



Christie Administration Begins Mediation Program for Unresolved Non-Flood Insurance Claims as a Result of Superstorm Sandy

Consumer Application Forms Available at www.adr.org

For Immediate Release
Wednesday, May 1, 2013

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TRENTON – New Jersey Department of Banking and Insurance (DOBI) Commissioner Ken Kobylowski today announced that New Jersey residents with unresolved non-flood insurance claims related to Superstorm Sandy can have their cases mediated through the American Arbitration Association (AAA). Application forms are now available online at www.adr.org, by phone at [855-366-9774](tel:855-366-9774) or via email at njsandymediation@adr.org.

"Governor Christie promised New Jersey residents to have the mediation program up and running by the end of April and we have accomplished that task," said Commissioner Kobylowski. "This program represents another option consumers have to resolve disputes with their insurance companies regarding the coverage provided by their policies or the size of claim payments."

The mediation program will allow property owners to submit homeowner's, automobile and commercial property claims to a mediator who will review the case and assist in settlement discussions. Disputed non-flood Sandy-related claims greater than \$1,000 that do not include a reasonable suspicion of fraud and are based on policies in force at the time Sandy made landfall will be eligible for mediation. Insurance carriers will pay for the cost of the mediator. Policyholders who wish to bring legal representation to the mediation session may hire an attorney at their own expense.

"Six months after Sandy insurance carriers have settled more than 93 percent of Sandy related claims," said Commissioner Kobylowski. "But there is still much more work to do. We will not rest until every claim has been resolved following this unprecedented storm."

The mediation program will not include flood insurance claims at its inception because those claims are regulated by the federal National Flood Insurance Program (NFIP). However, the Department continues to discuss with NFIP the possibility of their participation in mediations at a later time.

State regulated insurers were required to notify insureds with open or unresolved homeowner's, auto and commercial claims that they can ask for a mediation conference and detailed instructions for filing that request. Participation by policyholders is completely voluntary. Insurers authorized or admitted to transact business in New Jersey and the New Jersey Insurance Underwriting Association will be required to participate in the Mediation Program. Surplus lines insurers and risk retention groups (RRGs) may elect whether or not to participate in the mediation process on a case-by-case basis.

Commissioner Kobylowski noted that similar mediation programs have proved successful in other states after major natural disasters, helping both policyholders and insurers reach amicable resolutions in a short time period and with relatively little expense. The Department will actively monitor the progress of New Jersey's program, tracking the number, success and closure rate of claims that go to mediation. Additionally, the Department has reserved the right to observe mediations as a quality control practice.

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