

INSURANCE

DEPARTMENT OF BANKING AND INSURANCE

OFFICE OF CONSUMER PROTECTION SERVICES

Licensing of Public Adjusters

Professional Qualifications

**Proposed Amendments: N.J.A.C. 11:1-37.1 through 37.6, 37.8, 37.10, 37.13, 37.14, and 37.18;
and 11:17-3.1 and 3.6**

Authorized By: Thomas B. Considine, Commissioner, Department of Banking and Insurance.

Authority: N.J.S.A. 17:1-8.1, 17:1-15(e), and 17:22B-1 et seq.

Calendar Reference: See Summary below for explanation of exception to the calendar requirement.

Proposal Number: PRN 2012-006.

Submit comments by March 3, 2012 to:

Robert J. Melillo, Chief
Legislation and Regulation
Department of Banking and Insurance
20 West State Street
P.O. Box 325
Trenton, NJ 08625-0325
Fax: (609) 292-0896
E-mail: legsregs@dobi.state.nj.us

The agency proposal follows:

Summary

N.J.S.A. 17:22B-1 et seq. (“the Act”) sets forth the requirements for licensure as a public adjuster in this State. The Department of Banking and Insurance (Department) adopted implementing rules at N.J.A.C. 11:1-37. This statute was amended on January 5, 2011, effective July 4, 2011, by P.L. 2010, c. 116. The amendments provide for a licensure term of public adjusters for a period of two years and require proof of completion of continuing education requirements as established by the Commissioner of Banking and Insurance (Commissioner) during each two-year licensure period. In addition, the amendments provide for the authorization of insurance education providers to offer public adjuster continuing education courses. The statutory amendments also prohibit any licensed public adjuster from soliciting the adjustment of a loss or damage occurring in this State from an insured, whether by personal interview, telephone, or by any other method, between the hours of 6:00 P.M. and 8:00 A.M. during the 24 hours after the loss has occurred.

The Department proposes to amend various sections of N.J.A.C. 11:1-37, as well as the requirements governing continuing education providers for insurance producers at N.J.A.C. 11:17-3, to implement the statute as amended. The Department is also proposing amendments to eliminate provisions which are no longer necessary. A summary of the proposed amendments follows.

N.J.A.C. 11:1-37.1 is proposed to be amended to add as one of the purposes of the subchapter to establish procedures for the continuing education of public adjusters in this State.

N.J.A.C. 11:1-37.2 is proposed to be amended to add definitions of “business entity,” “contact course,” “credit hour,” “home state,” “insurance education provider,” “interactive online course,” “nonresident,” and “self study or self directed course” to provide definitions of those terms as used in the rules as proposed to be amended.

N.J.A.C. 11:1-37.3(c) is proposed to be deleted as this refers to a four-year licensure period. The Department proposes to amend subsection (c) to provide that for licenses issued or renewed prior

to July 4, 2011, the standard term of public adjusters licenses shall be 16 licensing quarters. The Department also proposes to delete references to initial and renewal licenses in this subsection.

The Department proposes to amend N.J.A.C. 11:1-37.3 to provide new subsections (d) and (e) to provide the terms of individual and business entity public adjuster licenses, respectively, for the two-year licensure period.

N.J.A.C. 11:1-37.4(a) is proposed to be amended to add a reference to electronic online submissions of applications to allow for online processing when available, and to require provision of home and business e-mail addresses, if applicable. N.J.A.C. 11:1-37.4(a)2i, which provides for waivers of licensing examinations for applications received on or before March 7, 1995, is proposed to be deleted as these provisions are no longer applicable. Existing N.J.A.C. 11:1-37.4(a)2ii is proposed to now be codified as part of paragraph (a)2, and to change the reference to “not a resident” to “nonresident” as a matter of form.

N.J.A.C. 11:1-37.4(a)4 is proposed to be amended to delete the reference to fingerprint impressions taken on New Jersey State Police and Federal Bureau of Investigation fingerprint cards, together with the fees provided for processing, and to refer instead to properly completed criminal history request and fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting.

N.J.A.C. 11:1-37.4(a)7 is proposed to be amended to refer to electronic payment for online applications and to delete the reference to the fingerprint form processing fee because the fees for fingerprint processing are no longer paid to the Department but are paid to directly to the vendor.

N.J.A.C. 11:1-37.4(b)1 is proposed to be amended to add a reference to electronic online submissions of applications to allow for online processing when available. Also, N.J.A.C. 11:1-37.4(b)2 and 3 are proposed to be amended to change the references to filings with the Office of the

Secretary of State to the Department of the Treasury, Division of Revenue, to reflect the proper agency for the filing of such documents. N.J.A.C. 11:1-37.4(b)4 is proposed to be amended to delete the reference to fingerprint impressions taken on New Jersey State Police and Federal Bureau of Investigation fingerprint cards, together with the fees provided for processing, and to refer instead to properly completed criminal history request and fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting. In addition, an amendment to N.J.A.C. 11:1-37.4(b)4 is proposed to revise the reference to all owners of “five percent or more” of the business to refer to owners of “10 percent or more” of the business to be consistent with the standards for review of producer licensing applications.

N.J.A.C. 11:1-37.4(c) is proposed to be amended to revise the ZIP code plus four code to refer to the proper additional four-digit code.

N.J.A.C. 11:1-37.4(d), which relates to public adjusters with licenses effective on March 8, 1994, is proposed to be deleted as no longer applicable.

Existing N.J.A.C. 11:1-37.4(e) is proposed to be recodified as subsection (d) without amendment.

N.J.A.C. 11:1-37.4(f) is proposed to be recodified as subsection (e) and amended to refer to electronic online submissions and to delete the reference to a check or money order and to refer instead to the payment of the applicable licensing fee. This subsection is also amended at new paragraph (e)1 to reflect N.J.S.A. 17:22B-10, as amended by P.L. 2010, c. 116, which requires that for licenses initially issued on or after July 4, 2011 and for biennial licenses renewed on or after July 4, 2011, no resident individual public adjuster license shall be renewed unless the renewal applicant demonstrates that he or she has completed 15 credit hours of approved continuing education courses related to public adjusting during the previous license term. The courses must be obtained from an

education provider approved by the Department to offer public adjuster continuing education in accordance with N.J.A.C. 11:17-3. The proposed amendment also provides at new subparagraph (e)1i that pursuant to N.J.S.A. 17:22B-10c, the Commissioner may waive the continuing education requirement on an individual basis for reasons of hardship such as illness or disability, retirement of the license, or other good cause. The proposed amendment also provides at new paragraph (e)2 that for applications for renewal of a license to an individual who is a nonresident, the continuing education requirement may be waived if the applicant provides proof that he or she is currently licensed in his or her home state and the continuing education provisions for public adjusters in that state are substantially similar those of this State. Proposed new paragraphs (e)3, 4, and 5 reflect the provisions in N.J.A.C. 11:17-3.6(a)5, (b) and (c) regarding the receipt of credit for continuing education courses.

Existing N.J.A.C. 11:1-37.4(f)1 is proposed to be recodified as paragraph (e)6 without amendment. The Department also proposes to delete as unnecessary existing paragraph (f)2, providing that any licensee who does not desire renewal shall notify the Department by submitting the renewal application marked "Do Not Renew.". The Department proposes to amend paragraph (f)3 by recodifying it as paragraph (e)7 and by deleting the provision that an application for renewal may be submitted within 12 months of the date of the expiration of the license. The Department proposes to amend the paragraph to provide that if an applicant's license has lapsed for a period of less than one year, the applicant may apply for late renewal of the license within one year of the date the license expired if the evidence of proof of completion of continuing education credits is provided. If the Department accepts the late renewal, it shall be effective the date of receipt by the Department of the application for late renewal.

Existing N.J.A.C. 11:1-37.4(e)3i is proposed to be recodified as subsection (f) without amendment.

The Department proposes to amend N.J.A.C. 11:1-37.5(a)2 to change the reference from the Director of Licensing to Supervisor of Application Investigations to refer to the proper title, and to change references to the existing PO Box and ZIP code plus four code to include the proper four-digit code.

The Department proposes to amend N.J.A.C. 11:1-37.6(e)1 to change the term “reference number” to refer to “license number” as a matter of form.

N.J.A.C. 11:1-37.8(a) is proposed to be amended to delete the references to subparagraphs i and ii in the reference to N.J.A.C. 11:1-37.4(a)2 to provide the proper cross-reference to the rules as proposed to be amended.

N.J.A.C. 11:1-37.10(a)1 is proposed to be amended to include references to e-mail addresses as a matter of form.

N.J.A.C. 11:1-37.13 is proposed to be amended to add a new subsection (c) to reflect the provision in N.J.S.A. 17:22B-13a that prohibits a public adjuster from soliciting adjustment of a loss or damage occurring in this State from an insured, whether by personal interview, telephone or any other method, between the hours of 6:00 P.M. and 8:00 A.M. during the 24 hours after the loss has occurred. Existing subsection (c) is proposed to be recodified as subsection (d) without amendment.

N.J.A.C. 11:1-37.14(a)4, which provides that the Commissioner may deny, suspend, revoke or refuse to renew a public adjuster's license based on any violation of the Act or this subchapter, or for other specified acts or omissions, is proposed to be amended to add a reference to an “applicant” to be consistent with the application of that subsection. This rule also is proposed to be amended to include a new paragraph (a)15 as a potential violation of the rules to reflect a violation of N.J.S.A. 17:22B-13a as amended, as described in the discussion of the amendment at N.J.A.C. 11:1-37.13(c) above. Existing paragraphs (a)15 and 16 are proposed to be recodified as (a)16 and 17 without amendment.

N.J.A.C. 11:1-37.18(a) is proposed to be amended to change the former license fee of \$300.00 to \$50.00. This license fee reflects the amount of revenues that will be sufficient to offset the cost of the regulatory burdens imposed upon the Department by the Act as amended by P.L. 2010, c. 116. In addition, the Department proposes to delete N.J.A.C. 11:1-37.18(a)5 to delete the reference to fingerprint processing fees, as these fees are now paid directly to the State vendor. In addition, subsection (d), stating that amendments to the fee schedule set forth in subsections (a) and (b) may be promulgated subsequent to March 7, 1995, is proposed to be deleted as no longer necessary. Existing subsection (e) is proposed to be recodified as subsection (d) without amendment.

N.J.A.C. 11:17-3.1, which relates to the approval of insurance producer education programs, is proposed to be amended to refer to continuing education for public adjusters.

N.J.A.C. 11:17-3.6(g) is similarly proposed to be amended to reference public adjusters. In addition, this subsection is proposed to be amended to provide that credits for the completion of courses approved for both insurance producer and public adjuster licensees may be awarded toward only one renewal requirement. (That is, a person licensed as both an insurance producer and a public adjuster who takes a course approved for both producer and public adjuster continuing education, may only be awarded credit in satisfaction of one of the license's continuing education requirements.) The instructor teaching the course may be deemed to have completed it for the purpose of securing continuing education credit. Regardless of the number of times they teach it, instructors may only receive credit once for teaching any one approved course once during each license cycle as set forth above.

A 60-day comment period is provided for this notice of proposal, and, therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, the proposal is not subject to the provisions of N.J.A.C. 1:30-3.1 and 3.2 governing rulemaking calendars.

Social Impact

The proposed amendments implement N.J.S.A. 17:22B-1 et seq., as amended by P.L. 2010, c. 116, to require, as a condition of renewal of a public adjuster license, completion of at least 15 hours of continuing education requirements, to revise the public adjuster licensure term to two years, and to prohibit solicitation by public adjusters between the hours of 6:00 P.M. and 8:00 A.M. during the 24 hours after a loss has occurred. The proposed amendments regarding continuing education will help ensure that public adjusters continue to be knowledgeable of the statutes and rules governing the areas for which they are licensed, thereby benefiting the public. The provision restricting solicitation by public adjusters will benefit the public by ensuring that they are not subjected to such solicitations during times immediately following an insured loss when, in many cases, consumers are preoccupied with more immediate concerns.

Economic Impact

The economic impact of the proposed amendments is primarily the result of the statutory amendments. Public adjusters will be required to bear any costs associated with completing the required 15 hours of continuing education during the two-year licensure period. As noted in the Social Impact above, the proposed amendments implement the intent of the Legislature as expressed in P.L. 2010, c. 116, to require that public adjusters complete at least 15 hours of continuing education to help ensure that they are knowledgeable in the areas for which they are licensed and can better serve New Jersey policyholders. Accordingly, the benefits to be achieved outweigh any additional costs that may be imposed. No additional professional service should be required to comply with the proposed amendments.

Persons seeking to provide continuing education for public adjusters who are not currently approved as insurance education providers will be required to become approved in accordance with N.J.A.C. 11:17-3, and thereby fulfill the requirements to become an approved continuing education provider for producers. Also, most, if not all, of the current programs for producers could be used for public adjusters. Any costs imposed on these providers will be recouped by fees they charge for the courses.

Federal Standards Statement

A Federal standards analysis is not required because the proposed amendments are not subject to any Federal requirements or standards.

Jobs Impact

The Department does not anticipate that any jobs will be generated or lost as a result of the proposed amendments.

The Department invites commenters to submit any data or studies on the potential jobs impact of the proposed amendments together with their comments on other aspects of the proposal.

Agriculture Industry Impact

The proposed amendments will not have any impact on the agriculture industry in New Jersey.

Regulatory Flexibility Analysis

The proposed amendments will apply to “small businesses,” as that term is defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. To the extent that the proposed amendments apply to small businesses, they will apply to licensed public adjusters in the State and licensed education providers. Any costs to licensed education providers will be compensated through the fees they may charge for providing continuing education courses. As noted in the Economic Impact above, public adjusters will be required to pay for the completion of the 15-hour continuing education requirements for each two-year licensure period. This requirement, however, is imposed by statute. In addition, any additional costs should be minimal. No additional professional services should be required to comply with the proposed amendments.

The proposed amendments provide no differentiation in compliance requirements based on business size. As noted in the Summary and Social and Economic Impacts above, the proposed amendments implement N.J.S.A. 17:22B-1 et seq., as amended by P.L. 2010, c. 116, which provides for a two-year licensure period, requires as a condition of license renewal of a public adjuster complete 15 hours of continuing education during that two-year licensure period, and prohibits contact by a public adjuster regarding a loss between the hours of 6:00 P.M. and 8:00 A.M. during the 24 hours after a loss has occurred. The intent of these proposed amendments thus is to help ensure that public adjusters better serve New Jersey policyholders when providing adjustment services. The statute provides no differentiation in compliance requirements based on business size. Accordingly, differentiation would not be feasible or consistent with the intent of the Legislature.

Housing Affordability Impact Analysis

The proposed amendments will not have an impact on housing affordability in this State in that the proposed amendments relate to the licensure of public adjusters.

Smart Growth Development Impact Analysis

The proposed amendments will not have an impact on smart growth in this State and there is an extreme unlikelihood that the rules would evoke a change in housing production in Planning Areas 1 and 2 or within designated centers under the State Development and Redevelopment Plan in New Jersey in that the proposed amendments relate to the licensure of public adjusters.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 37. LICENSING OF PUBLIC ADJUSTERS

11:1-37.1 Purpose and scope

(a) The purpose of this subchapter is to establish procedures for the examination, licensing, **continuing education**, and conduct of persons acting as public adjusters in this State.

(b) –(c) (No change.)

11:1-37.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Business entity” means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

...

“Contact course” means a classroom presentation, seminar, lecture, or teleconference with monitored attendance and an instructor present.

“Credit hour” means one hour of credit based on classroom attendance or an approved hour for seminars and self-study calculated in accordance with the provisions of N.J.A.C. 11:17-3.6(b).

...

“Home state” means the District of Columbia, and any state or territory of the United States in which the public adjuster maintains his or her principal place of residence or principal place of business and is licensed to act as a resident public adjuster.

“Insurance education provider” means any insurance school, authorized insurer, recognized producer, public adjuster or insurance trade association, accredited college, university or trade school, or other institution or organization that is approved by the Department in accordance with N.J.A.C. 11:17-3 to provide continuing education for insurance public adjusters in this State.

“Interactive online course” means a computer online or Internet course with an internal testing program that can monitor if the licensee responded with at least 70 percent correct answers without access to online materials.

“Nonresident” means a person for whom a state other than New Jersey has been designated the home state for the purposes of licensure.

...

“Self-study or self-directed course” means a continuing education course with study material in text, video, audio, or computerized format including interactive online courses, that is completed by successfully passing a test of the subject matter.

...

11:1-37.3 General licensing requirements

(a) – (b) (No change.)

[(c) A license issued by the Commissioner shall only be valid until the expiration date indicated on the license.

1. For applications filed on or before March 7, 1995, the initial license term shall expire January 31, 1999.

2. For applications filed after March 7, 1995]

(c) **For licenses issued or renewed prior to July 4, 2011**, the standard term of [initial and renewal] public adjusters licenses shall be 16 licensing quarters. Licensing quarters shall begin on the first day of February, May, August, and November of each year. Licenses shall expire in the fourth year on the last day of the quarter before the quarter in which the license was effective.

(d) **The terms of individual public adjuster licenses are established as set forth below.**

1. **The first term of licenses that are initially issued, or of licenses that were previously in effect and are initially renewed, on or after July 4, 2011 shall expire on the last day of the birth month of the public adjuster in the year that will result in the term of the license being at least 18 months.**

2. **Commencing on the first license expiration on the last day of the birth month of an individual public adjuster as set forth in (d)1 above, all such licenses shall thereafter expire biennially on the last day of the birth month of the individual public adjuster that is two years subsequent to the preceding expiration date.**

i. For example, if a public adjuster whose birth month is March is initially licensed on February 1, 2012, the second birth month after the February 1, 2012 issue date is March 2013 (less than 18 months). In this case, the first renewal would be March 31, 2014, and subsequent renewals would be on March 31, 2016, March 31, 2018, and so on. If the birth month was September, the second September 30 following the February 1, 2012 issue date would be September 30, 2013, more than 18 months from issuance. Thus, the license would initially renew on September 30, 2013 and thereafter on September 30, 2015, September 30, 2017, and so on.

(e) The terms of business entity public adjuster licenses are established as set forth below.

1. The first term of licenses initially issued, or of licenses that were previously in effect and are initially renewed, on or after July 4, 2011 shall expire on May 31 of the first year that will result in the term of the license being at least 18 months.

2. Commencing on the first license expiration on a May 31 date as set forth in (e)1 above, all such licenses shall thereafter expire biennially on the second May 31 date that is two years subsequent to the preceding expiration date.

i. For example, if a business entity license renewed on February 1, 2012, since the second May 31 following this renewal (May 31, 2013) is less than 18 months from the prior renewal date, the license would not expire until May 31, 2014, and subsequent renewals would be on May 31, 2016, May 31, 2018, and so on. If the business entity renewed on October 31, 2011, the license would expire on May 31, 2013, since the license term would be more than 18 months and, if renewed, again would expire on May 31, 2015, May 31, 2017, and so on.

11:1-37.4 Licensing applications and renewals

(a) A first time applicant for an individual public adjuster license shall submit the following:

1. A properly executed and dated application, **including, when applicable, electronic online submissions**, requesting issuance of a public adjuster license which shall contain the applicant's legal name; trade name, if any; home address; date of birth; business mailing address and location address; home and business telephone numbers; **home and business e-mail addresses, if applicable**; the applicant's State tax identification number; and responses to questions concerning the applicant's character and fitness for licensing. This information together with all requested attachments shall be certified as being accurate by the applicant;

2. Proof that the applicant has taken and passed the State licensing examination within the 12 months preceding the date of application.

[i. For applications received on or before March 7, 1995, the licensing examination shall be waived if the applicant provides proof that he or she has been employed or has acted as a public adjuster as his or her principal business for a period of at least five years prior to March 8, 1994. Persons applying for a waiver as provided in this subsection shall submit the information on a form prescribed by the Commissioner together with supporting documentation. The information shall include:

(1) An affidavit which states that the applicant has been employed as or has acted as a public adjuster as his or her principal business for the last five years and shall also include the applicant's:

- (A) Educational background;
- (B) Information on other related licenses held (certifications of current license status);
- (C) Employment record for, at minimum, the past five years;
- (D) Membership in associations or other professional organizations and any specific designations held by the applicant; and

- (E) State tax identification number;

- (2) State tax returns for the past five years; and

- (3) Any additional information which the applicant chooses to provide or which the Commissioner may find relevant to clarify any of the above information.

- (4) Where an applicant is unable to provide copies of State tax returns for the last five years, the applicant shall state the reasons therefore and may submit the following documentation in the form of affidavits or letters, for consideration by the Department:

- (A) Verification of employment from prior or current employer(s) of the past five years;

- (B) Verification from clients of work performed for the past five years;

- (C) Verification from licensed New Jersey insurance agents or brokers of work performed;

- (D) Verification of work performed from New Jersey licensed insurance companies; and

(E) Any other information which the applicant chooses to provide or which the Commissioner may find relevant to clarify any of the above information.

(5) The information submitted in accordance with (4) above shall be reviewed by the Department for sufficiency on a case-by-case basis.

ii.] For applications requesting issuance of a license to an individual who is [not] a [resident] **nonresident**, the licensing examination may be waived if the applicant provides proof that he or she is currently licensed in his or her home state in which the licensing provisions for public adjusters are substantially similar to the laws of this State;

3. (No change.)

4. [Fingerprint impressions taken on New Jersey State Police and Federal Bureau of Investigation fingerprint cards, together with the fees required for processing;] **Properly completed criminal history requests and fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting; and**

5. – 6. (No change.)

7. A check or money order made payable to State of New Jersey--General Treasury, **or, if applicable, electronic payment for online applications**, for the license fee[,], **and** application processing fee [and fingerprint form processing fee] in accordance with the fees set forth at N.J.A.C. 11:1-37.18.

(b) A first time applicant for a public adjuster license which is a corporation, firm, association or partnership, shall submit the following:

1. A properly executed and dated application, **including, when applicable, electronic online submissions**, requesting issuance of a public adjuster license which shall contain the

applicant's legal name; trade name, if any; business mailing address and location address; business telephone number; State tax identification number; and all requested attachments, all of which shall be certified as being accurate;

2. A resident New Jersey corporation, partnership, association or firm shall file with the Commissioner a copy of its Certificate of Incorporation or of the partnership or association documents, stamped "filed" by the [Office of the Secretary of State] **Department of the Treasury, Division of Revenue**, County Clerk or other applicable authority, confirming that the business name has been properly recorded;

3. A foreign corporation, partnership or association applying for a resident license to open an office in New Jersey shall file with the Commissioner a certificate filed by the Office of the New Jersey [Secretary of State] **Department of the Treasury, Division of Revenue** authorizing the applicant to transact business in New Jersey;

4. [Fingerprint impressions on New Jersey State Police and Federal Bureau of Investigation fingerprint cards, together with required processing fees] **Properly completed criminal history requests and fingerprint forms in a format prescribed by the Department, which shall include electronic fingerprinting** for all sublicensees; officers, directors and/or partners which are not sublicensees; and all owners of [five] **10** percent or more of the business;

5. – 6. (No change.)

(c) The application and applicable fees in accordance with N.J.A.C. 11:1-37.18 shall be sent to:

Attention: Public Adjuster Licensing

License Processing Unit

New Jersey Department of Banking and Insurance

20 West State Street

PO Box 327

Trenton, NJ 08625-[0325]0327

[(d) A public adjuster license, with an effective date of March 8, 1994, shall be issued to an applicant who was in the business as a public adjuster on March 7, 1994 and:

1. Files an application for a license no later than June 17, 1994; and
2. Complies with the requirements of this subchapter and otherwise qualifies for the issuance of a license.]

[(e)] (d) (No change in text.)

[(f)] (e) Where a current licensee seeks to renew a license, the licensee shall, at least 15 days before the license expiration date, submit a properly completed renewal application **including, when applicable, electronic online submissions** together with [a check or money order for] **payment of** the license fee in accordance with N.J.A.C. 11:1-37.18. The renewal application shall be signed, dated and certified to be correct by the licensee or a licensed officer, partner or member of a licensed organization. The licensee shall certify that he, she or it continues to be qualified in accordance with the Act and this subchapter.

1. **For licenses initially issued on or after July 4, 2011 and for all biennial licenses renewed on or after July 4, 2011, no individual public adjuster license shall be renewed unless the renewal applicant demonstrates that he or she has completed 15 credit hours of approved continuing education courses related to public adjusting during the previous license**

term. The courses must be obtained through an education provider approved by the Department to offer public adjuster continuing education in accordance with N.J.A.C. 11:17-3.

i. Pursuant to N.J.S.A. 17:22B-10c, the Commissioner may waive the requirements for continuing education on an individual basis for reasons of hardship such as illness or disability, retirement of the license, or other good cause.

2. For applications requesting renewal of a license of an individual who is nonresident, the continuing education requirements for New Jersey may be waived if the applicant provides proof that he or she is currently licensed in his or her home state and the continuing education provisions for public adjusters in that state are substantially similar to the laws of this State.

3. Public adjusters may only receive credit for the successful completion of any single approved continuing education course one time during the licensing term.

4. For a contact course, a credit hour shall provide no less than 50 minutes of instruction. Breaks, announcements and time not spent in instruction shall not be included in calculating credit hours requested. For self-study courses, credit hours include time for reading and study, which the Department has approved as reasonable to successfully pass the final examination. Time taking the examination is not counted towards approved credit hours. Each continuing education course submitted for approval shall be in whole credit hours and shall contain at least one credit hour of instruction or time spent for reading and study.

5. Self-study courses shall be considered for approval if the program of instruction culminates in a monitored examination of the subject presented. A monitored examination is not required for an interactive, online program that the Department determines has sufficient internal testing to validate the student's full comprehension of the material presented.

[1.] **6.** (No change in text.)

[2. Any licensee who does not desire renewal shall notify the Department by submitting the renewal application marked "Do Not Renew."

3. An application for renewal may be submitted within 12 months of the date of the expiration of the license.]

7. If an applicant's license has lapsed for a period of less than one year, the applicant may apply for late renewal of the license within one year of the date the license expired if evidence of proof is provided of completion of continuing education credits when required by N.J.A.C. 11:1-34.4(f)1. If the Department accepts the late renewal, it shall be effective the date of receipt by the Department of the application for late renewal.

[i.] **(f)** (No change in text.)

11:1-37.5 Denial of license

(a) Where it appears from an application, the attached documents or Department records that an applicant has not demonstrated the qualifications prescribed in the Act or this subchapter, the Department shall advise the applicant in writing that the license request is denied; shall specify the reasons for the denial; and shall advise the applicant of the right to request a hearing in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1, and of the procedures for filing the request.

1. (No change.)

2. The request for a hearing shall be forwarded to:

[Director of Licensing] **Supervisor of Application Investigations** and Insurance Education

New Jersey Department of Banking and Insurance

20 West State Street

PO Box [325] **329**

Trenton, NJ 08625-[0325]**0329**

3. (No change.)

(b) (No change.)

11:1-37.6 Sublicensees

(a) – (d) (No change.)

(e) A licensed public adjuster shall file a notice with the Commissioner, which sets forth any change in its sublicensees within 20 days of the change.

1. The notice shall include the name and New Jersey [reference] **license** number of the sublicensee and the reason for the change, for example, whether an individual was hired, terminated, retired or moved from the State.

i. – ii. (No change.)

2. – 3. (No change.)

11:1-37.8 Licensing examination

(a) Except as expressly provided by N.J.A.C. 11:1-37.4(a)2[i and ii], all individual applicants, including sublicensee applicants, seeking a public adjuster license shall take and pass the State licensing examination, which may be administered by the Department or by a vendor under contract to the Department.

(b) – (f) (No change.)

11:1-37.10 Administrative reporting requirements

(a) Licensed public adjusters shall file with the License Processing Unit of the Department:

1. Complete and accurate business and home addresses **including e-mail addresses**, and notice of any change thereto within 20 days;

2. – 4. (No change.)

(b) (No change.)

11:1-37.13 Right to compensation

(a) – (b) (No change.)

(c) **No public adjuster shall solicit the adjustment of a loss or damage occurring in this State from an insured, whether by personal interview, by telephone, or by any other method, between the hours of 6:00 P.M. and 8:00 A.M. during the 24 hours after the loss has occurred.**

[(c)] (d) (No change in text.)

11:1-37.14 Violations and penalties

(a) The Commissioner may deny, suspend, revoke, or refuse to renew a public adjuster's license based on any violation of the Act or this subchapter, or for the commission or omission of any act by a public adjuster which demonstrates that the applicant or licensee is not competent or trustworthy to act as a public adjuster, or where the person has:

1. - 3 (No change.)

4. Demonstrated the **applicant's or** licensee's lack of integrity, incompetency, bad faith, dishonesty, financial irresponsibility, or untrustworthiness to act as a public adjuster;

5. - 14 (No change.)

15. Solicited the adjustment of a loss or damage occurring in this State from an insured, whether by personal interview, by telephone, or by any other method, between the hours of 6:00 P.M. and 8:00 A.M. during the 24 hours after the loss has occurred;

Recodify existing 15. and 16. as **16. and 17.** (No change in text.)

(b) – (c) (No change.)

11:1-37.18 Fees

(a) The following nonrefundable fees shall apply:

1. License fee: [~~\$300.00~~] **\$50.00.**

2. -4. (No change.)

[5. Fingerprint processing fees: as currently established by State or Federal jurisdictions.]

(b) – (c) (No change.)

[(d) Amendments to the fee schedule set forth in (a) and (b) above may be promulgated subsequent to March 7, 1995.]

[(e)] **(d)** (No change in text.)

SUBCHAPTER 3. PROFESSIONAL QUALIFICATIONS

11:17-3.1 Approval of insurance education program

(a) Persons and entities that establish programs that include teaching or offering insurance courses to satisfy professional qualification requirements for prelicensing or continuing education for producers **or continuing education for public adjusters** shall, prior to conducting such courses, be approved by the Department in accordance with this section.

(b) An application for approval of an insurance education provider shall be made on a form prescribed by the Commissioner and shall provide the following information:

1. – 4. (No change.)

5. Whether the insurance education provider will teach or offer **producer** prelicensing education courses, **producer** continuing education courses, [or both] **public adjuster continuing education courses, or any combination of the three;**

6. – 7. (No change.)

(c) – (d) (No change.)

(e) Applications for program approval shall be reviewed to determine compliance with the requirements prescribed in this subchapter. An applicant shall supply such additional information or

documentation as may be required by the Department to determine whether such requirements are met.

1. (No change.)
2. Upon approval of an application, the Department shall issue a certificate of approval which shall contain:
 - i. (No change.)
 - ii. An indication as to whether the insurance education provider is approved for **producer** prelicensing education, **producer** continuing education, **public adjuster continuing education**, or [both] **any combination of the three**; and
 - iii. (No change.)
3. (No change.)
4. At least 10 days prior to the renewal date, the provider's insurance education director shall submit a properly completed renewal application; and, if offering prelicensing education, copies of the course curriculum and a detailed description of the methods that the provider will use to document that the student has satisfactorily completed the course content for each line of authority for which pre-licensing education is offered; and the \$300.00 renewal fee. Applications for renewal shall be reviewed by the Department in accordance with the procedures established in this section for new insurance education provider approval. Failure to submit the renewal application for receipt by the date of expiration shall be deemed to establish that the insurance education provider approval has expired, and the provider is not thereafter authorized to teach or offer insurance courses to satisfy professional qualification requirements for prelicensing or continuing education for producers **or for continuing education for public adjusters.**

11:17-3.6 Continuing education

(a) – (f) (No change.)

(g) The insurance education director or authorized personnel for an approved insurance education provider shall report the names and producer **or public adjuster** license reference number, **as applicable**, of those persons completing each continuing education course within 15 days of course completion or certification of continuing education credits, whichever is later, either in hard copy or through electronic submission. **Credits for courses approved for both insurance producers and public adjusters may be awarded credit toward only one continuing education requirement (that is, a person licensed as both an insurance producer and public adjuster taking a course approved for both producer and public adjuster continuing education, may only be awarded credit toward the satisfaction of one of the licenses' continuing education requirements).** The instructor teaching the course may be deemed to have completed it for the purpose of securing continuing education credit. Instructors may only receive credit once for teaching any one approved course once during each license cycle. The report shall be made to the Department, or its designee, in a format prescribed by the Department, and shall include the following information:

1. – 3. (No change.)

(h) – (l) (No change.)