RESOLUTION NO. 19-17

Gloucester County Insurance Commission
(hereinafter the "Insurance Commission")
BE IT RESOLVED BY THE INSURANCE COMMISSION'S GOVERNING BODY THAT the 2017 Plan of Risk Management shall be:

1.) The perils or liability to be insured against.

a.) The Insurance Commission insures the following perils or liability:

- Workers' Compensation including Employer's Liability, USL&H and Harbor Marine/Jones Act.
- General Liability including Law Enforcement Liability and Employee Benefits Liability.
- Automobile Liability including PIP and Uninsured/Underinsured Motorists Coverage.
- Property, Auto Physical Damage and Boiler & Machinery.

b.) The following coverage are provided to the Insurance Commission's member entities by their membership in the New Jersey Counties Excess Joint Insurance Fund (NJC).

- Excess Workers' Compensation including employers liability
- Excess General Liability including law enforcement liability
- Excess Auto Liability
- Excess Property including Boiler and Machinery
- Public Officials Liability/School Board Legal/EPL
- Crime
- Pollution Liability
- Medical Professional and General Liability
- Excess Medical Professional and General Liability
- Employed Lawyers Liability

- Cyber Liability
- Non-Owned Aircraft Liability

2.) The limits of coverage.

a.) Workers' Compensation limits.

- The Insurance Commission covers $300,000 per occurrence including:
  - Employer's Liability - $300,000 per occurrence.
  - USL&H – $300,000 per occurrence.
  - Harbor Marine/Jones Act - $300,000 per occurrence.
- The NJC covers excess workers compensation claims to the following limits.
  - Workers' Compensation – statutory excess of the Insurance Commission's $250,000.
  - Employer's Liability - at a sub-limit of $25,750,000 excess of the Insurance Commission's $250,000.
  - USL&H – $250,000 less NJ State benefits excess of the Insurance Commission's $300,000.
  - Harbor Marine/Jones Act - $250,000 less NJ State benefits excess of the Insurance Commission's $300,000.

NJC retains limits of $250,000 excess $300,000 for Workers Compensation and Employers Liability. NJC purchases from Wesco Insurance Company $450,000 excess $550,000 each occurrence/employee and purchases from Safety National Casualty Company 'Statutory' Workers Compensation limits excess of $1,000,000 and $5,000,000 excess of $1,000,000 for Employers Liability. Additional Employers Liability limits of $5,000,000 excess of $6,000,000 are purchased from Underwriters at Lloyds, $15,000,000 excess $11,000,000 from National Casualty.

b.) General Liability limits.

- The Insurance Commission covers $250,000 per occurrence.

- Law Enforcement - included in the General Liability limits.

- Employee Benefits Liability - included in the General Liability limits.

- Subsidence - $250,000 per occurrence

- Sexual Abuse or Molestation Coverage - $250,000 per occurrence except for schools.

- Owned Watercraft 35' in length or less - $250,000.

- Garagekeepers Legal Liability - $250,000

- The NJC covers excess liability claims as follows:

  - General Liability - $20,500,000 excess the Insurance Commission's $250,000. The $5,000,000 excess $500,000 commercial excess layer is subject to a $10,000,000 per member insurance commission 12 month aggregate limit (1/1/17-1/1/18). The $15,000,000 excess $5,500,000 commercial excess layer is subject to a $15,000,000 annual aggregate limit (1/1/17-1/1/18).

  - Law Enforcement - included in the NJC's excess General Liability limits.

  - Employee Benefits Liability - included in the NJC's excess General Liability limits.

  - Subsidence - $250,000 per occurrence excess of the Insurance Commission's $250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

  - Sexual Abuse or Molestation Coverage - $250,000 excess of the Insurance Commission's $250,000 except for schools. NJC retains 100% of the limit excess of the Member Commission's retention.

  - Owned Watercraft 35' in length or less - $250,000 excess of the Insurance Commission's $250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

- Garagekeepers Legal Liability - $250,000 excess of the Insurance Commission's $250,000. NJC retains 100% of the limit excess of the Member Commission's retention.

NJC retains limits of $250,000 excess $250,000 and purchases from Underwriters at Lloyds limits of $5,000,000 per occurrence and a $10,000,000 12 month aggregate (1/1/17-1/1/18) excess over and above $500,000. NJC also purchases from National Casualty limits of $15,000,000 per occurrence and a $15,000,000 annual aggregate (1/1/17-1/1/18) excess over and above the $5,000,000/$10,000,000 with Underwriters at Lloyds

c.) Automobile Liability limits.

- The Insurance Commission covers automobile liability claims as follows:

  - Automobile Bodily Injury and Property Damage Liability claims at a combined single limit of $250,000.

  - The Insurance Commission covers $250,000 for Personal Injury Protection (PIP) per Addendum I of this Plan.

  - The Insurance Commission covers $15,000/$30,000/$5,000 for Underinsured/Uninsured Motorists Liability per Addendum II of this Plan.

  - The Insurance Commission covers automobile medical payments of $15,000 per person but only as respects to Gloucester County corrections transport. Effective 1/1/14.

- The NJC covers excess automobile liability claims as follows:

  - Automobile Bodily Injury and Property Damage Liability claims excess of the Insurance Commission's $250,000 CSL limit. Included in the NJC's excess General Liability limits as shown above.

NJC retains limits of $250,000 excess $250,000 and purchases from Underwriters at Lloyds limits of $5,000,000 per occurrence and a $10,000,000 12 month aggregate (1/1/17-1/1/18) excess over and above $500,000. NJC also purchases from National Casualty limits of $15,000,000 per occurrence and a $15,000,000 annual aggregate (1/1/17-1/1/18) excess over and above the $5,000,000/$10,000,000 with Underwriters at Lloyd.

The NJC does not provide excess PIP OR Uninsured/Underinsured Motorist Coverage.

The excess general liability, auto liability, law enforcement liability and employers liability limits with Underwriters at Lloyds, National Casualty per member Commission and are shared limits amongst GCIC member entities.

d.) Public Officials Liability/School Board Legal/Employment Practices Liability

- The NJC via the commercial market covers public officials liability'/school board legal liability/employment practices liability as follows:

    - $15,000,000 each claim and in the annual aggregate on a claims made basis per member Insurance Commission (except for Healthcare entities which have a $1,000,000 each claim and in the annual aggregate sub-limit) subject to the retentions as outlined below:

        - Gloucester County - $100,000 each POL & EPL
        - Rowan College at Gloucester County -$25,000 SBL/$50,000 EPL
        - Gloucester County UA - $5,000 each POL & EPL
        - Gloucester County LC - $5,000 each POL & EPL
        - Gloucester County IA - -$25,000 SBL/$100,000 EPL

There is a sub-limit of $1,000,000 each claim and in the annual aggregate excess of a member entity retention of $100,000 for sexual abuse/molestation for schools only.

School Board Legal Liability applies to the member entity schools and Public Officials Liability applies to all other member entities.

NJC does not retain any risk as it is fully insured in the commercial market.

e.) Property/Equipment Breakdown

Property Limits/Sub-limits

- The Insurance Commission covers $100,000 per occurrence less applicable member entity per occurrence deductibles.

- The NJC provides excess property coverage and Equipment Breakdown coverage via the commercial market with Zurich and excess property coverage with Mitsui Sumitomo Insurance Company of America (33.33%); Velocity (33.33%); Starr Companies (33.33%) on a quota share basis with the following limits *(SHARED BY ALL NJC MEMBER COMMISSIONS AND THEIR MEMBER ENTITIES)* excess of the member retention and member entity per occurrence deductibles:

Property Per Occurrence Limits:

A. $110,000,000 Per Occurrence with Zurich
B. $150,000,000 Per Occurrence with *Mitsui Sumitomo Insurance Company of America (33.33%)/Velocity (33.33%)/Starr Companies(33.33%)*
C. $260,000,000 per Occurrence Total Program Limit

Property Sub-Limits:

- Earthquake - $200,000,000 (Annual Aggregate)
- Flood - $100,000,000 (Annual Aggregate) Except;
  - Flood Inside Special Flood Hazard Area (SFHA) - $25,000,000
- Asbestos Cleanup - $50,000 per occurrence
- Valuable Paper And Records - $10,000,000
- Accounts Receivable - $10,000,000
- Demolition & Increased Cost of Construction - $25,000,000
- Business Interruption -Included in $110,000,000 blanket limit (Business Income On Revenue Producing Property Only)
- Extra Expense – $10,000,000
- Transit- $1,000,000 Per Conveyance/$1,000,000 Per Occurrence
- Fine Arts - $2,500,000 (Owned And Non Owned)
- Pollution And Contamination Cleanup (Limited) - $250,000 (Annual Aggregate)
- Miscellaneous Unnamed Locations - $10,000,000
- Builders' Risk - $25,000,000 (the lesser of $1,000,000 sublimit or 60 days for soft costs, subject to applicable deductible per cause of loss and 24 hour qualifying period)
- New Construction and Additions – $25,000,000 per location (the lesser of $1,000,000 sublimit or 60 days for soft costs, subject to applicable deductible per cause of loss and 24 hour qualifying period)
- Service Interruption - $10,000,000 Combined Time Element and Property Damage Including Overhead

Transmission Lines within 1 mile of insured premises, 24 hour qualifying period)

- Ingress/Egress – 30 Day Period for property with a 5 mile radius but not to exceed a $5,000,000 limit.
- Debris Removal -$25,000,000
- Civil Government Authority – Lesser of $5,000,000 or 30 day period, within 5 mile radius
- Leasehold Interest - $15,000,000
- Loss Of Rents - $15,000,000
- Professional Fees - $1,250,000
- Extended Period of Liability – 365 Days
- Auto Physical Damage - $15,000,000
- Underground Piping - $5,000,000 (only if within 5 MILES of a pump station, process plant, metering pit, wells or similar operational locations which are owned, leased, used occupied or intended for use by the member entity). There is no coverage for the perils of Earthquake, Flood or Named Storm.
- EDP Equipment – Subject to a 24 hour qualifying period. No sub-limit for equipment. $1,000,000 sublimit for data and software
- Outdoor Property - $10,000,000
- Equipment Breakdown - $100,000,000
    - Ammonia Contamination - $5,000,000
    - Spoilage - $5,000,000
    - Extended Period Of Indemnity - 365 Days

Note: There is an Excess Property Policy with Mitsui Sumitomo Insurance Company of America (33.33%); Velocity (33.33%); Starr Companies (33.33%) on a quota share basis which extends the Per Occurrence Policy Limits by $150,000,000 to a total of $260,000,000. Coverage sub-limits on the Primary policy are excluded by the Excess Property policy, including Equipment Breakdown. The primary limit is $110,000,000

- There is an Excess Flood/Earthquake policy placed with Aspen Specialty (20%)/AXIS Surplus (30%)/United Specialty (20%)/Endurance American Specialty(10%)/Interstate Fire & Casualty (10%)/RSUI Indemnity (10%) which provides:
    - $50,000,000 aggregate policy limit for Flood coverage excess of the aggregate policy limits provided by Zurich ($25,000,000 for locations inside the 100-Year Flood Zone, $50,000,000 for all other locations, as noted above); and
    - $100,000,000 aggregate policy limit for Earthquake coverage excess of the $100,000,000 aggregate policy limit provided by Zurich (noted above).

Property Deductibles

- The standard member insurance commission retention is $100,000 per occurrence less member entity per occurrence deductibles below. Also applies to time element, auto physical damage and flood (except as noted below).

    - Gloucester County - $10,000 Property, $5,000 Equipment and $1,000 Auto Physical Damage
    - Rowan College at Gloucester County - $2,500 Property and $500 Auto Physical Damage
    - Gloucester County Utilities Authority - $1,000 Property and $1,000 Auto Physical Damage
    - Gloucester County Library Commission - $1,000 Property and $500 Auto Physical Damage
    - Gloucester County Improvement Authority - $1,000 Property and $500 Auto Physical Damage

- The Vacant Properties deductible is $250,000

- The Equipment Breakdown deductible is $25,000 member entity deductible per occurrence.

- The Earthquake Member Insurance Commission retention is $100,000 per occurrence less the per occurrence member entity deductibles. **HOWEVER, IF THERE IS A LOSS FROM A SINGLE OCCURRENCE INVOLVING MULTIPLE ENTITIES, THE MAXIMUM OCCURRENCE DEDUCTIBLE WILL BE $100,000.**

- The Flood Member Insurance Commission retention is $100,000 per occurrence (combined property damage and time element) less member entity per occurrence deductibles. **HOWEVER, IF THERE IS A LOSS FROM A SINGLE OCCURRENCE INVOLVING MULTIPLE ENTITIES, THE MAXIMUM OCCURRENCE DEDUCTIBLE WILL BE $100,000.**

- Flood loss for property within the Special Flood Hazard Area (SFHA) 100-year flood zone is subject to a deductible of $500,000 each building for municipality buildings, and $500,000 each building for building contents member entity deductible per occurrence; and $100,000 for each building for loss of income or the National Flood Insurance Plan's (NFIP) maximum available limits for public entities, whichever is greater, regardless of whether National Flood Insurance program coverage is purchased or not. **HOWEVER, IF THERE IS A LOSS FROM A SINGLE OCCURRENCE**

INVOLVING MULTIPLE ENTITIES, THE MAXIMUM OCCURRENCE DEDUCTIBLE WILL BE $100,000.

Losses shall also be adjusted subject to a $100,000 per occurrence Insurance Commission deductible for pumping stations, pistol ranges, vehicles and mobile equipment less the applicable member entity deductible.

- "Named Storm as respects to covered property in Atlantic, Ocean, Monmouth and Burlington Counties located east of the Garden State Parkway and any covered property in Cape May County" For Property Damage: subject to a deductible of 1% of the value, per the Valuation clause of the General Conditions section, of the property insured as of the date of loss, for the Location where the direct physical loss or damage occurred, per occurrence; For Time Element: 1% of the full 12 months Gross Earnings or Gross Profit values that would have been earned following the occurrence by use of the facilities at the Location where the direct physical loss or damage occurred and all other Locations where Time Element loss ensues, per occurrence. Combined PD and TE deductible subject to a minimum deductible of $250,000 per Location and a maximum deductible of $1,000,000 per occurrence. The "Named Storm" deductible is a per member entity deductible.

- Note: The Gloucester County Insurance Commission provides coverage for the difference in deductible for "insured property" resulting from "insured perils" (per the terms and conditions of the Zurich policy through the NJC JIF), but only for what is not reimbursed by FEMA less the member entity deductible. The Gloucester County Insurance Commission will not provide coverage for the difference in deductible for time element loss.

Named Storm is defined as any storm or weather disturbance that is named by the U.S. National Oceanic and Atmospheric Administration (NOAA) or the U.S. National Weather Service or the National Hurricane Center or any comparable worldwide equivalent.. Location is defined as a building(s) bounded on all sides by public streets, clear land space or open waterways, each not less than 50 feet wide, a site or tract of land occupied or available for occupancy with tangible property. If the Named Storm involves covered property within the Special Flood Hazard Area (SFHA) the Special Flood Hazard Area (SFHA) deductible above applies.

Special Flood Hazard Area (SFHA) - Is an area defined by FEMA or any foreign equivalent that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year. The 1-percent annual chance flood is also referred to by FEMA

as the base flood or 100-year EDGE-100-B (12/10) flood. SFHA's per FEMA include but are not limited to Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30. If not defined by FEMA or any foreign equivalent, it is an area that will be inundated by the flood event having a 1-percent chance of being equaled or exceeded in any given year.

- Underground Piping $100,000 per occurrence less the member entity deductibles as stated above. There is no coverage for the perils of Earthquake, Flood or Named Storm.
- Golf Carts - $25,000

NJC does not retain any risk as it is fully insured in the commercial market.

f.) Crime

The NJC via the commercial market provides crime coverage at the following limits and deductibles (the Insurance Commission retains no risk for Crime):

Limit per occurrence:

- Gloucester County – $1,000,000
- Gloucester County Library Commission - $1,000,000
- Gloucester County Utilities Authority - $1,000,000
- Rowan College at Gloucester College - $1,000,000
- Gloucester County Improvement Authority - $1,000,000

Deductible per occurrence:

- Gloucester County – $15,000
- Gloucester County Library Commission - $10,000
- Gloucester County Utilities Authority - $10,000
- Rowan College at Gloucester County - $10,000
- Gloucester County Improvement Authority - $10,000

NJC does not retain any risk as it is fully insured in the commercial market.

g.) Pollution Liability

The NJC via the commercial market provides pollution liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for Pollution Liability):

- Limit of Liability: $10,000,000 per claim and $25,000,000 annual aggregate

- Member Entity Deductible: $25,000

NJC does not retain any risk as it is fully insured in the commercial market.

All policy aggregates limits are shared by the NJC member Commissions of Gloucester, Salem, Camden, Union and Burlington and their respective member entities. It is also shared with Cumberland County and Atlantic County Utilities Authorities.

h.) Medical Professional General Liability/Excess Medical Professional

The NJC via the commercial market provides medical professional general liability/excess medical professional coverage at the following limits and deductibles (the Insurance Commission retains no risk for medical professional general liability):

- Limit per claim/annual aggregate: $1,000,000/$3,000,000
  - This primary aggregate limit is shared by each member entity of each NJC member Commission.

- Excess Limit annual aggregate: $20,000,000/$20,000,000
  - Excess Limit is a Shared limit with CCIC, BCIC, CUIC and SCIC.

- Member Entity Retentions Deductibles GL and PL:
  - Gloucester County – $25,000 Includes Department of Corrections, Division of Education & Disability, Division of Senior Services and Department of Health Services.
  - Gloucester County IA (Shady Lane) - $10,000
  - Gloucester County Prosecutors Office (SANE) - $5,000
  - Rowan College at Gloucester County: Allied health Programs– $5,000
  - GC Emergency Response Center - $20,000
  - GCIC Scheduled Physicians - $5,000
    - G.Feigin -GC
    - J.Palmer - GC
    - J. Briskin - GC

- C. Siebert - GC

NJC does not retain any risk as it is fully insured in the commercial market.

i.) Employed Lawyers Professional Liability

The NJC via the commercial market provides employed lawyers professional liability coverage at the following limits and deductibles (the Insurance Commission retains no risk for employed lawyers' professional liability):

- Limit per claim and annual aggregate: $5,000,000/$10,000,000

- Member Entity Self Insured Retentions:
  - Gloucester County $25,000

NJC does not retain any risk as it is fully insured in the commercial market.

J.) Cyber Liability – Network Privacy & Security Liability

The NJC via the commercial market provides on an optional basis network privacy & security liability coverage at the following limits and deductibles (the insurance commission retains no risk for network privacy & security liability coverage):

- Limits per claim and annual aggregate:
  - Security & Privacy Liability: $1,000,000
    - regulatory sub-limit: $750,000*
  - Network Interruption (12 hour period): $250,000
  - Event Management: $250,000
  - Cyber Extortion: $ 1,000,000
  - Minimum affected individuals: 100
  - Maximum affected individuals: $500,000

- Retention per member entity:
  - Security & Privacy Liability: $25,000
    - Regulatory: $25,000
  - Network Interruption (12 hour period): $25,000
  - Event Management: $25,000
  - Cyber Extortion: $ 25,000
  - Minimum affected individuals: 100
  - Maximum affected individuals: $500,000

- Participating member entities are:
  - Gloucester County

- Gloucester County Improvement Authority
- Gloucester County Utilities Authority
- Gloucester County Library Commission
- Rowan College at Gloucester County

k.) Non-Owned Aircraft. The NJCE covers $9,000,000 CSL for Bodily Injury and Property Damage Liability, and $5,000 medical expense for each passenger.

NOTICE: The above description is a general overview of the coverage and limits provided by the Insurance Commission. The actual terms and conditions are defined in the individual policy documents and this Risk Management Plan. All issues and/or conflicts shall be decided upon by the individual policy documents.

3.) <u>The amount of risk to be retained by the Insurance Commission (except as noted in section 2. Limits of coverage).</u>

a.) Workers' Compensation (all coverages) - $300,000 CSL

b.) General Liability (all coverages) - $250,000 CSL

c.) Law Enforcement Liability – Included in General Liability

d.) Automobile Liability

- Property Damage & Bodily Injury - $250,000 CSL
- Underinsured/Uninsured - $15,000/$30,000/$5,000 CSL
- Personal Injury Protection - $250,000 CSL

d.) Public Officials Liability/School Board Legal/Employment Practices Liability - None

e.) Property/APD - $100,000 per occurrence less member entity deductibles.

f.) Crime – None

g.) Pollution Liability – None

h.) Medical Professional General Liability – None

i.) Employed Lawyers Liability – None

j.) Cyber Liability – None

k.) Non Owned Aircraft - None

4.) The amount of unpaid claims to be established.

a.) The general reserving philosophy is to set reserves based upon the probable total cost of the claim at the time of conclusion. Historically, on claims aged eighteen (18) months, the Insurance Commission expects the claims servicing company to set reserves at 85% accuracy. The Insurance Commission also establishes reserves recommended by the Insurance Commission's Actuary for claims that have been incurred but not yet reported so that the Insurance Commission has adequate reserves to pay all claims and allocated loss adjusted expense liability.

b.) Claims reserves are subject to regular review by the Insurance Commission's Executive Director/Administrator, Attorney, Board of Commissioners and claims servicing company. Reserves on large or unusual claims are also subject to review by the claims departments of the commercial insurance companies or reinsurance companies providing primary or excess coverages to the Insurance Commission either directly or through the NJC JIF.

5.) The method of assessing contributions to be paid by each member of the Insurance Commission.

a.) By November 15th of each year, the actuary computes the probable net cost for the upcoming Insurance Commission year by line of coverage and for each prior Insurance Commission year. The Actuary includes all budget items in these computations. The annual assessment of each participating member entity is it's pro rata share of the probable net cost of the upcoming Insurance Commission year for each line of coverage as computed by the Actuary.

b.) The calculation of pro rata shares is based on each member's experience modified manual premium for that line of coverage. The Insurance Commission's Governing Body also adopts a capping formula which limits the increase of any member's assessment from the preceding year to the Insurance Commission wide average increase plus a percentage selected by the Governing Body. The total amount of each member's annual assessment is certified by majority vote of the Insurance Commission's Governing Body at least one (1) month prior to the beginning of the next fiscal year.

c.) The Treasurer deposits each member's assessment into the appropriate accounts, including the administrative account, and the claim or loss retention trust Insurance Commission account by

Insurance Commission year for each type of coverage in which the member participates.

d.) If a member entity becomes a member of the Insurance Commission or elects to participate in a line of coverage after the start of the Insurance Commission year, such participant's assessments and supplement assessments are reduced in proportion to that part of the year which had elapsed.

e.) The Insurance Commission's Governing Body may by majority vote levy upon the participating member entities additional assessments wherever needed or so ordered by the Commissioner of Insurance to supplement the Insurance Commission's claim, loss retention or administrative accounts to assure the payment of the Insurance Commission's obligations. All supplemental assessments are charged to the participating member entities by applicable Insurance Commission year, and shall be apportioned by the year's assessments for that line of coverage.

f.) Should any member fail or refuse to pay its assessments or supplemental assessments, or should the Insurance Commission fail to assess funds required to meet its obligations, the Chairman, or in the event by his or her failure to do so, the custodian of the Insurance Commission's assets, shall notify the Commissioner of Banking and Insurance and the Director of Community Affairs. Past due assessments shall bear interest at the rate established annually by the Insurance Commission's Governing Body.

6.) Procedures governing loss adjustment and legal expenses.

a.) The Insurance Commission engages a claims service company to handle all claims. The performance of the claims adjusters is monitored and periodically audited by the Executive Director's office, the Insurance Commission Attorney, the NJC's attorney's office, as well as the claims department of the NJC's excess insurers. Every three years, the NJC's internal auditors also conduct an audit.

b.) Annually the Executive Director or their designee will update the claim acknowledgment contact exhibit and distribute it to all applicable parties.

c.) Each member entity is provided with a claim reporting procedure and appropriate forms.

d.) In order to control workers' compensation medical costs, the Insurance Commission has engaged a managed care organization

(CSG) component *through a contract* whose procedures are integrated into the Insurance Commission's claims process.

e.) To provide for quality defense and control costs, the Insurance Commission has established an approved defense attorney panel with firms which specialize in Title 59 matters. The performance of the defense attorneys is overseen by the Insurance Commission Attorney, as well as, the various firms which audit the claims adjusters.

7.) Coverage to be purchased from a commercial insurer, if any.

The Insurance Commission does not purchase commercial insurance.

8.) Reinsurance to be purchased.

The Insurance Commission does not purchase reinsurance.

9.) Procedures for the closure of Insurance Commission years, including the maintenance of all relevant accounting records.

a.) Not applicable at this time.

10.) Assumptions and Methodology used for the calculation of appropriate reserves requirements to be established and administered in accordance with sound actuarial principles.

a.) The general approach in estimating the loss reserves of the Insurance Commission is to project ultimate losses for each Insurance Commission year using paid and incurred loss data. Two traditional actuarial methodologies are used: the paid loss development method and the incurred loss development method. From the two different indications resulting from these methods the Insurance Commission Actuary chooses a "select" estimate of ultimate losses. Subtraction of the paid losses from the select ultimate losses yields the loss reserve liability or Insurance Commission funding requirement.

b.) The following is an overview of the two actuarial methods used to project the ultimate losses.

- Paid Loss Development Method - This method uses historical accident year paid loss patterns to project ultimate losses for each accident year. Because this method does not use case reserve data, estimates from it are not affected by changes in case reserving practices. However, the results of this method are sensitive to changes in the rate of which claims are settled and

losses are paid, and may underestimate ultimate losses if provisions are not included for very large open claims.

- Case Incurred Loss Development Method - This method is similar to the paid loss development method except it uses historical case incurred loss patterns (paid plus case outstanding reserves) to estimate ultimate losses. Because the data used includes case reserve estimates, the results from this method may be affected by changes in case reserve adequacy.

11.) The maximum amount a certifying and approving officer may approve pursuant to N.J.A.C. 11:15-2.22.

- $15,000 for workers compensation claims
- $15,000 for liability claims
- With the advance approval of the Insurance Commission Attorney or Executive Director, the certifying and approving officer may also pay hospital bills if waiting until after the next regularly scheduled Insurance Commission meeting would result in the loss of a discount on such bills. When the certifying and approving officer utilizes this authority, a report shall be made to the Commissioners at their next meeting.

Adopted by the Governing Body this 13 day of February, 2017.

Gloucester County Insurance Commission

By: _____
Chairperson

Attest: _____
Secretary

ADDENDUM I

2017 Risk Management Plan
Addendum #1
NEW JERSEY PERSONAL INJURY PROTECTION

With respects to coverage provided by this Addendum, the provisions of Policy PK1019016 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum for a covered **auto** licensed or principally garaged in, or **garage operations** conducted in, New Jersey

This Addendum is effective 1/1/2017.

MEDICAL EXPENSE BENEFITS DEDUCTIBLE

The medical expense benefits are subject to a deductible of $250 per **occurrence.**

Medical expense benefits applicable to:

A. The **named insured** and, if the **named insured** is an individual, any **family members** will be subject to a deductible of $250 per **occurrence.**

B. insured **persons** other than the **named insured** and, if the **named insured** is an individual, any **family members** shall be subject to a separate deductible of $250 per **occurrence.**

MEDICAL EXPENSE BENEFITS CO-PAYMENT

Medical expense benefits are subject to a co-payment of 20% per **occurrence** for amounts payable between the applicable deductible and $5,000.

☐ **DELETION OF BENEFITS OTHER THAN MEDICAL EXPENSES OPTION**

All Personal Injury Protection benefits other than medical expense benefits are deleted with respect to the **named insured** and, if the **named insured** is an individual, any **family members**, when indicated to the left. Refer to the Deletion Of Benefits Other Than Medical Expenses Provision.

☐ **MEDICAL EXPENSE BENEFITS-AS-SECONDARY OPTION**

If the **named insured** is an individual, medical expense benefits with respect to the **named insured** and **family members**, are secondary to the health benefits plans under which the **named insured** and **family members** are insured, when indicated to the left.

A. Coverage

1. **Personal Injury Protection**

We will pay personal injury protection benefits for **bodily injury** sustained by an **eligible injured person** or an **insured person** caused by an **occurrence** occurring during the Policy period within the United States of America, its territories or possessions or Canada and arising out of the ownership, maintenance or use, including loading or unloading, of a **private passenger auto** as an auto.

These Personal Injury Protection Benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitation and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medication and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvements to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an **identified injury**. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. **Income Continuation Benefits**

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

c. **Essential Services Benefits**

An amount not exceeding a limit of $12 per day and a total limit of $4,380 payable to an **eligible injured person** as reimbursement for payments made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. **Death Benefits**

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

(1) If the **eligible injured person** was an **income producer** at the time of the **occurrence**, an amount equal to the difference between $5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;

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

e. **Funeral Expense Benefits**

An amount not exceeding $1,000 of reasonable funeral, burial and cremation expenses incurred.

2. **Pedestrian Personal Injury Protection**

This coverage applies to **pedestrians** and only to **occurrences** which occur during the Policy period in New Jersey. With respect to an **insured motor vehicle** as described for this Coverage, Pedestrian Personal Injury

Protection Coverage is the only Personal Injury Protection Coverage for that vehicle.

We will pay pedestrian personal injury protection benefits to an **eligible injured person**. These Pedestrian Personal Injury Protection benefits consist of:

a. **Medical Expense Benefits**

An amount not exceeding **$250,000** per person per **occurrence** for reasonable and necessary expenses incurred for medical, surgical, rehabilitative and diagnostic treatments and services, hospital expenses, ambulance or transportation services, medical and non-medical expenses that are prescribed by a treating **health care provider** for a permanent or significant brain, spinal cord or disfiguring injury.

Non-medical expense means charges for products and devices, not exclusively used for medical purposes or as durable medical equipment, such as vehicles, durable goods, equipment, appurtenances, improvement to real or personal property, fixtures and services and activities such as recreational activities, trips and leisure activities.

All medical expenses must be rendered by a **health care provider**, be **clinically supported** and consistent with the symptoms, diagnosis or indications of the **insured**. They must also be consistent with the most appropriate level of service that is in accordance with the standards of good practice and standard professional treatment protocols, including care paths for an **identified injury**. They must not be rendered primarily for the convenience of the **insured** or **health care provider** nor may they involve unnecessary testing or treatment.

However, medical expenses include any nonmedical remedial treatment rendered in accordance with recognized religious methods of healing.

b. **Income Continuation Benefits**

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

c. **Essential Services Benefits**

An amount not exceeding a limit of $12 per day and a total limit of $4,380 payable to an **eligible injured person** as reimbursement

for payment made to others, for substitute essential services of the type actually rendered during his or her lifetime and which he or she would ordinarily have performed not for **income** but for the care and maintenance of himself or herself and persons related to the **eligible injured person** by blood, marriage or adoption (including a ward or foster child) who are residents of the same household as the **eligible injured person**.

d. **Death Benefits**

The amount or amounts payable in the event of the death of an **eligible injured person** as determined below:

(1) If the **eligible injured person** was an **income producer** at the of time the **occurrence**, an amount equal to the difference between $5,200 and all basic income continuation benefits paid for any loss of **income** resulting from his or her injury prior to his or her death;

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

e. **Funeral Expense Benefits**

An amount not exceeding $1,000 for reasonable funeral, burial cremation expenses incurred.

B. Exclusions

1. **Personal Injury Protection**

We will not pay Personal Injury Protection benefits for **bodily injury**:

a. To a person whose conduct contributed to the **bodily injury** in any of the following ways:
   (1) While committing a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer; or
   (2) While acting with specific intent to cause injury or damage to himself or herself or others;

b. To any person who, at the time of the **occurrence**, was the owner or registrant of a **private passenger auto** registered or principally

garaged in New Jersey that was being operated without Personal Injury Protection Coverage;

c. To any person who is not occupying a covered **auto,** other than the **named insured** or any **family member** or a resident of New Jersey, if the **occurrence** occurs outside of New Jersey;

d. Arising out of the ownership, maintenance or use, including loading or unloading, of any vehicle while located for use as a residence or premises other than for transitory recreational purposes;

e. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or CONDITION incident to any of the foregoing;

f. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material;

g. To any person, other than the **named insured** or any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** or **family member** under the terms of any other Policy with respect to such coverage;

h. To any **family member**, if such person is entitled to New Jersey Personal Injury Protection Coverage as a **named insured** under the terms of another Policy; or

i. To any person operating or occupying a **private passenger auto** without the permission of the owner or the **named insured** under the Policy insuring that **auto.**

j. To any person who is convicted of, or pleads guilty to:

   (1) Operating a motor vehicle; or

   (2) Allowing another person to operate a motor vehicle owned by that **insured** or in that **insureds** care, custody or control;

   while the **insured** or that other person:

   (1) Is under the influence of intoxicating liquor or a narcotic, hallucinogenic or habit-producing drug; or

   (2) Is later found to have a blood alcohol concentration by weight of alcohol in excess of the legal limit of the jurisdiction where the violation occurred.

k. To any person who refused to submit to a chemical test after being arrested for operating a motor vehicle while under the influence of intoxicating liquor or a narcotic hallucinogenic or habit-producing drug.

l. For the following diagnostic tests:

   (1) Brain mapping;

(2) Iridology;
(3) Mandibular tracking and simulation;
(4) Reflexology;
(5) Spinal diagnostic ultrasound;
(6) Surface electromyography (surface EMG);
(7) Surrogate arm mentoring; or
(8) Any other diagnostic test that is determined to be ineligible for coverage under Personal Injury Protection Coverage by New Jersey law or regulation.

2. **Pedestrian Personal Injury Protection**

The EXCLUSIONS that apply to Personal Injury Protection also apply to Pedestrian Personal Injury Protection, except EXCLUSIONS b. and c., which do not apply to Pedestrian Personal Injury Protection Coverage.

C. Limit Of Insurance

1. Any amount payable by **us** as Personal Injury Protection benefits for **bodily injury** shall be reduced by:

   a. All amounts paid, payable or required to be provided under any workers' compensation or employees' temporary disability law.
   b. Medicare provided under federal law.
   c. Benefits actually collected that are provided under federal law to active and/or retired military personnel.

2. Any amount payable by **us** as medical expense benefits will be limited by medical fee schedules, as promulgated by the New Jersey Department of Banking and Insurance for specific injuries or services.
3. Any amount payable for medical expense benefits as the result of any one **occurrence** shall be:

   a. Reduced by the applicable deductible of $500; and
   b. Subject to the co-payment of 20% for the amount between the applicable deductible and $5,000.

4. The applicable limit of income continuation benefits applies separately to each full, regular and customary work week of an **eligible injured person**. If this disability from work or employment consists of or includes only a part of such a week, **we** shall be liable for only that proportion of such weekly limit that the number of days lost from work or employment during the partial week bears to the number of days in his or her full work week.

5. If the Addendum indicates that the **named insured** has elected the Medical Expense Benefits As Secondary option, the following provisions apply to medical expense benefits:

a. **Priority Of Benefits**

(1) The health benefits plans under which the **named insured** and any **family member** are insured shall provide primary coverage for **allowable expenses** incurred by the **named insured** and any **family member** before any medical expense benefits are paid by **us**.

(2) This insurance shall provide secondary coverage for the medical expense benefits for **allowable expenses**, which remained uncovered.

(3) The total benefits paid by the health benefits plans and this insurance shall not exceed the total amount of **allowable expenses**.

b. **Determination Of Medical Expense Benefits Payable**

(1) To calculate the amount of **actual benefits** to be paid by **us**, **we** will first determine the amount of **eligible expenses** which would have been paid by **us**, after application of the deductible and co-payment indicated in this Addendum had the **named insured** not elected the Medical Expense Benefits As Secondary Coverage option.

(2) If the remaining **allowable expenses** are:

(a) Less than the benefits calculated in Paragraph (1) above, **we** will pay **actual benefits** equal to the remaining **allowable expenses**, without reducing the remaining **allowable expenses** by the deductible or co-payment.

(b) Greater than the benefits calculated in Paragraph (1) above, **we** will pay **actual benefits** equal to the benefits calculated in Paragraph 1 above, without reducing the remaining **allowable expenses** by the deductible or co-payment.

(3) **We** will not reduce the **actual benefits** determined in Paragraph 2.:

(a) By any deductibles or co-payments of the health benefits plans which have provided primary coverage for medical expense benefits; or

(b) For any **allowable expense** remaining uncovered which otherwise would not be an **eligible expense** under Personal Injury Protection Coverage, except as set forth in Paragraph (4) below.

(4) In determining remaining uncovered **allowable expenses**, **we** shall not consider any amount for items of expense which exceed the dollar or percent amounts recognized by the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance.

(5) The total amount of medical expense benefits for the **named insured** or any **family member** per **occurrence** shall not exceed the maximum amount payable for medical expense benefits under this Policy.

c. **Health Benefits Plan Ineligibility**

(1) If, after the **named insured** has elected the Medical Expense Benefits As Secondary Coverage option, it is determined that the **named insured** or any **family member** did not have a health benefits plan in effect at the time an **occurrence** occurred which resulted in **bodily injury** to the **named insured** or any **family member**, medical expense benefits shall be provided to the **named insured** or any **family member**, subject to the following:

(a) Only Paragraph 1. of the Limit Of Insurance Provision will apply with respect to medical expense benefits.

(b) Any amount payable for medical expense benefits for the **named insured** and any **family member** as a result of any one **occurrence** shall;

(1) Be reduced by a deductible equal to the sum of $750 plus the $500 deductible indicated in this Addendum; and

(2) Be subject to a co-payment of 20% for amounts less than $5,000 after the deductible has been applied.

(3) Be determined:

(i) By the medical fee schedules

promulgated by the New Jersey Department of Insurance; or

(ii) By us, on a reasonable basis, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, if an item or expense is not included on the medical fee schedules.

(4) Not exceed the maximum amount payable for medical expense benefits under this Policy.

(2) All items of medical expense incurred by the **named insured** or any **family member** for the treatment of **bodily injury** shall be **eligible expenses** to the extent the treatment or procedure from which the expenses arose:

(a) Is recognized on the medical fee schedules promulgated by the New Jersey Department of Banking and Insurance; or

(b) Are reasonable expenses in accordance with Section 4 of the New Jersey Reparation Reform Act.

(3) **We** shall be entitled to recover the difference between:

(a) The reduced premium paid under this Policy for the Medical Expense Benefits As Secondary option; and

(b) The premium which would have been paid under this Policy had the **named insured** not elected such option.

We will not provide any premium reduction for the Medical Expense Benefits As Secondary option for the remainder of the Policy period.

6. The limit of insurance shown in this Addendum for weekly income continuation benefits shall be prorated for any period of **bodily injury** disability less than one week.

D. Changes in Conditions

All conditions stated in Policy #PK1019016 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply, however:

1. The **Duties In The Event Of Occurrence,** Condition is amended by the addition of the following:

   a. If an **eligible injured person**, **insured person** or the legal representative or survivors of either institutes legal action to recover damages for injury against a person or organization who is or may be liable in tort there for, he or she must promptly give **us** a copy of the summons and complaint or other process served in connection with the legal action.

   b. The **eligible injured person**, **insured person** or someone on their behalf must promptly give us written proof of claim including:

      (1) Full particulars of the nature and extent of the **bodily injury**; and

      (2) Such other information that will help us determine the amount due and payable.

   c. The **eligible injured person** or **insured person** must submit to physical examination by physicians when and as often as **we** reasonably require and a copy of the medical report will be forwarded to such **eligible injured person** or **insured person** if requested.

2. The following Conditions are added:

   a. **Reimbursement And Trust**

      Subject to any applicable limitations set forth in the New Jersey Automobile Reparation Reform Act, if **we** make any payment to any **eligible injured person** or insured **person** under this coverage and that person recovers from another party, he or she shall hold the proceeds in trust for **us** and pay **us** back the amount **we** have paid. **We** will have a lien against such payment, and may give notice of the lien to the person or organization causing **bodily injury**, his or her agent or insurer or a court having jurisdiction in the matter.

   b. **Payment Of Personal Injury Protection Benefits**

      (1) Medical expense benefits and essential services benefits may be paid at our option to the **eligible injured person**, **insured person** or the person or organization furnishing the products or services for which such benefits are due. These benefits shall not be assignable except to providers of service benefits. Any such assignment is not enforceable unless the provider of service benefits agrees

to be subject to the requirements of our Decision Point Review Plan. In the event of the death of an **eligible injured person** or **insured person** any amounts payable, but unpaid prior to death, for medical expense benefits are payable to the **eligible injured person's** or **insured person's** estate.

(2) Benefits payable under Paragraph A.2.d.(1) of the description of death benefits are payable to the **eligible injured person's** surviving spouse, or if there is no surviving spouse, to his or her surviving children, or if there is not a surviving spouse or any surviving children, to the **eligible injured person's** estate.

(3) Benefits payable under Paragraph A.1.d.(2) of the description of death benefits are payable to the person who has incurred the expense of providing essential services.

(4) Funeral expense benefits are payable to the **eligible injured person's** or **insured person's** estate.

c. **Deletion Of Benefits Other Than Medical Expenses Option**

When the Addendum indicates that the Deletion Of Benefits Other Than Medical Expenses Option applies, **we** will pay personal injury protection benefits consisting only of medical expense benefits for the **named insured** and **family members**.

d. **Employee Benefits Reimbursement**

If the **eligible injured person** or **insured person** fails to apply for workers' compensation benefits or employees' temporary disability benefits for which that person is eligible, **we** may immediately apply to the provider of these benefits for reimbursement of any personal injury protection benefits that **we** have paid.

e. **Proof of Health Benefits Plan Coverage**

If the **named insured** has elected the Medical Expense Benefits As Secondary option, the **named insured** shall provide proof that the **named insured** and **family members** are insured by health insurance coverage or benefits in a manner and to an extent approved by the New Jersey Department of Banking and Insurance.

f. **Special Requirements For Medical Expenses**

(1) **Care Paths For Identified Injuries (Medical Protocols)**

(a) The New Jersey Department of Banking and Insurance has established by regulation the standard courses of medically necessary diagnosis and treatment for **identified injuries.** These courses of diagnosis and treatments are known as care paths.

The care paths do not apply to treatment administered during **emergency care.**

(b) Upon notification to use of a **bodily injury** covered under this Policy, **we** will advise the **insured** of the care path requirements established by the New Jersey Department of Banking and Insurance.

(c) Where the care paths indicate a decision point, further treatment or the administration of a diagnostic test is subject to our Decision Point Review Plan.

A decision point means the juncture in treatment where a determination must be made about the continuation or choice of further treatment of an **identified injury**.

(2) **Coverage For Diagnostic Tests**

(a) In addition to the care path requirements for an **identified injury**, the administration of any of the following diagnostic tests is also subject to the requirements of our Decision Point Review Plan:

(i) Brain audio evoked potential (BAEP);
(ii) Brain evoked potential (BEP);
(iii) Computer assisted tomographic studies (CT, CAT Scan);
(iv) Dynatron/cyber station/cybex;
(v) Electroencephalogram (EEG);
(vi) H-reflex Study;
(vii) Magnetic resonance imaging (MRI);
(viii) Needle electromyography (needle EMG);
(ix) Nerve conduction velocity (NCV);
(x) Somasensory evoked potential (SSEP);
(xi) Sonogram/ultrasound;

(xii) Videofluorosocpy;

(xiii) Visual evoked potential (VEP); or

(xiv) Any other diagnostic test that is subject to the requirements of our Decision Point Review Plan by New Jersey law or regulation.

(b) The diagnostic tests listed under Paragraph (2)(a) must be administered in accordance with New Jersey Department of Banking and Insurance regulations which set forth the requirements for the use of diagnostic tests in evaluating injuries sustained in **auto accidents**.

However, those requirements do not apply to diagnostic tests administered during **emergency care.**

(c) **We** will pay for other diagnostic tests that are:

(i) Not subject to our Decision Point Review Plan; and

(ii) Not specifically excluded under EXCLUSION 1.l.;

only if administered in accordance with the criteria for medical expenses as provided in this ENDORSEMENT.

(3) **Decision Point Review Plan**

(a) Coverage for certain medical expenses under this Addendum is subject to our Decision Point Review Plan, which provides appropriate notice and procedural requirements that must be adhered to in accordance with New Jersey law or regulation. **We** will provide a copy of this plan upon request, or in the event of any claim for medical expenses under this coverage.

(b) Our Decision Point Review Plan includes the following minimum requirements as prescribed by New Jersey law or regulation:

(i) The requirements of the Decision Point Review Plan only apply after the tenth day following the **occurrence**.

(ii) **We** must be provided prior notice as indicated in our plan, with appropriate

clinically supported findings, that additional treatment for an **identified injury** or the administration of a diagnostic test listed under Paragraph (2)(a) is required.

The notice and **clinically supported** findings may include a comprehensive treatment plan for additional treatment.

(c) Once **we** receive such notice with the appropriate **clinically supported** findings, **we** will, in accordance with our plan:

(i) Promptly review the notice and supporting materials; and

(ii) If required as part of our review, request any additional medical records or schedule a physical examination.

(d) **We** will then determine and notify the **eligible injured person** or the **insured person** whether **we** will provide coverage for the additional treatment or diagnostic test as indicated in our plan. Any determination **we** make will be based on the determination of a **health care provider**.

(e) Any physical examination of an **eligible injured person** or **insured person** scheduled by **us** will be conducted in accordance with our plan.

(f) A penalty will be imposed in accordance with **our** plan if:

(i) **We** do not receive proper notice and **clinically supported** findings;

(ii) **We** are not provided medical records if requested by **us**; or

(iii) Any **eligible injured person** or **insured person** fails to appear for the physical examination if required by **us**.

g. **Dispute Resolution**

If **we** and any person seeking Personal Injury Protection Coverage do not agree as to the recovery of Personal Injury Protection Coverage under this Addendum, then the matter may be submitted to dispute resolution, on the initiative of any party to the dispute, in accordance with New Jersey law or regulation.

Any request for dispute resolution may include a request for

review by a medical review organization.

3. The following Condition is added for **Personal Injury Protection** and **Pedestrian Personal Injury Protection:**

COORDINATION AND NON-DUPLICATION

a. Regardless of the number of **autos** insured for basic personal injury protection coverage pursuant to Section 4 of the New Jersey Automobile Reparation Reform Act or the number of insurers or policies providing such coverage, there shall be no duplication of payment of basis personal injury protection benefits and the aggregate maximum amount payable under this and all applicable policies with respect to **bodily injury** to any one person as the result of any one **occurrence** shall not exceed the applicable amounts or limits specified in Section 4 of said Act.

b. If an **eligible injured person** under this coverage is also an **eligible injured person** under other complying policies, the insurer paying benefits to such person shall be entitled to recover from each of the other insurers an equitable pro rata in the proportion that the insurer's liability bears to the total of all applicable limits. Complying Policy means a Policy of automobile liability insurance maintained pursuant to the requirements of Section 3 of the New Jersey Automobile Reparation Reform Act and providing basic personal injury protection coverage as approved by the Commissioner of Insurance.

4. The following Condition is added for **Personal Injury Protection:**

MEDICAL PAYMENTS DELETION

In consideration of the Coverage provided for Personal Injury Protection and in Paragraphs A.1. and A.2. of this Addendum, and the adjustment of applicable rates because of **bodily injury** to an **eligible injured person**, any auto medical payments coverage provided under the coverage part is deleted with respect to an **auto** which is a covered **auto.**

E. Definitions

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

1. The definition of **bodily injury** is replaced by the following:

   Bodily injury means bodily harm, sickness or disease, including an **identified injury** or death that results.

2. The following definitions are added for **Personal Injury Protection,** and **Pedestrian Personal Injury Protection:**

   a. **Actual benefits** means those benefits determined to be payable for **allowable expenses**.

   b. **Allowable expense** means a medical necessary, reasonable and customary item of expense covered as benefits by the **named insured's** or **family member's** health benefits plan or personal injury protection benefits as an **eligible expense**, at least in part. When benefits provided are in the form of services, the reasonable monetary value of each such service shall be considered as both an **allowable expense** and a paid benefit.

   c. **Clinically supported** means that a **health care provider**, prior to selecting, performing or ordering the administration of a treatment or diagnostics test, has:
      (1) Physically examined the **eligible injured person** or **insured person** to ensure that the proper medical indications exist to justify ordering the treatment or test;
      (2) Made an assessment of any current and/or historical subjective complaints, observations, objective findings, neurologic indications, and physical tests;
      (3) Considered any and all previously performed tests that relate to the injury and the results and which are relevant to the proposed treatment or test; and
      (4) Recorded and documented these observations, positive and negative findings and conclusions on the **insureds** medical records.

   d. **Eligible expense** means:

      (1) In the care of health benefits plans, that portion of the medical expenses incurred for the treatment of **bodily**

injury which is covered under the terms and CONDITIONS of the plan, without application of the deductible(s) and co-payment(s), if any.

(2) In the case of personal injury protection benefits, that portion of the medical expenses incurred for the treatment of **bodily injury** which, without considering any deductible and co-payment, shall not exceed:

(a) The percent or dollar amounts specified on the medical fee schedules, or the actual billed expense, whichever is less; or

(b) The reasonable amount, as determined by us, considering the medical fee schedules for similar services or equipment in the region where the service or equipment was provided, when an incurred medical expense is not included on the medical fee schedules.

e. **Emergency care** means all treatment of a **bodily injury** which manifests itself by acute symptoms of sufficient severity such that absence of immediately attention could reasonably be expected to result in death, serious impairment to bodily functions or serious dysfunction to a bodily organ or part. Such emergency care shall include all medical necessary care immediately following an **occurrence**, including but not limited to, immediate pre-hospitalization care, transportation to a hospital or trauma center, emergency room care, surgery, critical and acute care. Emergency care extends during the period of initial hospitalization until the patient is discharged from acute care by the attending physician. Emergency care shall be presumed when medical care is initiated at a hospital within 120 hours of the **occurrence**.

f. **Family member** means a person related to the **named insured** by blood, marriage or adoption (including a ward or foster child) who is a resident of the same household as the **named insured**.

g. **Health care provider** means those persons licensed or certified to perform health care treatment or services compensable as medical expenses and shall include, but not be limited to:

(1) Hospital or healthcare facilities that are maintained by a State or any of its political subdivisions or licensed by the

Department of Health and Senior Services.

(2) Other hospitals or health care facilities designated by the Department of Health and Senior Services to provide health care services, or other facilities, including facilities for radiology and diagnostic testing, free-standing emergency clinics or offices, and private treatment centers;

(3) A non-profit voluntary visiting nurse organization providing health care services other than in a hospital;

(4) Hospitals or other health care facilities or treatment centers located in other states or nations;

(5) Physicians licensed to practice medicine and surgery;

(6) Licensed chiropractors, dentists, optometrists, pharmacists, chiropodists (Podiatrists), psychologists, physical therapists, health maintenance organizations, orthotics and prosthetics, professional nurses occupational therapists, speech language pathologists, audiologists, physician assistants, physical therapists assistants and occupational therapy assistants;

(7) Registered bio-analytical laboratories;

(8) Certified nurse-midwives and nurse practitioners/clinical nurse-specialists; or

(9) Providers of other health care services or supplies including durable medical goods.

h. **Identifiable injury** means the following **bodily injuries** for which the New Jersey Department of Banking and Insurance has established standard courses of medically necessary diagnosis and treatment;

(1) Cervical Spine: Soft Tissue Injury;

(2) Cervical Spine: Herniated Disc/Radiculopathy;

(3) Thoracic Spine: Soft Tissue Injury;

(4) Thoracic Spine: Herniated Disc/Radiculopathy;

(5) Lumbar-Sacral Spine: Soft Tissue Injury;

(6) Lumbar-Sacral Spine: Herniated disc/Radiculopathy; and

(7) Any other **bodily injury** for which the New Jersey Department of Banking and Insurance has established standard courses of appropriate diagnosis and treatment.

i. **Income** means salary, wages, tips commissions, fees and other earnings derived from work or employment.

j. **Income producer** means a person who, at the time of the **occurrence**, was in an occupational status, earning or producing income.

k. **Named insured** means the person or organization named in General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #PK1019016, if an individual, includes his or her spouse if the spouse is a resident of the household of the **named insured**, except that if the spouse ceases to be a resident of the same household, the spouse shall be a **named insured** for the full term of the Policy in effect at the time of cessation of residency. If the covered **auto** is owned by a farm family co-partnership or corporation, the term **named insured** also includes the head of the household of each family designated in the Policy as having a working interest in the farm.

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

m. **Private passenger auto** means a self-propelled vehicle designed for use principally on public roads and which is one of the following types:

(1) A private passenger or station wagon type auto;
(2) A van, a pickup or panel truck or delivery sedan; or
(3) A utility auto designed for personal use as a camper or motor home or for family recreational purposes

A **private passenger auto** does not include:

(a) A motorcycle;
(b) An auto used as a public or livery conveyance for passengers;
(c) A pickup or panel truck, delivery sedan or utility auto customarily used in the occupation, profession or business of an **insured** other than farming or ranching; or
(d) A utility auto customarily used for the transportation of passengers other than members of the user's family or their guests.

3. The following definition is added to the **Definitions** Section for **Personal Injury Protection**:

Eligible injured person means:

a. The **named insured** and, if the **named insured** is an individual, any **family member**, if the **named insured** or the **family member** sustains **bodily injury**:
   (1) As a result of any **occurrence** while occupying, using, entering into or alighting from a **private passenger auto**, or
   (2) While a **pedestrian**, caused by a **private passenger auto** or by an object propelled by or from a **private passenger auto.**

b. Any other person who sustains **bodily injury**:
   (1) While, with **your** permission, that person is occupying, using, entering into or alighting from the covered **auto**; or
   (2) While a **pedestrian**, caused by the covered **auto** or as a result of being struck by an object propelled by or from the covered **auto.**

4. The following are added to the **Definitions** Section for **Pedestrian Personal Injury Protection**:

a. **Eligible injured person** means:
   A person who sustains **bodily injury** while a **pedestrian**, caused by an **Insured motor vehicle** or as a result of being struck by an object propelled by or from the **insured motor vehicle.**

b. **Insured motor vehicle** means a self-propelled motor vehicle designed for use principally on public roads, which is not a **private passenger auto** and to which the liability coverage of this Coverage Form applies.

ADDENDUM II

2017 Risk Management Plan
Addendum #2
New Jersey Uninsured Motorists Coverage

With respects to coverage provided by this Addendum, the provisions of Policy #CP0513640 – Coverage forms CA 00 01 12 93, IL 00 17 11 98, IL 00 21 07 02, IL 02080702 apply unless modified by this Addendum.

This Addendum is effective January 1, 2017.

Limit of Insurance:

Bodily Injury:	$15,000 per person
	$30,000 per accident
Property Damage:	$ 5,000 per accident

A. Coverage
   1. **We** will pay all sums the insured is legally entitled to recover as compensatory damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from bodily injury sustained by the insured, or **property damage** caused by an accident. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an **uninsured motor vehicle**.

   2. Any judgment for damages arising out of a suit brought without **our** written consent is not binding on **us**.

B. Who is An Insured
   If the Named Insured is designated in the General Endorsements (SNS Gen **01-01** (04/10) and SNS GEN **01-06** (04-10) of Policy #PK1019016 as:
   1. An individual, then the following are insured:
      i. The Named Insured and any family members.
      ii. Anyone else **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
      iii. Anyone for damages he or she is entitled to recovery because of bodily injury sustained by another insured.
   2. A partnership, limited liability company, corporation or any other form of organization, then the following are insureds:
      i. Anyone **occupying** a covered auto or a temporary substitute for a covered auto. The covered auto must be out of service because of its breakdown, repair, servicing, loss or destruction.
      ii. Anyone for damages he or she is entitled to recover because of bodily injury sustained by another insured.

C. Exclusions
   This insurance does not apply to any of the following:
   1. With respect to an **uninsured motor vehicle**, any claim settled without our consent.

2. Damages for pain, suffering and inconvenience resulting from bodily injury caused by an accident involving an **uninsured motor vehicle** unless the injured person has a legal right to recover damages for such pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act. The injured person's legal right to recover damages for pain, suffering and inconvenience under the New Jersey Automobile Reparation Reform Act will be determined by the liability tort limitation, if any, applicable to that person.
3. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
4. The direct or indirect benefit of any insurer of property.
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
6. **Property damage** for which the Insured had been or is entitled to be compensated by other property or physical damage insurance.
7. The first $500 of the amount of **property damage** to the property of each insured as the result of any one accident.
8. **Property damage** caused by a hit-and-run vehicle.
9. Punitive or exemplary damages.
10. Bodily injury or **property damage** sustained by an Insured who Is an owner of a motor vehicle:
    i. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation; or
    ii. Required to be insured in accordance with New Jersey law or regulation, but not insured for this coverage or any similar coverage.

    However, this exclusion does not apply to an individual Named Insured, and such Named Insured's spouse, unless the individual Named Insured or such Named Insured's spouse are **occupying**, at the time of an accident, a motor vehicle described in Subparagraph a. or b. under Item B Who is An Insured.

D. Limit of Insurance
1. Regardless of the number of covered autos, insureds, premiums paid, claims made or vehicles involved in the accident, the Limit of Insurance shown in this Addendum for Uninsured Motorists Coverage is the most we will pay for all damages resulting from any one accident with an **uninsured motor vehicle**.
    i. However, subject to our maximum limit of Insurance for this coverage, if:
        1. An insured is not the individual named insured under this Coverage;
        2. That Insured is an individual named insured under one or more other policies providing similar coverage; and
        3. All such other policies have a limit of insurance for similar coverage which is less than the Limit of Insurance for this coverage; then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage from or policy providing coverage to that insured as an individual named insured.

ii. However, subject to our maximum Limit of Insurance for this coverage, if;
    1. An insured is not the individual named insured under this Addendum or any other policy;
    2. That insured is insured as a **family member** under one or more other policies providing similar coverage; and
    3. All such other policies have a limit of insurance for similar coverage which is less than the Limit o f Insurance for this coverage;

    Then the most **we** will pay for all damages resulting from any one accident with an **uninsured motor vehicle** shall not exceed the highest applicable limit of insurance under any coverage form or policy provide coverage to that Insured as a **family member**.

2. With respect to damages resulting from an accident involving an **uninsured motor vehicle, we** will not make a duplicate payment under this Coverage for any element of loss for which payment has been made by or for anyone who is legally responsible.

3. No one will be entitled to receive duplicate payments for the same elements of loss under this Addendum and any Liability Coverage Form or Endorsement within Policy #PK1019016.

   We will not pay for element of loss if a person is entitled to receive payment for the same elements of loss under any personal injury protect benefits.

E. Conditions
All "Other Insurance" Conditions stated in Policy #CP0513640 are deleted in their entirely and replaced with the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

1. The maximum recovery under all coverage forms or policies combined may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage on either a primary or excess basis.
   However, if an Insured is:
   i. An individual named insured under one or more policies providing similar coverage; and
   ii. Not **occupying** a vehicle owned by that individual named insured;

   then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or policy provided coverage to that insured as an individual named insured.

   However, if an insured is:
   i. Insured as a family member under one or more policies providing similar coverage;

and

ii. Not an individual named insured under this or any other Policy;

then any recovery for damages for bodily injury or **property damage** for that insured may equal but not exceed the highest applicable limit for any one vehicle under any coverage form or Policy provided coverage to that insured as a **family member**.

2. Any insurance provided with respect to a vehicle the Named Insured does not own shall be excess over any other collectible uninsured motorist's insurance providing coverage on a primary basis.

3. If the coverage under this Addendum is provided:
   i. On a primary basis, **we** will pay only **our** share of the loss that must be paid under insurance providing coverage on a primary basis. Our share is the proportion that **our** limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.
   ii. On an excess basis, **we** will pay **only** our share of the loss that must be paid under insurance providing coverage on an excess basis. **Our** share is the proportion that our limit of liability bears to the total of all applicable limits of liability for coverage on an excess basis.

F. Duties In The Event of Accident
All provisions as stated in Policy #PK1019016 and the following:
1. Promptly notify the policy if a hit-and-run driver is involved; and
2. Promptly send **us** copies of the legal papers if a suit is brought.

G. Transfer of Rights of Recovery Against Others To Us
If **we** make any payment and the insured recovers from another party, the insured shall hold the proceeds in trust for us and pay us back the amount we have paid.

H. Arbitration
1. If **we** and an insured disagree whether the insured is legally entitled to recover damages from the owner or driver of an uninsured motor vehicle or do not agree as to the amount of damages that are recoverable by that insured, then the matter may be arbitrated. However, disputes concerning coverage under this Addendum may not be arbitrated. Either party may make a written demand for arbitration. In this event each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expense it incurs and bear the expenses of the third arbitrator equally.
2. Unless both parties agree otherwise, arbitration will take place in the county in which the insured lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

G. Additional Definitions

1. **Family member** means a person related to an individual Named Insured by blood, marriage, or adoption who is a resident of such Named Insured's household, including a ward or foster child.
2. **Insured/we/us/our** means Gloucester County Insurance Commission
   Occupying means in, upon, getting in, on, or out off.
3. **Property damage** means damage to a covered auto, or to any property of an insured while contained in a covered auto.
4. **Uninsured motor vehicle** means a land motor vehicles or trailer:
   i. For which no liability bond or policy applies as the time of an accident;
   ii. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
   iii. That, with respect to damages for bodily injury only, is as hit-and-run vehicle whose operator or owner cannot be indentified and that hits, or causes an accident resulting in bodily injury without hitting:
      1. An individual Named Insured or any family member;
      2. A vehicle that the Named Insured or any family member, if the Named Insured is an individual, and occupying; or
      3. a covered auto.

   However, uninsured motor vehicle does not include any vehicle:
   i. Owned by or furnished or available for the regular use of the Named Insured or any family member, if the Named Insured is an individual;
   ii. Owned or operated by a self –insured under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
   iii. Owned by any government unit or agency;
   iv. Insured under a basic automobile insurance policy issued in accordance with New Jersey law or regulation;
   v. Operated on rails or crawler treads;
   vi. Designed for use mainly off public roads while not on public roads;
   vii. Whiled located for use as a residence or premises.