

APPENDIX C - 1A

PERSONAL AUTOMOBILE POLICY, PRE-AICRA

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.

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

C. For purposes of this policy, a private passenger type auto 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 6 months.

Other words and phrases are defined. They are in quotation marks 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. Any of the following types of vehicles on the date you become the owner:
 - a. a private passenger auto; or
 - b. a pickup or van.

This provision (J.2.) applies only if:

- a. you acquire the vehicle during the policy period;
- b. you ask us to insure it within 30 days after you become the owner; and
- c. with respect to a pickup or van, no other insurance policy provides coverage for that vehicle.

If the vehicle you acquire replaces one shown in the Declarations, it will have the same coverage as the vehicle it replaced. You must ask us to insure a replacement vehicle within 30 days only if:

- a. you wish to add or continue Coverage for Damage to Your Auto; or
- b. it is a pickup or van used in any “business” other than farming or ranching.

If the vehicle you acquire is in addition to any shown in the Declarations, it will have the broadest coverage we now provide for any vehicle shown in the Declarations.

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;
- d. loss; or
- e. destruction.

This provision (4.) does not apply to Coverage For Damage To Your Auto.

IMPORTANT NOTE: The automatic coverage for newly acquired autos does not apply to Part E - Coverage For Damage To Your Auto. Newly acquired autos must be reported to us before this Part can apply. See the Mandatory Inspection provision under Part E.

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. 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 \$50 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 person:

1. Who intentionally causes “bodily injury” or “property damage.”

2. For “property damage” to property owned or being transported by that person.

3. For “property damage” to property:

a. rented to;

b. used by; or

c. in the care of;

that person.

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

4. For “bodily injury” to an employee of that person 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 person’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 person 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 that you own; or

c. “trailer” used with a vehicle described in a. or b. above.

8. Using a vehicle without a reasonable belief that that person is entitled to do so.

9. For “bodily injury” or “property damage” for which that person:

a. is an insured under a nuclear energy liability policy; or

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b. would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.

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

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

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

1. Any motorized vehicle having fewer than four wheels.
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."

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. We will apply the limit of liability to provide any separate limits required by law for bodily injury and property damage liability. However, this provision (B.) will not change our total limit of liability.

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

MEDICAL PAYMENTS COVERAGE

For the provisions of this coverage, refer to Section II of Endorsement - Personal Injury Protection Coverage-New Jersey (PP 0577 1091).

PART C

UNINSURED MOTORISTS COVERAGE

NEW JERSEY (PP 04 80 12 89) (PP 04 80 12 89-NJM)

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" where such coverage is indicated as applicable in the Declarations because of:

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". We will pay damages under this coverage caused by an accident with an "underinsured motor vehicle" only after the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

Any judgment for damages arising out of a suit brought without our written consent is not binding on us. 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 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, including any limit less than the limit specified in the New Jersey financial responsibility law.

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”;
- 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.

However, “uninsured motor vehicle” does not include:

1. An “underinsured motor vehicle”.

2. Any vehicle or equipment owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.

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 person:

1. If that person 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.

2. For damages for pain, suffering and inconvenience resulting from bodily injury caused by an accident involving an uninsured motor vehicle, unless the injured person has a legal right to recover damages for such pain, suffering and inconvenience under the New Jersey No-Fault Law. The injured person's legal right to recover damages for pain, suffering and inconvenience under the New Jersey No-Fault Law will be determined by the liability tort limitation, if any, applicable to that person.

3. When “your covered auto” is being used as a public or livery conveyance. This exclusion (A.3.) does not apply to a share-the-expense car pool.

4. Using a vehicle without a reasonable belief that that person is entitled to do so.

5. 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

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. 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.

Any amount payable for damages under this coverage shall be reduced by all sums paid or payable under the personal injury protection coverage applicable to the same element of loss.

Any payment under this coverage will reduce any amount that person is entitled to recover for the same damages under Part A. No payment will be made for loss paid or payable to the "insured" under Part E.

With respect to an accident with an "uninsured motor vehicle", any amounts payable for damages under this coverage shall also be reduced by all sums 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 the policy.

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 the policy; and
2. Paid because of the "property damage" under Part E of the policy or any similar coverage under any other policy.

No one is entitled to receive duplicate payment for the same element of loss.

OTHER INSURANCE

If there is other applicable similar insurance under more than one policy or provision of coverage:

1. Any recovery for damages for "property damage" or "bodily injury" sustained by an "insured" may equal but not exceed the higher of the applicable limit for any one vehicle under this insurance or any other insurance.
2. Any insurance we provide with respect to a vehicle you do not own shall be excess over any other collectible insurance.
3. 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.

ARBITRATION

If we and an "insured" do not agree:

1. Whether that person is legally entitled to recover damages under this endorsement; or
2. As to the amount of damages;

either party may make a written demand for arbitration. However, disputes concerning coverage under this endorsement may not be arbitrated. 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. Each party will:

1. Pay the expenses it incurs; and

2. Bear the expenses of the third arbitrator equally.

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 DUTY

Any person seeking coverage under this endorsement must also promptly send us copies of the legal papers if a suit is brought.

PART D

PERSONAL INJURY PROTECTION COVERAGE - NEW JERSEY

For the provisions of this coverage, refer to Endorsement - Personal Injury Protection Coverage-New Jersey (PP 05 77 10 91).

PART E

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. 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 its 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:

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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.”
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:
 1. Breakdown;
 2. Repair;
 3. Servicing;
 4. Loss; or
 5. Destruction

TRANSPORTATION EXPENSES

In addition, we will pay, without application of a deductible, up to \$15 per day, to a maximum of \$450, for:

1. Transportation expenses incurred by you in the event of the total theft of “your covered auto.” This applies only if the Declarations indicate that Other Than Collision Coverage is provided for that auto.
2. Loss of use expenses for which you become legally responsible in the event of the total theft of a “non-owned auto”. This applies only if the Declarations indicate that Other Than Collision Coverage is provided for “your covered auto”.

We will pay only transportation expenses incurred during the period:

1. Beginning 48 hours after the theft; and
2. Ending when “your covered auto” is returned to use or we pay for its loss.

EXCLUSIONS

We will not pay for

1. Loss to “your covered auto” which occurs while it is used to carry persons or property for a fee. 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.”

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:

a. any electronic equipment designed for the reproduction of sound, including, but not limited to:

- (1) radios and stereos;
- (2) tape decks; or
- (3) compact disc players;

b. any other electronic equipment that receives or transmits audio, visual or data signals, including, but not limited to:

- (1) citizens band radios;
- (2) telephones;
- (3) two-way mobile radios;
- (4) scanning monitor receivers;
- (5) television monitor receivers;
- (6) video cassette recorders;
- (7) audio cassette recorders; or
- (8) personal computers;

c. tapes, records, discs, or other media used with equipment described in a. or b.; or

d. any other accessories used with equipment described in a. or b.

This exclusion (4.) does not apply to:

a. equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in your covered auto or any non-owned auto; or

b. any other electronic equipment that is:

(1) necessary for the normal operation of the auto or the monitoring of the auto's operating systems; or

(2) an integral part of the same unit housing any sound reproducing equipment described in a. and permanently installed in the opening of the dash or console of your covered auto or any non-owned auto normally used by the manufacturer for installation of a radio.

5. Loss to a camper body or "trailer" you own which is not shown in the Declarations. This exclusion (6.) does not apply to a camper body or "trailer" you:

a. acquire during the policy period; and

b. ask us to insure within 30 days after you become the owner.

6. Loss to any "non-owned auto" or any vehicle used as a temporary substitute for a vehicle you own, when used by you or any "family member" without a reasonable belief that you or that "family member" are entitled to do so.

7. Loss to:

a. awnings or cabanas; or

b. equipment designed to create additional living facilities.

8. Loss to equipment designed or used for the detection or location of radar.

9. 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 and insulation, furniture or bars;

b. facilities for cooking and sleeping;

c. height-extending roofs; or

d. custom murals, paintings or other decals or graphics.

10. 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

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

11. Loss to any “non-owned auto” being maintained or used by any person while employed or otherwise engaged in any “business” not described in exclusion 12. This exclusion (13.) does not apply to the maintenance or use by you or any “family member” of a “non-owned auto” which is a private passenger auto or “trailer”

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. However, the most we will pay for loss to any “non-owned auto” which is a “trailer” is \$500.

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

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.

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” or any vehicle used as a temporary substitute for a vehicle you own 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

Notwithstanding any conflicting provisions contained in the Coverage For Damage To Your Auto Part of this policy, it is agreed that the following conditions are added:

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A. We or our authorized representative have the right to inspect any private passenger auto, including a “non-owned auto”, insured or intended to be insured under this policy before Coverage For Damage To Your Auto shall be effective.

B. During the term of the policy, coverage for an additional or replacement private passenger auto shall not become effective until you notify us and request coverage for the auto. However, this provision does not apply to a replacement private passenger auto, pursuant to our election and for a period of three days, including the day on which the auto is acquired, if:

1. the auto is acquired during the policy period; and
2. there was Coverage For Damage To Your Auto on the vehicle replaced for at least the 12-month period preceding the replacement date.

The three-day period in B. above shall be extended by one day for each Saturday, Sunday or New Jersey State legal holiday falling within the three-day period.

PART F

TOWING AND LABOR COSTS COVERAGE (PP 03 03 04 86)

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 G

ADDED PERSONAL INJURY PROTECTION COVERAGE - NEW JERSEY

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

PART H

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” and its equipment from further loss. We will pay reasonable expenses incurred to do this.

2. Promptly notify the police if “your covered auto” is stolen.

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

PART I

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.

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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.

However, our rights in this paragraph (A.) do not apply under Part E, 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

A. 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 non-payment of:
 - (1) premium; or
 - (2) residual market equalization charge; or
 - c. at least 20 days 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:
 - (1) premium; or
 - (2) residual market equalization charge; 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. 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 1 year.

B. Nonrenewal. We shall make an offer to you to renew this policy upon its expiration date unless a notice of nonrenewal has been mailed to you in accordance with New Jersey Administrative Code 11:3-8.3. Such renewal offer shall be in the form of a renewal policy or binder and shall offer coverage at least as favorable to you as that of this policy and at the same limits and terms as apply to this policy subject to changes approved by the Commissioner of Insurance.

However, in the event you no longer meet our underwriting rules as approved by the Insurance Commissioner of New Jersey in accordance with New Jersey Administrative Code 11:3-35.4, we shall mail you a notice of nonrenewal no less than sixty (60) days and no more than ninety (90) days prior to the expiration date of the policy. The notice will indicate the designated provisions of our underwriting rules or New Jersey Insurance Department Regulations under which action is being taken. It will also include dates and other information necessary for the identification of incidents and eligibility points prompting our action.

The notice of nonrenewal shall be sent either by certified mail or by regular mail, if at the time of such mailing, we have obtained from the Post Office Department a date stamped proof of mailing showing your name and address.

The policy shall also terminate:

1. On its expiration date, if:

a. We have manifested our willingness to renew your policy; and

b. You have failed to discharge when due your obligations in connection with the payment of premium for the renewal of this policy.

2. On the effective date of any other automobile insurance policy, with respect to any automobile designated in both policies.

C. Automatic Termination. If we offer to renew or continue and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If you obtain other insurance on “your covered auto,” any similar insurance provided by this policy will terminate as to that auto on the effective date of the other insurance.

D. Other Termination Provisions.

1. If this policy is cancelled, you may be entitled to a premium refund. If so, we will send you 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:

APPENDIX C - 1A

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 - NEW JERSEY (PP 057710 91)

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. This endorsement provides coverage as required under the New Jersey Automobile Reparation Reform Act, commonly referred to as the "New Jersey No-Fault Law."

All terms in quotations are defined terms. For a complete understanding of provisions containing these terms refer to the section entitled "Definitions."

The Company agrees with the "named insured", subject to all of the provisions in this endorsement and to all of the provisions of the policy except as modified herein, as follows:

SCHEDULE

Item 1. EXTENDED MEDICAL EXPENSE BENEFITS COVERAGE - SECTION II

The total aggregate amount of extended medical expense benefits payable is stated on the Declarations under "Coverages And Limits Of Liability" for "B. Medical Payments."

Item 2. PEDESTRIAN PIP - SECTION III

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

1. STATUTORY MEDICAL EXPENSE BENEFITS DEDUCTIBLE

The statutory deductible of \$250 is applicable to "medical expense benefits" only for the "named insured" and "relatives" on a per accident basis.

2. OPTIONAL MEDICAL EXPENSE BENEFITS DEDUCTIBLE

In consideration of a reduction in premium, a deductible higher than \$250, when DED MED EXPENSE BENEFITS and a deductible amount are shown in the Declarations, is applicable to "medical expense benefits" only for the "named insured" and "relatives" on a per accident basis.

MEDICAL EXPENSE BENEFITS COPAYMENT

In addition to the applicable deductible, "medical expense benefits" for the "named insured" and "relatives" shall be reduced by a copayment of 20% for amounts payable between the applicable deductible and \$5,000. Refer to Limit of Liability.

DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSES

If CONDITION 6 is shown on the Declarations under Endorsement PP 05 77 Personal Injury Protection, in consideration of a reduction in premium, all PIP benefits other than medical expense benefits are deleted with respect to the named insured and each relative. Refer to Condition 6.

Item 4. HEALTH INSURANCE PRIMARY OPTION

If "PIP HEALTH INSURANCE PRIMARY OPTION" is shown on the Declarations under Endorsement PP 05 77 Personal Injury Protection, in consideration of a reduction in premium, the "medical expense benefits", with respect to the "named insured" and "relatives", are secondary to the health benefits plans under which the "named insured" and "relatives" are insured.

SECTION I

THIS SECTION DOES NOT APPLY TO VEHICLES COVERED UNDER SECTION III OF THIS ENDORSEMENT EXCEPT AS PROVIDED IN SECTION III.

PERSONAL INJURY PROTECTION

The Company will pay personal injury protection benefits consisting of:

- (a) medical expense benefits,
- (b) income continuation benefits,
- (c) essential services benefits,
- (d) death benefits, and
- (e) funeral expense benefits

with respect to "bodily injury" sustained by an eligible injured person caused by an accident and arising out of the ownership, maintenance or use, including loading or unloading, of a "private passenger automobile" as an automobile.

Exclusions

The insurance under this endorsement does not apply to "bodily injury";

(a) to a person whose conduct contributed to the 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) to any person who, at the time of the accident, was the owner or registrant of a "private passenger automobile" registered or principally garaged in New Jersey that was being operated without personal injury protection coverage;

(c) to any person who is not occupying an insured automobile, other than the "named insured" or a "relative" of the "named insured" or a resident of New Jersey, if the accident occurs outside of New Jersey;

(d) 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;

(e) due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;

(f) resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material;

(g) to any person, other than the "named insured" or relative, if such person is entitled to New Jersey personal injury protection coverage as a "named insured" or "relative" under the terms of any other policy;

(h) to any relative, if such person is entitled to New Jersey personal injury protection coverage as a “named insured” under the terms of another policy;

(i) to any person operating or occupying a “private passenger automobile” without the permission of the owner or the “named insured” under the policy insuring that automobile.

Definitions

When used in reference to this insurance:

“actual benefits” means those benefits determined to be payable for “allowable expenses”.

“allowable expense” means a medically necessary, reasonable and customary item of expense covered as benefits by the “named insured’s” or “relative’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.

“bodily injury” means “bodily injury”, sickness or disease, including death at any time resulting therefrom.

“death benefits” means the amount or amounts payable in the event of the death of an eligible injured person as determined in subdivision (a) or (b) hereof, as appropriate:

(a) if the “eligible insured person” was an “income producer” at the time of the accident, an amount equal to the difference between \$5,200 and all basic “income continuation benefits” paid for any loss of “income” resulting from his injury prior to his death;

(b) if the eligible injured person ordinarily performed essential services for the care and maintenance of himself, his family or family household, an amount equal to the difference between \$4,380 and all basic “essential services benefits” paid with respect to his injury prior to death.

“eligible expense” means:

(a) in the case of 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 copayment(s), if any.

(b) in the case of personal injury protection benefits, that portion of the medical expenses incurred for the treatment of “bodily injury” which, without considering any deductible and copayment, 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 the Company, 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.

“eligible injured person” means:

(a) the “named insured” or any “relative” of the “named insured”, if the “named insured” or “relative” sustains “bodily injury”

(1) as a result of any accident while occupying, entering into, alighting from or using a “private passenger automobile”, or

(2) while a “pedestrian”, caused by (a) a “private passenger automobile”, or
(b) an object propelled by or from a “private passenger automobile”.

(b) any other person who sustains “bodily injury”

(1) while, with the permission of the named insured, occupying, using, entering into or alighting from the insured automobile, or (2) while a “pedestrian”, caused by the insured automobile, or as a result of being struck by an object propelled by or from the insured automobile.

“essential services benefits” means an amount not exceeding a limit of \$12.00 per day and a total limit of \$4,380 payable to an eligible injured person as reimbursement for payments made to others for substitute essential services of the type actually rendered during his lifetime and which he would ordinarily have performed not for income but for the care and maintenance of himself and his relatives.

“funeral expense benefits” means an amount not exceeding \$1,000 for reasonable funeral, burial and cremation expenses incurred.

“income” means salary, wages, tips, commissions, fees and other earnings derived from work or employment.

“income continuation benefits” means the amount not exceeding a limit of \$100 per week and a total limit of \$5,200 payable for the loss of “income” of an “income producer” during his lifetime, as a result of “bodily injury” disability; not to exceed net income normally earned during the period in which benefits are payable.

“income producer” means a person who, at the time of the accident was in an occupational status, earning or producing “income”.

“insured automobile” means an automobile with respect to which the “named insured” is required to maintain automobile liability insurance coverage under the New Jersey Automobile Reparation Reform Act, to which the “bodily injury” liability insurance of the policy applies and for which a specific premium is charged.

“medical expense benefits” means an amount not exceeding \$250,000 per person per accident for reasonable expenses incurred for medical, surgical and dental treatment, professional nursing, hospital and rehabilitation services, x-ray and other diagnostic services, prosthetic devices, ambulance services, medication and other reasonable and necessary expenses incurred for treatment prescribed by persons licensed to practice medicine, surgery, psychology or chiropractic, or for any non-medical remedial treatment rendered in accordance with a recognized religious method of healing; however, it does not include expenses in excess of those for a semiprivate room, unless more intensive care is medically required. If the limit of liability shown on the Declarations for Personal Injury Protection is \$1,000,000, this amount is the maximum amount that shall apply only to injuries sustained by the named insured and relatives;

“named insured” means the person or organization named as the insured in the declarations and, if an individual, includes his or her spouse if the spouse is a resident of the household of the named insured, except that if the spouse ceases to be a resident of the same household, the spouse shall be a “named insured” for the full term of the policy in effect at the time of cessation of residency. If the “insured automobile” is owned by a farm family co-partnership or corporation, the term “named insured” also includes the head of the household of each family designated in the policy as having a working interest in the farm.

“noneconomic loss” means pain, suffering and inconvenience.

“pedestrian” means any person who is not occupying, entering into, or alighting from a vehicle propelled by other than muscular power and designed primarily for use on highways, rails and tracks.

“private passenger automobile” means a self-propelled vehicle designed for use principally on public roads and which is one of the following types:

- (1) a private passenger or station wagon type automobile,
- (2) a van, a pick-up or panel truck or delivery sedan, or
- (3) a utility automobile designed for personal use as a camper or motor home or for family recreational purposes; but

a “private passenger automobile” does not include a motorcycle; an automobile used as a public or livery conveyance for passengers; a pick-up, panel truck, delivery sedan, van or utility automobile customarily used for business, occupational or professional purposes other than farming or ranching; or a utility automobile customarily used for the transportation of passengers other than members of the user’s family or other guests.

“relative” means a person related to the “named insured” by blood, marriage or adoption (including a ward or foster child) who is a resident of the same household as the named insured;

Limit of Liability

A. Any amount payable to the Company as personal injury protection benefits with respect to “bodily injury” shall be reduced by:

- (1) all amounts paid, payable or required to be provided under any workers’ compensation or employees’ temporary disability law, or
- (2) under medicare provided under federal law, or
- (3) benefits actually collected that are provided under federal law to active and retired military personnel.

B. Any amount payable for “medical expense benefits” will be limited by medical fee schedules as promulgated by the New Jersey Insurance Department for specific injuries or services.

C. Any amount payable by the Company as “medical expense benefits” shall be reduced by the statutory deductible of \$250 applicable to the “named insured” and relatives. However, if a deductible higher than \$250 is indicated in the declarations, any amount payable by the Company as “medical expense benefits” for the “named insured” or “relatives” shall be reduced only by the optional deductible. The statutory or optional deductible applies on a per accident basis. If two or more named insureds or “relatives” sustain “bodily injury” in the same accident the total amount of the deductible applicable to all of them combined shall be equal to the statutory or optional deductible, whichever applies.

D. “medical expense benefits” for the “named insured” or “relatives” in any amount between the deductible and \$5,000 is also subject to a copayment amount of 200/o which applies on a per accident basis. If two or more named insureds or “relatives” sustain “bodily injury” in the same accident the total copayment amount applicable to all of them combined shall be equal to 200/o of the difference between the applicable deductible and \$5,000.

E. The applicable limit on income continuation benefits applies separately to each full regular and customary work week of an eligible injured person. If his disability from work or employment consists of or includes only a part of such a week, the Company shall be liable for only that proportion of such weekly limit

that the number of days lost from work or employment during the partial week bears to the number of days in his full work week.

Coordination Of Benefits When The HEALTH INSURANCE PRIMARY Option Has Been Elected

A. If the “named insured” is an individual and has elected the HEALTH INSURANCE PRIMARY option, the health benefits plans under which the “named insured” and “relatives” are insured shall provide coverage for the “allowable expenses” incurred by the “named insured” or “relative” prior to any “medical expense benefits” being paid by the Company.

B. This insurance shall provide “medical expense benefits” for “allowable expenses” remaining uncovered after the health benefits plans, under which the “named insured” and “relatives” are insured, have paid benefits toward those “allowable expenses”.

C. Total benefits paid by the health benefits plans and this insurance shall not exceed the amount of total “allowable expenses”.

Determination Of Medical Expense Benefits Payable When The HEALTH INSURANCE PRIMARY Option Has Been Elected

A. In calculating the “actual benefits” to be paid by the Company when the HEALTH INSURANCE PRIMARY option has been elected, the Company shall first determine the amount of eligible expenses which would have been paid after the application of the deductible and copayment limitations, had the HEALTH INSURANCE PRIMARY option not been elected.

B. If the remaining “allowable expenses” are less than the benefits calculated pursuant to A. above, the Company shall pay “actual benefits” equal to the remaining “allowable expenses”, without reducing the remaining “allowable expenses” by the deductible or copayment described in the Limit of Liability provision.

C. If the remaining “allowable expenses” are greater than the benefits calculated pursuant to A. above, the “actual benefits” paid by the Company shall be the benefits calculated pursuant to A. above, without reducing the remaining “allowable expenses” by the deductible or copayment described in the Limit of Liability provision.

D. In paying “actual benefits”, the Company shall not:

(1) Reduce its “actual benefits” payable by any deductibles or copayments of the health benefits plans which have provided benefits prior to the payment of “medical expense benefits”; or

(2) Reduce its “actual benefits” payable for any allowable expense remaining uncovered which otherwise would not be an eligible expense under personal injury protection benefits, except as set forth by E. below.

E. In determining remaining uncovered “allowable expenses”, the Company 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 Insurance Department.

F. The total amount of “medical expense benefits” for each “named insured” or “relative” per accident shall not exceed the maximum amount payable for “medical expense benefits” under this policy.

Health Benefits Plan Ineligibility When The HEALTH INSURANCE PRIMARY Option Is Elected

A. If the “named insured” has elected the HEALTH INSURANCE PRIMARY option and it is determined that the “named insured” or “relative” did not have a health benefits plan in effect at the time an “accident” occurred resulting in “bodily injury” to the “named insured” or relative, the “named insured” or “relative” shall be provided “medical expense benefits”, subject to the following:

- (1) Only paragraph A. of the Limit of Liability provision applies.
- (2) Benefits payable shall be subject to a per accident deductible of \$750 in addition to the “medical expense benefits” deductible selected by the named insured, as indicated in the declarations.
- (3) Benefits payable shall be subject to a copayment of 200/0 for amounts less than \$5,000 after the deductible is applied.
- (4) Determination of the amount of benefits payable shall be made in accordance with medical fee schedules as promulgated by the New Jersey Insurance Department, or on a reasonable basis, as determined by the Company, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, when an item of expense is not included on the medical fee schedules.
- (5) Total “medical expense benefits” paid for the “named insured” or “relative” eligible for benefits in any one accident shall 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 “relative” for the treatment of “bodily injury” shall be eligible expense to the extent the treatment or procedure from which the expenses arose is recognized on the medical fee schedules, or are reasonable expenses in accordance with Section 4. of the New Jersey Automobile Repairation Reform Act.

C. The Company shall be entitled to recover, for the policy period in which an accident occurred resulting in “bodily injury” to the “named insured” or relative, the difference between the reduced premium paid on the policy and the amount of premium which would have been due on the policy had the “named insured” not elected the HEALTH INSURANCE PRIMARY option. No premium reduction shall be provided on that policy for the HEALTH INSURANCE PRIMARY option during the remainder of that policy period.

Policy Period; Territory

This insurance applies only to accidents which occur during the policy period and within the United States of America, its territories or possessions or Canada.

Conditions

1. Notice. In the event of an accident, written notice containing particulars sufficient to identify the eligible injured person, and also reasonably obtainable information respecting the time, place and circumstances of the accident shall be given by or on behalf of each eligible injured person to the Company or any of its authorized agents as soon as practicable. If an eligible injured person, his legal representative or survivors shall institute legal action to recover damages for injury against a person or organization who is or may be liable in tort therefor, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded as soon as practicable to the Company by such eligible injured person, his legal representative or his survivors.

2. Medical Reports; Proof Of Claim. As soon as practicable the eligible injured person or someone on his behalf shall give to the Company written proof of claim, including full particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist the Company in determining the amount due and payable. The eligible injured person shall submit to physical examination by physicians when and as often as the Company may reasonably require, and a copy of the medical report will be forwarded to such eligible injured person if requested.

3. Multiple Policies Applicable To One Accident: Non-duplication of Benefits; Priority Of Complying Policies. Regardless of the number of automobiles insured for basic personal injury protection coverage pursuant to Section 4 of the New Jersey Automobile Reparation Reform Act, or the number of insurers or policies affording such coverage, there shall be no duplication of payment of basic personal injury protection benefits and the aggregate maximum amount payable under this and all applicable policies with respect to "bodily injury" to any one person as the result of any one accident shall not exceed the applicable amounts or limits specified in Section 4 of said Act.

If an eligible injured person under this insurance is also an eligible injured person under other complying policies, the Company paying benefits to such person shall be entitled to recover from each of the other insurers an equitable pro rata share of the benefits paid. The pro rata share is the proportion that the Company's liability bears to the total of all applicable limits.

"Complying Policy" means a policy of automobile liability insurance maintained pursuant to the requirements of Section 3 of the New Jersey Automobile Reparations Reform Act and providing basic personal injury protection coverage as approved by the Commissioner of Insurance.

4. Reimbursement And Trust Agreement. Subject to any applicable limitations set forth in the New Jersey Automobile Reparation Reform Act, in the event of any payment to any person under this endorsement

(a) the Company shall be entitled to the extent of such payment to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of such person against any person or organization legally responsible for the "bodily injury" because of which such payment is made; and the Company shall have a lien to the extent of such payment, notice of which may be given to the person or organization causing such "bodily injury", his agent, his insurer or a court having jurisdiction in the matter;

(b) such person shall hold in trust for the benefit of the Company all rights of recovery which he shall have against such other person or organization because of such "bodily injury";

(c) such person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights;

(d) such person shall execute and deliver to the Company such instruments and papers as may be appropriate to secure the rights and obligations of such person and the Company established by this provision.

5. Payment Of Personal Injury Protection Benefits. "Medical expense benefits" and essential services benefits may be paid at the option of the Company to the eligible injured person or the person or organization furnishing the products or services for which such benefits are due. These benefits shall not be assignable except to providers of service benefits. In the event of the death of an eligible insured

person any amounts payable, but unpaid prior to death, for “medical expense benefits” are payable to the eligible injured person’s estate.

Benefits payable under subdivision (1) of the definition of “death benefits” are payable to the eligible injured person’s surviving spouse, or if there is no surviving spouse, to his surviving children, or if there is no surviving spouse or surviving children, to the eligible injured person’s estate.

Benefits payable under subdivision (2) of the definition of “death benefits” are payable to the person who has incurred the expense of providing essential services.

Funeral expense benefits are payable to the eligible injured person’s estate.

6. Deletion Of Benefits Other Than Medical Expenses. When the declarations indicate that the Deletion Of Benefits Other Than Medical Expenses option applies, the Company will pay basic personal injury protection benefits consisting only of “medical expense benefits” for the “named insured” and relative.

7. Company’s Right To Apply For Employee Benefits. If an eligible injured person fails to apply for workers’ compensation or employees’ temporary disability benefits when that person is eligible for these benefits, the Company may immediately apply to the provider of these benefits to obtain reimbursement for personal injury protection benefits it paid.

8. Proof Of Health Benefits Plan Coverage. If the “named insured” has elected the HEALTH INSURANCE PRIMARY option, the “named insured” shall provide proof that the “named insured” and “relatives” are insured by health insurance coverage or benefits in a manner and to an extent approved by the New Jersey Insurance Department.

SECTION II

THIS SECTION DOES NOT APPLY TO VEHICLES COVERED UNDER SECTION III OF THIS ENDORSEMENT

Extended Medical Expense Benefits Coverage

The Company will pay “medical expense benefits” not to exceed the total aggregate amount stated in the declarations and funeral expense benefits with respect to “bodily injury” sustained by an insured person caused by an accident occurring during the policy period within the United States of America, its territories or possessions or Canada and arising out of the ownership, maintenance or use, including loading and unloading, of an “insured automobile” or of a “highway vehicle” not owned by or furnished or available for the regular use of the “named insured” or any “relative” of the “named insured”.

Exclusions

The insurance under Section II is subject to all of the exclusions applicable to Section I except exclusion (c), and the following exclusion is added:

(i) to “bodily injury” to any person, other than the “named insured” or a “relative” of the “named insured” or a resident of New Jersey, if the accident occurs outside of New Jersey.

Definitions

Except for the definition of “medical expense benefits”, the definitions under Section I apply to Section II and under Section II:

“highway vehicle” means a land motor vehicle or trailer other than (1) a farm type tractor or other equipment designed for use principally off public roads, while

not upon public roads, (2) a vehicle operated on rails or crawler-treads or (3) a vehicle while located for use as a residence or premises.

“insured person” means

(a) the “named insured” or any “relative” of the named insured, if the “named insured” or “relative” sustains “bodily injury”:

(1) while occupying, using, entering into or alighting from a “highway vehicle”, or

(2) while a “pedestrian”, caused by a “highway vehicle”.

(b) any other person who sustains “bodily injury” while occupying a “highway vehicle” (other than a motorcycle or a vehicle while being used as a public or livery conveyance) if such highway vehicle is being operated by the “named insured” or a “relative” of the “named insured” or any other person using such “highway vehicle” with the permission of the “named insured”.

(c) any other person who sustains bodily injury while occupying an insured automobile if such insured automobile is being operated by the named insured or a relative of the named insured or any other person using such insured automobile with the permission of the named insured.

“medical expense benefits” means reasonable expenses incurred for medical, surgical and dental treatment, professional nursing, hospital and rehabilitative services, x-ray and other diagnostic services, prosthetic devices, ambulance services, medication and other reasonable and necessary expenses incurred for treatment prescribed by persons licensed to practice medicine, surgery, psychology or chiropractic, or for any non-medical remedial treatment rendered in accordance with a recognized religious method of healing; however, it does not include expenses in excess of those for a semi-private room, unless more intensive care is medically required.

Conditions

Conditions 1, 2, 4 and 8 of Section apply to Section II, substituting the term “insured person” for “eligible injured person” wherever it appears therein. The following additional condition applies under Section II

Other Insurance Or Benefits. This insurance does not apply to loss or expense with respect to which an insured person is entitled to benefits under any worker’s compensation law or Medicare provided under federal law or under Section 4 of the New Jersey Automobile Reparation Reform Act, or would be entitled to benefits under Section 4 of the Act except for the application of a deductible, copayment amount or a prescribed fee schedule promulgated by the New Jersey Insurance Department. This insurance does not apply to loss or expense to the extent that benefits are payable or are required to be provided therefor under any other automobile no-fault law or under any other automobile medical payments insurance.

SECTION III

Pedestrian Personal Injury Protection Coverage

THIS SECTION PROVIDES PERSONAL INJURY PROTECTION COVERAGE ONLY FOR “PEDESTRIANS”. WITH RESPECT TO AN “INSURED MOTOR VEHICLE” AS DESCRIBED IN THIS SECTION, PEDESTRIAN PERSONAL INJURY PROTECTION COVERAGE IS THE ONLY PERSONAL INJURY PROTECTION COVERAGE FOR THAT VEHICLE.

APPENDIX C - 1A

A. When the Declarations indicate that Pedestrian Personal Injury Protection Coverage applies to a vehicle, the company will pay Pedestrian Personal Injury Protection benefits consisting of “medical expense benefits”, “income continuation benefits”, “essential services benefits”, “death benefits” and “funeral expense benefits” to an “eligible injured person” as defined in this section. For Pedestrian Personal Injury Protection Coverage, Section I is amended as follows:

1. Exclusions (b) and (c) do not apply.
2. The definition of “eligible injured person” is replaced by the following: “eligible injured person” means a person who sustains “bodily injury” while a “pedestrian”, caused by the “insured motor vehicle” or as a result of being struck by an object propelled by or from the “insured motor vehicle”.
3. The following definition is added:
“insured motor vehicle” means a motor vehicle for which the declarations indicate that specific premiums have been charged for “bodily injury” liability coverages for Pedestrian PIP coverage.

B. Sections 11 and IV do not apply to Pedestrian Personal Injury Protection Coverage.

C. Pedestrian Personal Injury Protection Coverage applies only to accidents which occur in New Jersey.

SECTION IV

In consideration of the insurance afforded under Sections I and II of this endorsement, and the adjustment of applicable rates because of “bodily injury” to an “eligible injured person”, any automobile medical payments coverage afforded under the policy is deleted with respect to an automobile which is an “insured automobile”.

SECTION V

Premium Recomputation

The premium for the policy is based on rates which have been reduced in accordance with Section 18 of the New Jersey Automobile Reparation Reform Act to reflect the limitations on the right to recover damages imposed by Section 8 of said Act. If a court of competent jurisdiction declares, or enters a judgment the effect of which is to render Section 8 of the Act invalid or unenforceable in whole or in part, the Company shall have the right to recompute the premium payable for the policy on the basis of revised rates which are subject to approval by the Commissioner of Insurance.

ENDORSEMENT -

RATING INFORMATION NEW JERSEY (PP 03 75 06 89)

The auto has been classified under a six digit numerical code as indicated in the policy declarations on the basis of statements made by or on behalf of the named insured. The first digit is always 8 and identifies the auto as a private passenger auto. This classification is used to determine the premium for the following coverages Liability, Personal Injury Protection and Coverage For Damage To Your Auto.

OPERATOR CLASS

(Identifies Age, Sex, Marital Status and Driver Training Status)

2nd and

3rd Digits Definitions

No Youthful operator

13 Only Operator Female Age 30 to 64

PERSONAL AUTOMOBILE POLICY, PRE-AICRA

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

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

APPENDIX C - 1A

79 20

Youthful Unmarried Male Owner or Principal Operator

81 Age 21, With or Without Driver Training

82 22

83 23

84 24

91 25

92 26

93 27

94 28

95 29

USE CLASS

(Identities the way in which the car is used)

4th Digit

Definitions

No Youthful Operator

1 Pleasure use

2 Work Less than 10 Miles

3 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 With Good Student Discount

CAR CHARACTERISTIC CLASS

(Identifies type of car and number of cars insured)

5th Digit

1971 and later models

Only one car insured

1 Standard Performance

3 Intermediate Performance

5 High Performance

7 Sports

9 Sports Premium

More than one car insured

2 Standard Performance

4 Intermediate Performance

6 High Performance

8 Sports

0 Sports Premium

1970 and prior models

Only one car insured

1 Non-High Performance

5 High Performance

More than one car insured

2 Non-High Performance

6 High Performance

SAFE DRIVER SUB-CLASS

(Identifies points accumulated under the Safe Driver Insurance Plan)

6th Number of Digit Points	6th Number of Digit Points
8	Plan not written (The Company does not surcharge for accidents under an S.D.I.P.) and the principal operator is age 50 to 64
9	Plan not written (The Company does not surcharge for accidents under an S.D.I.P.)

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 your agent or us.

A. 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 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; and

(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. **WORK LESS THAN 10 MILES** means:

a. no **BUSINESS USE**.

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

(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. **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 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.

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.

B. PREMIUM DISCOUNTS

1. A number ranging from 05 to 25 representing the percentage discount applicable will appear in the "AT" (anti-theft) Block on the Declarations if a discount on Comprehensive coverage is afforded because the auto is equipped with an eligible anti-theft and/or vehicle recovery device.

2. A 30% discount on Medical Payments and/or any No-Fault coverages is afforded for vehicles equipped with an eligible factory installed passive restraint system in both front outboard seat positions if a "3" appears in the "PR" (passive restraint) Block on the Declarations. If vehicles have an eligible passive restraint system installed in the driver's side only, a 20% discount is applicable if a "2" appears in the "PR" (passive restraint) Block on the Declarations.

3. A 5% discount on Liability, No-Fault and Collision coverages is afforded for vehicles equipped with an anti-lock brake system if the "AL" (anti-lock) Block on the Declarations contains an "A" or "B."

ENDORSEMENT- LOSS PAYABLE CLAUSE (PP 03050886)

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.