

Emergency Order on Underinsurance

For Immediate Release

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LIEUTENANT GOVERNOR POTTER ISSUES EMERGENCY

ORDER ON UNDERINSURANCE

Lieutenant Governor Osbert E. Potter, who also serves as Commissioner of Insurance, issued an Emergency Order to all property and casualty insurance companies licensed and authorized to conduct business in the U.S. Virgin Islands.

According to the Lieutenant Governor, "The Order, which is effective immediately and dated February 12, 2018, requires insurance companies to conduct a second review of each Hurricane Irma and Hurricane Maria related claim for which a determination of "underinsurance" was made.

As announced by Division Director Gwendolyn Hall Brady during the Lieutenant Governor's January 30, 2018 Press Conference, the Order was generated as a direct result of numerous underinsured-related complaints that homeowner's insurance policyholders filed with the Division of Banking, Insurance, and Financial Regulation after the two hurricanes. Underinsured means the amount of homeowner's insurance held on the property is insufficient to cover the total dollar amount of losses to the property. Generally, underinsured is associated with the policyholder's failure to coinsure no less than 80% of the property's value.

The Order mandates that:

