9800 Fredericksburg Road
San Antonio, Texas 78288

UNITED SERVICES AUTOMOBILE ASSOCIATION

NEW JERSEY

AUTO INSURANCE

BUYER'S GUIDE

New Jersey Department
of
Banking and Insurance

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WHERE DO I START?

Car insurance is required in New Jersey. Whether you are buying a new insurance policy or renewing your current policy, you must make many decisions about what coverage you need and how much you can pay. The following guide outlines how to make choices that work for you.

UNDERSTAND YOUR NEEDS. Do you rent or own your own home? Do you have assets to protect (including income from a job)? Will your own health insurance cover auto accident injuries? How much insurance coverage can you afford? These are some of the questions you should ask yourself before choosing a specific coverage plan.

UNDERSTAND YOUR OPTIONS. Use this guide to learn about the words and phrases used in auto policies. Know the many coverage options. Review the different benefits of each option.

UNDERSTAND CONSUMER PROTECTIONS. As a New Jersey auto insurance consumer, you have rights. You have a right to fair and equal treatment, and you have the right to get the information you need to make informed decisions.

- You can shop for auto insurance at any time - not just when your policy is up for renewal, and if you find a better price, you can cancel your old policy and seek a refund of your unused premium.

- You have the right to change your coverages and policy limits at any time, even if you are not near your renewal date. If you select options that save you money, you have a right to a refund of your unused premium within 60 days.

Insurance policies use terms that may be unfamiliar to the average driver. It is useful to understand what these terms mean so you can make better, more informed decisions about your coverage.

COVERAGES - Your auto insurance policy is divided into different coverages based on the type of claim that will be paid to you or others.

These **COVERAGES** are:

PERSONAL INJURY PROTECTION - Otherwise known as **"PIP,"** this is your medical coverage for injuries you (and others) suffer in an auto accident. PIP pays if you or other persons covered under your policy are injured in an auto accident. It is sometimes called "no-fault" coverage because it pays your own medical expenses *no matter who caused the auto accident*. PIP has two parts - (1) coverage for the cost of treatment you receive from hospitals, doctors and other medical providers and any medical equipment that may be needed to treat your injuries and (2) reimbursement for certain other expenses you may have because you are hurt, such as lost wages and the need to hire someone to take care of your home or family.

LIABILITY - This coverage pays others for damages from an auto accident that *you cause*. It also pays for a lawyer to defend you if you are sued for damages that *you cause*.

There are two kinds of liability coverage: **BODILY INJURY** and **PROPERTY DAMAGE**.

BODILY INJURY LIABILITY COVERAGE - Pays for claims and lawsuits by people who are injured or die as a result of an auto accident *you cause*. (**See page 7 for lawsuit options**). It compensates others for pain, suffering and economic damages, such as lost wages.

> *This coverage is typically given as two separate dollar amounts: (1) an amount paid per individual and (2) an amount paid for total injuries to all people injured in any one accident that you cause.*

PROPERTY DAMAGE LIABILITY COVERAGE - Pays for claims and lawsuits by people whose property is damaged as a result of an auto accident *you cause*.

EXTENDED MEDICAL EXPENSE BENEFITS COVERAGE - STANDARD POLICY ONLY

Your PIP coverage does not cover you and resident relatives when injured while riding in or being struck by motor vehicles that are not "automobiles" under the No-Fault Act (for example: buses, motorcycles, taxicabs, or some trucks). Extended Medical Expense Benefits coverage provides for these situations.

UNINSURED MOTORIST COVERAGE - Pays you for property damage or bodily injury if you are in an auto accident *caused by an uninsured motorist*.

UNDERINSURED MOTORIST COVERAGE - Pays you for property damage or bodily injury if you are in an auto accident *caused by a driver who is insured, but who has less coverage than your underinsured motorist coverage*.

EXAMPLE OF UNDERINSURED MOTORIST COVERAGE

Jane purchases $100,000 in liability coverage and $100,000 in underinsured motorist coverage. Sam purchases only $25,000 in liability coverage. Sam crashes his car into Jane's car, causing $40,000 in damages. Sam's insurance company pays $25,000 of the damages, while Jane's insurance company pays the remaining $15,000 from her underinsured motorist coverage.

COLLISION COVERAGE - Pays for damage to your vehicle as the result of a collision with another car or other object.

COMPREHENSIVE COVERAGE - Pays for damage to your vehicle that is not a result of a collision, such as theft of your car, vandalism, flooding, fire or a broken windshield. However, it will pay if you collide with an animal.

UNDERSTANDING YOUR POLICY

Standard and Basic Policies

There are two common types of auto insurance policies in New Jersey. They are referred to as **STANDARD** and **BASIC**. Both offer options as well.

STANDARD POLICY - The Standard Policy provides a number of different coverage options and the opportunity to buy additional protection. The Standard Policy is the type of policy chosen by most New Jersey drivers.

BASIC POLICY - The Basic Policy usually costs significantly less than a Standard Policy, but provides limited benefits. It is not for everyone, but it does provide enough coverage to meet the minimum insurance requirements of New Jersey law. The Basic Policy could be an option for those with few family responsibilities and few assets to protect (including income from a job).

SPECIAL POLICY FOR MEDICAID RECIPIENTS ONLY

"Dollar-a-Day"

The Dollar-a-Day Policy is a new initiative to help make limited auto insurance coverage available to drivers who are eligible for Federal Medicaid with hospitalization. Such drivers can obtain a medical coverage-only policy at a cost of $365 a year. For more information, ask your agent or call the Department of Banking and Insurance at 1-800-446-7467.

The chart **on the following page** compares the differences between the **STANDARD** and **BASIC** policies:

COVERAGE	STANDARD POLICY	BASIC POLICY
BODILY INJURY LIABILITY	**As low as:** $25,000 per person, $50,000 per accident **As high as:** $500,000 per person, $500,000 per accident	Coverage is **not** included, but $10,000 for all persons, per accident, is available as an **option**
PROPERTY DAMAGE LIABILITY	**As low as:** $25,000 per accident **As high as:** $100,000 or more	$5,000 per accident
PERSONAL INJURY PROTECTION	**As low as:** $15,000 per person or accident **As high as:** $250,000 Up to $250,000 for *permanent or significant injury* **regardless of selected limit**	$15,000 per person, per accident Up to $250,000 for permanent or significant injury
UNINSURED/ UNDERINSURED MOTORIST COVERAGE	Coverage is available up to amounts selected for liability coverage	None
COLLISION	Available as an option	None
COMPREHENSIVE	Available as an option	None

UNDERSTANDING YOUR POLICY

What are Limits and Deductibles?

LIMITS - The maximum dollar amount the insurer will pay following an auto accident. Limits vary with each coverage within the policy.

DEDUCTIBLES - Payments you have to make *before* the insurer pays. For example, a $750 deductible means that you pay the first $750 of each claim.

EXAMPLE

John has a car accident. His repair shop estimates the cost of repairs at $2,000. John pays $750 of the bill and his insurance company pays the remainder.

UNDERSTANDING YOUR OPTIONS

Personal Injury Protection (PIP)

Choosing a higher deductible may save you money on your premium.

DEDUCTIBLE OPTIONS - In addition to any savings you may realize from how much coverage you buy, deductibles also provide savings opportunities. Cost savings can be achieved by choosing higher deductibles. Thus, if you feel you need a high level of PIP coverage but want to reduce your premium, you can save money by agreeing to pay more out-of-pocket through a higher deductible if you are injured in an auto accident. Your insurer will pay the medical bills over the deductible amount you choose. In addition, there is a 20 percent co-payment on medical expenses in excess of the deductible, up to $5,000. That means you pay 20 percent, and your insurer pays 80 percent, after you pay the deductible.

HEALTH CARE PRIMARY - Cost savings can also be achieved by using your own health insurance as a primary source of coverage in the case of injury related to an auto accident. Before selecting this option, you should find out if your health insurance will cover auto accident injuries and how much coverage is provided. *MEDICARE, MEDICAID, CHAMPUS and TRICARE* **do not** *offer the Health Care Primary option, but may provide coverage on a secondary basis, such as when the costs of your care exceed the PIP limits in your auto policy*.

EXTRA PIP PACKAGE COVERAGE - These are additional benefit options provided under the **STANDARD POLICY.**

If you choose the STANDARD POLICY:

Even if you choose one of the lower PIP limits, you will be covered for medically necessary treatment up to $250,000 for permanent or significant injury, regardless of your selected limit.

INCOME CONTINUATION - If you cannot work due to accident-related injuries, this coverage pays lost wages, less Temporary Disability Benefits you may receive if your disability prevents you from working, up to the amount you select.

ESSENTIAL SERVICES - Pays for necessary services that you normally do yourself, such as cleaning your house, mowing your lawn, shoveling snow or doing laundry if you are injured in an auto accident.

DEATH BENEFIT - In the case of death, family members or estates will receive any benefits not already collected under the income continuation and essential services coverages.

FUNERAL EXPENSE BENEFIT - Pays for reasonable funeral expenses up to the limit you select if you die as a result of an auto accident.

UNDERSTANDING YOUR OPTIONS

Uninsured/Underinsured Motorist Coverage

UNINSURED MOTORIST COVERAGE - Pays you if you are in an auto accident caused by a driver who does not have the minimum level of insurance required by law. Claims that you would have made against the uninsured driver who caused the accident are paid by your own policy. *Uninsured motorist coverage* **does not** *pay benefits to the uninsured driver*.

UNDERINSURED MOTORIST COVERAGE - Pays you if you are in an auto accident caused by a driver who is insured, but who has less coverage than your underinsured motorist coverage. Damages greater than the limits of the other driver's policy are covered by your policy up to the difference between the limits of your underinsured motorist coverage and the other driver's policy limit.

If you choose the STANDARD POLICY:

A minimum amount of **Uninsured/Underinsured Motorist Coverage** *is required. You can purchase higher limits if you want more coverage.*

UNDERSTANDING YOUR OPTIONS

Comprehensive Coverage/Collision Coverage

COMPREHENSIVE (also known as comp or other than collision) and COLLISION coverage are not required by law, but may be required under the terms of an automobile leasing or financing contract.

Collision coverage pays you for damage that *you cause* to your automobile. You can also make a claim under your own collision coverage for damage to your car from an auto accident *you did not cause*. This may take less time than making a property damage liability claim against the driver who caused the auto accident. Your insurer then seeks reimbursement from the insurer of the driver who caused the auto accident.

Comprehensive coverage pays you if your automobile is stolen or for damage to your automobile caused by things not covered under collision coverage, such as vandalism, flooding, fire, a broken windshield or damage from an animal.

DEDUCTIBLE - The **STANDARD** deductible for comprehensive and collision coverage is $750. Higher and lower deductibles are available as options. Higher deductibles can reduce your premium.

NAMED DRIVER EXCLUSION - Prevents certain drivers on your policy from being covered by collision and/or comprehensive coverage on a specific automobile. This can lower your premium, but if the excluded driver operates the automobile and is involved in an auto accident, you are not insured for collision and/or comprehensive coverage; which means you could be personally responsible.

If you choose the STANDARD POLICY:

Comprehensive *and* **Collision Coverage** *are available as* **options** *of the* **STANDARD POLICY.**

If you choose the BASIC POLICY:
These coverages are not available as options of the **BASIC POLICY.**

UNDERSTANDING YOUR OPTIONS

The Right to Sue

For the **STANDARD POLICY,** you must make a choice about the rights you will have if you are injured in an automobile accident. (The **BASIC POLICY** *includes* the **LIMITED RIGHT TO SUE** option.)

IMPORTANT

The choice you make affects how much your insurance will cost and what claims will be paid in the event of an accident.

The choice you make regarding your right to sue another driver applies to you, your spouse, children and other relatives living with you who are not covered under another automobile insurance policy.

The **UNLIMITED RIGHT TO SUE** and **LIMITED RIGHT TO SUE** options only cover lawsuits for "pain and suffering" or non-economic losses. Your 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.

UNLIMITED RIGHT TO SUE - Under the No Limitation on Lawsuit Option, you retain the right to sue the person who caused an auto accident for pain and suffering for **any** injury.

LIMITED RIGHT TO SUE - By choosing the Limitation on Lawsuit Option, you agree **not** to sue the person who caused an auto accident for your pain and suffering **unless** you sustain one of the permanent injuries listed below: (Choosing this option **does not** affect your ability to sue for economic damages such as medical expenses and lost wages.)

- loss of body part
- significant disfigurement or significant scarring
- a displaced fracture
- loss of a fetus
- permanent injury (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 based on objective medical proof.)
- death



WARNING: Insurance companies or their producers or representatives shall not be held liable for your choice of lawsuit option (Limited Right to Sue or Unlimited Right to Sue) or for your choices regarding amounts and types of coverage. You cannot sue an insurance company or its producers or representatives if the Limited Right to Sue option is imposed by law because no choice was made on the coverage selection form. Insurers and 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.

POLICY OPTIONS CHART

COVERAGES	Options That Cost Less	What Most Drivers Choose	Options that Cost More
LIABILITY **Bodily Injury and Property Damage**	$25,000 per person, $50,000 per accident $50,000 per person, $100,000 per accident	$100,000 per person, $300,000 per accident	$500,000 per person, $500,000 per accident
PERSONAL INJURY PROTECTION (PIP)			
Medical Expense Limit	$15,000; $50,000; $75,000; $150,000	$250,000	---
Medical Deductible	$500; $1,000; $2,000; $2,500	$250	---
Extra PIP Options: Income Continuation, Essential Services, Death Benefit and Funeral Expense Benefit	You can decline the Extra PIP Package	Most consumers choose the Extra PIP Package	Packages may be available in higher amounts
Health Insurer for PIP Option	Choose your own health insurer	Most consumers do not choose their own health insurer	---
UNINSURED/ UNDERINSURED MOTORIST COVERAGE	$25,000 per person, $50,000 per accident $50,000 per person, $100,000 per accident	$100,000 per person, $300,000 per accident	$500,000 per person, $500,000 per accident
COLLISION COVERAGE DEDUCTIBLE	$750; $1,000; $1,500; $2,000	$500	$50; $100; $150; $200; $250
COMPREHENSIVE COVERAGE DEDUCTIBLE	$750; $1,000; $1,500; $2,000	$500	$50; $100; $150; $200; $250
LAWSUIT OPTION	---	Limitation on Lawsuit Option	No Limitation on Lawsuit Option

HOW NJ DOBI CAN HELP

Policyholders are the primary responsibility of the New Jersey Department of Banking and Insurance (NJ DOBI). NJ DOBI hopes this guide will assist you in choosing the auto insurance coverage that best suits your needs.

Contact the Department of Banking and Insurance
on the web:
www.dobi.nj.gov

by phone:
1-609-292-7272
or the Consumer Hotline at: **1-800-446-7467**

by mail at:
NJDOBI
P.O. Box 471
Trenton, NJ 08625-0471

or in person at:
NJDOBI
20 West State Street
Trenton, NJ 08608

STANDARD POLICY COVERAGE SELECTION FORM

Name: _____ USAA Number: _____

This Coverage Selection Form is for a STANDARD POLICY, see Buyer's Guide, page 4. A BASIC POLICY with the minimum of required coverages is also available for a lower premium. A SPECIAL POLICY with a very low premium is also available for persons enrolled in Medicaid. Contact Policy Service at **1-800-531-USAA (8722)** for more information.

BODILY INJURY LIABILITY (See Buyer's Guide Page 3)

Choose the Bodily Injury Liability Limit that you want:

_____ $ 25,000/$ 50,000
_____ $ 50,000/$100,000
_____ $100,000/$200,000
_____ $100,000/$300,000
_____ $300,000/$500,000
_____ $500,000/$500,000
_____ *$500,000/$1,000,000
_____ *$1,000,000/$1,000,000

* Limits subject to underwriting approval.

PROPERTY DAMAGE LIABILITY (See Buyer's Guide Page 3)

Choose the Property Damage Limit you want:

_____ $ 25,000
_____ $ 50,000
_____ $100,000

PERSONAL INJURY PROTECTION (PIP) (See Buyer's Guide Page 3)

☐ I choose the standard PIP Medical Expense Limit of $250,000.

OR

☐ I choose one of the lower PIP Medical Expense Limits below.

WARNING: Prior to March 22, 1999, all auto insurance policies had PIP Medical Expense Benefit limits of $250,000. The limits below provide you with less coverage.

☐ $150,000** **for a 8.4% to 13.7%, or a $9.90 to $39.48 reduction in the PIP premium.**

☐ $75,000** **for a 10.3% to 23.8%, or a $12.10 to $68.25 reduction in the PIP premium.**

☐ $50,000** **for a 18.2% to 28.8%, or a $21.37 to $82.65 reduction in the PIP premium.**

☐ $15,000** **for a 25.7% to 39.2%, or a $30.21 to $112.68 reduction in the PIP premium.**

**Even if you choose one of the amounts above, all medically necessary treatment over the policy limit up to $250,000 will be paid for permanent or significant brain injury, spinal cord injury or disfigurement or treatment of other permanent or significant injuries rendered at a trauma center or acute care hospital immediately following the accident and until a doctor says that you no longer require critical care.

USAA Number _____

Choose the PIP Medical Expenses Deductible you want:

☐ $250 deductible, minimum required by law.

☐ $500 deductible, for a 2.0% to 9.0%, or a $2.36 to $20.38 reduction in the PIP premium.

☐ $1,000 deductible, for a 6.5% to 24.4%, or a $7.34 to $55.07 reduction in the PIP premium.

☐ $2,000 deductible, for a 10.5% to 36.8%, or a $11.85 to $83.03 reduction in the PIP premium.

☐ $2,500 deductible, for a for a 12.5% to 32.3%, or a $14.11 to $72.79 reduction in the PIP premium.

HEALTH INSURER FOR PIP OPTION (See Buyer's Guide Page 6)

☐ I choose the Health Insurer for PIP Option.

The name of my Health Insurer(s) is (are):

1. _____ Policy/Group #/Certificate # _____

2. _____ Policy/Group #/Certificate # _____

OR ☐ No, I do not want the PIP Health Insurer Option.

EXTRA PIP PACKAGE COVERAGE OPTIONS

The Extra PIP Package benefits include income continuation, essential services, death benefits and funeral expense benefits. (See Buyer's Guide Page 6.)

You may choose not to have the Extra PIP Package benefits for a 6 % savings in your PIP premium.

☐ I choose PIP Medical Expense Only

☐ I choose the Extra PIP Package benefits which include income continuation, essential services, death benefits and funeral expense benefits.

You may choose to have higher limits for the Extra PIP Package of Income Continuation, Essential Services, Death and Funeral Benefits. (See Buyer's Guide Page 6.)

	ESSENTIAL SERVICES		**DEATH**	**FUNERAL**		**INCOME CONTINUATION**			
	TOTAL DAILY	TOTAL MAXIMUM	BENEFIT*	BENEFIT*	TOTAL WEEKLY	TOTAL MAXIMUM BENEFIT*			
OPT	BENEFIT*	TWO-YEAR BENEFIT*			BENEFIT*	**OPT -**	TWO-YR BENEFIT*	**OPT -**	UNLIMITED BENEFIT*
1	$12	$ 8,760	$10,000	$2,000	$100	**1**	$10,400	**9**	UNLIMITED
2	$20	$14,600	$10,000	$2,000	$125	**2**	$13,000	**10**	UNLIMITED
3	$20	$14,600	$10,000	$2,000	$175	**3**	$18,200	**11**	UNLIMITED
4	$20	$14,600	$10,000	$2,000	$250	**4**	$26,000	**12**	UNLIMITED
5	$20	$14,600	$10,000	$2,000	$400	**5**	$41,600	**13**	UNLIMITED
6	$20	$14,600	$10,000	$2,000	$500	**6**	$52,000	**14**	UNLIMITED
7	$20	$14,600	$10,000	$2,000	$600	**7**	$62,400	**15**	UNLIMITED
8	$20	$14,600	$10,000	$2,000	$700	**8**	$72,800	**16**	UNLIMITED

* Includes PIP as described on page 6 of the Buyer's Guide.

1. OPT #___ Myself & Spouse 2. OPT #___ Myself, Spouse & Resident Relatives

EXTENDED MEDICAL EXPENSE BENEFITS

☐ I choose benefits up to $1,000, which are automatically included in my PIP coverage.

☐ I choose for an additional premium, Extended Medical Expense Benefits, $10,000.

USAA Number_____

UNINSURED/UNDERINSURED MOTORIST COVERAGE (See Buyer's Guide Page 6)

You may choose one of the following higher limits of Uninsured/Underinsured Motorist Coverage, up to your Bodily Injury Liability Insurance Limit.

	UM BODILY INJURY			UM PROPERTY DAMAGE	
_____	$ 25,000/$ 50,000	_____	$ 500,000 /$ 500,000	_____	$ 25,000
_____	$ 50,000/$100,000	_____	$ 500,000/$1,000,000	_____	$ 50,000
_____	$ 100,000/$200,000	_____	$ 1,00,000/$1,000,000		$100,000
_____	$ 100,000/$300,000				
_____	$ 300,000/$500,000				

COLLISION COVERAGE (See Buyer's Guide Page 7)

- ☐ No, I choose not to be covered for collision damage.
- ☐ Yes, I choose to be covered for collision damage with the default $750 deductible.
- ☐ Yes, I choose to be covered for collision damage with the deductible: (☐) $1,000, (☐) $1,500, or (☐) $2,000. This premium will be less than the premium with the default $750 deductible. Details available from USAA.
- ☐ Yes, I choose to be covered for collision damage with the deductible: (☐) $100, (☐) $150, (☐) $200, (☐) $250, (☐) $300, or (☐) $500. This premium will be more than the premium with the default $750 deductible. Details available from USAA.

PLEASE INDICATE VEHICLE NUMBER FOR EACH APPLICABLE VEHICLE AND DEDUCTIBLE IN THE CHART BELOW.

COLLISION DEDUCTIBLE(S)

VEHICLE #		VEHICLE #	
_____	$ 100	_____	$ 500
_____	$ 150	_____	$ 750
_____	$ 200	_____	$1,000
_____	$ 250	_____	$1,500
_____	$ 300	_____	$2,000

COMPREHENSIVE COVERAGE (See Buyer's Guide Page 7)

- ☐ No, I choose not to be covered for comprehensive damage.
- ☐ Yes, I choose to be covered for comprehensive damage with the default $750 deductible.
- ☐ Yes, I choose to be covered for comprehensive damage with the deductible: (☐) $1,000, (☐) $1,500, or (☐) $2,000. This premium will be less than the premium with the default $750 deductible. Details available from USAA.
- ☐ Yes, I choose to be covered for comprehensive damage with the deductible: (☐)$0, (☐) $50, (☐) $100, (☐) $150, (☐) $200, (☐) $250, or (☐) $500. This premium will be more than the premium with the default $750 deductible. Details available from USAA.

USAA Number _____

PLEASE INDICATE VEHICLE NUMBER FOR EACH APPLICABLE VEHICLE AND DEDUCTIBLE IN THE CHART BELOW.

COMPREHENSIVE DEDUCTIBLE(S)

VEHICLE #	
_____	$ 0
_____	$ 50
_____	$ 100
_____	$ 150
_____	$ 200
_____	$ 250
_____	$ 500
_____	$ 750
_____	$1,000
_____	$1,500
_____	$2,000

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, higher limits of uninsured/underinsured motorist coverage, collision coverage or comprehensive coverage. Insurers, their producers and 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.

LAWSUIT OPTIONS (See Buyer's Guide Page 7)

☐ I want the Limitation on Lawsuit Option.

☐ I want the No Limitation on Lawsuit Option. My bodily injury liability premium will be 143 % to 199 % higher if I select the No Limitation on Lawsuit Option instead of the Limitation on Lawsuit Option, depending upon where my car is garaged, my bodily injury liability coverage limit, and other factors. Per vehicle, my bodily injury liability premium at current rates will be $149 to $973 higher on each annual renewal of my policy if I select the No Limitation on Lawsuit option instead of the Lawsuit Option. I understand that I can contact my insurer or my insurance producer for specific details.

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.

USAA Number _____

STATEMENT OF INSURED or APPLICANT:

I have read the Buyer's Guide outlining the coverage options available to me. The limits available for PIP medical expense coverage and uninsured and underinsured motorists coverage have been explained to me. My choices are shown above. I agree that each of these choices will apply for all vehicles insured by my policy and to each subsequent renewal, continuation, replacement or amendment until the insurer or its insurance producer receives my request that a change be made.

For new policyholders, I understand that:

(a) if I do not make a choice to have the No Limitation on Lawsuit Option, I will receive the Limitation on Lawsuit Option;

(b) if I carry collision and/or comprehensive coverage without making a written choice of deductible, I will receive the default $750 deductible;

(c) if I do not choose to have my health insurer provide PIP medical expense benefits, my auto insurer will provide PIP medical expense benefits; and

(d) if I do not choose a lower PIP medical expense limit, I will receive the $250,000 limit.

I understand that if this is a policy renewal and if I do not complete choices, I will receive the same coverage as in my previous policy except when changes are required by a law becoming effective during the term of my previous policy.

I understand that these choices take effect in the following manner:

(1) for new policies, on the effective date of the policy;

(2) for mid-term policy changes, on the day following the date of postmark or, when personal delivery is made or the postmark is illegible, the day following receipt of this form by the insurer or producer; and

(3) for changes upon renewal, on the date of the next policy renewal if postmarked or received by the insurance company or by an insurance producer prior to the renewal date.

ANY PERSON WHO KNOWINGLY MAKES AN APPLICATION FOR MOTOR VEHICLE INSURANCE COVERAGE CONTAINING ANY STATEMENT THAT THE APPLICANT RESIDES OR IS DOMICILED IN THIS STATE WHEN, IN FACT, THAT APPLICANT RESIDES OR IS DOMICILED IN A STATE OTHER THAN THIS STATE, IS SUBJECT TO CIVIL AND CRIMINAL PENALTIES.

Please check the appropriate box to which this form applies:

☐ New Policy ☐ Mid-Term Change ☐ Renewal Change

_____ _____

SIGNATURE OF NAMED INSURED OR APPLICANT **DATE**

Please complete this form and fax it to 1-800-531-8877 or mail it to USAA, 9800 Fredericksburg Road, San Antonio, Texas 78288; or **complete this form on usaa.com.**

If this form is sent by facsimile machine (fax), the sender adopts the document USAA receives as a duplicate original and adopts the signature the receiving fax machine produces as the sender's original signature.

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