

logo not found or type unknown

Insurance Roadblock Threatens Virgin Islands Farming Leases and Agricultural Growth

Agriculture Commissioner Louis Petersen warns that local insurers' reluctance to provide liability coverage is preventing lease approvals for farmers, as the Department of Agriculture searches for solutions with other government agencies

Agriculture / **Published On October 10, 2024 07:00 AM /**

Nelcia Charlemagne **October 10, 2024**

Image not found or type unknown



Cassava roots. By. GETTY IMAGES

The reluctance of local insurance companies to offer liability coverage to farmers in the Virgin Islands could threaten the territory's agricultural prospects, according to V.I. Department of Agriculture Commissioner Louis Petersen. Speaking before the Senate on Wednesday, he explained that the department is unable to issue leases to farmers unless they have insurance in

place, as it is a mandatory requirement.

“No insurance companies in the territory provide liability insurance coverage,” testified Mr. Petersen before the Committee on Economic Development and Agriculture on Wednesday. Therefore, while an undisclosed number of leases have been prepared for hopeful farmers, they “cannot be executed until we can remedy this challenge.”

The challenge in accessing liability insurance is also affecting farmers who are considered to be in “good standing” by the Department of Agriculture. “We have most of their documents for renewal just sitting until such time as we can have insurance coverage identified for them to purchase,” he disclosed. [Last September](#), Mr. Petersen told the committee that some farmers may be hesitant to initiate the process of renewing their lease because they are having difficulty securing liability insurance. Eleven months later, the situation has not improved.

InterOcean Insurance, which previously provided liability insurance, has asked VIDA to “stay in contact with them because the market continues to change.” In the interim, the commissioner said VIDA has initiated conversations with the Department of Property and Procurement to discuss where liability falls if farmers decide to proceed without liability insurance. The two government departments have not yet arrived at a consensus, lawmakers were told.

“This is very alarming,” committee chair Senator Javan James remarked, nevertheless urging optimism. “I really hope that you and your team can be able to lobby on behalf of these farmers who need insurance.”

Senator Angel Bolques Jr., meanwhile, encouraged VIDA to explore opportunities outside of the territory, something that Mr. Petersen said has already been suggested. “I don’t think the company being outside of the territory would be a problem, but again, that would have to be coordinated with DPP,” he replied.

At a recent meeting of the Committee on Housing, Transportation, and Telecommunications, Glendina Matthew, director of the Division of Banking, Insurance and Financial Regulation in the Office of the Lieutenant Governor, told lawmakers that [homeowners, too, are struggling to secure insurance](#) as “reinsurers have been declining and limiting the amount and type of risk they will undertake.”