



State of New Jersey
DEPARTMENT OF INSURANCE
FRAUD DIVISION

SAMUEL F. FORTUNATO
COMMISSIONER

CN-324
TRENTON, NJ 08625-0324

LOUIS PARISI
DIRECTOR

May 14, 1992

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OFFICE OF ATTORNEY GENERAL

Edward J. Dauber
Executive Assistant Attorney General
Director, Division of Law
Department of Law and Public Safety
CN 112
Trenton, NJ 08625

Dear Ed:


The Administrative Code Title 11 Subchapter 10 deals with auto physical damage claims.

Section 11:3-10.3d states that

"No insurer shall negotiate the settlement of any physical damage claim involving an automobile as defined at N.J.S.A. 39:13-1b with an unlicensed auto body repair facility or in any manner utilize an unlicensed facility in the adjustment, negotiation or settlement of such a claim. It shall be the responsibility of the insurer to make a reasonable and diligent effort to determine whether the facility is properly licensed."

Therefore, as we discussed at the Governor's Auto Body Fraud Task Force meeting on May 6, 1992, insurance companies are prohibited from dealing with unlicensed shops. We are prepared to take action against any carrier that conducts business with any unlicensed shops.

Sincerely,


Louis Parisi
Director

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