

## **Things You Should Consider before Deciding to Hire a Public Adjuster**

### **What is a public adjuster?**

A public adjuster is an insurance claims adjuster who advocates for the policyholder in appraising and negotiating their insurance claim. You should be aware that public adjusters **are** hired and compensated by the policyholder. They are Not employees of your insurance company, **nor** are they assigned to your claim by your insurance company.

### **What are the requirements and rules for public adjusters?**

The State of New Jersey requires that any public adjuster be licensed. The State of New Jersey also requires that public adjusters follow certain rules and requirements when soliciting and servicing property claims. You may verify licensure at the following website:

<https://www20.state.nj.us/DOBI/LicSearch/insSearch.jsp>

Here's one rule that you need to be aware of should you be solicited by a public adjuster: The State of New Jersey has recognized that the initial 24 hours following a loss can be a vulnerable period and has adopted the following rule, setting limitations with respect to public adjuster solicitations:

“No individual, firm, association or corporation licensed under this act shall 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 6:00pm and 8:00 am during the 24 hours after the loss has occurred;”

As your insurance company, it is important for you to understand what you are agreeing to before you sign a retainer to have a public adjuster represent you on your claim. This is an important decision as well as a potentially costly one. Consider meeting with our experienced adjusters first and let us assist you with your claim. If at any point in time during the handling of your claim you believe you need assistance with the claim settlement process, you always have the option to sign on with a public adjuster at that point in time.

### **What specific functions does a public adjuster handle when representing you?**

A public adjuster would act on your behalf to settle your claim with your homeowner insurance company. The insurance company still has every right to discuss the claim with you in order to complete their handling, but the negotiation of any settlement will be done with the public adjuster once you sign a contract with them.

The public adjuster will meet with the insurance company adjuster assigned to your claim. The public adjuster should address all coverage and damage issues pertaining to your claim.

The public adjuster may inform you that they can get you a better settlement from your insurance company if they were involved, but it is important to realize that their results cannot be guaranteed. It should be realized that a public adjuster cannot obtain monetary compensation greater than what the policyholder is legitimately entitled.

### **What does a public adjuster charge for representing you on your insurance claim?**

Public adjusters will typically charge a percentage of your claim settlement, which would in most instances depend on the type and size of your claim. If you decide to use a public adjuster, be sure to discuss the fee they will charge before making your final decision. The fee is deducted from your claim settlement by the public adjuster.

State regulation, N.J.A.C. 11:1-37.13(b)-3.ii, requires that public adjuster contracts specify a list of services to be rendered and the maximum fee to be charged, "which fees shall be reasonably related to services rendered." Reasonableness of a public adjuster's fee would include time records that detail the actions taken on each claim file, the hours during which the public adjuster engaged in each activity, and expense records, including receipts for items such as computer software and travel.

Since the percentage you would owe to your public adjuster is paid by you, it is important to realize that once their fee is deducted from your claim settlement, you may not receive enough compensation to complete the necessary repairs to your home.

### **Will you receive better claim service when represented by a public adjuster?**

Once a public adjuster is involved, your NJIUA adjuster must schedule appointments and discuss all aspects of your claim settlement with them. Once we settle the claim with your public adjuster and secure a signed Proof of Loss, we will be mailing the settlement check to your public adjuster. All payments will include the named insured(s), the mortgagee on the structural payment, and the public adjusting company. They will be in contact with you to advise you of the process for getting the payment cashed and instruct you about having you settle up with them on their fee so that final disbursement of the funds can occur.

Because of the additional steps that become necessary when a public adjuster is involved, you should be aware of the built-in delays in the processing time for your claim.

### **Why would I need a public adjuster if my homeowner insurance adjuster is able to estimate my damage?**

If you are having difficulty understanding the insurance process, or if you cannot devote the time to meet with the adjuster and handle the claim yourself, you may wish to hire a public adjuster to work with your insurance company to provide that service. However, since our adjusters are experienced in estimating damages, they will work with any contractor you select to reach an agreement on the scope and cost of your repairs. You alone will need to determine if a public adjuster will add value for you in the claim handling process.

NJIUA utilizes very experienced independent claim adjuster companies to investigate the claim. The outside adjuster works with NJIUA staff claim examiners to provide a positive claim experience.

**Can I sign with a public adjuster later in the claim process once I know what my insurance company is offering me for my damages?**

It is always an option to involve a public adjuster at any stage of the claim process. If after you have worked with your Plymouth Rock adjuster, you believe that you need assistance with respect to the settlement process, you can always seek the services of a public adjuster. You should also consider other available options such as contacting the Plymouth Rock adjuster's supervisor, utilizing the appraisal provision of the policy, or reporting this matter to the Department of Banking and Insurance. These options may well serve your purpose and bring about satisfactory result, costing you little or no additional money.