bodily injury without hitting:
 - a. You or any family member;

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- b. A vehicle which you or any family member are occupying; or
- c. Your covered auto.

3. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:

- a. Denies coverage; or
- b. Is or becomes insolvent.

4. To which a special automobile insurance policy applies at the time of the accident in accordance with New Jersey law.

However, uninsured motor vehicle does not include:

- 1. An underinsured motor vehicle.
- 2. Any vehicle or equipment:
 - a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent or
 - b. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation.

Neither uninsured motor vehicle nor underinsured motor vehicle includes any vehicle or equipment:

- 1. Owned by or furnished or available for the regular use of you or any family member.
- 2. Owned by any governmental unit or agency.
- 3. Operated on rails or crawler treads.
- 4. Designed mainly for use off public roads while not on public roads.
- 5. While located for use as a residence or premises.

EXCLUSIONS

A. We do not provide coverage under this endorsement for property damage or bodily injury sustained by any insured:

- 1. Who is an owner of a motor vehicle:
 - a. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation; or
 - b. Required to be insured in accordance with New Jersey law or regulation, but not insured for this coverage or any similar coverage.

This includes a trailer of any type used with a vehicle described in "a." and "b." above.

However, this exclusion ("A.1.") does not apply to you unless you are occupying, at the time of the accident, a motor vehicle described in "a." and "b." above.

2. If that insured or the legal representative settles any bodily injury or property damage claim with the owner or operator of an uninsured motor vehicle without our written consent.

3. 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.

4. When your covered auto is being used as a public or livery conveyance. This exclusion ("A.4.") does not apply to a share-the-expense car pool.

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5. Using a vehicle without a reasonable belief that that insured is entitled to do so. This exclusion ("A.5.") does not apply to a family member using your covered auto which is owned by you.

6. For the first \$500 of the amount of property damage to the property of each insured as the result of any one accident.

B. This coverage shall not apply directly or indirectly to benefit:

1. Any insurer or self-insurer under any of the following or similar law:

a. Workers' compensation law; or

b. Disability benefits law.

2. Any insurer of property.

C. We do not provide Uninsured Motorists Coverage for punitive or exemplary damages.

LIMIT OF LIABILITY

A. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for all damages resulting from any one accident.

However, subject to our maximum limit of liability for this coverage:

1.If:

a. An insured is not the named insured under this policy;

b. That insured is a named insured under one or more other policies providing similar coverage; and

c. All such other policies have a limit of liability for similar coverage which is less than the limit of liability for this coverage;

then our maximum limit of liability for that insured, for all damages resulting from any one accident, shall not exceed the highest applicable limit of liability under any insurance providing coverage to that insured as a named insured.

2. If:

a. An insured is not the named insured under this policy or any other policy;

b. That insured is insured as a spouse or family member under one or more other policies providing similar coverage; and

c. All such other policies have a limit of liability for similar coverage which is less than the limit of liability for this coverage;

then our maximum limit of liability for that insured, for all damages resulting from any one accident, shall not exceed the highest applicable limit of liability under any insurance providing coverage to that insured as a spouse or family member.

This is the most we will pay regardless of the number of:

1. Insureds;

2. Claims made;

3. Vehicles or premiums shown in the Declarations; or

4. Vehicles involved in the accident.

B. With respect to an accident with an underinsured motor vehicle, the limit of liability shall be reduced by all sums:

1. Paid because of the bodily injury or property damage by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A of this policy; and

2. Paid because of the property damage under Part D of this policy or any similar coverage under any other policy.

C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:

1. Part A of this policy; or

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2. Any Personal Injury Protection Coverage provided by this policy.

D. We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

E. No payment will be made under this coverage for loss paid or payable under Part D of this policy.

OTHER INSURANCE

If there is other applicable insurance available under one or more policies or provisions of coverage that is similar to the insurance provided under this Part of the policy:

1. Any recovery for damages for bodily injury or property damage under all such policies or provisions of coverage may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage on either a primary or excess basis.

However:

a. If an insured is:

(1) A named insured under one or more policies providing similar coverage; and

(2) Not occupying a vehicle owned by that insured;

then any recovery for damages for bodily injury or property damage for that insured may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage to that insured as a named insured.

b. If an insured is:

(1) Not a named insured under this policy or any other policy; and

(2) Insured as a spouse or family member under one or more policies providing similar coverage;

then any recovery for damages for bodily injury or property damage for that insured may equal but not exceed the highest applicable limit for any one vehicle under any insurance providing coverage to that insured as a spouse or family member.

2. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance providing such coverage on a primary basis.

3. If the coverage under this policy is provided:

a. On a primary basis, we will pay only our share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on a primary basis.

b. On an excess basis, we will pay only our share of the loss that must be paid under insurance providing coverage on an excess basis. Our share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage provided on an excess basis.

ARBITRATION

A. If we and an insured do not agree:

1. Whether that insured is legally entitled to recover damages; or

2. As to the amount of damages which are recoverable by that insured; from the owner or operator of an uninsured motor vehicle or an underinsured motor vehicle, then the matter may be arbitrated. However, disputes concerning coverage under this Part may not be arbitrated.

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Either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction.

B. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

C. Unless both parties agree otherwise, arbitration will take place in the county in which the insured lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding unless the arbitration award exceeds the minimum limit for liability specified by the Financial Responsibility Law of New Jersey. If the arbitration award exceeds that limit, either party may demand the right to a trial by jury on all issues. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of damages agreed to by the arbitrators will be binding.

ADDITIONAL DUTIES

A person seeking coverage under this Part must also promptly:

1. Send us copies of the legal papers if a suit is brought; and
2. Notify us in writing of a tentative settlement between the insured and the insurer of the underinsured motor vehicle and allow us 30 days to advance payment to that insured in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such underinsured motor vehicle.

PART H - GENERAL PROVISIONS

The following is added to the Our Right To Recover Payment provision in Part H:

OUR RIGHT TO RECOVER PAYMENT

Our rights do not apply under Paragraph "A." with respect to damages caused by an accident with an underinsured motor vehicle if we:

1. Have been given prompt written notice of a tentative settlement between an insured and the insurer of an underinsured motor vehicle; and
2. Fail to advance payment to the insured in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the insured in an amount equal to the tentative settlement within 30 days after receipt of notification:

1. That payment will be separate from any amount the insured is entitled to recover under the provisions of Uninsured Motorists Coverage; and
2. We also have a right to recover the advanced payment.

PART C - PERSONAL INJURY PROTECTION COVERAGE - NEW JERSEY

For the provisions of this coverage, refer to Endorsement - Personal Injury Protection Coverage (Standard Personal Auto Policy) - New Jersey (PP 05 77 01 04**).

PART D - COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

A. We will pay for direct and accidental loss to your covered auto or any non-owned auto, including their equipment, minus any applicable deductible shown in the Declarations. If loss to more than one your covered auto or non-owned auto results from the same collision, only the highest applicable deductible will apply. We will pay for loss to your covered auto caused by:

1. Other than collision only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
2. Collision only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a non-owned auto, we will provide the broadest coverage applicable to any your covered auto shown in the Declarations.

B. Collision means the upset of your covered auto or a non-owned auto or their impact with another vehicle or object.

Loss caused by the following is considered other than collision:

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.

If breakage of glass is caused by a collision, you may elect to have it considered a loss caused by collision.

C. Non-owned auto means:

1. 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; or
2. Any auto or trailer you do not own while used as a temporary substitute for your covered auto which is out of normal use because of its:
 - a. Breakdown;
 - b. Repair;
 - c. Servicing;
 - d. Loss; or
 - e. Destruction.

TRANSPORTATION EXPENSES

A. In addition, we will pay, without application of a deductible, up to a maximum of \$600 for:

1. Temporary transportation expenses not exceeding \$20 per day incurred by you in the event of a loss to your covered auto. We will pay for such expenses if the loss is caused by:
 - a. Other than collision only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.

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b. Collision only if the Declarations indicate that Collision Coverage is provided for that auto.

2. Expenses for which you become legally responsible in the event of loss to a non-owned auto. We will pay for such expenses if the loss is caused by:

a. Other than collision only if the Declarations indicate that Other Than Collision Coverage is provided for any your covered auto.

b. Collision only if the Declarations indicate that Collision Coverage is provided for any your covered auto.

However, the most we will pay for any expenses for loss of use is \$20 per day.

B. If the loss is caused by:

1. A total theft of your covered auto or a non-owned auto, we will pay only expenses incurred during the period:

a. Beginning 48 hours after the theft; and

b. Ending when your covered auto or the non-owned auto is returned to use or we pay for its loss.

2. Other than theft of a your covered auto or a non-owned auto, we will pay only expenses beginning when the auto is withdrawn from use for more than 24 hours.

C. Our payment will be limited to that period of time reasonably required to repair or replace the your covered auto or the non-owned auto.

EXCLUSIONS

We will not pay for:

1. Loss to your covered auto or any non-owned auto which occurs while it is being used as a public or livery conveyance. This exclusion ("1.") does not apply to a share-the-expense car pool.

2. Damage due and confined to:

a. Wear and tear;

b. Freezing;

c. Mechanical or electrical breakdown or failure; or

d. Road damage to tires.

This exclusion ("2.") does not apply if the damage results from the total theft of your covered auto or any non-owned auto.

3. Loss 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;

e. Insurrection; or

f. Rebellion or revolution.

4. Loss to any electronic equipment designed for the reproduction of sound and any accessories used with such equipment. This includes but is not limited to:

a. Radios and stereos;

b. Tape decks; or

c. Compact disc players.

This exclusion ("4.") does not apply to equipment designed solely for the reproduction of sound and accessories used with such equipment, provided:

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- a. The equipment is permanently installed in your covered auto or any non-owned auto; or
- b. The equipment is:
 - (1) Removable from a housing unit which is permanently installed in the auto;
 - (2) Designed to be solely operated by use of the power from the auto's electrical system; and
 - (3) In or upon your covered auto or any non-owned auto at the time of loss.
5. Loss to any electronic equipment that receives or transmits audio, visual or data signals and any accessories used with such equipment. This includes but is not limited to:
 - a. Citizens band radios;
 - b. Telephones;
 - c. Two-way mobile radios;
 - d. Scanning monitor receivers;
 - e. Television monitor receivers;
 - f. Video cassette recorders;
 - g. Audio cassette recorders; or
 - h. Personal computers.

This exclusion ("5.") does not apply to:

- a. Any electronic equipment that is necessary for the normal operation of the auto or the monitoring of the auto's operating systems; or
 - b. A permanently installed telephone designed to be operated by use of the power from the auto's electrical system and any accessories used with the telephone.
6. Loss to tapes, records, discs or other media used with equipment described in exclusions "4." and "5".
 7. This Section is reserved for future use.
 8. Loss to:
 - a. A trailer, camper body, or motor home, which is not shown in the Declarations; or
 - b. Facilities or equipment used with such trailer, camper body or motor home. Facilities or equipment include but are not limited to:
 - (1) Cooking, dining, plumbing or refrigeration facilities;
 - (2) Awnings or cabanas; or
 - (3) Any other facilities or equipment used with a trailer, camper body, or motor home.

This exclusion ("8.") does not apply to a

- a. Trailer, and its facilities or equipment, which you do not own; or
 - b. Trailer, camper body, or the facilities or equipment in or attached to the trailer or camper body, which you:
 - (1) Acquire during the policy period; and
 - (2) Ask us to insure within 14 days after you become the owner.
9. Loss to any non-owned auto when used by you or any family member without a reasonable belief that you or that family member are entitled to do so.
 10. Loss to equipment designed or used for the detection or location of radar or laser.

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11. Loss to any custom furnishings or equipment in or upon any pickup or van. Custom furnishings or equipment include but are not limited to:

- a. Special carpeting or insulation;
- b. Furniture or bars;
- c. Height-extending roofs; or
- d. Custom murals, paintings or other decals or graphics.

This exclusion ("11.") does not apply to a cap, cover or bedliner in or upon any your covered auto which is a pickup.

12. Loss 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; or
- e. Parking;

vehicles designed for use on public highways. This includes road testing and delivery.

13. Loss to your covered auto or any non-owned auto, located inside a facility designed for racing, for the purpose of:

- a. Competing in; or
- b. Practicing or preparing for;
any prearranged or organized racing or speed contest.

14. Loss to, or loss of use of, a non-owned auto rented by:

- a. You; or
- b. Any family member;

if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that family member, pursuant to the provisions of any applicable rental agreement or state law.

LIMIT OF LIABILITY

A. Our limit of liability for loss will be the lesser of the:

1. Actual cash value of the stolen or damaged property; or
2. Amount necessary to repair or replace the property with other property of like kind and quality.

However, the most we will pay for loss to:

1. Any non-owned auto which is a trailer is \$500.
2. Equipment designed solely for the reproduction of sound, including any accessories used with such equipment, which is installed in locations not used by the auto manufacturer for installation of such equipment or accessories, is \$1,000.

B. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total loss.

C. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. 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.

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If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

If we pay the amount necessary to repair the stolen or damaged property, you have the option to use either:

1. An auto repair facility that we have an arrangement with; or
2. An auto repair facility of your choice; in any repairs to the auto.

If you choose to use an auto repair facility, other than an auto repair facility that we have an arrangement with, we will pay you in accordance with the terms and conditions, including price, provided by the auto repair facility that we have an arrangement with.

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 limits. However, any insurance we provide with respect to a non-owned auto shall be excess over any other collectible insurance.

APPRAISAL

A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A 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.

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

MANDATORY INSPECTION

This provision applies in place of any conflicting policy provision.

A. We have the right to inspect any:

1. Private passenger auto; or
2. Pickup or van;

which you insure or intend to insure for Coverage For Damage To Your Auto under this policy.

B. We do not provide Coverage For Damage To Your Auto for any additional or replacement vehicle you acquire during the policy period until after you:

1. Notify us; and
2. Request coverage for that vehicle.

However, this provision ("B.") does not apply to a replacement vehicle for the three-day period beginning on the date you acquire the replacement vehicle if:

1. You acquire the vehicle during the policy period; and
2. We provided Coverage For Damage To Your Auto on the vehicle you replaced for at least 12 months prior to the date of replacement.

For each of the following which falls within the three-day period, we will extend the period one day:

1. Saturday;

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2. Sunday; or
 3. New Jersey State holiday.
- C. When we require an inspection, you must:
1. Cooperate; and
 2. Make the vehicle available for inspection.

PART E - TOWING AND LABOR COSTS COVERAGE (PP 03 03 04 86)

This endorsement has been made a part of your policy provided the Declarations of such policy indicate a premium charge for Towing and Labor Costs Coverage.

We will pay towing and labor costs incurred each time your covered auto or any non-owned auto is disabled, up to the amount shown in the Declarations as applicable to that vehicle. If a non-owned auto is disabled, we will provide the broadest towing and labor costs coverage applicable to any your covered auto shown in the Declarations. We will only pay for labor performed at the place of disablement.

PART F - PERSONAL INJURY PROTECTION COVERAGE HIGHER LIMITS FOR NON-MEDICAL BENEFITS (STANDARD PERSONAL AUTO POLICY) - NEW JERSEY

If the Declarations indicate this endorsement is made a part of this policy, refer to the Personal Injury Protection Coverage for Non-Medical Benefits (Standard Personal Auto Policy) - New Jersey Endorsement (PP 05 78) for the applicable provisions.

PART G - DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties.

A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.

B. 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 examination under oath and subscribe the same.
4. Authorize us to obtain:
 - a. Medical reports; and
 - b. Other pertinent records.
5. Submit a proof of loss when required by us.

C. A person seeking Uninsured Motorists Coverage must also:

1. Promptly notify the police if a hit-and-run driver is involved.
2. Promptly send us copies of the legal papers if a suit is brought.

D. A person seeking Coverage For Damage To Your Auto must also:

1. Take reasonable steps after loss to protect your covered auto or any non-owned auto and their equipment from further loss. We will pay reasonable expenses incurred to do this.

STANDARD PERSONAL AUTOMOBILE POLICY

2. Promptly notify the police if your covered auto or any non-owned auto is stolen.

3. Permit us to inspect and appraise the damaged property before its repair or disposal.

PART H - GENERAL PROVISIONS

BANKRUPTCY

Bankruptcy or insolvency of the insured shall not relieve us of any obligations under this policy.

CHANGES

A. This policy contains all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.

B. If there is a change to the information used to develop the policy premium, we may adjust your premium. Changes during the policy term that may result in a premium increase or decrease include, but are not limited to, changes in:

1. The number, type or use classification of insured vehicles;
2. Operators using insured vehicles;
3. The place of principal garaging of insured vehicles;
4. Coverage, deductible or limits.

If a change resulting from "A." or "B." requires a premium adjustment, we will make the premium adjustment in accordance with our manual rules.

C. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph ("C.") does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of your policy; or
2. An Amendatory Endorsement.

FRAUD

We do not provide coverage for any insured who has made fraudulent statements or engaged in fraudulent conduct in connection with any accident or loss for which coverage is sought under this policy.

LEGAL ACTION AGAINST US

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

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

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

OUR RIGHT TO RECOVER PAYMENT

A. 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. That person shall do:

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

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However, our rights in this paragraph ("A.") do not apply under Part D against any person using your covered auto with a reasonable belief that that person is entitled to do so.

B. 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.

POLICY PERIOD AND TERRITORY

A. This policy applies only to accidents and losses which occur:

1. During the policy period as shown in the Declarations; and
2. Within the policy territory.

B. 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.

TERMINATION

Cancellation

This policy may be cancelled during the policy period as follows:

1. The named insured shown in the Declarations may cancel by:
 - a. Returning this policy to us; or
 - b. Giving us advance written notice of the date cancellation is to take effect.

2. We may cancel by mailing by certified mail or United States Post Office certificate of mailing to the named insured shown in the Declarations at the address shown in this policy:

- a. At least 10 days notice if notice is mailed during the first 60 days this policy is in effect and this is not a renewal or continuation policy; or
- b. At least 15 days but not more than 30 days notice if cancellation is for nonpayment of premium; or
- c. At least 20 days notice in all other cases.

3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:

- a. For nonpayment of premium; or
- b. If your driver's license or that of:
 - (1) Any driver who lives with you; or
 - (2) Any driver who customarily uses your covered auto;

has been suspended or revoked for one or more convictions for serious motor vehicle violations as set forth in N.J.A.C. 11:3-35. This must have occurred:

- (1) During the policy period; or
- (2) Since the last anniversary of the original effective date if the policy period is other than one year.

- c. If you provided false or misleading information in connection with any application for insurance, renewal of insurance or claim for benefits under this policy.

Nonrenewal

A. If we decide not to renew or continue this policy and one or more motor vehicles insured under this policy is subject to the New Jersey Automobile Reparation Reform Act, we will mail notice by certified mail or United States Post Office certificate of mailing to the named insured shown in the Declarations at the address shown in this policy. Notice will:

1. Be mailed not less than 60 and not more than 90 days before the end of the policy period; and
2. Include:
 - a. The specific reason for the nonrenewal; and
 - b. Any other information required by New Jersey law or regulation.

We will only nonrenew or refuse to continue this policy if:

1. You are no longer an eligible person for this policy as defined in N.J.A.C. 11:3-34;
2. You are no longer eligible for this policy according to our underwriting rules as approved by the New Jersey Department of Banking and Insurance;
3. You provided false or misleading information in connection with any application for insurance, renewal of insurance or claim for benefits under this policy; or
4. In the five years immediately preceding notice of non renewal, you or any driver insured under this policy had at least two of the following in any combination:

- a. An at-fault accident;
- b. A moving violation for which four or more automobile insurance eligibility points were assessed; or
- c. A failure to maintain, without lapse, coverage mandated by the New Jersey Automobile Reparation Reform Act.

Our rights under this provision ("A.") are subject to the limitations contained in N.J.A.C. 11:3-8 and N.J.A.C. 11:3-34.

B. If we decide not to renew or continue this policy and no motor vehicle insured under this policy is subject to the New Jersey Automobile Reparation Reform Act, we will mail notice by certified mail or United States Post Office certificate of mailing to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 60 days before the end of the policy period.

C. Subject to these notice requirements:

We will have the right not to renew or continue this policy at each anniversary of its original effective date.

Automatic Termination

If we offer to renew or continue and the named insured shown in the Declarations or that insured's representative does not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that the named insured shown in the Declarations has 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.

Other Termination Provisions

- 1. If this policy is cancelled, the named insured shown in the Declarations may be entitled to a premium refund. If so, we will send the named insured shown in the Declarations the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
- 2. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. 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 if resident in the same household at the time of death. Coverage applies to the spouse as if a named insured shown in the Declarations; 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.
- B. Coverage will only be provided until the end of the policy period.

TWO OR MORE AUTO POLICIES

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.

**ENDORSEMENT - PERSONAL INJURY PROTECTION COVERAGE
(STANDARD PERSONAL AUTO POLICY) - NEW JERSEY (PP 05 77 01
04**)**

This endorsement has been made a part of your policy provided the Declarations of such policy indicate a premium charge for Personal Injury Protection Coverage.

With respect to coverage provided by this endorsement, the provisions of the policy apply unless modified by the endorsement.

SCHEDULE

PERSONAL INJURY PROTECTION COVERAGE

Benefits	Limit of Liability
Medical Expenses	
Named Insured and Family Members	As indicated in the Declarations under Coverage C.1. Personal Injury Protection. However, if a limit lower than \$250,000 is shown, a limit of \$250,000 per person per accident is available for a named insured or family member for catastrophic injury treatment.
Insureds Other Than Named Insured and Family Members	\$250,000 per person per accident
Non-Medical Benefits (Extra PIP Package)	
Income Continuation	\$100 per week to a maximum of \$5,200
Essential Services	\$12 per day to a maximum of \$4,380

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Death Benefits

Income Producer	\$5,200 less any Income Continuation Benefits paid
Essential Services Provider	\$4,380 less any Essential Services Benefits paid
Funeral Expenses	\$1,000

EXTENDED MEDICAL EXPENSE BENEFITS COVERAGE

The total aggregate amount of extended medical expense benefits payable is stated on the Declarations under Coverage C.2. Extended Medical Expense Benefits.

MEDICAL EXPENSE BENEFITS DEDUCTIBLE

Unless otherwise indicated in the Declarations, medical expense benefits are subject to a deductible of \$250 per accident.

If "DED MED EXPENSE BENEFITS" and a deductible amount are shown in the Declarations, medical expense benefits applicable to the named insured and family members shall be subject to a higher deductible per accident instead of the \$250 deductible.

Insureds other than the named insured and family members shall be subject to a separate deductible of \$250 per accident.

MEDICAL EXPENSE BENEFITS CO-PAYMENT

Medical expense benefits are subject to a co-payment of 20% per accident for amounts payable between the applicable deductible and \$5,000, except as otherwise provided under the Penalty section of the Precertification Plan.

DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSE BENEFITS

If "Condition 6" is shown in the Declarations under Endorsement PP 05 77 Personal Injury Protection, no personal injury protection benefits, other than medical expense benefits, apply to the named insured or family members.

MEDICAL EXPENSE BENEFITS AS SECONDARY COVERAGE

If "PIP HEALTH INSURANCE PRIMARY OPTION" is shown in the Declarations, medical expense benefits applicable to the named insured and family members shall be secondary coverage to health benefits plans under which the named insured and family members are insured.

PEDESTRIAN PERSONAL INJURY PROTECTION COVERAGE

Applies to those vehicles for which a "P" appears in the PIP block in the Rating Information Section of the Declarations.

Benefits	Limit of Liability
Medical Expenses	\$250,000 per person per accident
Income Continuation	\$100 per week to a maximum of \$5,200
Essential Services	\$12 per day to a maximum of \$4,380
Death Benefits	
Income Producer	\$5,200 less any Income Continuation Benefits paid
Essential Services Provider	\$4,380 less any Essential Services Benefits paid
Funeral Expenses	\$1,000

I. DEFINITIONS

The Definitions Section is amended as follows:

A. The following definitions are replaced:

1. Bodily injury means bodily harm, sickness or disease, including an identified injury or death that results.
2. 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 following definitions are added:

1. Actual benefits means those benefits determined to be payable for allowable expenses.
2. Allowable expense means a medically necessary, reasonable 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. 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. An automobile used as a public or livery conveyance;
 - c. A pickup, delivery sedan, van, or utility automobile customarily used for business, occupational or professional purposes other than farming or ranching; or
 - d. A utility automobile customarily used for the transportation of passengers other than members of the user's family or their guests.
4. 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.
5. 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;

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- 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.
6. Eligible expense means:
- a. With respect to health benefits 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) The reasonable amount, as determined by us, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, when an incurred medical expense is not included on the medical fee schedules.
7. 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 ends when the insured is discharged from acute care by the attending health care provider.
- Emergency care shall be presumed when medical care is initiated at a hospital within 120 hours of the accident.
8. 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;

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- (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.
9. 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.
10. Identified injury means the following 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:
- a. Cervical Spine: Soft Tissue Injury;
 - b. Cervical Spine: Herniated Disc/Radiculopathy;
 - c. Thoracic Spine: Soft Tissue Injury;
 - d. Thoracic Spine: Herniated Disc/Radiculopathy;
 - e. Lumbar-Sacral Spine: Soft Tissue Injury;
 - f. Lumbar-Sacral Spine: Herniated Disc/Radiculopathy; and
 - g. Any other bodily injury 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.
11. Income means salary, wages, tips, commissions, fees and other earnings derived from work or employment. It does not include unearned income such as pensions, interest, dividends or social security.
12. Income producer means a person who, at the time of the accident, was in an occupational status earning or producing income. The status of an income producer will cease when the recipient is no longer an income producer for reasons other than disability.
13. Insured motor vehicle means a motor vehicle:
- a. That is insured for both bodily injury liability coverage and Pedestrian Personal Injury Protection Coverage under this policy; and
 - b. For which specific premiums have been charged.
14. Named insured means:
- a. The person named in the Declarations; and
 - b. That person's spouse if a resident of the same household.

However, if:

- a. The spouse ceases to be a resident of the same household during the policy period, the spouse shall be a named insured for the full term of that policy period.
 - b. 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.
15. 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.

II. PERSONAL INJURY PROTECTION COVERAGE

A. PERSONAL INJURY PROTECTION COVERAGE

INSURING AGREEMENT

1. We will pay personal injury protection benefits to or for an insured who sustains bodily injury. The bodily injury must be caused by an accident arising out of the ownership, maintenance or use, including loading or unloading, of an auto as an automobile.
2. With respect to 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.
 - b. Any other person who sustains bodily injury while occupying or using your covered auto with the permission of the named insured.
3. Subject to the limits shown in the Schedule or in the Declarations, personal injury protection benefits consist of the following:
 - a. Medical expenses.

Reasonable and necessary expenses incurred for:

- (1) Medical, surgical, rehabilitative and diagnostic treatments and services;
- (2) Hospital expenses;
- (3) Ambulance or transportation services;
- (4) Medication; and
- (5) 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:

- (a) 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
- (b) Services and activities such as recreational activities, trips and leisure activities.

All medical expenses must:

- (1) Be rendered by a health care provider;
- (2) Be clinically supported and consistent with the symptoms, diagnosis or indications of the insured;

(3) Be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an identified injury;

(4) Not be rendered primarily for the convenience of the insured or the health care provider; and

(5) Not include unnecessary testing or treatment.

However, medical expenses include any non-medical remedial treatment rendered in accordance with recognized religious methods of healing.

b. Non-Medical Benefits (Extra PIP Package)

(1) Income continuation.

Loss of income of an income producer payable during his lifetime as a result of bodily injury disability. Income continuation shall not exceed net income normally earned during the period in which benefits are payable.

(2) Essential services.

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.

(3) Death benefits.

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 himself and any family member, the amount of any unpaid essential services benefits available to such insured at the time of the insured's death.

(4) Funeral expenses.

Reasonable expenses incurred for funeral, burial and cremation.

B. EXTENDED MEDICAL EXPENSE BENEFITS COVERAGE

INSURING AGREEMENT

1. We will pay extended medical expense benefits to or for an insured who sustains bodily injury. The bodily injury must be caused by an accident arising 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. With respect to Extended Medical Expense Benefits Coverage, insured means:

a. The named insured or any family member who sustains bodily injury while:

(1) Occupying or using a highway vehicle; or

(2) A pedestrian, caused by a highway vehicle.

b. Any other person:

(1) Who sustains bodily injury while occupying a highway vehicle being operated by the named insured or any family member, other than a:

(a) Motorcycle; or

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(b) Vehicle being used as a public or livery conveyance; or

(2) Using such highway vehicle with the permission of the named insured.

3. Subject to the limits shown in the Schedule or in the Declarations, extended medical expense benefits consist of medical expenses.

C. PEDESTRIAN PERSONAL INJURY PROTECTION COVERAGE

INSURING AGREEMENT

1. If the Schedule or Declarations indicates that Pedestrian Personal Injury Protection Coverage applies to a vehicle, we will pay pedestrian personal injury protection benefits to or for an insured who sustains bodily injury.

2. With respect to Pedestrian Personal Injury Protection Coverage, insured means a person who sustains bodily injury while a pedestrian:

a. Caused by an insured motor vehicle; or

b. As a result of being struck by an object propelled by or from an insured motor vehicle.

3. Subject to the limits shown in the Schedule or in the Declarations, pedestrian personal injury protection benefits consist of the following:

a. Medical expenses.

b. Income continuation.

c. Essential services.

d. Death benefits.

e. Funeral expenses.

EXCLUSIONS

A. We do not provide Personal Injury Protection Coverage 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 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. Other than the named insured or any family member 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.

2. To any family member if that family member is entitled to New Jersey Personal Injury Protection Coverage as a named insured under the terms of another policy.

3. 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.

4. Due to:

a. War (declared or undeclared);

b. Civil war;

c. Insurrection;

d. Rebellion or revolution; or

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e. Any act or condition incident to any of the above.

5. Resulting from the:

- a. Radioactive;
- b. Toxic;
- c. Explosive; or
- d. Other hazardous;

properties of nuclear material.

B. We do not provide:

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

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

2. Personal Injury Protection Coverage or Extended Medical Expense Benefits Coverage for bodily injury to any insured who, 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.

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

a. Who is entitled to benefits for the bodily injury under:

(1) 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 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 ("B.3.c.") does not apply to:

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

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

1. Brain mapping;
2. Iridology;
3. Mandibular tracking and simulation;
4. Reflexology;
5. Spinal diagnostic ultrasound;
6. Surface electromyography (surface EMG);
7. Surrogate arm mentoring; or
8. Any other diagnostic test that is determined to be ineligible for coverage under Personal Injury Protection Coverage by New Jersey law or regulation.

LIMIT OF LIABILITY

A. The limits of liability shown in the Schedule or in the Declarations for the Personal Injury Protection Coverage benefits that apply are the most we will pay to or for each insured injured in any one accident, regardless of the number of:

1. Insureds;
2. Policies applicable; or
3. Vehicles insured.

B. Any amounts payable under Personal Injury Protection Coverage 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.

C. Any amounts payable for medical expense benefits shall be limited by the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance for specific injuries or services.

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

1. Reduced by the applicable deductible indicated in the Schedule or in the Declarations; and
2. Subject to a co-payment of 20% for the amount between the applicable deductible and \$5,000.

E. If the Schedule or Declarations indicates that the named insured has elected the Medical Expense Benefits as Secondary Coverage option, the following provisions apply to medical expenses 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 in the Schedule or in the Declarations, had the named insured not elected the Medical Expense Benefits as Secondary Coverage 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

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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 expense 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 remaining 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 per accident shall not exceed the maximum amount payable for medical expense benefits under this policy.

3. Health Benefits Plan Ineligibility

a. If, after the named insured has elected the Medical Expense Benefits as Secondary Coverage option, 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 "B." 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 in the Schedule or in the Declarations; and

(b) Be subject to a co-payment of 20% for amounts less than \$5,000 after the deductible has been applied.

(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 the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, 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 expenses arose:

(1) Is recognized on the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance or

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(2) Are reasonable expenses in accordance with Section 4 of the New Jersey Automobile Repairation Reform Act.

c. We shall be entitled to recover the difference between:

(1) The reduced premium paid under this policy for the Medical Expense Benefits as Secondary Coverage 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 Medical Expense Benefits as Secondary Coverage option for the remainder of the policy period.

F. The limit of liability shown in the Schedule or in the Declarations for weekly income continuation benefits shall be prorated for any period of bodily injury disability less than one week.

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 benefits from another insurer, that insurer shall be entitled to recover from us its pro rata share of the benefits paid. 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:

1. Personal Injury Protection Coverage; or

2. Pedestrian 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 benefits 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.

III. PART G - DUTIES AFTER AN ACCIDENT OR LOSS

Duties "A." and "B." are replaced by the following:

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. Reasonably 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.

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3. Submit, as often as we require, to physical exams by physicians we select. We will provide the insured with a copy of the medical report if requested.
4. Comply with all other requirements of the Precertification Plan.

IV. PART H - GENERAL PROVISIONS

A. The Our Right To Recover Payment provision is replaced by the following:

OUR RIGHT TO RECOVER PAYMENT

If we make a payment under this coverage and the person to or for whom payment was made recovers damages from another;

1. That person shall:
 - a. Hold in trust for us the proceeds of the recovery;
 - b. Reimburse us to the extent of our payment;
 - c. Execute and deliver such instruments and papers as may be appropriate to secure the rights and obligations of that person and us; and
 - d. Do nothing after loss to prejudice these rights.
2. We shall have a lien to the extent of such payment. We may give notice of lien to
 - a. The person or organization causing the bodily injury;
 - b. His agent;
 - c. His insurer; or
 - d. A court having jurisdiction.

B. Paragraph "B." of the Policy Period And Territory provision is replaced by the following:

POLICY PERIOD AND TERRITORY

B. The policy territory is, with respect to:

1. Personal Injury Protection Coverage or Extended Medical Expense Benefits Coverage, anywhere in the world.
2. Pedestrian Personal Injury Protection Coverage, New Jersey.

C. The following is added to the Two Or More Auto Policies provision:

TWO OR MORE AUTO POLICIES

1. This provision does not apply to Extended Medical Expense Benefits Coverage.
2. No one will be entitled to receive duplicate payments for the same elements of loss under Extended Medical Expenses Benefits Coverage.

D. The following provisions are added:

SPECIAL REQUIREMENTS FOR MEDICAL EXPENSES PURSUANT TO OUR PRECERTIFICATION PLAN

PRECERTIFICATION PLAN

1. We will not provide coverage for treatment or testing which is not medically necessary.

Medically necessary means that the medical treatment or diagnostic test is consistent with the clinically supported symptoms, diagnosis or indications of the injured person, and:

- a. The treatment is the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including the Care Paths in the Appendix of the regula-

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tions promulgated by the New Jersey Department of Banking and Insurance set forth at N.J.A.C. 11:3-4;

b. The treatment of the injury is not primarily for the convenience of the injured person or provider; and

c. Does not include unnecessary testing or treatment.

2. Requirements for continuing treatment or diagnostic testing which is medically necessary:

a. Every 28 days following the auto accident which caused the bodily injury is a decision point whereby we must be provided with prior written notice, containing appropriate clinically supported findings, that additional medically necessary treatment for bodily injury is required. Comprehensive treatment plans in cases of serious bodily injury are encouraged to avoid periodic reauthorizations by us when continued treatment is clearly medically necessary for an extended period of time.

b. The administration of any of the following diagnostic tests also constitutes a decision point which requires that we be provided with prior written notice, containing appropriate clinically supported findings, that the following diagnostic tests are medically necessary:

(1) Brain audio evoked potential (BAEP);

(2) Brain evoked potential (BEP);

(3) Computer assisted tomographic studies (CT, CAT Scan);

(4) Dynatron/cyber station/cybex;

(5) Electroencephalogram (EEG);

(6) H-reflex Study;

(7) Magnetic resonance imaging (MRI);

(8) Needle electromyography (needle EMG);

(9) Nerve conduction velocity (NCV);

(10) Somasensory evoked potential (SSEP);

(11) Sonogram/ultrasound;

(12) Videofluoroscopy;

(13) Visual evoked potential (VEP);

(14) Any other diagnostic test that is subject to the requirements of a decision point review plan by New Jersey law or regulation.

c. The requirements of "2.a." and "2.b." shall not apply to treatment or tests administered during emergency care.

d. Once we receive prior written notice with the clinically supported findings we will:

(1) Promptly review the notice and supporting materials; and

(2) If necessary to determine whether we will provide coverage for the additional treatment or diagnostic test:

(a) Request any additional medical records; or

(b) Schedule a physical examination.

e. We will then determine, and notify the insured, whether we will provide coverage for the additional treatment or diagnostic test. Any determination to deny coverage will be based on the determination of an authorized health care provider.

f. Any physical examination of an insured scheduled as part of this pre-certification plan will be conducted as follows:

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(1) We will notify the insured that a physical examination is required before we determine whether we will provide coverage for further treatment or tests.

(2) The physical examination will be:

(a) Scheduled within seven calendar days of our receipt of the notice the request for additional treatment or the administration of diagnostic tests, unless the insured agrees with us to extend the time period;

(b) Conducted by a health care provider similar to the treating health care provider; and

(c) Conducted at a location reasonably convenient to the insured.

(3) The insured shall, if requested by us, provide medical records and other pertinent information to the health care provider conducting the physical examination. The requested records must be provided before, or at the time of, the examination.

(4) If we schedule a physical examination, we will notify the insured whether coverage will be provided for the treatment or tests no later than three days after the examination.

g. Penalty

If any insured fails to:

(1) Notify us as required in this precertification plan;

(2) Provide medical records if requested by us; or

(3) Appear for the physical examination if required as part of this precertification plan;

then we may impose a co-payment penalty. The co-payment penalty will be 50% of the lesser of:

(1) The treating health care provider's usual, customary and reasonable charge; or

(2) The upper limit of the medical fee schedule promulgated by the New Jersey Department of Banking and Insurance;

for any 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.

h. We will not provide coverage for continued medically necessary treatment or the administration of a medically necessary test before the requirements of our precertification plan are satisfied.

3. Requirements for coverage of non-medical expenses

We shall only provide coverage for clinically supported necessary non-medical expenses that are prescribed by a treating medical provider for a permanent or significant brain, spinal cord or disfiguring injury.

a. We must be provided with prior written notice, with appropriate clinically supported findings, that the non-medical expenses are necessary for the permanent or significant brain, spinal cord or disfiguring injury.

b. We will then determine, and notify the insured, whether we will provide coverage for the non-medical expenses.

c. We will not provide coverage for non-medical expenses before authorization is made by us.

4. Assignments of your right to receive benefits for medically necessary treatment or tests are prohibited except in the following circumstances:

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A licensed health care provider as assignee agrees:

- a. To maintain full compliance with the requirements of our precertification plan; and
- b. Not to seek to obtain payment from the insured or person receiving the treatment or undergoing the test whenever coverage has been denied or charges have been reduced in accordance with our precertification plan.

PAYMENT OF BENEFITS

1. We may, at our option, pay any medical expense benefits or essential services benefits to the:

- a. Insured; or
- b. Person or organization providing products or services for such benefits.

These benefits shall not be assignable except to providers of service benefits.

2. In the event of the death of an insured, we will pay:

- a. Any amounts payable, but unpaid prior to death, for medical expense benefits to the insured's estate.
- b. Death benefits for an insured who was:
 - (1) An income producer, to:
 - (a) The surviving spouse; or
 - (b) If there is no surviving spouse, the surviving children; or
 - (c) If there are no surviving children, the insured's estate.
 - (2) A provider of essential services, to the person who has incurred the expense of providing essential services.
- c. Funeral expense benefits to the insured's estate.

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 this endorsement, then the matter may be submitted to dispute resolution, on the initiative of any party to the dispute, in accordance with New Jersey law or regulation.

Any request for dispute resolution may include a request for review by a medical review organization.

PROOF OF HEALTH BENEFITS PLAN COVERAGE

If the Schedule or Declarations indicates that the Medical Expense Benefits as Secondary Coverage option applies, the named insured must provide proof that the named insured and any family members are insured by health insurance coverage or benefits in a manner and to an extent approved by the New Jersey Department of Banking and Insurance.

DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSE BENEFITS

If the Schedule or Declarations indicates that the Deletion of Benefits Other than Medical Expense Benefits option applies, we will pay personal injury protection benefits consisting of only medical expense benefits for the named insured or any family member.

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 pro-

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vider of such benefits for reimbursement of any benefits we have paid under this coverage.

ENDORSEMENT - RATING INFORMATION - NEW JERSEY (PP 03 75 09 99)

Your auto has been classified under a six-digit numerical code (for example, 811229) as indicated on the policy Declarations page. The information on the following pages explains the components of the classification code and can help you determine how we classified your auto. We established the classification based on statements made by or on behalf of the named insured.

This classification is one of the components we use in developing your premiums for the following coverages; Liability, Other Than Collision, and Collision.

We will use code 811229 as an example in explaining how your auto is classified.

811229

The 1st digit (the 8 in the example 811229) is always 8 and identifies the auto as a private passenger auto.

811229

The 2nd and 3rd digits (the 11 in the example 811229) indicate the OPERATOR CLASSIFICATION. It is based on the age, gender, marital status and driver training status of the operators.

OPERATOR CLASSIFICATION (Identifies the Age, Gender, Marital Status and Driver Training Status)

2nd and 3rd Digits Definitions

No Youthful Operator

13	Only Operator In Household Is A Female Age 30 to 64
02	Principal Operator Age 65 to 74
03	Principal Operator Age 75 or Over
11	All Other

Youthful Unmarried Female

21	Age 17, or less, Without Driver Training
22	18
23	19
24	20
26	Age 17, or less, With Driver Training
27	18
28	19
29	20

Youthful Unmarried Female

46	Age 21, With or Without Driver Training
47	22
48	23
49	24

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Youthful Married Male

31	Age 17, or less, Without Driver Training
32	18
33	19
34	20
36	Age 17, or less, With Driver Training
37	18
38	19
39	20
41	Age 21, With or Without Driver Training
42	22
43	23
44	24

Youthful Unmarried Male, Not Owner or Principal Operator

51	Age 17, or less, Without Driver Training
52	18
53	19
54	20
56	Age 17, or less, With Driver Training
57	18
58	19
59	20
61	Age 21, With or Without Driver Training
62	22
63	23
64	24

Youthful Unmarried Male, Owner or Principal Operator

71	Age 17, or less, Without Driver Training
72	18
73	19
74	20
76	Age 17, or less, With Driver Training
77	18
78	19
79	20
81	Age 21, With or Without Driver Training
82	22
83	23
84	24
91	25
92	26
93	27
94	28
95	29

811229

The 4th digit (the 2 in the example 811229) indicates the USE CLASSIFICATION, which identifies the way the auto is used.

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USE CLASSIFICATION (Identifies the way in which the auto is used)

4th Digit Definitions

No Youthful Operator

- | | |
|---|----------------------------------|
| 1 | Pleasure Use |
| 2 | Drive to Work Less than 10 Miles |
| 3 | Drive to Work 10 or More Miles |
| 8 | Business Use |
| 9 | Farm Use |

Youthful Operator

- | | |
|---|--|
| 1 | Pleasure Use or Farm Use |
| 2 | Drive to Work or Business Use |
| 4 | Pleasure Use or Farm Use With Good Student Discount |
| 5 | Drive to Work or Business Use With Good Student Discount |

Note: If the auto is driven to or from work 10 or more miles by certain youthful operators, the applicable Classification Code is 8113_ _. If the auto is used for business by certain youthful operators, the applicable Classification Code is 8118_ _. If you have any questions, please contact us.

811229

The 5th and 6th digits (the 29 in the example 811229) indicate auto characteristics and secondary rating classification statistical codes.

SECONDARY RATING CLASSIFICATION STATISTICAL CODE

5th Digit

- | | |
|---|----------------------------|
| 1 | Only one auto insured |
| 2 | More than one auto insured |

6th Digit

- | | |
|---|------------------------------------|
| 8 | Principal operator is age 50 to 64 |
| 9 | All other principal operators |

CLASSIFICATION DEFINITIONS

1. Business Use means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the principal place of occupation, profession or business.

2. Farm Use means the auto is principally garaged on a farm or ranch; and
- a. It is not customarily used in going to or from work other than farming or ranching, or in driving to or from school; and
 - b. It is not customarily used in any occupation other than farming or ranching.

3. Pleasure Use means:

a. No Business Use.

b. Personal use including driving to or from work or school:

(1) Less than 3 road miles one way; or

(2) 3 or more, but less than 10, road miles one way for not more than 2 days per week or not more than 2 weeks in any 5 week period.

4. Drive To Work Less Than 10 Miles means:

a. No Business Use.

b. Personal use including driving to or from work or school:

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(1) 3 or more, but less than 10, road miles one way if such usage is more than 2 days per week or more than 2 weeks in any 5 week period; or

(2) 10 or more road miles one way, for not more than 2 days per week or not more than 2 weeks in any 5 week period.

5. Drive To Work 10 or More Miles means:

a. No Business Use.

b. Personal use including driving to or from work or school 10 or more road miles one way more than 2 days per week or more than 2 weeks in any 5 week period.

6. Youthful Operator means an applicant or any other operator resident in the same household as the applicant, who customarily operates the auto, and is one of the following:

a. Youthful Unmarried Female Operator - unmarried female under 25 years of age;

b. Youthful Married Male Operator - married male under 25 years of age;

c. Youthful Unmarried Male Operator - unmarried male under 25 years of age who is not an owner or principal operator;

d. Youthful Unmarried Male Owner or Principal Operator - unmarried male under 30 years of age who is an owner or principal operator.

Classification Notes:

1. A person in active military service with the armed forces of the United States of America is not considered a resident in the applicant's household unless this person customarily operates the auto.

2. If a Youthful Unmarried Female Operator or a Youthful Unmarried Male Operator is a student residing at an educational institution over 100 road miles from the auto's place of principal garaging, the auto is rated as if the student is Married.

3. The applicable Driver Training Classification applies to each Youthful Operator under 21 years of age where "Satisfactory Evidence" is presented that such operator has successfully completed an approved driver education course.

4. The applicable Good Student Classification applies to each owner or operator who is at least 16 years of age and is a full-time high school, college or university student and has met the requirements for the Good Student Discount. Generally, this means students with a B average or better.

PREMIUM DISCOUNTS

1. A Multi-Car discount is afforded if more than one auto is owned by you or owned jointly by you and one or more relatives or resident individuals, and two or more autos are insured by us for any of the following coverages: Liability, Other Than Collision, and Collision.

2. A discount on Other Than Collision Coverage premiums, ranging from 5% to 20%, is afforded for vehicles equipped with an eligible anti-theft device or vehicle recovery system.

Consult with us for additional information about the anti-theft device discount or vehicle recovery system discount on your policy.

3. A discount on PIP coverage premiums is afforded for private passenger autos equipped with factory installed automatic occupant restraints, conform-

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ing to the federal crash protection requirements. Discounts are provided for restraint systems meeting the criteria of either Paragraph “a.” or “b.” below:

a. 20% discount is afforded when the restraint is installed in the driver-side-only position.

b. 30% discount is afforded when the restraints are installed in both front outboard seat positions.

4. A 5% discount is afforded on Liability, PIP and Collision Coverage premiums for those private passenger autos equipped with factory installed four wheel Anti-Lock Braking Systems (ABS).

5. A 5% Defensive Driving Course Discount is afforded on Liability, PIP, and Collision Coverage premiums if the operator(s) of the auto presents to us a completion certificate dated within the last 36 months certifying that he/she has successfully completed an approved defensive driving course.

ENDORSEMENT - LOSS PAYABLE CLAUSE (PP 03 05 08 86)

Loss Payee: Named on the Declarations

Loss or damage under this policy shall be paid, as interest may appear, to you and the loss payee shown in the Declarations or in this endorsement. This insurance, with respect to the interest of the loss payee, shall not become invalid because of your fraudulent acts or omissions unless the loss results from your conversion, secretion or embezzlement of your covered auto. However, we reserve the right to cancel the policy as permitted by policy terms and the cancellation shall terminate this agreement as to the loss payee's interest. We will give the same advance notice of cancellation to the loss payee as we give to the named insured shown in the Declarations.

When we pay the loss payee we shall, to the extent of payment, be subrogated to the loss payee's rights of recovery.

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PERSONAL AUTOMOBILE POLICY, PRE-AICRA

This appendix is available at www.gannlaw.com for premium content subscribers.