The Virgin Islands Consortium

As Home Insurance Rates Decrease, Potter Advises Residents To Shop Around

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ST. CROIX -- Lieutenant Governor Osbert Potter, through a press release his office issued on Tuesday, is advising residents to shop around for home insurance as rates have decreased.

According to Mr. Potter, the rates were lowered by insurance companies after he requested that they do so. He said during discussions with the insurance firms, he pointed out that the territory had not seen a major Hurricane since Marilyn; which struck the territory, especially St. Thomas, extremely hard in 1995, and so prices needed to be lowered.

"In May 2015, I asked all property and casualty insurers licensed to conduct business in the territory by the Office of the Lieutenant Governor, Division of Banking and Insurance, to voluntarily lower their homeowners insurance rates," Mr. Potter said. "My request was based primarily upon the fact that the territory has not experienced an intense hurricane catastrophe since Hurricane Marilyn, which occurred in 1995. While there have been some smaller hurricanes since then, there have been no losses at the magnitude of Hurricane Marilyn. Many companies agreed to reduce their rates and offer more discounts."

Even so, Mr. Potter said residents should not put their guards down in regards to hurricanes, and encouraged islanders to seek the best coverage they could find.

"If you are a property owner in the territory, you should always maintain homeowners insurance, whether you have an outstanding mortgage or own your home and have no mortgage. Avoid being forced placed, which costs more and covers only the bank’s (or mortgage company’s) interest and not the full value of your property. Take advantage of the lower rates and the discounts," Mr. Potter said.

He also gave homeowners tips when searching a policy:

- The Division of Banking and Insurance regulates the insurance industry and protects consumer interests. However, the Division does not endorse or recommend any insurer. You must contact an insurance agent directly and ask about the different policies he or she offers.
- If you already have a homeowners insurance policy, read it thoroughly to learn the specific coverage you have, all of which are priced separately (for example: dwelling; contents; loss of use). Know the expiration date of your homeowners insurance policy. Mark it on your calendar.
- If you are shopping for a new policy or to renew your existing policy, take photos or video of your entire home including the apartment or other structure, if there is one. Also, take photos or videos of all contents and prized possessions in your home. Create a written inventory of your contents and items covered. Make sure your inventory is updated regularly.
- Avoid being underinsured. Homeowners insurance purchased on the dwelling should be at its full replacement cost. While it is best to insure 100% of the replacement cost, most policies require that the limit is at least 80% or 90% of the actual cost to replace the structure to its pre-loss condition.
- Ask the agent to provide you homeowners insurance rates for each insurance company he or she represents.
- Ask the agent about specific discounts offered by each insurer he or she represents that can further reduce the cost of your homeowners insurance policy. Various discounts (percentages off the base cost of property coverage) may be given for shutters; hip roof format; two feet or less roof overhang; associated business to include automobile insurance; and no claims over a specified period of time. Then ask the agent to apply to your application for homeowners insurance coverage, the discounts for which you qualify. Photos of the home or inspection of the home may be required by the insurance company.
- Take advantage of premium financing, if needed. Premium financing will allow you to purchase homeowners insurance from an insurer and then spread your payments out over time, based upon a contractual agreement with a licensed

premium finance company.

- Homeowners insurance cannot be purchased when a storm is threatening the territory. Each insurer has its own guidelines, however some moratoriums on the sale of hurricane insurance can begin 72 hours or more before a storm is scheduled to arrive. Purchase your homeowners insurance policy before the hurricane season begins.
- Flood coverage is NOT provided in a standard homeowners insurance policy. You must purchase a separate flood insurance policy. The National Flood Insurance Program has a 30-day waiting period before coverage becomes effective. For further information on flood insurance, please visitwww.floodsmart.gov. Purchase your flood insurance policy before the hurricane season begins.

Feature Image: Lieutenant Governor Osbert Potter.

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