

New Jersey's Verbal Threshold Insurance Policy: Not Worth the Risk

All drivers are legally required to purchase automobile insurance. New Jersey drivers have a choice of three kinds of policies: a No Limitation on Lawsuit Policy, a Mini-Policy, or a Limitation on Lawsuit Policy. The third option, otherwise known as a Verbal Threshold policy, can greatly affect your rights when you are involved in a car accident, so it's important for New Jersey drivers to know what it is and how it works before choosing which policy to purchase.

A Verbal Threshold policy is cheaper to purchase than a No Limitation on Lawsuit Policy, also known as a Zero Threshold policy, and the lower price understandably appeals to many consumers. But while a Zero Threshold policy covers claims for all injuries sustained in New Jersey auto accidents, a Verbal Threshold Policy covers injury claims only when you can prove that the injuries meet one or more of the six criteria of the Verbal Threshold Statute:

- Death
- Dismemberment
- Loss of a fetus
- Significant disfigurement
- Displaced fracture
- A permanent injury

As the holder of a Verbal Threshold policy in New Jersey, if you cannot prove that the injuries sustained in your car accident meet one or more of those criteria, you will almost certainly not receive compensation from your insurance company. Additionally, when you choose a Verbal Threshold policy, your spouse and any children living your home are also automatically subject to the rules and limitations of the policy, and they too will have to go through the process described above if they are injured in a car accident and want to recover damages from the insurance company.

It's easy to understand why a consumer would opt for the lower priced option when choosing between different auto insurance policies. However, in the case of New Jersey auto insurance policy options, the cheaper Verbal Threshold policy will almost certainly save you money only in the short-term. The moment that you or any member of your family needs to file an insurance claim for any sort of injury sustained while in an automobile accident in New Jersey, the Verbal Threshold policy will become a financial burden, one that cannot be trusted to compensate you for your injuries. Yes, the Verbal Threshold policy will save you some money for a while. But it requires you to gamble with your health and safety. And that's simply not worth the risk.