

ASSEMBLY REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

SENATE, No. 1320

STATE OF NEW JERSEY

DATED: SEPTEMBER 12, 2024

The Assembly Regulated Professions Committee reports favorably Senate Bill No. 1320.

This bill provides that no individual, firm, association, or corporation licensed under the “Public Adjusters’ Licensing Act” has any right to compensation from any insured for or on account of services rendered to an insured as a public adjuster unless the contract stipulates certain information.

Under the bill, a contract is required to:

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

(2) specify or clearly define the services to be rendered, the amount or extent of the compensation, and the insured’s right to cancel or terminate the agreement, on a form and in language prescribed by the Commissioner of Banking and Insurance; and

(3) meet the minimum standards set forth in the bill regarding certain descriptions of the services rendered and of the right to cancel.

The bill does not require a particular form of statement for the descriptions of services rendered or of the right to cancel, but does provide sample statements. The bill requires a notice of right to cancel be part of the contract between the insured and the public adjuster.

Lastly, the bill amends current law providing that no individual, firm, association, or corporation licensed under the “Public Adjusters’ Licensing Act” is permitted to receive, accept or hold any moneys toward the settlement of a claim for loss or damage on behalf of an insured unless the public adjuster deposits the moneys in a permitted escrow account to remove language stipulating that the escrow account be interest bearing.

As reported by the committee, Senate Bill No. 1320 is identical to Assembly Bill No. 4390, which was also reported by the committee on this date.