



NEW YORK STATE SENATOR

Jeffrey D. Klein

New York State Senate Passes Klein Bill to Stop Homeowner Insurance Scams

JEFFREY D. KLEIN June 11, 2013

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ALBANY, NEW YORK – On Tuesday, the New York Senate passed legislation to protect homeowners from insurance scams by establishing a strict firewall between public adjusters and contractors. The legislation (S.3771A) was written by Senator Klein in response to a series of complaints filed by homeowners against City Island-based Adjustrite, a contracting firm that had established a coordinated scheme whereby a public adjuster directed homeowners to a local contractor with whom he worked and had a nefarious financial arrangement. The bill, known as the “Gayla Marsh Bill,” was named after Gayla Marsh, who fell victim to Adjustrite. Her son, Chancy Marsh, notified Senator Klein’s office and, together, identified other victims of Adjustrite.

Senator Jeff Klein (D-Bronx/Westchester) said, “Public Adjusters, by definition, should act on behalf of the public, not on behalf of their own pocketbook. Unfortunately, we’ve found that this is not always the case. That’s why I’m proud that we passed legislation ensuring that homeowners get the protection they deserve. Families like the Marsh family, who brought this issue to my attention, will no longer be victims to this type of coordinated scheming.”

This legislation would ban partnerships public adjusters are currently allowed to make with contractors that can lead to delays or incomplete work at the expense of homeowners.

Public adjusters who violate the firewall will have their license suspended or revoked. IDC Leader Senator Jeff Klein (D-Bronx/Westchester) was the bill's prime sponsor in the senate and Assemblyman David Weprin (D-District 24) was the bill's prime sponsor in the Assembly.

To view the NBC I-team report on this issue click [here](#).

Bronx Resident Chancy Marsh said "After our home was destroyed in a fire, my family committed to starting over and rebuilding our house. We couldn't have imagined that the public adjuster and contractor - the very people who were supposed to help us in our time of need - would work together to scam us out of tens of thousands of dollars. Working with Senator Klein's office, we found other families who had unfortunately also been victims of this scheme. However, with Senator Klein's leadership in making this type of coordination illegal, I'm thrilled that New Yorkers will now be protected from scammers who take advantage of innocent homeowners."