

# Christie Administration Announces Mediation Program for Sandy-Related Insurance Claims

by John M. Scagnelli on March 4, 2013

The Christie Administration recently announced a new mediation program aimed to expedite the resolution of insurance disputes related to Superstorm Sandy. As we have discussed on this Business Law Blog, mediation is often a faster and more cost-effective alternative to litigation.

Under the new program, property owners can submit homeowner's, automobile, and commercial property claims to a mediator who will review the case and assist in settlement discussions. In order to be eligible for mediation, the claims must be greater than \$1,000 and not include a reasonable suspicion of fraud. The policies must have also been in force at the time Sandy made landfall.

According to a statement by the Christie Administration, the Mediation Program will not initially include flood insurance claims, which are governed by the National Flood Insurance Program (NFIP). However, the New Jersey Department of Banking and Insurance plans to monitor and assess the viability of securing NFIP participation in certain future mediations.

State regulated insurers will be required to notify insureds with open or unresolved covered claims that they can ask for a mediation conference and provide detailed instructions for filing that request. However, participation by policyholders is completely voluntary. While insurance carriers will also be required to pay for the cost of the mediator, policyholders will be required to pay for other related legal costs, including the cost of hiring an attorney to represent them during the mediation.

*If you have any questions about the mediation program or would like to discuss how you or your business may benefit, please contact me, John Scagnelli, or the Scarinci Hollenbeck attorney with whom you work.*