

May 10, 2025

**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:

Page 3, Section 2, Line 14:

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."

Page 3, Section 2, Line 14:

Delete "or statement" and insert "of contract"

Page 3, Section 2, Line 15:

After "and" insert "provisions shall be included in the contract, including a separate"

Page 3, Section 2, Lines 16-17:

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