



## State of New Jersey

DEPARTMENT OF BANKING AND INSURANCE

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*Acting Commissioner*

### BULLETIN NO. 12-16

**TO: ALL NEW JERSEY LICENSED PUBLIC ADJUSTERS**

**FROM: KENNETH E. KOBYLowski, ACTING COMMISSIONER**

**RE: PUBLIC ADJUSTER FEES – DETERMINING WHETHER FEES ARE REASONABLY RELATED TO SERVICES RENDERED AND SUPERSTORM SANDY LOSS OCCURRENCES**

Superstorm Sandy has resulted in significant property damage in New Jersey, particularly in coastal areas. The Department of Banking and Insurance (“Department”) has received reports and inquiries about homeowners utilizing the services of licensed public adjusters indicating that some public adjusters are charging homeowners exorbitant fees for their services, in some cases up to 50 percent of the amount of the claim payment by the insurer. N.J.A.C. 11:1-37.13(b)3ii requires that public adjuster contracts specify a list of services to be rendered and the maximum fee to be charged, “which fees shall be reasonably related to services rendered.”

Pursuant to this rule, the Department reminds all public adjusters, including those who hire or retain temporary sublicensees pursuant to N.J.S.A. 17:22B-11 and N.J.A.C. 11:1-37.7, that any fees for adjusting services charged to consumers must be reasonably related to the services rendered, whether the loss was related to Superstorm Sandy or not, and that public adjusters must be able to demonstrate this relationship upon inquiry by the Department. The Department does not anticipate that public adjusters will need to increase their normal fees due to Superstorm Sandy. The Department also expects that all public adjusters will act in a professional and responsible manner with due consideration toward the hardships and disruptions being experienced by property owners affected by Superstorm Sandy. In fact, many property owners have experienced losses that exceed policy limits or that may not be eligible for coverage under applicable insurance policies. The Department cautions public adjusters to refrain from charging fees that do not reasonably reflect the actual amount of adjusting services being provided.

Documentation on the reasonableness of a public adjuster’s fee would include time records that detail the actions taken on each claim file and the hours during which the public adjuster engaged in each activity, and expense records, including receipts for items such as computer software and travel.

The Department will closely monitor all fees charged by public adjusters, and in particular any fees that appear excessive.

The Department intends to vigorously enforce N.J.A.C. 11:1-37.13, and the related prohibited conduct provisions of N.J.S.A. 17:22B-13 and N.J.A.C. 11:1-37.14, against any public adjusters who charge fees that are not reasonably related to the services rendered.

December 20, 2012

Date



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Kenneth E. Kobylowski  
Acting Commissioner

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