

The Virgin Islands Consortium

Division Of Banking And Insurance Meets With Banks To Discuss Hurricane-Related Insurance Claims

Business / **Published On February 10, 2018 01:23 PM /**

Staff **February 10, 2018**



The Office of the Lieutenant Governor, Division of Banking, Insurance (D.B.I.) and Financial Regulation held a meeting with the Virgin Islands Bankers Association on Wednesday, to discuss insurance issues deriving from the 2017 storms.

Senior officials from Banco Popular; Bank of St. Croix (a Division of United Fidelity Bank); Firstbank; Merchants Commercial Bank; and Scotia Bank, all of which are members of the association, willingly attended the meeting for a discussion on complaints and inquiries D.B.I. has received from the territory's consumers in the aftermath of Hurricanes Irma and Maria, Lieutenant Governor Osbert Potter said.

According to the release, D.B.I. has a dual responsibility to regulate the banking industry and protect consumer interests, while working on behalf of the Virgin Islands Banking Board. Therefore, the release added, D.B.I. brings consumer complaints to the attention of the banks on a timely basis. The banks cooperated with the D.B.I.'s requests to make services available to their customers as soon as possible after the two hurricanes and continue, when requested by the D.B.I., to review their operating procedures and make adjustments where necessary, the release said.

Two issues discussed during the meeting that have been the subject of complaints received by D.B.I. were 1) the release of homeowners insurance settlement funds payable to both the bank's mortgage customer and the contractor and 2) claims handling for the banks' force-placed program.

The association's member banks conduct an independent review of every case received from mortgage customers concerning insurance settlement funds, according to the release.

Mr. Potter urged customers to contact their bank immediately to discuss the release of their homeowner's insurance settlement funds because each case is different, depending upon:

- If the mortgage customer has a Fannie Mae-backed loan.
- Whether or not the mortgage customer has been delinquent in payments.
- Whether the mortgage customer is adequately insured (and not underinsured).
- If the mortgage customer started repairs on the insured property before receiving the insurance settlement.

According to the release, claims made against properties in the banks' force-placed programs are being adjusted. Force-placed means the customer did not purchase homeowner's insurance as required by the mortgage agreement, so the bank purchased insurance on the property but only for the mortgage balance.

"Please contact your bank right away to discuss any banking issue you may have following Hurricane Irma and Maria. If you need assistance with your insurance claim, please first contact your insurance agent, your claim adjuster, or your insurance company," Mr. Potter said.

Customers may also contact the Division of Banking, Insurance and Financial Regulation on St. Thomas at Nisky Center, 2nd Floor, 340-774-7166 and on St. Croix at the Office of the Lieutenant Governor, 1131 King Street, 3rd Floor, 340-773-6459. Please visit the Division's website at ltg.vi.gov for more information on the Division's banking, insurance and financial regulation services.

Feature Image: Firstbank in Sunny Isle. (Credit: VIC)