The Virgin Islands Consortium

Roach Stresses Insurance Preparedness as 2023 Hurricane Season Begins

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Home in St. John destroyed by Hurricane Irma in 2017. **By. ERNICE GILBERT/V.I. CONSORTIUM**

As the 2023 Atlantic hurricane season officially commenced on June 1, Lieutenant Governor Tregenza Roach is urging Virgin Islands residents to secure appropriate insurance coverage to protect their properties and belongings.

According to predictions from the National Oceanic and Atmospheric Administration (NOAA), there's a 40% chance for a near-normal hurricane season this year, with an anticipated 12-17 named storms. Despite these moderate expectations, the lieutenant governor is stressing the importance of preparedness and adequate insurance coverage.

Roach, whose office includes the Division of Banking, Insurance and Financial Regulation, has disseminated a comprehensive list of tips and reminders, outlining crucial aspects of insurance policies and coverage requirements.

Among his key suggestions, Roach advises homeowners to avoid underinsurance by opting for Replacement Cost Value homeowner's insurance. This coverage should amount to at least 80% of the property's replacement cost, protecting the home's value from depreciation.

Additionally, Roach recommends avoiding force-placement by having insurance premiums escrowed with mortgage and property tax payments. He cautions that force-placement only covers the outstanding mortgage balance.

The Lieutenant Governor, also serving as commissioner of insurance, highlighted the necessity of obtaining separate homeowners/windstorm and flood insurance policies, as standard homeowner policies typically do not cover flood damage, a frequent issue during hurricanes. Importantly, he notes that flood insurance policies only become effective 30 days after purchase.

Roach also underscored the importance of understanding insurance deductibles and potential out-of-pocket costs in the event of a total loss. He encouraged renters to secure renter's insurance, and condominium owners to comprehend that while their association holds the primary insurance policy, individual contents insurance is still necessary.

In preparation for a potential disaster, Roach advised residents to secure vital documents, including insurance policies, in a safe, dry, waterproof, and fireproof container. He also recommends the proactive measure of documenting and photographing property and contents before a storm using the "Home Inventory Checklist" available for download at ltg.gov.vi.

The lieutenant governor reminded residents that homeowner's insurance policies cannot be purchased once a storm has been officially declared and that public adjusters, licensed by the Commissioner of Insurance, can charge a maximum of 5% of the insurance proceeds recovered.

For further information on disaster preparedness, insurance policies, and the role of the Office of the Lieutenant Governor, residents are encouraged to visit ltg.gov.vi or contact the Division of Banking, Insurance & Financial Regulation on St. Thomas at 340-774-2991 and on St. Croix at 340-773-6449.