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**Professional Public
Adjusters Association
of New Jersey**

RUN BY PUBLIC ADJUSTERS, FOR PUBLIC ADJUSTERS

IN THIS ISSUE

President's Message

by Leslie L. Knox, SPPA

Welcome to the Professional Public Adjusters Association of New Jersey. The Association is a mutually cooperative group of public insurance adjusters dedicated to promoting and protecting the interests of its members. We are a sovereign New Jersey association founded by public adjusters and operated by and for public adjusters. We serve the interests of all members including single member firms and larger firms doing business in New Jersey.

PPAANJ will provide the membership with the continuing education units necessary to meet the requirements of the New Jersey Department of Banking and Insurance as a benefit of membership in the association.

We are an active organization promoting the profession of public adjusting to the general public and representing our members' interests regarding legislation affecting our chosen profession. Additionally, we will maintain professional standards and ethical conduct to enhance member firm credibility within the insurance industry and the general public.

If you are not currently a member of the Professional Public Adjusters Association of New Jersey we encourage you to consider the benefits of membership in the association. Please feel free to contact me should you have any questions or wish to have an active role in the administration of this new dynamic association of adjusters.

A New Association is Formed

The formation of the PPAANJ was announced on April 21, 2016.

Congressman McArthur Meets with PPAANJ



PPAANJ Board Members met with Congressman Tom MacArthur to discuss the FEMA/National Flood Insurance Program Review Process for Super Storm Sandy victims, and to try to help find solutions for policyholders.

Save the Date

On November 3, 2016, the PPAANJ will be hosting a meeting and seminar in Red Bank, NJ.

BECOME A MEMBER OF PPAANJ

The Professional Public Adjusters Association of New Jersey cordially invites all public insurance adjusters licensed in New Jersey to become members of the premier public adjusters association run by public adjusters for public adjusters. We are a proactive and value based organization where you and your staff can join and receive your required CEU's for New Jersey, New York and Pennsylvania, as well as network with colleagues and affiliates in our field; all at a low introductory rate.

Your membership dues of \$300.00 per member, with a cap of five members per firm, (totaling \$1500.00 per firm), entitles regular members to attend two state approved CEU seminars of four credit hours each per year. The CEU's will be given at our annual and semi-annual meetings conveniently located in Central New Jersey. For firms needing CEU's for more than five adjusters, the cost will be \$150.00 per attendee at each of the bi-annual seminars/meetings.

PPAANJ also offers affiliate memberships to those associated indirectly with the practice of public insurance adjusting such as attorneys, restoration companies, engineering firms and dry cleaners. Dues for affiliate memberships are \$500.00 per affiliate membership. This entitles the affiliate member to attend our annual and semi-annual meetings and network with some of the premier public adjusters in New Jersey.

We urge you to apply for membership in PPAANJ now. Membership is an exceptional value and essential to promoting your chosen profession in New Jersey.

To become a member, simply go to www.ppaanj.com/Join.html or complete and submit the application attached to this newsletter.

We look forward to working with you.

PPAANJ

Practice Perspective: Documenting Claim Files

– By Leslie L. Knox, SPPA

One of the most important duties that a public insurance adjuster has is the comprehensive documentation of the claim file. The file should include a detailed record of all communications with the insurance company, company representatives and company experts in addition to all communications with the insured. Pertinent communications include e-mails, regular and certified mailings, telephone conversations and meetings, estimates, inventories, claims, recapitulations, contracts, checks, deposits and disbursements and proofs of loss. In short anything relevant to the preparation, presentation and adjustment of the loss should be maintained.

New Jersey sets forth “Minimum recordkeeping requirements” in its regulation of public adjusters (11:1-37.12).

- (a) Each licensee shall maintain accurate files, books and records reflecting all insurance-related transactions in which the licensee or his or her employees take part in accordance with the standards set forth in this subchapter. These records shall be maintained by either separate books of record or by one or more consolidated books of record for a period of five years from the date of closing of the claim.

The regulation details additional financial records that must be maintained and available for inspection including “a register of all monies received, deposited, disbursed or withdrawn in connection with an insured, including, but not limited to: fees, transfers and disbursements from a trust account; and all transactions concerning, including the balance of, all interest bearing accounts.”

Aside from the stipulated minimum requirements there are compelling reasons for you as a professional public adjuster to maintain thoroughly documented claim files. As you are undoubtedly aware, we practice in a litigious atmosphere where evidence of mishandling of claims, bad faith and violations of the Unfair Claims Practices Act are often keys to helping litigators prevail in securing favorable judgements for insureds. Without records documenting these indiscretions your insureds and their counsel may be unable to prove their respective cases.

Simple maintenance of a log for each client file is an effective way to demonstrate a “time line” for the activities that you have performed on behalf of the insured and the responses that the insurance company has made to your claims. You should consider noting events such as when the building take off took place, when the inventory was completed, when was the inventory reviewed by the insured and when each claim was sent to the carrier. Each meeting that you have with the company, their representatives or experts should be noted by date, topic and location. Any verbal agreements should be documented along with a follow up letter stating your understanding of what occurred at the meeting and what agreements were reached. The same goes for any telephone call that takes place between you and a company representative. Questions such as who, what, where, when, why and how are always good considerations when documenting meetings or telephone communications.

There are a number of software applications that are available to help you document the loss adjustment and maintain professional claim files. These have been specifically tailored to meet the needs of public adjusters and incorporate both financial record keeping and maintenance of all correspondence. They can be a cost effective means to help your adjusters save time and money and thoroughly document the claims file.

Another effective means of documenting the claim file is through the use of “transmittal letters”. A transmittal letter is a cover letter that should always accompany any demonstration of loss such as a building estimate, contents claim, business income claim or proof of loss. The letter should have a header that includes the named insured, date of loss, loss location, insurance company and claim number. The body of the letter should state what is attached or included in the package such as a building estimate, inventory or proof of loss.

Continued on the following page.

PPAANJ Meets with Congressman Tom McArthur to Address Super Storm Sandy Claims Review Process



On June 29, 2016, PPAANJ representatives Leslie Knox and Jesse Sipe met with Congressman Tom McArthur and The Merlin Law Group to address some of the issues facing insureds dealing with the Fema/National Flood Insurance Program Review Process for Super Storm Sandy victims.

Among the issues discussed was the prevalence of an engineering peer review process used by the NFIP to unfairly deny benefits to policyholders. Specific examples of questionable instances where NFIP denied liability for Sandy damages based upon engineering review were presented and discussed.

Additionally, PPAANJ expressed concerns regarding the lack of timely response to victims contested claims and the apparent lack of any responsibility taken by the “write your own” carriers for their actions denying and delaying payment of claims. It was suggested that perhaps the WYO carriers should be responsible for bearing the cost of hiring defense counsel in Sandy claims that have gone to litigation. Currently NFIP bears the expense of hiring attorneys to defend the actions of the WYO carriers following lawsuits filed by policyholders.

PPAANJ also addressed the issue of the Unauthorized Practice of Public Adjusting (UPPA). We discussed the perils of general and restoration contractors acting as public adjusters by preparing claims for insureds without the requisite standards of licensing, bonding and education that New Jersey public adjusters must currently maintain.

Your association is working on your behalf to protect the interests of policyholders and licensed public insurance adjusters in New Jersey. We look forward to providing continued advocacy for the membership of the PPAANJ.

Documenting Claim Files (Con’t).

If it is subject to a policy requirement, such as a sixty day proof of loss requirement, the letter should stipulate that the proof is being filed subject to and in accordance with the requirement. Additionally, if you are requesting a specific response to the documents that are being transmitted, it is important that you request a response within a specific time period, such as ten business days ending on a specific date. This is important when you are requesting a response in accordance with the Unfair Claims practices Act which requires a ten day response to “pertinent communications” made by the insured or its agent.

This “Practice Perspective” is by no means a comprehensive examination of what should be documented in your claims file as we are limited in what we can provide in the form of a newsletter. It is a demonstration of the types of things that you can do to better document your file. We suggest that include as much information as possible in the file paying particular attention to your communications with the insurance company and its’ representatives and experts. The extra time and effort that you expend today to document the file could make all the difference when your insured is forced to litigate to be adequately indemnified for their losses.



Save The Date



Professional Public
Adjusters Association
of New Jersey

PPAANJ Fall Meeting & Seminar

Seminar to include presentations from
various experts in the field.

November 3, 2016

10:00am

Molly Pitcher Inn

88 Riverside Avenue
Red Bank, NJ 07701