

Underinsured Motorist Benefits Held Not Applicable

November 15, 2018 | by Christine McCarthy

In Cox vs. Tomasso and NJM Insurance Group (A-0106-17T2), the Appellate Division upheld NJM's exclusion to an UIM policy. In that matter, the Plaintiff was injured while operating a motorcycle. The motorcycle was insured with Rider Insurance company, carrying liability limits of \$15,000. The Plaintiff had a separate automobile insurance policy with NJM which had a \$500,000 underinsured motorist policy limit. The tortfeasor had a \$25,000 liability policy.

In attempting to recoup UIM benefits up to \$500,000 from NJM, the Plaintiff argued that UIM coverage is "linked to the injured person, not the covered vehicle." However, the Court did not find that argument persuasive and upheld NJM's denial of UIM benefits. The Court reasoned the NJM's policy language was unambiguous. The policy clearly stated that if a claimant insured a vehicle with another insurance company and was a named insured on that policy, NJM would not provide UIM coverage for any incidents occurring while using that vehicle. The language specifically excluded the situation presented here, since plaintiff was injured while operating the motorcycle, insured by Rider Insurance Company.

Generally, the Court will "strive to give effect to the insured's reasonable expectations, and [will] construe genuinely ambiguous clauses favorably to the insured," however, the language in this case was so clear that the Court would not engage in any interpretations that would "write a better policy for the insured than the one purchased."