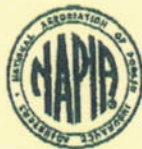


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January 2, 2013

BY FEDERAL EXPRESS

Assemblyman Gerald Green

17 Watchung Avenue

Plainfield, New Jersey 07060-1207

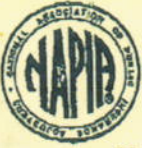
Dear Assemblyman Green:

On behalf of the National Association of Public Insurance Adjusters, I am writing this letter in support of the position set forth by the New Jersey Association of Public Insurance Adjusters, with whom NAPIA has a very close relationship.

The National Association of Public Insurance Adjusters (www.napia.com) is the oldest and most prominent trade association of public adjusters in the country. Founded in 1951, NAPIA has always espoused the ethical and proper practice of public insurance adjusting. We were instrumental in the development of the NAIC Model Act in 2005, and we have worked closely with the NAIC and in various states in securing appropriate and ethical laws governing the members of our profession. We have worked closely with state insurance departments, Attorney General Offices; and legislatures to ensure that public adjusting is practiced in a proper and ethical manner.

Our members have read with great interest, and considerable agreement, your recent comments about inappropriate behavior by some public adjuster or those reporting to be licensed public adjusters. Please know that the men and women of NAPIA take very seriously our responsibility to protect and serve the public after any insured property loss. Our reputations as honest and ethical insurance professionals in the insurance market place are most important.

Any unfair practices by anyone in a post-catastrophe scenario such as we see now along the New Jersey coast should not be tolerated. However, such unfair activity can come in many forms, and may well be at the hands of insurance companies looking to not fully indemnify insureds with respect to claims settlements, or a lawyer promising big returns on a lawsuit, as it might be adjusters who are improperly pricing their own services. Any legislative avenue that you may choose to pursue should be inclusive of working to eradicate any forms of unfair practices in the claims process following a catastrophe, and should especially work to strengthen rules pertaining to and penalties against the



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unauthorized practice of public adjusting (UPPA) which is the most common form of fraud and abuse against insureds.

Indeed, NAPIA is willing to work with your office and the New Jersey Department of Banking and Insurance to ascertain whether some of the allegedly abusive activities of which you have been informed are attributable to licensed public insurance adjusters or those who are engaged in UPPA.

Caps on fees are featured in some state laws. In fact, currently, of the 45 states that license public adjusters, 14 have some form of statutory fee cap.¹ In other jurisdictions the market establishes the rate. In those environments where there are no caps and the market dictates the price, the consumer should be educated as to what a reasonable rate is for their area. Further, as well-intentioned as a cap on fees may be, sometimes a fee cap may be so small as to not be economically sufficient for a public adjuster to take on a case for an insured; that person may well be left to deal with a carrier on their own.

Caps on fees are not always the solution to problems of abusive behavior by unscrupulous adjusters or unlicensed persons pretending to be an adjuster. They may be symptomatic of other problems with their performance, and both the public and regulators need to be more attentive to potential problems in the marketplace. NAPIA has been spending the better part of a year visiting with insurance commissioners from around the country with offers of assistance to root out poor and abusive behavior by public adjusters. NAPIA also requires rigorous continuing education by all its members as away to keep them both ethical and proficient in their profession.

We have carefully reviewed the position of the New Jersey Association of Public Insurance Adjusters, advocating a 12.5% fee cap, identical to the one currently in force in New York. This would mean that there is a statutory cap of 12.5% of any gross insurance settlement from dollar one, which works well in New York and other states. We are in complete agreement and support of this legislative amendment and wanted to get a letter to you articulating our support for the position of the New Jersey Association.

We also agree with the New Jersey Association regarding the need for overhead and profit inclusion on ACV claims.

NAPIA welcomes the opportunity to come visit with you to discuss the parameters of any legislation prior to introduction so that we can be a part of your well-appreciated effort to improve the professionalism of the public adjuster community and protect our common constituency--the insured public of the Garden State.

¹ The states with statutory caps are as follows: Connecticut, Delaware, District of Columbia, Florida, Iowa, Massachusetts, Michigan, Mississippi, New York, North Carolina, Rhode Island, Tennessee, Texas, Virginia.



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Thank you very much for your attention to our views, and we look forward to meeting with you soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian S. Goodman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Brian S. Goodman
General Counsel, NAPIA

cc: Ron Reitz, CPPA
Art Jansen, Jr., SPPA
David Barrack
Greg Serio