ASSEMBLY, No. 2725

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:
Assemblywoman NANCY F. MUNOZ
District 21 (Morris, Somerset and Union)
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District 21 (Morris, Somerset and Union)

SYNOPSIS

Establishes compensation limits for licensed public adjusters during certain emergencies.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning licensed public adjusters and amending 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:

13. No individual, firm, association or corporation licensed under this act 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 six p.m. and eight a.m. during the 24 hours after the loss has occurred;

b. enter into any agreement, oral or written, with an insured to negotiate or settle claims for loss or damage occurring in this State between the hours of six p.m. and eight 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 memorandum, signed by the party to be charged and by the adjuster, and specifying or clearly defining the services to be rendered and the amount or extent of the compensation on a form and with such language as the commissioner may prescribe;

d. induce cancellation of a duly executed written memorandum 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 interest bearing 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 memorandum, signed by the insured and by the adjuster, specifying or clearly defining the services rendered and the amount of any compensation to be paid therefrom. 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; or

g. for a period of one year after the designation of a catastrophic loss occurrence, charge, agree to, or accept any

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

compensation for any claim that is the result of the designated occurrence in excess of 10 percent of the amount of insurance claim payments made by the insurer. For purposes of this subsection, "catastrophic loss occurrence" means the same as defined in paragraph (4) of subsection b. of section 11 of P.L.1993, c.66 (C.17:22B-11).
(cf: P.L.2010, c.116, s.3)

2. This act shall take effect on the 30th day following enactment.

STATEMENT

This bill provides that no individual, firm, association or corporation licensed under the "Public Adjusters' Licensing Act" shall charge, agree to, or accept any compensation in excess of 10 percent of the amount of insurance claim payments made by the insurer for claims based on events that are the result of a catastrophic loss occurrence. This compensation level shall apply to such claims made for a period of one year from the occasion of the designation of the catastrophic loss occurrence.

As defined in this bill, "catastrophic loss occurrence" means an occurrence designated by the President of the United States or the Federal Emergency Management Agency, or the Governor of New Jersey or the State Office of Emergency Management in the Division of State Police in the Department of Law and Public Safety, or any other authorized federal, State or local agency, as an emergency or a disaster and includes, but is not limited to, a flood, hurricane, storm or earthquake.