The Virgin Islands Consortium

Out Of 14,881 Insurance Claims Filed Since 2017 Hurricanes, 4,327 Have Been Closed, Banking And Insurance Reveals

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Ernice Gilbert January 31, 2018

ST. CROIX -- At an hourslong press conference at Government House on St. Croix organized by the Office of the Lieutenant Governor, officials of the Division of Banking and Insurance (D.B.I.), which falls under Mr. Potter's office, were joined by representatives of the Department of Licensing and Consumer Affairs (D.L.C.A.) and the Department of Planning and Natural Resources (D.P.N.R.), to divulge a dizzying amount of information relative to the claims process following Hurricanes Irma and Maria, whose winds left many parts of the U.S. Virgin Islands in ruins.

A large swath of the press conference was dedicated to the Division of Banking and Insurance's efforts following the storms, among them an order the division issued directing insurance companies to respond to claimants within 30 days of an adjuster's visit.

Yet, though the division praised its own efforts and said its response has been far more efficient compared to past major storms that have impacted the territory, it revealed that less than 40 percent of claims filed since the storms have been closed.

According to Lieutenant Governor Osbert Potter, who was present during the press conference, there were 9,332 claims filed for Hurricane Irma as of January 10, of which 3,013 claims were closed, which equates to $435,661,453.61. "That represents 38 percent of the claims that were filed," Mr. Potter said. "There's still a lot of claims in the pipeline at various stages, so this in itself shows a lot of progress, but at the same time shows that there are still more claims to be handled and the process for dealing with claims continues."

The total number of claims filed for Hurricane Maria was 5,549 as of January 10, of which 1,314 claims were closed -- equating to $82,837,319.06. "These figures are building up and continue to build because we issued an order to these insurance companies to make sure that there is not a delay in the process," the lieutenant governor said.

Gwendolyn Hall Brady, director of D.B.I., said the division has been efficient in responding to the queries of residents. She said all who have called with concerns have had their matters dealt with, and stressed that communication was unavailable for about a month following the hurricanes. Yet even with the current efficiency at D.B.I., Ms. Brady has also asked for additional employees to meet the rising demand of residents seeking help with settling their claims. When asked about the timeline for employing more workers to help with the workload, Mr. Potter said he could not give a time frame, but assured residents that their matters would be addressed by the current cadre.

Currently, insurance companies have until thirty days to respond to clients whose properties have been assessed by an adjuster. Asked if the division had considered shortening by one week the length of time to respond, Mr. Potter said he believed a month was reasonable enough.

Ms. Brady said D.B.I. would begin requiring insurers to clearly explain to policy holders the exact contents of the plan they hold, a move that follows complaints from a high number of residents who were told by insurance companies that they were underinsured. The action is an important one, but it will have little effect on victims of Hurricanes Irma and Maria, who must now find additional funds to repair their homes after learning that their current policies do not fully cover the damage wrought by either Irma or Maria.

Mr. Potter encouraged residents to ascertain their policy before agreeing to it -- even with the new action in place. "It is your responsibility as a homeowner to really seriously don't continue to sign on the dotted line and move on and feel like everything is fine. It's your responsibility to understand your policy," he said.

Moving forward, D.B.I. will require insurance companies to provide a catastrophe response plan, without which these companies will not be granted a license to operate in the territory. And the division has 6 bills in the Legislature that it hopes will be approved and signed into law to further bolster its credibility with the National Association of Insurance Commissioners.

A range of other issues were discussed, including the importance of hiring a licensed contractor to perform home repairs (see full list of USVI's licensed contractors here). Mr. Potter also discussed briefly a rising dispute between some homeowners and their lender banks. Some insurance companies have been writing checks to banks and the homeowner, instead of just the homeowner. The bank then hires a contractor and and pays the contractor to repair the property. Mr. Potter explained that because the bank has a stake in the home, certain policies require that the funds be sent to both parties. And he revealed that many banks sell home ownership loans to third-party institutions, which have their own demands.

A D.P.N.R. representative spoke about the permitting process, reading from the V.I. Code that speaks to permits. While the code requires a permit application for the installation of a water heater, the representative said such matters were minuscule. However, homeowners looking to make repairs to roofs, windows and doors, should first apply for permits, she said.

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