



# U.S. Virgin Islands Office of the Lieutenant Governor

## Division of Banking, Insurance & Financial Regulation

# ANNUAL INSURANCE CHECKLIST

### 5 Insurance Policies You Should Review Every Year

At the beginning of each new year, review your homeowners/rental insurance, flood, life insurance, health insurance and auto insurance policies, the coverage provided by each, the policy limits, and any applicable deductibles. Changes in your life may require you to re-evaluate your insurance coverage needs and update your policies. Did you make an addition or improvement to your home? Buy new and more expensive contents? Purchase a new home or car? Get married? Have a baby? Lose your spouse in death? Get a divorce? Change jobs and have a change in income? Make plans to retire? If so, you need to talk with your agent or insurer to make sure you have the right insurance protection under the following insurance policies:

Year Last Revised Policy	Year Current Update to Policy	<b>TYPE OF INSURANCE</b>
		<p><b>HOMEOWNERS/RENTAL INSURANCE</b></p> <p>Be prepared for the upcoming hurricane season! You are required to maintain homeowners insurance as long as you have an outstanding mortgage; if you do not, you will be force-placed, meaning the lender will insure your property but only for the mortgage loan balance. However, you should maintain homeowners insurance even after you pay off your mortgage, because you own your home in full! <b>Make sure you are not underinsured</b> and that you have insurance coverage sufficient to cover the total dollar amount of losses. Generally, underinsured is associated with the policyholder's failure to coinsure 80% of the property's value. Get an appraisal every three years. Discuss with you agent or insurance company whether you need to add coverage if your home is not insured at its replacement cost value and if you have made any additions or improvements. Update your home inventory (visit <a href="http://ltg.vi.gov">ltg.vi.gov</a> to obtain a sample home inventory checklist) and make sure contents coverage under your homeowners or rental policy is up-to-date. Take photos or video your personal property/contents.</p>
		<p><b>FLOOD INSURANCE</b></p> <p>Homeowners and commercial property policies specifically exclude coverage for damage from flooding from rising waters. To protect yourself from losses caused by most flooding, you'll need to buy a separate flood insurance policy from the National Flood Insurance Program (NFIP) administered by FEMA. Flood insurance policies have a 30-day waiting period after the purchase date before coverage takes effect, so if you do not have a policy, you should get one as soon as possible. For more information about flood insurance, call the NFIP at 1-888-FLOOD 29 (356-6329) or visit its website at <a href="http://floodsmart.gov">floodsmart.gov</a>.</p>
		<p><b>LIFE INSURANCE</b></p> <p><b>Life insurance comes in two main forms: term life insurance and whole life insurance.</b> Term life means the policy is in effect only for a set period of time, as long as the premium is paid. Term life insurance will pay a death benefit only if you die during the policy term. Term policies are typically written for 1, 5, 10 or 20 years. Whole life insurance is also known as permanent life insurance. Whole life insurance policies build cash value and pay a death benefit, and are generally more expensive than term life insurance policies, but will cover you for life and provide an investment component, as long as you pay the premium. (continued pg. 2.)</p>

Year Last Revised Policy	Year Current Update to Policy	<h1>TYPE OF INSURANCE</h1>
		<p><b>LIFE INSURANCE</b> (continued)</p> <p>The cash value is the accumulation of premiums collected minus expenses and charges. Be sure you know whether the life insurance policy you have is a term life insurance policy or a whole life insurance policy. If you cannot afford whole life insurance right now but think you may want it in the future, you may want to consider term life insurance with a conversion option that will let you change to a whole life policy for a fee, later. Remember, as you get older, life insurance becomes more expensive. Shop around to find the most affordable premium for your needs. Make sure to update your beneficiaries, if there have been changes in your life, and inform the beneficiary about the policy.</p>
		<p><b>HEALTH INSURANCE</b></p> <p>You may have recently enrolled or changed your health insurance whether through your employer or Medicare. Make sure you have a new insurance card and the required paperwork before you visit a doctor. Know your deductible and co-pay requirements. Check your provider lists to make sure visits to your doctor and any specialists are still covered by your policy, as in-network or preferred provider lists change from year to year. Read through your documents and make note of co-pays for in-network and out-of-network providers to avoid surprises. If you are planning a vacation, check with your insurance carrier to identify urgent care centers and hospitals that accept your insurance coverage. Ask your insurer about applicable co-pays and deductibles if care is needed in the area you plan to visit. <b>Know how your health plan handles nonemergency care.</b> Some health plans won't pay for nonemergency health care from out-of-network providers or will only pay part of the cost. Know how your policy handles out-of-network care in case a disaster forces you to leave your network area.</p>
		<p><b>AUTO INSURANCE</b></p> <p>If you have an outstanding auto loan with a lender, you are required to maintain comprehensive auto insurance coverage (other than collision) for the life of the loan. Comprehensive coverage pays if a storm, fire or flood damages your car. U.S. Virgin Islands law requires you to have compulsory liability coverage but not comprehensive coverage. However, make every effort to maintain full coverage even if you do not have an auto loan, in the event you are involved in an accident with an underinsured driver or your automobile is damaged by a disaster. Review your auto insurance policy with your agent to ensure your policy will cover you in case of an accident. Make sure your coverage is appropriate for your life situation. Liability is the part of the policy that pays for any injury or damage if YOU cause an accident. If your liability insurance is too low, you may be legally exposed for any damages above your liability limits. Review your deductibles for your comprehensive and collision coverage. This is the amount you will pay if your car is damaged or totaled without fault of another driver. Raising or lowering this amount can affect your premium. Make sure you have a copy of your insurance card and your insurance agent or company's number in your vehicle at all times.</p>

Office of the Lieutenant Governor - Division of Banking, Insurance and Financial Regulation

The Honorable Tregenza A. Roach, Esq.  
Lieutenant Governor and Commissioner of Insurance

Gwendolyn Hall Brady, Director