

COMMERCIAL AUTOMOBILE INSURANCE
BUYER'S GUIDE QUICK REFERENCE

Beginning on Page

Introduction	1
Some Terms Used In This Guide	1
Coverages	2
Liability.....	2
Special Notice.....	3
Personal Injury Protection (PIP)	3
Lawsuit Options	6
Extended Medical Expense Coverage Limit	7
Uninsured Motorist and Underinsured Motorist.....	7
Physical Damage.....	9
Mandatory Insurance Inspection	9
Optional Endorsement Definitions.....	10
Insurance Claims Ombudsman	12
Dividends.....	13
Filing a Claim.....	13
Personal Lines Coverage	14
Notice of Information Practices.....	14
Contacting the NJM Insurance Group	17
Office Locations.....	17

New Jersey Manufacturers Insurance Company

Commercial Auto Insurance Buyer's Guide

INTRODUCTION

When you purchase a new insurance policy or renew your current policy, you must make many decisions about what you need to buy and how much you can afford to spend.

You must decide:

- How much insurance do you need if you are sued because of an accident you might have caused that injured or damaged the property of someone else? *This is Bodily Injury Liability and Property Damage Liability Coverage.* See page 2.
- How much insurance do you need to cover medical bills and other related expenses if you are in an accident? *This is Personal Injury Protection or "PIP."* See page 3.
- How much money can you afford to pay out of your own pocket for medical expenses before the insurance company begins paying, if you have an insurance claim? *These are deductibles and co-payments.* See page 3.
- Do you want to be able to sue another driver for your pain and suffering when the accident was not your fault and you were injured? Are you willing to limit your ability to sue for only permanent injuries? *These are the Lawsuit Options.* See page 6.
- How much insurance do you need if you are in an accident caused by someone who has little or no insurance? *This is Uninsured and Underinsured Motorist Coverage.* See page 7.
- Do you need to buy insurance to cover your vehicle if it is damaged in an accident you cause, or if it is stolen or damaged in some other way? *This is Physical Damage Coverage.* See page 9.

WARNING: Insurers or their producers or representatives shall not be held liable for choices you make for insurance coverages or limits as long as your choices provide at least the minimum coverage required by law. Insurers or their producers or representatives also shall not be held liable if you choose not to purchase higher limits of PIP Medical Expense Coverage, Bodily Injury Liability Coverage, higher limits of Uninsured/Underinsured Motorist Coverage, Collision Coverage or Comprehensive (Other Than Collision) Coverage. Insurers, their producers or representatives can lose this limitation on liability by failing to act in accordance with the law. See N.J.S.A. 17:28-1.9 for more information.

SOME TERMS USED IN THIS GUIDE

Your auto insurance policy is divided into different *coverages* based on the type of loss from which you are protected. Automobile insurance *coverages* are:

Liability

*Personal Injury Protection
Uninsured/Underinsured Motorist
Physical Damage*

Most coverages are offered at several *limits*, which are the maximum dollar amount the insurer will pay in the event of an accident. The lower the limit of coverage, the less the insurance will cost you. However, low limits of coverage may not be sufficient to pay for all of your losses (injuries or damage to property) or cover the losses of those making claims against you.

Some coverages also have *deductibles*. *Deductibles* are payments you have to make **before** the insurer starts to pay. For example, a \$500 *deductible* means that you pay for the first \$500 of each loss. Higher deductibles can lower the cost of your automobile insurance. However, you should consider how high a deductible you can pay if you sustain damage to your vehicle.

The Company, the NJM Insurance Group, we, our and us refer to either NJM Insurance Company or New Jersey Re-Insurance Company, depending upon the context.

A *producer* is someone who is licensed to sell insurance.

COVERAGES

LIABILITY

Liability Coverage pays other people for damages that you cause if you are found to be at fault in an accident. There are two kinds of Liability Coverage: *Bodily Injury and Property Damage*.

Bodily Injury Liability Coverage

Bodily Injury Liability Coverage protects you from claims and lawsuits by people who are injured or die as a result of an accident you cause. It compensates those people for pain, suffering and other personal hardships, and will also pay for some economic damages, such as lost wages.

Property Damage Liability Coverage

Property Damage Liability Coverage protects you from claims and lawsuits by people whose property is damaged as a result of an accident you cause.

Combined Single-Limit Liability Coverage

New Jersey Manufacturers Insurance Company provides Liability Coverage for *both* Bodily Injury and Property Damage as a combined single limit.

New Jersey Law requires a minimum of \$35,000 per accident for Combined Single-Limit

Liability Coverage. New Jersey Manufacturers Insurance Company sells only limits above the minimum. You may choose a limit of \$300,000, \$500,000 or \$1 million.

SPECIAL NOTICE

Under Commercial Automobile Policies, choices for Personal Injury Protection (PIP) and for Lawsuit Options can be made only if an individual is the named insured on the policy or if individuals will be insured for Drive Other Car Coverage (see page 10).

When the policy insures private passenger vehicles and no natural person is named:

- (a) *the PIP Medical Expense Limit is \$250,000;*
- (b) *the PIP Deductible is \$250;*
- (c) *Auto Insurance is Primary for PIP Medical Expense Coverage;*
- (d) *the PIP Non-Medical Higher Limits Options are not available; and*
- (e) *the Limitation on Lawsuit Option applies.*

PERSONAL INJURY PROTECTION (PIP)

Personal Injury Protection Coverage (PIP) pays if you or other persons covered under your policy are injured in an automobile accident. It is often called *no-fault* coverage because it pays your own medical expenses no matter who caused the accident. PIP coverage has two parts: *Medical Expense Coverage* and *PIP Non-Medical Benefits*.

Medical Expense Coverage

PIP Medical Expense Coverage pays the costs of services rendered by hospitals, doctors and other medical providers for treatment of injuries from automobile accidents. It also pays for medical equipment you may need.

PIP Medical Expense Limit

(See Special Notice, above)

The Medical Expense Coverage limit is \$250,000 per person, per accident.

New Jersey Manufacturers Insurance Company also offers a Higher Medical Expense Coverage limit of \$1 million per person, per accident for an additional premium. If you choose the \$1 million limit, the amount in excess of \$250,000 shall apply to injuries sustained by only you and members of your family who reside in your household.

PIP Deductibles and Co-Payments

(See Special Notice, above)

You will pay for part of the first \$5,000 of medical expenses you or other covered persons incur due to an auto accident. Your insurer will start to pay medical bills over the deductible amount you choose. In addition, there is a 20% co-payment for medical expenses in excess of the deductible up to \$5,000. That means that you pay 20% of the medical expenses and the insurer pays 80%. For necessary covered medical expenses over \$5,000, the insurer pays 100%.

The chart that follows shows the choice of deductibles and the total out-of-pocket expenses you would have to pay for deductibles and co-payments if you were injured in an accident and had medical expenses of \$5,000 or more.

Deductible Choice	Highest Co-Pay	Total Deductible and Co-Pay
\$250	\$950	\$1,200
\$500	\$900	\$1,400
\$1,000	\$800	\$1,800
\$2,000	\$600	\$2,600
\$2,500	\$500	\$3,000

CAUTION: Higher deductibles reduce the cost of your insurance, but you may not have that cash available when you or a person covered under the policy has an accident. In some cases, your health insurer may cover part of the deductible. Contact your health insurer for more information.

Also, your out-of-pocket expenses may be affected if you do not follow the controls on medical expenses which took effect in March 1999. In an effort to stop medically unnecessary testing and treatment, this law eliminated certain tests from coverage and requires policyholders or their medical providers to communicate regularly with the insurance company regarding the necessity of continued testing and treatment. A summary of the Decision Point Review Plan requirements is supplied with the policy.

If you or your medical provider fails to notify the NJM Insurance Group and obtain authorization within the timeframes specified in the policy, you may be required to pay a copayment penalty of 50% of the cost of the test or treatment — even if the test or treatment is later determined to be medically necessary.

Health Insurer for PIP Option

(See Special Notice, page 3)

You may choose to have your health coverage provider instead of your automobile insurer pay medical expenses for injuries you sustain in an auto accident. Please consider the factors below to see if this option is right for you.

1. Does your health coverage provider cover injuries from automobile accidents?

A health coverage provider may be an insurance company, an HMO or some other type of benefit plan provided by your employer. You must make sure that your health coverage provider will pay for automobile accident injuries. *Medicare and Medicaid will not provide this coverage.*

2. What limits and deductibles apply?

The deductibles and co-payments of your health policy or plan will apply to treatment for injuries from auto accidents. In addition, the coverage limits of your health policy or plan will also be in effect. Your automobile insurer will pay only for necessary expenses not covered by your health policy or plan.

3. What if I lose my health coverage?

You must maintain your health coverage. If you are in an accident and your coverage is no longer in effect, your auto insurer must pay PIP medical benefits. However, you will be required to pay an additional \$750 deductible and the correct premium.

PIP Non-Medical Benefits

(See Special Notice, page 3)

The following package of additional benefits goes with your PIP Medical Expense Coverage.

Extra PIP Package (formerly called "Basic PIP")

NOTE: The figures below are minimum benefits. You may choose higher benefits.

- **Income Continuation:** If you cannot work because of an auto accident injury, you can collect up to \$100 a week up to a total limit of \$5,200 for lost wages.
- **Essential Services:** You can collect as much as \$12 a day, up to a total limit of \$4,380, to pay someone to do necessary services that you normally do yourself, such as cleaning your house, mowing your lawn, shoveling snow or doing laundry.
- **Death Benefit:** If you die from auto accident injuries, your family or estate will receive any benefits you have not already collected under the Income Continuation and Essential Services coverages.
- **Funeral Expense Benefit:** In addition to the Death Benefit, reasonable funeral expenses are covered up to \$1,000.

You may choose *not* to receive the Extra PIP Package benefits listed above and have your PIP Coverage be for medical expenses only. This is called "PIP Medical Expenses Only."

Alternatively, you may choose higher limits of Income Continuation, Essential Services, Death Benefits and Funeral Expenses. See the chart that appears later in this section.

The premiums shown on the chart are for possible higher limits for you and your spouse or partner in a civil union. Other resident family members who do not have their own auto insurance policies may be included for an additional premium. Contact the Commercial Auto Call Center at 1-888-656-4467, ext. 4016, for details.

There is a limit for the Income Continuation benefits shown on the chart. Wages lost because of an auto accident injury will be covered in full up to \$100 per week for 52 weeks. For greater amounts of coverage, the benefit may not be more than 75% of the insured's actual income before the accident, and it may be reduced by other insurance benefits.

Option	Income Continuation		Essential Services		Premiums***	
	WEEKLY BENEFIT	MAXIMUM BENEFIT	DAILY BENEFIT	MAXIMUM BENEFIT	First Car	Additional Car
1	\$100	\$10,400	\$12	\$ 8,760	\$ 5	\$ 3
2	\$125	\$13,000	\$20	\$14,600	10	6
3	\$175	\$18,200	\$20	\$14,600	12	7
4	\$250	\$26,000	\$20	\$14,600	15	9
5	\$400	\$41,600	\$20	\$14,600	26	15
6	\$500	\$52,000	\$20	\$14,600	38	22
7	\$600	\$62,400	\$20	\$14,600	46	26
8	\$700	\$72,800	\$20	\$14,600	55	32
9	\$100	**	\$12	\$ 8,760	15	9
10	\$125	**	\$20	\$14,600	30	17
11	\$175	**	\$20	\$14,600	36	20
12	\$250	**	\$20	\$14,600	45	26
13	\$400	**	\$20	\$14,600	78	44
14	\$500	**	\$20	\$14,600	114	65
15	\$600	**	\$20	\$14,600	138	78
16	\$700	**	\$20	\$14,600	165	94

**For period of total disability, as long as the disability results in loss of earned income.

***Additional Premiums for "Additional Car" apply to individual policies only. The Additional Premiums under Drive Other Car Coverage is the "First Car" amount per person.

For each option, the Funeral Expense Benefit is \$2,000 and the Death Benefit is \$10,000.

LAWSUIT OPTIONS

(See Special Notice, page 3)

You must make a choice about the rights you will have if you are injured in an automobile accident. Your decision will affect how much your insurance will cost and will apply to you, your spouse or partner in a civil union, children and other relatives living with you who are not covered under another automobile insurance policy.

Limitation on Lawsuit Option – Under the Limitation on Lawsuit Option, you agree not to sue the person who caused an accident for your pain and suffering unless you sustain one of the injuries that appears on this list:

- Death;
- Dismemberment;
- Significant disfigurement or significant scarring;
- A displaced fracture;
- Loss of a fetus; or

- Permanent injury within a reasonable degree of medical probability other than scarring or disfigurement. Any injury shall be considered permanent when the body part or organ, or both, has not healed to function normally and will not heal to function normally with further medical treatment.

No Limitation on Lawsuit Option – Under the No Limitation on Lawsuit Option, you can sue the person at fault in an accident for pain and suffering for any injury, no matter how minor.

You must choose one of these two options. If you do not make a choice, you will receive the Limitation on Lawsuit Option. The Limitation on Lawsuit Option will decrease your premium. It is also important to remember that these options apply only to lawsuits for “pain and suffering” or non-economic losses. Your covered medical expenses and some economic losses for injuries in auto accidents will be paid up to the limits of your PIP Coverage and are not affected by the choice you make here.

WARNING: Insurance companies or their producers or representatives shall not be held liable for your choice of lawsuit option (Limitation on Lawsuit Option or No Limitation on Lawsuit Option). Insurers or their producers or representatives also shall not be liable if the Limitation on Lawsuit Option is imposed by law because no choice was made on the Coverage Selection Form. Insurers, their producers or representatives can lose this limitation on liability for failing to act in accordance with the law. See N.J.S.A. 17:28-1.9 for more information.

EXTENDED MEDICAL EXPENSE COVERAGE LIMIT (NON-PIP)

Your PIP Coverage does not provide benefits if you are injured while riding in, or as a pedestrian when struck by, a motor vehicle that is **not** an “automobile” as defined by State law. Some of these vehicles are buses, motorcycles, taxicabs and commercial trucks. However, to protect against loss from such events, we offer Extended Medical Expense Coverage to a limit of \$10,000 at an annual premium of \$1 per car.

UNINSURED MOTORIST AND UNDERINSURED MOTORIST

Uninsured Motorist Coverage

Uninsured Motorist Coverage protects you if you are in an accident caused by someone who does not have the minimum level of insurance required by law. Claims that you would have made against the driver who was at fault are paid by your own policy up to the limit of your own Uninsured Motorist Coverage. Your Uninsured Motorist Coverage may not have a limit higher than your own Liability Coverage Limit.

Uninsured Motorist Coverage does not benefit the uninsured driver.

Underinsured Motorist Coverage

Underinsured Motorist Coverage protects you if you are in an accident caused by someone who is insured, but who has a lower Liability limit than your Underinsured Motorist limit. If your damages are greater than the Liability limit of the other driver’s policy, you

can make a claim against your own policy for the amount of damages not covered by the other driver's policy up to the difference between the limit of your Underinsured Motorist Coverage and the other driver's Liability limit.

Limit: You are required to have Uninsured Motorist Coverage at the minimum Liability limit of \$35,000. Uninsured and Underinsured Motorist Coverage is sold together. You can buy a higher Uninsured/Underinsured Motorist Coverage limit than what is required by law and can choose a limit of \$100,000, \$300,000, \$500,000 or \$1 million, but no more than your Liability Coverage limit.

If someone occupying a covered vehicle is injured due to the negligence of another driver, that driver's insurance policy normally would provide compensation for the injured person's pain and suffering. If the at-fault driver is not insured or does not carry sufficient Liability Coverage, then the benefit could come from this policy under the Uninsured and Underinsured Motorist Coverage. The limit of insurance for this coverage is displayed on your Declarations Page.

However, the limit of insurance for Uninsured and Underinsured Motorist Coverage does not automatically apply to anyone occupying the vehicles covered under this policy, unless that person is an employee of the named insured and operating a scheduled auto in the course of that employment. This limit of insurance is also available to specifically named individuals who are listed on the Declarations Page(s) or Drive Other Car Coverage – Broadened Coverage for Named Individuals endorsement (A-576). If an occupant of a vehicle covered under this policy is not named on the policy or is not operating that vehicle during the course of his or her employment for the named insured and makes a claim under this coverage, the limit of insurance would be the same as the amount on the personal auto or other motor vehicle policy under which *that person is insured* as a named insured or family member. In other words, the claim would still be submitted under this Commercial Auto policy, but the benefit received could be no higher than the person's own limit of coverage.

Employees operating a vehicle scheduled under this policy during the course of their employment, and occupants who are **not** insured under another policy providing similar coverage, either as a named insured or as a resident relative of a named insured, are eligible for the limit of insurance stated on this policy's Declarations Page.

Special Note: NJM encourages you to notify all individuals who may be affected by this limitation of coverage, including not only your employees but also other occupants of vehicles insured by this policy.

If requested, NJM will consider providing Drive Other Car coverage for specifically named individuals who meet our underwriting guidelines and operate a private passenger auto insured through the NJM business auto policy. NJM will not offer Drive Other Car coverage to individuals insured through another auto or motor vehicle policy.

The property damage portion of the Uninsured/Underinsured Motorist Coverage has a \$500 deductible, which means that you pay the first \$500 of a claim under that coverage.

PHYSICAL DAMAGE

There are two types of physical damage coverage: *Collision* and *Comprehensive (Other Than Collision)*.

Collision Coverage

Collision Coverage protects you from damage that you cause to your vehicle. For example, Collision Coverage would pay for repairs to your vehicle if you were at fault in an accident or hit a tree. Instead of making a Property Damage Liability claim against another driver who caused an accident that damaged your car, you can make a claim under your own Collision Coverage. Your insurer will then seek reimbursement from the insurer of the at-fault party.

Deductibles – The standard deductible for Collision is \$500. Higher and lower deductibles are available and are listed on the Coverage Selection Form.

The NJM Insurance Group will provide Collision Coverage only if you buy Comprehensive Coverage, too.

Comprehensive (Other Than Collision) Coverage

Comprehensive Coverage (also known as "Other Than Collision") protects you if your vehicle is stolen or damaged by things not covered under Collision Coverage, such as theft, vandalism or fire.

Limit – The limit of Collision Coverage and Comprehensive Coverage is how much your vehicle is worth on the market.

Deductibles – The standard deductible for Comprehensive Coverage is \$500. Higher and lower deductibles are available and listed on the Coverage Selection Form.

Comprehensive and Collision Coverages are optional.

MANDATORY INSURANCE INSPECTION

Under state law, many vehicles must undergo an insurance inspection before you may obtain Collision or Comprehensive Coverage. The law is intended to reduce insurance fraud by documenting the condition of newly insured private passenger automobiles.

It is important to understand that the mandatory insurance inspection is *in addition to* the Motor Vehicle Inspection program conducted by the State of New Jersey. The two inspections are separate and unrelated requirements.

Whenever you acquire a vehicle and desire Collision or Comprehensive Coverage on it, you should notify our Commercial Auto Call Center **immediately** at 1-888-656-4467, ext. 4016. We will tell you everything necessary to comply with the law and obtain the coverage you desire.

Until you notify us, the vehicle may not be covered for Collision or Comprehensive.

In many cases, an insurance inspection may not be necessary. The law says that insurance inspections may be waived for vehicles which are older than seven model years. The law also says that an insurance inspection may not be necessary for a new automobile purchased from a franchised dealer if you submit a window sticker or dealer's invoice containing all options and accessories. If your policy with an NJM Insurance Group company has been in effect for four years or longer, an inspection may not be required by law. We will explain when you call.

Otherwise, an inspection is required for newly insured vehicles. If your vehicle must be inspected, we can provide temporary coverage for *only seven days after the day you notify us about the vehicle.*

The only way to make sure that you meet the state requirements and receive the coverage you want is to call us before or as soon as any change of a vehicle occurs.

For the convenience of our policyholders, the NJM Insurance Group has arranged for the Mandatory Insurance Inspection to be conducted by privately operated facilities located throughout every county in New Jersey. This network was organized in partnership with CARCO Group Inc., which operates a Web site (www.carcogroup.com) that can help you to find inspection facilities near you.

OPTIONAL ENDORSEMENT DEFINITIONS

DRIVE OTHER CAR COVERAGE

Provides Liability and No-Fault coverage for individuals who operate your private passenger automobiles.

NOTE: If requested, coverage will be considered for individuals who meet our underwriting guidelines. NJM will not offer Drive Other Car Coverage to individuals insured through another automobile or motor vehicle policy.

Refer to the **PIP Non-Medical Benefits** section (page 5) for an explanation of the options. A Coverage Selection Form must be completed and signed for each individual requesting this coverage.

COMMERCIAL AUTO MEDICAL PAYMENTS COVERAGE

Provides limited medical coverage for persons using a commercial vehicle and whose exposure may not be covered by a Workers' Compensation policy.

HIRED CAR/NON-OWNERSHIP LIABILITY COVERAGE

Provides excess Liability coverage for vehicles you may rent, lease or borrow on a short-term basis. It also provides Liability protection for the Named Insured while an employee is using his or her own vehicle for your business or personal affairs.

EXTENDED NON-OWNERSHIP LIABILITY COVERAGE

Provides excess Liability coverage for your employees while using their own autos for your business or personal affairs.

TRAILER INTERCHANGE COVERAGE

Provides physical damage coverage for non-owned trailers that you haul under a written trailer interchange agreement.

MOTOR CARRIER ACT OF 1980 ENDORSEMENT

Provides Liability coverage for the hauling of hazardous materials as defined by the federal regulation.

SPECIAL FILINGS

ICC and Base State filings can be made on your behalf if you maintain ICC authority and provide the proper documentation.

AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT AND ACCESSORIES

Collision and Comprehensive Coverages automatically cover electronic equipment which is specifically designed solely for the reproduction of sound and permanently installed or removable from a housing unit which is permanently installed in the vehicle at the time of loss, along with accessories used with such equipment. In order for coverage to apply, such equipment must be designed to be solely operated by use of the power of the vehicle's electrical system, must be installed in locations used by the vehicle manufacturer and must be in or upon the vehicle at the time of loss.

However, to insure electronic equipment and its accessories which are not specifically designed solely for the reproduction of sound, it is necessary to purchase additional coverage. Examples of such units include, but are not limited to:

- Citizens band radios;
- Two-way mobile radios;
- Television monitor receivers;
- Audio cassette recorders;
- Telephones;
- Scanning monitor receivers;
- Video cassette recorders; and
- Personal computers.

CUSTOMIZING EQUIPMENT

Upon receipt of the necessary documentation, coverage may be provided for loss to the custom furnishings or equipment including, but not limited to, the items in the following list:

- Special carpeting and insulation, furniture or bars;
- Facilities for cooking and sleeping;
- Height-extending roofs; and
- Custom murals, paintings, or other decals or graphics.

There may be an additional premium charged for this coverage. Customizing equipment will not be protected under your Collision or Comprehensive Coverage unless we are notified. Contact the Commercial Auto Call Center at 1-888-656-4467, ext. 4016, for more information if you need coverage for customizing equipment.

INSURANCE CLAIMS OMBUDSMAN

Among the duties of the Office of the Insurance Claims Ombudsman is the responsibility of investigating consumer complaints that have been filed with the Ombudsman's Office regarding policies of insurance, including the payment of claims on policies of insurance. Contact information for the Ombudsman is as follows:

Office of Insurance Claims Ombudsman
Department of Banking and Insurance
P.O. Box 472
Trenton, NJ 08625-0472
Phone: (800) 446-7467
Fax: (609) 292-2431
E-mail: ombudsman@dobi.state.nj.us

Pursuant to the statutory provisions establishing the Office of the Insurance Claims Ombudsman (N.J.S.A. 17:29E-1 *et seq.*), the Company has formed an internal appeals process to consider disputed claims with the exception of controversies arising out of automobile Personal Injury Protection Coverage claims. Individuals seeking to utilize the internal appeals process when a claim is disputed must notify the Company in written form by mail, electronic mail, facsimile or hand delivery using the following contact information:

Attention: Internal Appeals Administrator
NJM Insurance Group
301 Sullivan Way
West Trenton, NJ 08628
Phone: (609) 883-1300, Ext. 5822
Fax: (609) 883-0653
E-mail: dwean@njm.com

The assigned claim adjuster may also provide assistance with information pertaining to the internal appeals system.

DIVIDENDS

New Jersey Manufacturers Insurance Company only

Dividends have provided substantial savings for more than eight decades to policyholders voluntarily insured by New Jersey Manufacturers Insurance Company. We strive to maintain the high underwriting standards and operational efficiencies that will continue to permit the Directors of the Company to declare dividends in the future. Such dividends have been paid every year since 1918.

The following is an excerpt from Section 5-1 of the Bylaws of New Jersey Manufacturers Insurance Company: "After setting aside the necessary reserves and providing for adequate surplus, the Board of Directors may from time to time, in its discretion, order distribution to policyholders of dividends based upon net premiums received and to be received on policies written in a specified period of time. The Company shall not become obligated to pay a dividend to a policyholder in respect of his policy until after its termination, the completion of any payroll audit necessary to determine the amount of premium for it, and the receipt of all balance of premium due in respect of it."

FILING A CLAIM

Notify us **immediately** if you are in an accident or if your car is damaged or stolen. To make the first report of a loss, contact our Claims Department at 1-800-FOR-NJMI (1-800-367-6564). All other calls to us regarding claims should be made to the number listed on the Claim Acknowledgement that will be sent to you.

For Collision and Comprehensive claims, we may inspect the car and must offer a settlement to you within a reasonable period of time. We will provide an opportunity for you to utilize our Premier Car Care network of preferred auto repair facilities, which features prompt service and a two-year warranty on quality of the insurance-covered parts and labor, or you may select any State-licensed repair shop of your choice.

We also must give to you a written, itemized list of any damage estimates which we have made, all deductions based on the condition of your car, and the deductible applicable to the settlement figure. If we require you to provide more than one repair estimate, we must pay the reasonable cost of all additional estimates. If the car is stolen or damaged, we will inform you whether your policy includes coverage to pay for a rental car and, if so, the daily rate and the length of time.

If you are dissatisfied with the way your claim is being handled, after discussing your concern with a Claims Representative and his or her supervisor, write to the Office of the President, NJM Insurance Group, 301 Sullivan Way, West Trenton, New Jersey 08628. If you are still dissatisfied, you can write to the Division of Enforcement and Consumer Protection, New Jersey Department of Banking and Insurance, 20 West State Street, P.O. Box 329, Trenton, New Jersey 08625-0329.

PERSONAL LINES COVERAGE

The NJM Insurance Group offers coverage for personal automobiles and homes in New Jersey and Pennsylvania. The types of policies available are:

- Personal Auto;
- Homeowners;
- Condominium-Unit Owners;
- Renters (Contents Coverage);
- Dwelling – Fire (one- and two-family units only);
- Flood; and
- Excess Personal Liability ("Umbrella" Coverage).

Each policy has its own underwriting requirements. This means that the premium you would be charged, or the possibility that you may not qualify for coverage, would depend on many risk characteristics, including the type of car or home, the amount of coverage you buy, your driving record or the home's condition, and other factors. Details are explained in our insurance request packets and by our Personal Lines Call Center representatives, who are available by toll-free telephone at 1-800-232-6600.

For further information please visit our Web site (www.NJM.com).

NOTICE OF INFORMATION PRACTICES

Pursuant to 15 U.S.C. § 1681 et seq. (1982)
and N.J.S.A. 17:23A-1 et seq.

The information you provide to us is important. We review it in our evaluation of your request for coverage and in determining rates. It may not be the only information about you or persons to be insured under your policy that we consider. In accord with the Federal Fair Credit Reporting Act and New Jersey's insurance information privacy law, we would like to briefly describe our practices as they relate to information gathered in connection with insurance transactions.

We may need additional information from you or other individuals proposed for coverage. Motor vehicle records, court records or other public records might be reviewed. A photo of any property to be insured might be taken. We also might obtain information from third parties, such as other insurance companies or a consumer reporting agency. A consumer report from such an agency may contain information as to creditworthiness, credit standing, credit capacity, character, general reputation, hobbies, occupation, personal characteristics or mode of living. An investigative consumer report containing the same type of information may be obtained through personal interviews with neighbors, friends, associates, acquaintances, or others who may have knowledge concerning those items of information.

If coverage is declined or the charge for coverage is increased either wholly or partly because of information contained in a consumer report, we will tell you. We will also give you the name and address of the consumer reporting agency making the report.

It is possible that an investigative consumer report may be made. Within a reasonable time after receiving this notice of our information practices, you have the right to file a written request for and promptly receive a written disclosure as to the nature and scope of the investigation. You also will have the right to ask to be personally interviewed. Information you give during the interview will be included in the report sent to us. Upon written request and identification, you have the right to receive a copy of your investigative consumer report. Information about you gathered by the agency in making a consumer report or investigative consumer report may be kept by the agency and provided to others to the extent allowed by law.

Information about you in our records may be kept and may be referred to for purposes relating to the issuance and servicing of coverage and settling claims. We usually will not disclose information about you to others without your written consent unless the disclosure is necessary to conduct our business. The law permits us to share information about you without your prior consent under certain circumstances. Examples of these include disclosures to:

- Parties who perform a business, professional or insurance function for our company, including companies from which we purchase reinsurance coverage;
- Adjusters, appraisers, investigators and attorneys who need the information to investigate, defend or settle a claim involving you;
- Businesses that help us with data processing or marketing;
- Businesses that conduct scientific research, including actuarial or underwriting studies;
- Other insurance companies, agents or consumer reporting agencies as reasonably necessary in connection with any application, policy or claim involving you;
- Insurance support organizations which are established to collect information for the purpose of detecting and preventing insurance crimes or fraudulent claims;
- Medical care institutions or medical professionals to verify coverage or conduct an audit of services;
- State Insurance Departments in connection with the regulation of our business;
- Law enforcement or other governmental authorities to protect our legal interests or in cases of suspected fraud or illegal activities;
- Authorized persons as ordered by a subpoena, warrant or other court order or as required by law;
- Certificate holders or policyholders for the purpose of providing information regarding the status of an insurance transaction; or
- Lienholders, mortgagees, assignees, lessors or other persons shown on our records as having a legal or beneficial interest in your policy.

You have the right to know what kind of information we keep in our files about you, to have reasonable access to it and receive a copy. Write to us if you have questions about what information we may have on file. Tell us what information you would like to receive. Provide your complete name, address, date of birth, type of policy held or applied for and all numbers of any policies issued to you by us. Certain types of information generally collected when evaluating claims or possible lawsuits need not be disclosed to you.

Within thirty (30) business days of receipt of your request, we will inform you in writing of the nature and substance of locatable and retrievable recorded personal information about you in our files. You may review this information in person or receive a copy at a reasonable charge. We will also identify the person or organizations to whom we have disclosed this information within the past two (2) years. In addition, you will be given the name and address of any consumer reporting agency which prepared a report about you so that you can contact them for a copy.

After you have reviewed the personal information about you in our file, you can write to us if you believe it should be corrected, amended or deleted. Tell us what you think is wrong and why. We will consider your request and within thirty (30) business days either change our files, or tell you that we did not and the reason. If we do not make changes, you will have the right to insert in our file a concise statement containing what you believe to be the correct, relevant or fair information and explaining why you believe the information on file to be improper. We will notify persons designated by you to whom we have previously disclosed the information of the change or your statement. Subsequent disclosures we make will also include your statement.

Correspondence about this notice or requests for information in accord with your rights under the law should be addressed to us as follows:

**NJM Insurance Group
Attn: Underwriting Division
301 Sullivan Way
West Trenton, NJ 08628**

CONTACTING THE NJM INSURANCE GROUP

- If you have questions about insurance coverages, call us at 1-888-656-4467, ext. 4016.
- To report a claim, call 1-800-FOR-NJMI (1-800-367-6564).
- See our Web site at **www.NJM.com**.

OFFICE LOCATIONS

West Trenton Campus

301 Sullivan Way

West Trenton, NJ 08628-3496

Parsippany Campus

1599 Littleton Road

Parsippany, NJ 07054-3803

Hammonton Campus

Atlantic Commerce Center

1001 South Grand Street

PO Box 6010

Hammonton, NJ 08037-6010