

The Virgin Islands Consortium

Op-Ed | Who Ensures That Insurers Do Right By Us?

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The Virgin Islands government has spent millions of dollars to secure stateside consultants to ensure that FEMA gives its fair share. According to recently published reports, FEMA has provided nearly \$46.5 million in household grants to help V.I. residents pay for rental housing, home repairs and other serious disaster-related expenses from Hurricanes Irma and Maria. While the jury is still out on whether this is indeed enough to meet our disaster recovery needs, many are starting to realize that neither FEMA nor property and casualty insurers are providing individuals enough money to rebuild their lives or their homes.

While the selected consultants are watching FEMA, who is protecting the rights of our people being taken advantage of by insurance companies with the assistance of their

local and off island adjusters? Across the nation and here at home, most people affected by hurricanes rely on reimbursements from their insurance companies to help them get back on their feet and pay for damage from rainwater, wind damage, flash flooding, and more, only to find those companies underpay, delay or deny their claims. Insurance is big business; for example, a 2016 study of the top leading property and casual insurance companies in the U.S. reports that **profits** for just one of the companies were at a whopping \$742 million (<https://www.statista.com/statistics/185712>).

In our small Virgin Islands, it is estimated that residents and business owners dish out \$200,000 million in premiums annually to maintain selected or forced placed insurance property and casualty insurance. Ironically, many of the insured are finding it frustratingly difficult to get our homeowners insurance claims processed on a timely basis. Some are having a more difficult time than those without any insurance at all. Those who have been placed on expensive forced insurance by their lienholders have found that the concern in their mortgaged property is only to retrieve the lenders' interest in that property. Nothing is left for disaster repairs. It is likely that the higher costs for loss of use and flood insurance coverage in our economically-ravaged environment force owners and renters to gamble against the odds and select the lesser options that are most affordable for them.

Virgin Islanders' complaints against insurers whose final pay out numbers for Hurricanes Irma and Maria are not yet published, are varied but consistent--difficult to contact, slow to make inspections, missed appointments, unreturned calls, undervaluing of damage, delayed pay outs, intimidating negotiations, computer programs that "appraise" homes so that they are artificially inflated upward increasing future premiums.

Many of our neighbors nearing retirement and on fixed incomes are faced with taking federal loans that will severely impact their ability to sustain their lives and will leave a legacy of debt for family members. SBA reports approval of over \$300 million in disaster loans for Virgin Islands businesses and residents affected by Hurricanes Irma and Maria. Many of these loan takers do not understand how to nor have the resources to fight the insurance companies. In desperation, they take long-term loans for the cost of repairs that should be paid by insurance they purchase annually. These hurricanes may be the last straw for many as more and more of us depart because we cannot afford to stay at home.

The federal and local governments have apparently failed to understand that our poverty rates, extremely high cost of living and depressed salaries demand that more be done for individual households. Vague or equivocal policy language is usually interpreted in favor of the policyholder, since it is drafted by the insurer and presented to the consumer as a take-it-or-leave-it proposition.

It's time for the government to step up and provide reliable advocacy and training for our residents to defend and receive their just due. Seminars and workshops for the insured should include understanding how to choose the right policy (should you buy loss of use? pay extra for flood insurance?); need-to-know insurance terms related to the policy, (e.g., deductible, replacement cost, actual cash value, proof of loss); how to enter into mediation or arbitration if you disagree with the claim adjuster's settlement offer; and the responsibility of the claimant to accurately document loss.

More scrupulous oversight by the legislature on insurance laws and practices in the territory is warranted and expansion of automation and staff efficiency in the government's regulatory office will substantially increase the quality of its oversight of insurers, particularly after disasters, and enhance consumer protection.

Bottom line? We need advocacy to avoid insurance victimization and we need it now!

Submitted on Sunday by: *Albert Bryan, Jr., gubernatorial candidate in the 2018 general election, and former V.I. Commissioner of Labor*

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