



# Amendment of Private Fleet Automobile Provisions – New Jersey

*This endorsement changes the policy. Please read it carefully*

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## I. Definitions

Definition **A.** is replaced by the following:

**A.** Throughout this policy, "you" and "your" refer to the "named insured" shown in the Declarations; and

1. The spouse; or
2. A party who has entered into a civil union with the "named insured" legally recognized under New Jersey law; if a resident of the same household.

If the spouse or party who has entered into a civil union with the "named insured" ceases to be a resident of the same household during the policy period or prior to the inception of this policy, the spouse or such party will be considered "you" and "your" under this policy but only until the earlier of:

1. The end of 90 days following the spouse's or such party's change of residency;
2. The effective date of another policy listing the spouse or such party as a named insured; or
3. The end of the policy period.

**B.** Definition **F.** is replaced by the following:

"Family member" means a person related to you by blood, marriage, civil union under New Jersey law or adoption who is a resident of your household. This includes a ward or foster child.

**C.** The following is added to the **Definitions** Section:

**L.** "Collector auto" means any "classic auto", "exotic auto" or "antique auto" shown in the Declarations that is;

1. maintained primarily for use in car club activities, parades, exhibitions, other functions of public interest or for a private collection; and
2. used infrequently for other purposes.

**M.** "Antique vehicle" means a vintage auto or motor cycle manufactured more than 25 years prior to the current year.. Antique vehicles are rarely driven and typically transported by trailer.

**N.** "Classic vehicle" means a motor vehicle of limited production or availability, unique or rare design, and recognized for its aesthetic value. For purposes of this policy, a classic vehicle also includes a reproduction of a collector auto.

**O.** "Exotic vehicle" means a motor vehicle that is less than 20 years old that has not been altered from its original factory specifications. Exotic vehicles are of unique design and are part of a limited production. An exotic vehicle's value is derived in part from its performance and the artistic nature of its bodywork and interior.

**P.** "Regular use vehicle" means a vehicle used for general transportation, including:

1. Driven to work, school or to perform errands; or
2. Used during the course of your business or occupation; or
3. Used as a substitute or back-up for any vehicle used as 1. or 2. above.

**Q.** Throughout the policy, "minimum limits" refers to the following limits of liability as required by New Jersey law, to be provided under a standard policy of automobile liability insurance:



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 2

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1. \$15,000 for each person, subject to \$30,000 for each accident, with respect to "bodily injury"; and
2. \$5,000 for each accident with respect to "property damage".

**D.** Definition **K.** is replaced by the following:

**K.** "Newly acquired auto":

1. "Newly acquired auto" means any of the following types of vehicles you become the owner of during the policy period:
  - a. A private passenger auto; or
  - b. A pickup or van for which no other insurance policy provides coverage.
2. Coverage for a "newly acquired auto" is provided as described below. If you ask us to insure a "newly acquired auto" after a specified time period described below has elapsed, any coverage we provide for a "newly acquired auto" will begin at the time you request the coverage.

a. For any coverage provided in this policy except Coverage For Damage To Your Auto, a "newly acquired auto" will have the broadest coverage we now provide for any vehicle shown in the Declarations. Coverage begins on the date you become the owner. However, for this coverage to apply to a "newly acquired auto" which is in addition to any vehicle shown in the Declarations, you must ask us to insure it within 30 days after you become the owner.

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

b. Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for the coverage to apply, you must ask us to insure it within:

(1) 30 days after you become the owner if Collision Coverage applies to at least one auto listed on the Declarations. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.

(2) Four days after you become the owner if Collision Coverage does not apply to at least one auto. If you comply with the four day requirement and a loss occurs before you ask us to insure the "newly acquired auto", a collision deductible of \$500 will apply.

c. Other Than Collision Coverage for a "newly acquired auto" begins on the date you become the owner. However, for this coverage to apply, you must ask us to insure it within:

(1) 30 days after you become the owner if Other Than Collision Coverage applies to at least one auto listed on the Declarations. In this case, the "newly acquired auto" will have the broadest coverage we now provide for any auto shown in the Declarations.

(2) Four days after you become the owner if Other Than Collision Coverage does not apply to at least one auto. If you comply with the 4 day requirement and a loss occurs before you ask us to insure the "newly acquired auto", an Other Than Collision deductible of \$500 will apply.

## II. Part A – Liability Coverage

Part A is amended as follows:

**A.** Paragraph **A.** of the **Insuring Agreement** is replaced by the following:



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 3

## INSURING AGREEMENT

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

**B.** Exclusion **B.3.** is replaced by the following:

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

**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".

**C.** Paragraph **A.** of the **Limit Of Liability** Provision is replaced by the following:

### LIMIT OF LIABILITY

**A.** The limit of liability shown in the Declarations for each person for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care, loss of services, death or any derivative damages, arising out of "bodily injury" sustained by any one person in any one auto accident. Subject to this limit for each person, the limit of liability shown in the Declarations for each accident for Bodily Injury Liability is our maximum limit of liability for all damages for "bodily injury" resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all "property damage" 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.

**D.** The **Other Insurance** Provision is replaced by the following:

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, if other insurance is available under a policy or contract relating to the maintenance, selling, repairing, servicing, storing, or parking of motor vehicles, then any insurance we provide will be excess over that other insurance. Any insurance we provide for a vehicle you do not own, including any vehicle while used as a temporary substitute for "your covered auto", shall be excess over any other collectible insurance.

**E.** The following provision is added:

### FEDERAL EMPLOYEES USING AUTOS IN GOVERNMENT BUSINESS



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 4

If this policy is issued to a federal employee using an auto in government business, the following provision is added:

The following are not “insureds” under Part **A**:

1. The United States of America or any of its agencies.
2. Any person with respect to “bodily injury” or “property damage” resulting from the operation of an auto by that person as an employee of the United States Government. This applies only if the provisions of Section 2679 of Title 28, United States Code as amended, require the Attorney General of the United States to defend that person in any civil action which may be brought for the “bodily injury” or “property damage”.

### III. Part **B** – Medical Payments Coverage

The following exclusion is added to Part **B**:

We do not provide Medical Payments Coverage for any “insured” for “bodily injury” sustained:

1. While “occupying” a vehicle insured for personal injury protection coverage; or
2. While a pedestrian, and:
  - a. Caused by a vehicle insured for personal injury protection coverage; or
  - b. As a result of being struck by an object propelled by or from a vehicle insured for personal injury protection coverage.

### IV. Part **D** – Coverage For Damage To Your Auto

Part **D** is amended as follows:

**A.** The following is added to Paragraph **A.** of the Insuring Agreement:

We will pay under Other Than Collision Coverage for the cost of repairing or replacing the damaged windshield on “your covered auto” without a deductible. We will pay only if the Declaration indicates that Other Than Collision Coverage applied.

**B.** The following is added to Paragraph **C.**, “Non-owned auto” means:

3. Any vehicle you lease or rent for a period not greater than 90 days.

**C.** The **TRANSPORTATION EXPENSES** Provision is replaced by the following:

#### **TRANSPORTATION EXPENSES AND TEMPORARY EMERGENCY LIVING**

1. In addition, we will pay, without application of a deductible, up to a maximum of \$5,000 for reasonable additional expenses you incur for:
  - a. Transportation expenses;
  - b. Meals, lodging and phone expenses if you are more than 50 miles from your closest residence; and
  - c. Expenses for which you become legally responsible in the event of a loss to a “non-owned auto”.

We will pay for such expenses if the loss is caused by:

- (1) Other than “collision” only if Other Than Collision Coverage is provided for an auto on your Declarations.
- (2) “Collision” only if Collision Coverage is provided for an auto on your Declarations.



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 5

2. Our payment will be limited to that period of time reasonably required to repair "your covered auto" or "non-owned auto". In the event of a total loss, our payment will be limited to that period of time until we pay the loss.

**D.** The **Exclusions** Provision is amended as follows:

Exclusion 5. does not apply.

Exclusion 6. does not apply.

**E.** The following Exclusions are added:

14. The actual or perceived loss in market or resale value of an auto which results from a direct or accidental loss.
15. Loss to a "collector auto" caused by insects, birds or vermin, inherent defect, dampness, mildew, mold, rot or rust, temperature extremes or gradual deterioration.
16. Loss to a "collector auto" caused by any repairing, renovating or refinishing process unless the process results in a fire or explosion. We will only pay for the damage caused by the fire or explosion.

**F.** The **Limit of Liability** Provision is replaced by the following:

1. Our limit of liability for loss will be the lesser of the:
  - a. The Agreed Value stated in the Declarations or, for any auto without an Agreed Value stated in the Declarations, the actual cash value of the stolen or damaged property;
  - b. Amount necessary to repair or replace the property with other property of like kind and quality without application of depreciation; or
  - c. \$1,500 for loss to any "Non-owned auto" that is a trailer.

However, our payment will be reduced by any amount paid for a previous loss to the same vehicle if the prior damage has not been repaired.

2. Any applicable deductible shown in the Declarations will reduce our payment for loss. In the event of a Total Loss, no deductible will apply. An auto will be considered a Total Loss when:
  - a. The costs of labor and parts to repair the auto plus the salvage value are greater than or equal to the Agreed Value;
  - b. The entire auto is stolen, not recovered and we offer to settle the loss; or
  - c. We deem it to be a Total Loss.

**G.** The following is added to the **Payment Of Loss** Provision:

**PAYMENT OF LOSS**

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

1. An auto repair facility that we have an arrangement with; or
2. An auto repair facility of your choice;

in any repairs to the auto.

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

**H.** The **Other Sources Of Recovery** Provision is replaced by the following:



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 6

## OTHER INSURANCE

If other insurance also covers the loss we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a "non-owned auto" shall be excess over any other collectible insurance.

- I. The **Appraisal** Provision is replaced by the following:
1. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. Upon notice of a demand for appraisal, the opposing party may, prior to appraisal, demand mediation of the dispute. The demand must be in accordance with the Mediation provision found in part F of the policy. Mediation must be completed before a demand for appraisal can be made.
  2. In the event of a demand for appraisal, each party will select an impartial appraiser. The appraisers will state separately the actual cash value and the amount of the loss. If they fail to agree, they will submit their differences to the umpire. The two appraisers will select an umpire. A decision agreed to by any two will be binding. Each party will:
    - a. Pay its chosen appraiser; and
    - b. Bear the expenses of the appraisal and the umpire equally.
  3. We do not waive any of our rights under this policy by agreeing to an appraisal.
- J. The following provisions are added and applies in place of any conflicting policy provision:

## MANDATORY INSPECTION

1. We have the right to inspect any:
  - a. Private passenger auto; or
  - b. Pickup or van;which you insure or intend to insure for Coverage For Damage To Your Auto under this policy.
2. We do not provide Coverage For Damage To Your Auto for any additional or replacement vehicle you acquire during the policy period until after you:
  - a. Notify us; and
  - b. Request coverage for that vehicle.However, this Provision (2.) does not apply to a replacement vehicle for the 3 day period beginning on the date you acquire the replacement vehicle if:
  - a. You acquire the vehicle during the policy period; and
  - b. We provided Coverage For Damage To Your Auto on the vehicle you replaced for at least 12 months prior to the date of replacement.For each of the following which falls within the 3 day period, we will extend the period 1 day:
  - a. Saturday;
  - b. Sunday; or
  - c. New Jersey State holiday.
3. When we require an inspection you must:
  - a. Cooperate; and



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 7

- b. Make the vehicle available for inspection.

## **WAIVER OF COLLISION DEDUCTIBLE**

When there is a loss to "your covered auto" insured for Collision Coverage under this policy, we will pay the full Collision Coverage deductible if:

1. The loss involves an "uninsured motor vehicle", as the term is defined in the Uninsured Motorist Coverage endorsement; and
2. You are legally entitled to recover the full amount of the loss from the owner or operator of the "uninsured motor vehicle".
3. The loss was caused by a "collision" with another auto insured by us.

Subject to the above, if you are legally entitled to recover only a percentage of the loss, we will pay that percentage of your deductible. If the amount of the loss is less than your deductible, we will pay the percentage of the loss you are legally entitled to recover.

In no event will we pay more than the amount of the loss.

The Arbitration and Duties after an Accident or Loss Provisions on the Uninsured Motorists Coverage endorsement apply to the Waiver of Collision Deductible Provision.

## **COVERAGE FOR ACCIDENTAL DEPLOYMENT OF AN AIRBAG**

We will pay the full cost to repair or replace an airbag system that accidentally deploys and is not caused by a collision or other than collision loss. There is no deductible for this coverage.

## **AUTO LOCK COVERAGE**

If the keys to "your covered auto" or "non-owned auto" are lost or stolen, and we are notified of the loss within 72 hours, we will pay up to \$1,500 for the following:

1. The cost to replace or duplicate keys; or
2. The labor costs to retrieve keys accidentally locked in the vehicle; or
3. The cost to re-key the locks when the vehicle is stolen and then recovered or the keys are lost or stolen.

There is no deductible for this coverage.

## **TOWING COVERAGE**

If "your covered auto" is disabled as a result of a covered loss, we will pay the reasonable cost to tow "your covered auto" to a repair facility and for labor performed at the place of disablement.

## **SPARE PARTS**

We will pay up to \$1,000 in total if spare parts you own as replacement parts for your "collector auto" are lost or damaged unless an exclusion applies. There is no deductible for this coverage.

## **V. Part F – General Provisions**

- A. The **Policy Period and Territory** Provision is replaced by the following:

### **POLICY PERIOD AND TERRITORY**

1. This policy applies only to accidents and losses which occur:
  - a. During the policy period as shown in the Declarations; and
  - b. Anywhere in the world.



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 8

2. If you borrow, lease or rent, a "non-owned auto" outside the United States, its territories or possessions, Puerto Rico, or Canada, the coverage provided by this policy will apply to the use or operation of that vehicle by you or any "family member" provided:
  - a. That the mandated insurance is purchased or provided for the vehicle being operated, as defined by the country or jurisdiction. . Our limit of liability will be only the part of a covered loss that exceeds the limit of liability of that policy.

**In Mexico and other countries, liability coverage must be purchased from a locally licensed insurance company to meet the liability requirements of that country. Failure to comply with this requirement may leave you uninsured with regard to liability coverage under the local law and subject to fines and other penalties.**

- b. The use, lease or rental, of the "non-owned auto" is for a period less than 90 days.

This coverage also applies to a temporarily relocated "covered auto" and "newly acquired vehicles."

- B.** The **Termination** Provision of Part **F** is replaced by the following:

## **TERMINATION**

### **Cancellation**

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

1. The named insured shown in the Declarations may cancel by:
  - a. Returning this policy to us; or
  - b. Giving us advance written notice of the date cancellation is to take effect.
2. We may cancel by mailing by certified mail or United States Postal Service certificate of mailing to the named insured shown in the Declarations at the address shown in this policy:
  - a. At least 15 days but not more than 30 days' notice if cancellation is for nonpayment of premium; or
  - b. At least 20 days' notice in all other cases.
3. After this policy is in effect for 60 days, or if this is a renewal or continuation policy, we will cancel only:
  - a. For nonpayment of premium;
  - b. If your driver's license or that of:
    - (1) Any driver who lives with you; or
    - (2) Any driver who customarily uses "your covered auto";  
has been suspended or revoked for one or more convictions for serious motor vehicle violations as set forth in N.J.A.C. 11:3-35. This must have occurred:
      - (1) During the policy period; or
      - (2) Since the last anniversary of the original effective date if the policy period is other than 1 year.
  - c. If you provided false or misleading information in connection with any application for insurance, renewal of insurance or claim for benefits under this policy.



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 9

## Nonrenewal

- A.** If we decide not to renew or continue this policy and one or more motor vehicles insured under this policy is subject to the New Jersey Automobile Reparation Reform Act, we will mail notice by certified mail or United States Postal Service certificate of mailing to the named insured shown in the Declarations at the address shown in this policy. Notice will:
1. Be mailed not less than 60 and not more than 90 days before the end of the policy period; and
  2. Include:
    - a. The specific reason for the nonrenewal; and
    - b. Any other information required by New Jersey law or regulation.

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

1. You are no longer an eligible person for this policy as defined in N.J.A.C. 11:3-34;
2. You are no longer eligible for this policy according to our underwriting rules as approved by the New Jersey Department of Banking and Insurance; or
3. In the five years immediately preceding notice of nonrenewal, you or any driver insured under this policy had at least two of the following in any combination:
  - a. An at-fault accident;
  - b. A moving violation for which four or more automobile insurance eligibility points were assessed; or
  - c. A failure to maintain, without lapse, coverage mandated by the New Jersey Automobile Reparation Reform Act.

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

- B.** If we decide not to renew or continue this policy and no motor vehicle insured under this policy is subject to the New Jersey Automobile Reparation Reform Act, we will mail notice by certified mail or United States Postal Service certificate of mailing to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 60 days before the end of the policy period.
- C.** Subject to these notice requirements, if the policy period is:
1. Less than 6 months, we will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
  2. 6 months or longer, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
  3. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.

## Automatic Termination

If we offer to renew or continue and 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.



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 10

## 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.

**C. The **Transfer Of Your Interest In This Policy** Provision is replaced by the following:  
**TRANSFER OF YOUR INTEREST IN THIS POLICY****

- A.** Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
1. The surviving:
    - a. Spouse; or
    - b. Party who has entered into a civil union with the "named insured" legally recognized under New Jersey law;  
if resident in the same household at the time of death. Coverage applies to the spouse or party who has entered into a civil union with the "named insured" 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.

**D.** The following provisions is added:

### **MEDIATION**

In any claim filed with us for:

1. Loss resulting from "bodily injury" in an amount of \$10,000 or less;
2. "Property damage"; or
3. Loss to "your covered auto" or any "non-owned auto";

Either party may demand mediation of the claim, prior to taking legal action. The request must state:

1. Why mediation is being requested; and
2. The issues in dispute which are to be mediated.

Only one mediation may be requested for each claim, unless all parties agree to further mediation. A party demanding mediation shall not be entitled to demand or request mediation after a suit is filed relating to the same facts already mediated.

The parties must jointly appoint a mutually acceptable mediator. If the parties are unable to agree upon the appointment of a mediator within 7 days after a party has given notice of a demand to mediate the dispute, any party may apply to the JAMS Mediation Service, or such other organization or person agreed to by the parties in writing, for appointment of a mediator.

The mediator will notify the parties of the date, time and place of the mediation conference. This conference will be held within 45 days of the mediation request. If feasible, the conference may be held by telephone.



# Amendment of Private Fleet Automobile Provisions – New Jersey

Page 11

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The mediation shall be conducted as an informal process and formal rules of evidence and procedure need not be observed. Participants must:

1. Have authority to make a binding decision; and
2. Mediate in good faith.

If the mediator determines that both parties have mediated in good faith, the costs of the mediation shall be shared equally by both parties

## **VI. Named Non-Owner Coverage Endorsement**

If the Named Non-owner Coverage Endorsement is attached to this policy, the provisions of the Named Non-owner Coverage Endorsement apply except as follows:

The **Definitions** Section is amended as follows:

The definition of "family member" is replaced by the following:

"Family member" means a person related to you by blood, marriage, civil union under New Jersey law or adoption who is a resident of your household. This includes a ward or foster child, if:

1. The person is a resident of your household; and
2. The Schedule or Declarations indicate that coverage is provided for the named individual and "family members".

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