

CHAPTER 84

AN ACT concerning licensed public adjusters and amending and supplementing P.L.1993, c.66.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 13 of P.L.1993, c.66 (C.17:22B-13) is amended to read as follows:

C.17:22B-13 Prohibited practices.

13. No individual, firm, association or corporation licensed under P.L.1993, c.66 (C.17:22B-1 et al.) shall:

a. 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;

b. enter into any contract, oral or written, with an insured to negotiate or settle claims for loss or damage occurring in this State between the hours of 6:00 p.m. and 8:00 a.m. during the 24 hours after the loss has occurred;

c. have any right to compensation from any insured for or on account of services rendered to an insured as a public adjuster unless the right to compensation is based upon a written contract, signed by the party to be charged and by the adjuster and the contract:

(1) states the license number of the public adjuster signing the contract as well as the license number of the company or firm, if the contract is in the name of a public adjusting company or firm;

(2) specifies or clearly defines the services to be rendered, the amount or extent of the compensation, and the insured's right to cancel the contract within three business days or terminate the contract after that time on a form and with such language as the commissioner may prescribe; and

(3) meets the minimum standards and requirements of section 2 of P.L.2025, c.84 (C.17:22B-13.1);

d. induce cancellation of a duly executed written contract between an insured and a public adjuster;

e. make any misrepresentation of facts or advise any person on questions of law in connection with the transaction of business as an adjuster; or

f. receive, accept, or hold any moneys towards the settlement of a claim for loss or damage on behalf of an insured unless the public adjuster deposits the moneys in an escrow account in a banking institution or savings and loan association in this State insured by an agency of the federal government. Any funds held in escrow together with interest accumulated thereon shall be the property of the insured until disbursement thereof pursuant to a written contract, signed by the insured and by the adjuster, as specified above and in section 2 of P.L.2025, c.84 (C.17:22B-13.1). In the event of the insolvency or bankruptcy of a public adjuster, the claim of an insured for any settlement moneys received, accepted or held by the adjuster shall constitute a statutory trust.

C.17:22B-13.1 Public adjusters, written contract, right to cancel, terminate, notice.

2. a. A public adjuster shall not, directly or indirectly, act within this State as a public adjuster without having first entered into a contract, in writing, and executed in duplicate by the public adjuster and the insured. One original contract shall be kept on file by the public adjuster, available at all times for inspection, without notice, by the commissioner, and one original contract shall be given to the insured. A particular form of contract is not required, but the

following statements and provisions shall be included in the contract, including a separate notice of right to cancel or terminate as required pursuant to subsection b. of this section:

- (1) Title of Public Adjuster Contract;
- (2) The name, business name, license number, telephone number, email address, and physical address of the public adjuster, as well as the same information for the company or firm, if the contract is in the name of a business entity;
- (3) The name and address of the insured;
- (4) A description of the loss and its location, if applicable;
- (5) The name of the insurer and the policy number, if known;
- (6) The full consideration the public adjuster is to receive for services under the contract;
- (7) A description of the services to be provided to the insured;
- (8) Signatures of the public adjuster and the insured;
- (9) The date and time the contract was signed by the public adjuster and the date and time the contract was signed by the insured; and
- (10) In addition to the foregoing, the following statements shall be included in the contract:
 - (a) “A public adjuster is hereby retained by the above-named insured to advise and assist in the adjustment of a property damage insurance claim, which services may include evaluation, documentation, presentation, and negotiation of the insurance claim arising from the loss described herein.”
 - (b) “Any services provided by the public adjuster shall be accounted for with the specific nature of the work performed supported by a record of that work.”
 - (c) “The insured may cancel this contract before midnight of the third business day after signing the contract without further obligation by completing the attached notice of right to cancel. After that time if the contract is terminated by the insured, the insured remains obligated to pay from any insurance proceeds recovered, either prior to or after the date of termination, a fee for the reasonable value of services provided by the public adjuster based upon the nature of services performed supported by a record of that work.”

b. The following notice of right to cancel or terminate, as applicable, is required with regard to defining the right to cancel or terminate, unless the Commissioner of Banking and Insurance requires additional information by regulation, bulletin, or posting on the department’s Internet website, consistent with P.L.2025, c.84 (C.17:22B-13.1 et al.):

“NOTICE OF RIGHT TO CANCEL OR TERMINATE

Date of Contract: ____ / ____ / ____

Name of Insured/s:_____

You may cancel this contract, without further penalty or obligation, prior to midnight of the third business day after the above date. After that time, you may terminate this contract at any time. If you exercise your right to cancel this contract prior to midnight on the third business day, you will remain liable for reasonable expenses and necessary emergency out-of-pocket expenses or services the public adjuster incurred on your behalf that were necessary to protect your investment between signing of the contract and cancellation if the expenses or services were approved by you. If your public adjuster seeks reimbursement from you for such out-of-pocket expenses or services, your public adjuster shall provide you with an itemized statement of those expenses.

If you cancel, any money or anything of value given by you to the public adjuster under the contract will be returned within 10 business days following the receipt by the public adjuster of your cancellation notice, and any security interest arising out of the contract will be canceled.

If you terminate this contract after midnight on the third business day, you are obligated to pay from any insurance proceeds recovered, either prior to or after the date of termination, a

fee for the reasonable value of services provided by the public adjuster based upon the nature of the services performed by the public adjuster supported by a record of that work. If your public adjuster seeks such payment from you for the reasonable value of such services, your public adjuster shall provide you with an itemized statement of those services and the record of such work.

To cancel this contract, mail, fax, email, or personally deliver a signed and dated copy of this notice, or any other written notice, indicating your intent to cancel and date of cancellation, to the address of public adjuster shown at the top of the public adjuster contract, no later than midnight of ____ / ____ / _____. To terminate this contract after that time, mail, fax, email, or personally deliver a signed and dated copy of this notice, or any other written notice, indicating your intent to terminate and the date of termination.

I HEREBY CANCEL /TERMINATE THIS CONTRACT

Insured:_____

Insured:_____

Adjuster:_____

Please Print Name Date: ____ / ____ / ____”

c. If a public adjuster is to receive as compensation a percentage of the total amount paid by the insurer to resolve the insured’s claim for property damage to the insured’s primary or secondary dwelling, the contract between a public adjuster and an insured may not contain a contract term that would:

(1) allow the public adjuster to collect the public adjuster's entire compensation from the first payment issued by the insurer if the insurer will pay the total amount to resolve the insured's claim in two or more payments;

(2) require the insured to authorize an insurer to issue a check only in the name of the public adjuster; and

(3) preclude the public adjuster or the insured from pursuing civil remedies.

3. This act shall take effect on the 180th day next following the date of enactment.

Approved July 1, 2025.