

PUBLIC NOTICE

**BANKING AND INSURANCE**

**DIVISION OF INSURANCE**

**OFFICE OF CONSUMER PROTECTION SERVICES**

**Notice of Action on 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 requested 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 requested 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 requested 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 mailed to the petitioner, and filed with the Office of Administrative Law, a notice of action on the petitioner's request. Notice of the Department's receipt of the petition was published in the July 7, 2014, issue of the New Jersey Register at 46 N.J.R. 1654(c).

**Take further notice** that this petition was considered by the Department. The Department is still reviewing the merits of the petitioner's suggested amendments. Therefore, pursuant to N.J.A.C. 1:30-4.2 and 11:1-15.3, the Department has determined to refer this matter for further deliberation and will, within 90 days, finalize a notice of action on the petition for rulemaking. A copy of this public notice has been mailed to the petitioner\_.