

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNINSURED MOTORISTS COVERAGE – NEW JERSEY

SCHEDULE

Bodily Injury Liability	\$	each person
	\$	each accident
Property Damage Liability	\$	each accident

I. Part C – Uninsured Motorists Coverage

Part C is replaced by the following:

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:

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. or 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" while "occupying" "your covered auto"; or;
 - b. "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 "under-insured 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.
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 Bodily Injury Liability shown in the Schedule or Declarations for each person for Uninsured Motorists Coverage is our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in any one accident. Subject to this limit for each person, the limit of Bodily Injury Liability shown in the Schedule or Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all damages for "bodily injury" resulting from any one accident.

The limit of Property Damage Liability shown in the Schedule or Declarations for each accident for Uninsured Motorists Coverage is our maximum limit of liability for all "property damage" 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** or Part **B** of this policy; or
 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.
- F. We will reduce the "insured's" total damages by any amount available to that "insured", under any bodily injury liability bonds or policies applicable to the "underinsured motor vehicle", that such "insured" did not recover as a result of a settlement between that "insured" and the insurer of an "underinsured motor vehicle". However, any reduction of the "insured's" total damages will not reduce the limit of liability for this coverage.

This Paragraph (**F.**) shall not apply if we advance payment to the "insured" in an amount equal to the tentative settlement with the insurer of the "underinsured motor vehicle".

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:

- a. You do not own, including any vehicle while used as a temporary substitute for "your covered auto"; or
- b. Owned by you or any "family member" which is not insured for this coverage under this policy; 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.

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 at least two of the arbitrators will be binding as to:
1. Whether the "insured" is legally entitled to recover damages; and
 2. The amount of damages. This applies only if the amount does not exceed the minimum limit for liability specified by the financial responsibility law of New Jersey. If the amount exceeds that limit, either party may demand the right to a trial. 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".

II. Part F – General Provisions

The following is added to the **Our Right To Recover Payment** Provision in Part F:

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.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.