17:22B-13 & 17:22B-13.1
LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2025 **CHAPTER:** 84

NJSA: 17:22B-13 & 17:22B-13.1 Requires certain information be included in certain contracts with licensed public adjusters.

BILL NO: S1320 (Substituted for A4390 (1R))

SPONSOR(S) Burzichelli, John J. and others

DATE INTRODUCED: 1/9/2024

COMMITTEE: **ASSEMBLY:** Regulated Professions

SENATE: Commerce

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** 6/30/2025

SENATE: 6/30/2025

DATE OF APPROVAL: 7/1/2025

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (S1320 Aa w/GR (2R) enacted)

ADVANCE LAW Yes

PAMPHLET LAW Yes

S1320

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

REPRINT(S): Yes ASSEMBLY 3/24/25 1R
Conditional Veto 2R

TECHNICAL REVIEW OF BILL: Yes SCM 5/13/24 TR

COMMITTEE STATEMENT: **ASSEMBLY**: Yes

SENATE: Yes

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

A4390 (1R)

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

REPRINT(S): Yes Assembly 2/27/25 1R

TECHNICAL REVIEW OF BILL: No

COMMITTEE STATEMENT: **ASSEMBLY**: Yes

SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, ***may possibly*** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: Yes

LEGISLATIVE FISCAL ESTIMATE: No

VETO MESSAGE: Yes

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

LEGISLATOR STATEMENT: No

FOLLOWING WERE PRINTED:
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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: No

CL/MMcB

§2
C.17:22B-13.1
§3
Note

P.L. 2025, CHAPTER 84, ***approved July 1, 2025***
Senate, No. 1320 ***(Second Reprint)***

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:

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

b. enter into any [1]**[**agreement**]** contract[1], 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**]** contract, signed by the party to be charged and by the adjuster**[**, and specifying**]** 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 **[**defining**]** defines the services to be rendered, **[**and**]** the amount or extent of the compensation, and the insured's right to cancel [1]the contract within three business days[1] or terminate the contract [1]after that time[1], on a form and with such language as the commissioner may prescribe; and

(3) meets [1]**[**with**]**[1] the minimum standards and requirements of section 2 of P.L. , c. (C.) (pending before the Legislature as this bill);

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

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.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly floor amendments adopted March 24, 2025.
[2]Senate amendments adopted in accordance with Governor's recommendations June 2, 2025.

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⟧ contract, 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⟧ as specified above and in section 2 of P.L. ,c. (C.) (pending before the Legislature as this bill). 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.

(cf: P.L.2010, c.116, s.3)

2. (New section) a. [2]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.[2] A particular form [1]⟦of⟧ [2]⟦or[1] statement⟧ of contract[2] is not required, but the following statements and [2]provisions shall be included in the contract, including a separate[2] notice of right to cancel [2]⟦are sufficient with regard to defining the services to be rendered and a description of the right to cancel [1]or terminate[1].⟧ 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.

(10) In addition to the foregoing, the following statements shall be included in the contract:

(a)[2] "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."

[2](b)[2] [1]"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."[1]

[2](c)[2] "The insured may cancel this contract [2][within three business days] before midnight of the third business day after signing the contract[2] 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 [1]based upon the nature of services performed supported by a record of that work[1]."

b. The following notice of right to cancel [1]or terminate, as applicable,[1] is [2][sufficient] required[2] with regard to defining the right to cancel [1]or terminate, unless the Commissioner of Banking and Insurance requires additional information by regulation, [2]bulletin, or posting on the department's Internet website,[2] consistent with P.L. c. (C.) (pending before the Legislature as this bill)[1]:

"NOTICE OF RIGHT TO CANCEL [2]OR TERMINATE[2]

Date of Contract: _____ / _____ / ____

Name of Insured/s:_________________________________

You may cancel this contract, without [1]further[1] penalty or obligation, prior to midnight of the third business day after the above date. [1]After that time, you may terminate this contract at any time.[1] If you exercise your right to cancel this contract [1]prior to midnight on the third business day[1], 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 [1], if the expenses or services were approved by you[1]. [2]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.[2]

If you cancel, [2]any money or[2] anything of value given by you [2]to the public adjuster[2] 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.

[1]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.[1] [2]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.[2]

To cancel this contract, mail, fax [1], email,[1] 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 ______ / ______ / ______. [2]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.[2]

I HEREBY CANCEL [2]/TERMINATE[2] 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.

____

Requires certain information be included in certain contracts with licensed public adjusters.

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.

SENATE, No. 1320

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
Senator NELLIE POU
District 35 (Bergen and Passaic)

SYNOPSIS

Requires certain information be included in certain contracts with licensed public adjusters.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.

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:

13. No individual, firm, association or corporation licensed under **[**this act**]** <u>P.L.1993, c.66 (C.17:22B-1 et al.)</u> 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**]** <u>contract</u>, signed by the party to be charged and by the adjuster**[**, and specifying**]** <u>and the contract:</u>

<u>(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;</u>

<u>(2) specifies</u> or clearly **[**defining**]** <u>defines</u> the services to be rendered<u>,</u> **[**and**]** the amount or extent of the compensation<u>, and the insured's right to cancel or terminate the agreement,</u> on a form and with such language as the commissioner may prescribe; <u>and</u>

<u>(3) meets with the minimum standards and requirements of section 2 of P.L. , c. (C.) (pending before the Legislature as this bill);</u>

d. induce cancellation of a duly executed written **[**memorandum**]** <u>contract</u> 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

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 <u>thus</u> is new matter.

shall be the property of the insured until disbursement thereof pursuant to a written [memorandum] contract, 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] as specified above and in section 2 of P.L.   ,c.   (C.   ) (pending before the Legislature as this bill). 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.

(cf: P.L.2010, c.116, s.3)

2. (New section) a. A particular form of statement is not required, but the following statements and notice of right to cancel are sufficient with regard to defining the services to be rendered and a description of the right to cancel.

"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."

"The insured may cancel this contract within three business days 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."

b. The following notice of right to cancel is sufficient with regard to defining the right to cancel:

"NOTICE OF RIGHT TO CANCEL

Date of Contract: _____ / _____ / ____

Name of Insured/s:_________________________________

You may cancel this contract, without penalty or obligation, prior to midnight of the third business day after the above date. If you exercise your right to cancel this contract, 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 you cancel, anything of value given by you 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.

To cancel this contract, mail, fax 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 ______ / ______ / ______.

I HEREBY CANCEL 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.

STATEMENT

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 as well 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.

[First Reprint]

SENATE, No. 1320

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
Senator JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
Senator NELLIE POU
District 35 (Bergen and Passaic)
Assemblyman STERLEY S. STANLEY
District 18 (Middlesex)
Assemblywoman SHANIQUE SPEIGHT
District 29 (Essex and Hudson)
Assemblyman REGINALD W. ATKINS
District 20 (Union)

SYNOPSIS

Requires certain information be included in certain contracts with licensed public adjusters.

CURRENT VERSION OF TEXT

As amended by the General Assembly on March 24, 2025.

(Sponsorship Updated As Of: 6/2/2025)

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:

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

b. enter into any [1][agreement] contract[1], 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] contract, signed by the party to be charged and by the adjuster[, and specifying] 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 [defining] defines the services to be rendered, [and] the amount or extent of the compensation, and the insured's right to cancel [1]the contract within three business days[1] or terminate the contract [1]after that time[1], on a form and with such language as the commissioner may prescribe; and

(3) meets [1][with][1] the minimum standards and requirements of section 2 of P.L.   , c.   (C.   ) (pending before the Legislature as this bill);

d. induce cancellation of a duly executed written [memorandum] 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 [interest bearing] escrow account in a banking institution or savings and loan association in

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.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly floor amendments adopted March 24, 2025.

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] contract, 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] as specified above and in section 2 of P.L. ,c. (C.) (pending before the Legislature as this bill). 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.

(cf: P.L.2010, c.116, s.3)

2. (New section) a. A particular form [1][of] or[1] statement is not required, but the following statements and notice of right to cancel are sufficient with regard to defining the services to be rendered and a description of the right to cancel [1]or terminate[1].

"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."

[1]"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."[1]

"The insured may cancel this contract within three business days 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 [1]based upon the nature of services performed supported by a record of that work[1]."

b. The following notice of right to cancel [1]or terminate, as applicable,[1] is sufficient with regard to defining the right to cancel [1]or terminate, unless the Commissioner of Banking and Insurance requires additional information by regulation, consistent with P.L. c. (C.) (pending before the Legislature as this bill)[1]:

"NOTICE OF RIGHT TO CANCEL

Date of Contract: _____ / _____ / ____

Name of Insured/s:________________________________

You may cancel this contract, without [1]further[1] penalty or obligation, prior to midnight of the third business day after the above date. [1]After that time, you may terminate this contract at any time.[1] If you exercise your right to cancel this contract [1]prior to midnight on the third business day[1], 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 [1], if the expenses or services were approved by you[1].

If you cancel, anything of value given by you 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.

[1]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.[1]

To cancel this contract, mail, fax [1], email,[1] 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 ______ / ______ / ______.

I HEREBY CANCEL 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.

[Second Reprint]

SENATE, No. 1320

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
Senator JOHN J. BURZICHELLI
District 3 (Cumberland, Gloucester and Salem)
Senator NELLIE POU
District 35 (Bergen and Passaic)
Assemblyman STERLEY S. STANLEY
District 18 (Middlesex)
Assemblywoman SHANIQUE SPEIGHT
District 29 (Essex and Hudson)
Assemblyman REGINALD W. ATKINS
District 20 (Union)

SYNOPSIS

Requires certain information be included in certain contracts with licensed public adjusters.

CURRENT VERSION OF TEXT

As amended on June 2, 2025 by the Senate pursuant to the Governor's recommendations.

(Sponsorship Updated As Of: 6/2/2025)

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:

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

b. enter into any [1]**[**agreement**]** contract[1], 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**]** contract, signed by the party to be charged and by the adjuster**[**, and specifying**]** 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 **[**defining**]** defines the services to be rendered, **[**and**]** the amount or extent of the compensation, and the insured's right to cancel [1]the contract within three business days[1] or terminate the contract [1]after that time[1], on a form and with such language as the commissioner may prescribe; and

(3) meets [1]**[**with**]**[1] the minimum standards and requirements of section 2 of P.L.   , c.   (C.   ) (pending before the Legislature as this bill);

d. induce cancellation of a duly executed written **[**memorandum**]** 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 **[**interest bearing**]** escrow

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.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly floor amendments adopted March 24, 2025.
[2]Senate amendments adopted in accordance with Governor's recommendations June 2, 2025.

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**]** contract, 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**]** as specified above and in section 2 of P.L. ,c. (C.) (pending before the Legislature as this bill). 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.
(cf: P.L.2010, c.116, s.3)

2. (New section) a. [2]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.[2] A particular form [1]**[**of**]** [2]**[**or[1] statement**]** of contract[2] is not required, but the following statements and [2]provisions shall be included in the contract, including a separate[2] notice of right to cancel [2]**[**are sufficient with regard to defining the services to be rendered and a description of the right to cancel [1]or terminate[1].**]** 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.

(10) In addition to the foregoing, the following statements shall be included in the contract:

(a)[2] "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."

[2](b)[2] [1]"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."[1]

[2](c)[2] "The insured may cancel this contract [2]⟦within three business days⟧ before midnight of the third business day after signing the contract[2] 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 [1]based upon the nature of services performed supported by a record of that work[1]."

b. The following notice of right to cancel [1]or terminate, as applicable,[1] is [2]⟦sufficient⟧ required[2] with regard to defining the right to cancel [1]or terminate, unless the Commissioner of Banking and Insurance requires additional information by regulation, [2]bulletin, or posting on the department's Internet website,[2] consistent with P.L. c. (C.) (pending before the Legislature as this bill)[1]:

"NOTICE OF RIGHT TO CANCEL [2]OR TERMINATE[2]

Date of Contract: _____ / _____ / ____

Name of Insured/s:_________________________________

You may cancel this contract, without [1]further[1] penalty or obligation, prior to midnight of the third business day after the above date. [1]After that time, you may terminate this contract at any time.[1] If you exercise your right to cancel this contract [1]prior to midnight on the third business day[1], 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 [1], if the expenses or services were approved by you[1]. [2]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.[2]

If you cancel, [2]any money or[2] anything of value given by you [2]to the public adjuster[2] 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.

[1]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.[1] [2]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.[2]

To cancel this contract, mail, fax [1], email,[1] 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 ______ / ______ / ______. [2]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.[2]

I HEREBY CANCEL [2]/TERMINATE[2] 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.

SENATE, No. 1320

STATE OF NEW JERSEY

221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:
Senator NELLIE POU
District 35 (Bergen and Passaic)
Assemblyman STERLEY S. STANLEY
District 18 (Middlesex)
Assemblywoman SHANIQUE SPEIGHT
District 29 (Essex and Hudson)
Assemblyman REGINALD W. ATKINS
District 20 (Union)

SYNOPSIS

Requires certain information be included in certain contracts with licensed public adjusters.

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee with technical review.

(Sponsorship Updated As Of: 3/24/2025)

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:

13. No individual, firm, association or corporation licensed under **[**this act**]** <u>P.L.1993, c.66 (C.17:22B-1 et al.)</u> 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**]** <u>contract</u>, signed by the party to be charged and by the adjuster**[**, and specifying**]** <u>and the contract:</u>

<u>(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;</u>

<u>(2) specifies</u> or clearly **[**defining**]** <u>defines</u> the services to be rendered<u>,</u> **[**and**]** the amount or extent of the compensation<u>, and the insured's right to cancel or terminate the agreement,</u> on a form and with such language as the commissioner may prescribe; <u>and</u>

<u>(3) meets with the minimum standards and requirements of section 2 of P.L.   , c.   (C.   ) (pending before the Legislature as this bill);</u>

d. induce cancellation of a duly executed written **[**memorandum**]** <u>contract</u> 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

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 <u>thus</u> is new matter.

shall be the property of the insured until disbursement thereof pursuant to a written ⟦memorandum⟧ contract, 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⟧ as specified above and in section 2 of P.L. ,c. (C.) (pending before the Legislature as this bill). 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.

(cf: P.L.2010, c.1)

2. (New section) a. A particular form of statement is not required, but the following statements and notice of right to cancel are sufficient with regard to defining the services to be rendered and a description of the right to cancel.

"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."

"The insured may cancel this contract within three business days 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."

b. The following notice of right to cancel is sufficient with regard to defining the right to cancel:

"NOTICE OF RIGHT TO CANCEL

Date of Contract: _____ / _____ / ____

Name of Insured/s:_________________________________

You may cancel this contract, without penalty or obligation, prior to midnight of the third business day after the above date. If you exercise your right to cancel this contract, 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 you cancel, anything of value given by you 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.

To cancel this contract, mail, fax 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 ______ / ______ / ______.

I HEREBY CANCEL 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.

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.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1320

STATE OF NEW JERSEY

DATED: MAY 13, 2024

The Senate Commerce 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.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

STATEMENT TO

SENATE, No. 1320

with Assembly Floor Amendments
(Proposed by Assemblyman STANLEY)

ADOPTED: MARCH 24, 2025

This floor amendment:

(1) clarifies that an individual, firm, association, or corporation licensed under the "Public Adjusters' Licensing Act" has no 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 that defines an insured person's right to cancel a contract within three business days, or terminate any time after that period;

(2) deems certain statements sufficient with regard to defining the services to be rendered and a description of the right to cancel or terminate;

(3) provides that an insured person that cancels a contract within three business days remains liable for reasonable expenses and necessary emergency out-of-pocket expenses or services, if they were approved by the insured, that the public adjuster incurred on the insured's behalf that were necessary to protect the insured's investment between the signing of the contract and cancellation;

(4) provides that an insured person who terminates a contract after midnight on the third business day is 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 such work;

(5) permits an insured person to cancel a contract via email; and

(6) grants the Commissioner of Banking and Insurance authority to promulgate regulations regarding the required notice of an insured person's right to cancel or terminate.

ASSEMBLY, No. 4390

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 16, 2024

Sponsored by:
Assemblyman STERLEY S. STANLEY
District 18 (Middlesex)
Assemblywoman SHANIQUE SPEIGHT
District 29 (Essex and Hudson)
Assemblyman REGINALD W. ATKINS
District 20 (Union)

SYNOPSIS

Requires certain information be included in certain contracts with licensed public adjusters.

CURRENT VERSION OF TEXT

As introduced.

(Sponsorship Updated As Of: 9/12/2024)

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:

13. No individual, firm, association or corporation licensed under **[**this act**]** <u>P.L.1993, c.66 (C.17:22B-1 et al.)</u> 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**]** <u>contract</u>, signed by the party to be charged and by the adjuster**[**, and specifying**]** <u>and the contract:</u>

<u>(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;</u>

<u>(2) specifies</u> or clearly **[**defining**]** <u>defines</u> the services to be rendered<u>,</u> **[**and**]** the amount or extent of the compensation<u>, and the insured's right to cancel or terminate the agreement,</u> on a form and with such language as the commissioner may prescribe; <u>and</u>

<u>(3) meets with the minimum standards and requirements of section 2 of P.L. , c. (C.) (pending before the Legislature as this bill);</u>

d. induce cancellation of a duly executed written **[**memorandum**]** <u>contract</u> 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

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 <u>thus</u> is new matter.

pursuant to a written [memorandum] contract, 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] as specified above and in section 2 of P.L.   ,c.   (C.   ) (pending before the Legislature as this bill). 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.
(cf: P.L.2010, c.116, s.3)

2. (New section) a. A particular form of statement is not required, but the following statements and notice of right to cancel are sufficient with regard to defining the services to be rendered and a description of the right to cancel.

"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."

"The insured may cancel this contract within three business days 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."

b. The following notice of right to cancel is sufficient with regard to defining the right to cancel:

"NOTICE OF RIGHT TO CANCEL
Date of Contract: _____ / _____ / ____
Name of Insured/s:_________________________________

You may cancel this contract, without penalty or obligation, prior to midnight of the third business day after the above date. If you exercise your right to cancel this contract, 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 you cancel, anything of value given by you 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.

To cancel this contract, mail, fax 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 ______ / ______ / ______.

I HEREBY CANCEL 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.

STATEMENT

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 as well 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.

[First Reprint]

ASSEMBLY, No. 4390

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED MAY 16, 2024

Sponsored by:
Assemblyman STERLEY S. STANLEY
District 18 (Middlesex)
Assemblywoman SHANIQUE SPEIGHT
District 29 (Essex and Hudson)
Assemblyman REGINALD W. ATKINS
District 20 (Union)

SYNOPSIS

Requires certain information be included in certain contracts with licensed public adjusters.

CURRENT VERSION OF TEXT

As amended by the General Assembly on February 27, 2025.

(Sponsorship Updated As Of: 9/12/2024)

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:

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

b. enter into any [1]**[**agreement**]** contract[1], 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**]** contract, signed by the party to be charged and by the adjuster**[**, and specifying**]** 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 **[**defining**]** defines the services to be rendered, **[**and**]** the amount or extent of the compensation, and the insured's right to cancel [1]the contract within three business days[1] or terminate the contract [1]after that time[1], on a form and with such language as the commissioner may prescribe; and

(3) meets [1]**[**with**]**[1] the minimum standards and requirements of section 2 of P.L. , c. (C.) (pending before the Legislature as this bill);

d. induce cancellation of a duly executed written **[**memorandum**]** 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 **[**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

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.
Matter enclosed in superscript numerals has been adopted as follows:
[1]Assembly floor amendments adopted February 27, 2025.

funds held in escrow together with interest accumulated thereon shall be the property of the insured until disbursement thereof pursuant to a written [memorandum] contract, 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] as specified above and in section 2 of P.L.   ,c.   (C.   ) (pending before the Legislature as this bill). 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.
(cf: P.L.2010, c.116, s.3)

2. (New section) a. A particular form [1][of] or[1] statement is not required, but the following statements and notice of right to cancel are sufficient with regard to defining the services to be rendered and a description of the right to cancel [1]or terminate[1].

"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."

[1]"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."[1]

"The insured may cancel this contract within three business days 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 [1]based upon the nature of services performed supported by a record of that work[1]."

b. The following notice of right to cancel [1]or terminate, as applicable,[1] is sufficient with regard to defining the right to cancel [1]or terminate, unless the Commissioner of Banking and Insurance requires additional information by regulation, consistent with P.L.   c.   (C.   ) (pending before the Legislature as this bill)[1]:

"NOTICE OF RIGHT TO CANCEL

Date of Contract: _____ / _____ / ____

Name of Insured/s:_________________________________

You may cancel this contract, without [1]further[1] penalty or obligation, prior to midnight of the third business day after the above date. [1]After that time, you may terminate this contract at any time.[1] If you exercise your right to cancel this contract [1]prior to midnight on the third business day[1], 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 [1], if the expenses or services were approved by you[1].

If you cancel, anything of value given by you 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.

[1]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.[1]

To cancel this contract, mail, fax [1], email,[1] 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 ______ / ______ / ______.

I HEREBY CANCEL 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.

ASSEMBLY REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 4390

STATE OF NEW JERSEY

DATED: SEPTEMBER 12, 2024

The Assembly Regulated Professions Committee reports favorably Assembly Bill No. 4390.

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

STATEMENT TO

ASSEMBLY, No. 4390

with Assembly Floor Amendments
(Proposed by Assemblyman STANLEY)

ADOPTED: FEBRUARY 27, 2025

This floor amendment:

(1) clarifies that an individual, firm, association, or corporation licensed under the "Public Adjusters' Licensing Act" has no 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 that defines an insured person's right to cancel a contract within three business days, or terminate any time after that period;

(2) deems certain statements sufficient with regard to defining the services to be rendered and a description of the right to cancel or terminate;

(3) provides that an insured person that cancels a contract within three business days remains liable for reasonable expenses and necessary emergency out-of-pocket expenses or services, if they were approved by the insured, that the public adjuster incurred on the insured's behalf that were necessary to protect the insured's investment between the signing of the contract and cancellation;

(4) provides that an insured person who terminates a contract after midnight on the third business day is 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 such work;

(5) permits an insured person to cancel a contract via email; and

(6) grants the Commissioner of Banking and Insurance authority to promulgate regulations regarding the required notice of an insured person's right to cancel or terminate.

SENATE BILL NO. 1320
(First Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1320 (First Reprint) with my recommendations for reconsideration.

Senate Bill No. 1320 (First Reprint) would amend and supplement the "Public Adjusters' Licensing Act," P.L.1993, c.66 (C.17:22B-1 et al.), to modify the requirements governing written agreements between public adjusters and insureds. Public adjusters are retained by insurance policyholders to negotiate settlements with insurance companies. While the insurance company's adjuster represents the insurer's interests, a public insurance adjuster is intended to represent the interests of the insured. The bill provides that a public adjuster does not have a right to compensation from an insured for services rendered by the public adjuster to the insured unless a contract providing certain information is signed by both parties. Under the bill, a contract is required to: state the license number of the public adjuster signing the contract and clearly describe the services to be rendered by the public adjuster, state the amount of compensation to be paid, and indicate the insured's right to cancel or terminate the agreement.

I commend the sponsors for seeking to better define the relationship between public adjusters and the insured. Public adjusters provide valuable support to homeowners experiencing hardship and disruptions following a natural disaster. When a disaster strikes, an increased demand for the services of public adjusters typically follows, and public adjusters domiciled and licensed in other jurisdictions often come to New Jersey to meet the need for services. It is therefore paramount that, in the chaos and confusion that often follows a disaster scenario, the standards governing the relationship between public adjusters and insureds are clearly articulated and that consumers understand their rights and their public adjuster's responsibilities in performing services on their behalf.

Senate Bill No. 1320 (First Reprint) aims to ensure that the laws and regulations governing the relationship between public adjusters and insureds in this State are clearly defined and understood by both parties. While this bill lays the foundation for accomplishing this goal, some additional changes are required to better protect consumers. To that end, my revised changes would: (1) provide the Department of Banking and Insurance flexibility to issue guidance, whether through bulletins or other means, rapidly and specifically tailored to situations on the ground following a disaster; (2) set forth specific language that would be required to be included in a contract between a public adjuster and an insured to more precisely define the relationship; and (3) further clarify the circumstances under which an insured retains the right to cancel or terminate a contract with a public adjuster. These changes are designed to ensure appropriate oversight and regulation of the industry and to better protect the interests of New Jersey's consumers.

Therefore, I herewith return Senate Bill No. 1320 (First Reprint) and recommend that it be amended as follows:

<u>Page 3, Section 2, Line 14</u>:	After "a." insert "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."
<u>Page 3, Section 2, Line 14</u>:	Delete "or statement" and insert "of contract"
<u>Page 3, Section 2, Line 15</u>:	After "and" insert "provisions shall be included in the contract, including a separate"
<u>Page 3, Section 2, Lines 16-17</u>:	Delete "are sufficient with regard to defining the services

to be rendered and a description of the right to cancel or terminate.” and insert “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.

(10) In addition to the foregoing, the following statements shall be included in the contract:

(a)”

Page 3, Section 2, Line 23:	Before “‘Any” insert “(b)”
Page 3, Section 2, Line 26:	Before “‘The” insert “(c)”
Page 3, Section 2, Line 26:	Delete “within three business days” and insert “before midnight of the third business day after signing the contract”
Page 3, Section 2, Line 35:	Delete “sufficient” and insert “required”
Page 3, Section 2, Line 37:	After “regulation,” insert “bulletin, or posting on the department’s Internet website,”
Page 3, Section 2, Line 39:	After “CANCEL” insert “OR TERMINATE”

Page 4, Section 2, Line 5:	After "you." insert "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."
Page 4, Section 2, Line 6:	After "cancel," insert "any money or"
Page 4, Section 2, Line 6:	After "by you" insert "to the public adjuster"
Page 4, Section 2, Line 15:	After "work." insert "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."
Page 4, Section 2, Line 20:	After "_________/____________/______." insert "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."
Page 4, Section 2, Line 21:	After "CANCEL" insert "/TERMINATE"

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Kate E. McDonnell

Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

Posted on - 05/12/2025

TRENTON – Governor Murphy conditionally vetoed the following bills on Saturday, May 10, 2025:

S-1067/A-1673 (Greenstein, Ruiz/Lampitt, Murphy, Simmons) – CONDITIONAL - "Right to Mental Health for Individuals who are Deaf or Hard of Hearing Act"; establishes certain requirements concerning provision of mental health services to individuals who are deaf or hard of hearing
Copy of Statement

S-1320/A-4390 (Pou/Stanley, Speight, Atkins) – CONDITIONAL - Requires certain information be included in certain contracts with licensed public adjusters
Copy of Statement

S-3418/A-4556 (Beach, Pennacchio/Lampitt, Greenwald, Katz) – CONDITIONAL - Authorizes certain types of permanent structures, recently constructed or erected on preserved farmland, to be used, in certain cases, for purposes of holding special occasion events thereon
Copy of Statement

Governor Murphy Takes Action on Legislation

Posted on - 07/1/2025

TRENTON – Today, Governor Murphy signed the following bills into law:

S-3418wGR/A-4556 (Beach, Pennacchio/Lampitt, Greenwald, Katz) - Authorizes certain types of permanent structures, recently constructed or erected on preserved farmland, to be used, in certain cases, for purposes of holding special occasion events thereon

S-1320wGR/A-4390 (Burzichelli, Pou/Stanley, Speight, Atkins) - Requires certain information be included in certain contracts with licensed public adjusters

ACS for A-3361wGR/SS for S-2953 (Hutchison, Moen, McCann Stamato/Moriarty, Cryan) - Establishes limit on rent increase for certain dwelling sites for modular or industrialized buildings or manufactured homes

A-4937/S-3486 (Atkins, Speight, Peterpaul/Gopal, Turner) - Concerns satellite cannabis dispensaries, Cannabis Regulatory Commission membership, and post-employment restrictions on State employees

A-5199/S-4105 (Donlon, Ramirez, Drulis/Gopal, Mukherji) - Requires resident and fellow physicians employed by Rutgers, The State University of New Jersey, who are eligible for coverage in SHBP, to be eligible to enroll and receive health insurance on first day of employment