

In New Jersey, auto insurance is mandatory, and this guide serves to help consumers understand their policy options and make informed decisions. It stresses the importance of evaluating personal needs, such as home ownership, asset protection, and health insurance coverage for injuries resulting from auto accidents, prior to selecting a policy. Consumers possess rights, including the right to be informed about coverage options, the ability to shop for insurance at any time, and the option to change coverages or limits even outside of renewal periods. The policy outlines various coverages, notably Personal Injury Protection (PIP), which covers medical expenses and lost wages regardless of fault, and liability coverage, which compensates others for damages caused by the insured. There are two primary types of policies available: the Standard Policy, which offers a broader range of coverage options and higher limits, and the Basic Policy, which is more affordable but provides limited benefits sufficient to meet minimum legal requirements. Additionally, a Special Policy for Medicaid recipients is available, offering limited medical coverage at a low annual cost. Key terms such as limits, defining the maximum payout, and deductibles, which are out-of-pocket expenses before insurance coverage begins, are clarified. The guide also discusses additional coverages like Uninsured and Underinsured Motorist Coverage, protecting against accidents involving drivers lacking sufficient insurance, as well as Comprehensive and Collision Coverage for vehicle damage from various incidents.

The policy further elaborates on two options regarding the right to sue following an auto accident: the Unlimited Right to Sue and the Limited Right to Sue. The Unlimited Right to Sue permits the insured to sue the responsible party for pain and suffering without restrictions, while the Limited Right to Sue restricts the insured's ability to sue for pain and suffering unless specific permanent injuries occur, such as loss of a body part, significant disfigurement, a displaced fracture, loss of a fetus, permanent injury, or death. Medical expenses and certain economic losses from auto accidents will be covered up to the limits of the PIP coverage, irrespective of the lawsuit option chosen. It is crucial to note that insurance companies and their representatives are not liable for the insured's choice of lawsuit option or coverage amounts. If no choice is made, the Limited Right to

Sue option is imposed by law, and the insured cannot sue the insurer for this limitation. The policy also details various coverage options, including liability for bodily injury and property damage, PIP medical expense limits, and uninsured/underinsured motorist coverage, with different deductible amounts available. Additional PIP options, such as income continuation and funeral expenses, can be either declined or selected. For further assistance, the policy provides contact information for the New Jersey Department of Banking and Insurance, emphasizing that this guide is intended for general information and is not a substitute for the actual policy language. Overall, the guide serves as a comprehensive resource for New Jersey drivers to effectively navigate their auto insurance options.