

PUBLIC NOTICE

BANKING AND INSURANCE

DIVISION OF INSURANCE

OFFICE OF CONSUMER PROTECTION SERVICES

Notice of Receipt of Petition for Rulemaking

Licensing of Public Adjusters

N.J.A.C. 11:1-37

Petitioner: Michael Kramer.

Take notice that on May 19, 2014, the Department of Banking and Insurance (Department) received a petition for rulemaking from the above petitioner (dated May 15, 2014) requesting that the Department amend its rules regarding the licensure of public adjusters. Specifically, the petitioner requests the Department amend N.J.A.C. 11:1-37.13, which sets forth the requirements that must be contained in any written memorandum or contract between a licensed public adjuster and an insured. The petitioner requests that this rule be amended to require that such memorandum or contract inform insureds that:

1. The insured should consider signing a contract with a public adjuster only after the insured has given the insured's insurance company time to propose an initial settlement, which could be weeks or months;
2. The public adjuster typically has no ability to force the insurance company to move the process any faster and that signing before an initial settlement is received means the insured "just gave away 10% to 25% of their settlement to a Public Adjuster for nothing";

3. The insured has one year to dispute the insurer's initial settlement and at that point in time they can consider signing with a public adjuster or argue on their own behalf with their insurer; and

4. The public adjuster will provide time sheets and a detailed record of communication with the insurer pursuant to N.J.A.C. 11:1-37.13 and Bulletin No. 12-26, and, pursuant to N.J.A.C. 11:1-37.13(b)5ii, statements as to "rights and obligations of the parties once the contract is cancelled at any time."

The petitioner is requesting these amendments because, according to the petition, he was "scammed" by an out-of-State public adjuster after signing a contract for services related to his insurance claim that "provided no consumer protection." The petitioner successfully defended a lawsuit brought by the public adjuster seeking payment under the contract. In support of the petition, the petitioner asserted that it would be too costly for each New Jersey citizen to defend themselves against such "scammers" in a post-disaster situation.

In accordance with N.J.A.C. 11:1-15.3(b), the Department shall subsequently mail to the petitioner, and file with the Office of Administrative Law, a notice of action on the petitioner's request.