

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION
POLICYHOLDER NOTICE
DWELLING POLICY PROGRAM
(2002) EDITION

Dear Policyholder,

The form and endorsements made part of the renewal policy you have received differs from those in your former policy. Some changes give you more coverage and some reduce coverage. There are other changes that do not affect the level of coverage provided in your former policy. They were made to help you better understand your policy. This Policyholders Notice summarizes the main changes we made to your policy.

NO COVERAGE IS PROVIDED BY THIS NOTICE; NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISION OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATION PAGE FOR COMPLETE INFORMATION ON THE COVERAGES THAT YOU ARE PROVIDED. IF THERE IS A CONFLICT BETWEEN THE POLICY AND THIS SUMMARY, THE POLICY SHALL PREVAIL.

I. BROADENINGS OF COVERAGE

A. Coverages

Coverage B – Other Structures Used for Business

Coverage now applies to an other structure on the Described Location that contains commercial, manufacturing or farming property solely owned by an insured or a tenant of the dwelling. However, there is no coverage for the structure if any of the stored commercial, manufacturing or farming property includes gaseous or liquid fuel other than fuel in a vehicle or craft parked in the structure.

Coverage C – Property Not Covered – Fund Transfer Card

This term is now referred to as “electronic fund transfer cards and access devices” because other types of devices (for example, a personal computer) are increasingly being used to electronically transfer funds or to buy and sell goods and services.

Smoke

Coverage has been broadened to pay for damage caused by the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

C. Conditions

Suit Against Us

We increased the time limit for an insured to bring suit against us from *one to two years*.

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II. REDUCTIONS IN COVERAGE

A. Coverages

Coverage C – Property Not Covered

1. *Accounts, Bank Notes, etc.*

Certain instruments that serve as a substitute for cash, such as: scrip and stored value and smart cards, are included within the items in the Property Not Covered provision for accounts and bank notes.

2. Grave Markers

In your former policy, a grave marker you own was covered either under Coverage B – Other Structures, if located on the Described Location and considered real estate, or under Coverage C – Personal Property, if not considered real estate and located on or away from the Described Location. We have revised both Coverage B and C to indicate that there is no coverage for gravemarkers.

C. Exclusions

Governmental Action

We now exclude the destruction, confiscation, or seizure of covered property by order of any governmental or public authority. However, this exclusion does not apply to action taken by the authority at the time of a fire to prevent its spread.

D. Conditions/Other Insurance and Service Agreement

We added 'Service Agreement' to the Other Insurance Condition because of the proliferation of home warranties and appliance service and maintenance agreements that could result in payment by this policy and the warranty or maintenance contract when both cover the same property involved in a loss. Therefore, this insurance will be excess over any compensation you receive as a result of the service or maintenance agreement.

Suit Against Us

We also revised this condition to state that such action cannot be brought until there is full compliance with all of the terms of the policy.

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III. OTHER CHANGES

The following changes were made to more explicitly express the level of coverage provided for the policy provisions noted below. However, they could result in a change in coverage depending on the circumstances of a given claim and our prior claims handling practices.

A. Property Coverages

Coverage C – Personal Property
Covered Property (Property of Others)

We revised this provision to emphasize that you can apply your Coverage C limit to personal property of a guest or servant **after a loss** to such property occurs.

2. Property Not Covered

a. Platinumware

This provision is revised to apply only to platinum, not platinumware.

b. Hovercraft

We are now explicitly stating that no coverage exists for hovercrafts.

c. Motor Vehicles

Your former policy and this policy do not cover motor vehicles, their accessories and equipment except for vehicles **not** registered and not required to be registered for use on public roads or property and: 1) designed to assist the handicapped; or 2) used to service Described Location (for example, a motorized lawn tractor, snowplow or garden cart). This provision has been revised to state that **'parts'** are included with accessories and equipment and that coverage for service vehicles only applies to a vehicle that is used **solely** to service an insured's residence.

d. *Water or Steam*

Water or steam transported through mains or in bulk to the Described Location is considered a utility, much like electricity and natural gas. Therefore, it is not real or personal property and as a consequence, not covered under this or your former policy. To eliminate any questions on this point, we added water and steam to the list of property not covered.

D. Exclusions

1. *Introductory Paragraph*

To emphasize that the exclusions named in the policy apply to both catastrophic and non-catastrophic loss situations, this paragraph is revised to state that the exclusions apply *whether or not* the excluded event causes widespread damage or affects a substantial area.

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III. OTHER CHANGES (Cont'd)

2. *Water Damage*

We revised the 'water back-up' and 'subsurface water' exclusions to state that they also apply to damage caused by *water-borne material*. In addition, we revised the 'sump overflow' exclusion to state that it applies to water and water-borne material that overflows *or is discharged* from a sump, sump pump or related equipment.

3. *Earth Movement and Water Damage*

To point out that coverage is excluded not only for naturally occurring events, we added language to those exclusion to indicate that they apply even if the excluded event is *caused by or results from human or animal forces*.

4. *Intentional Loss*

We added text to this exclusion to point out that there is no coverage for ALL insureds if an insured commits or conspires to commit damage that results in an otherwise covered loss.

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