



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

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TO: All Property and Casualty, Domestic Insurers, Insurance Agencies and Other Insurers and Entities Regulated by the U.S. Virgin Islands, Division of Banking, Insurance and Financial Regulation

RE: Written Catastrophe Response Plan

The purpose of this Bulletin is to advise property and casualty, domestic insurers, insurance agencies, and other insurers and entities of their responsibilities as it relates to Catastrophe Response Plans. In light of the recent passage of Hurricane Irma and Hurricane Maria, which devastated many islands throughout the Caribbean and the infrastructure of the Districts of St. Thomas - St. John and St. Croix, this Bulletin is being issued to all insurers for the protection of policyholders in the Territory. As many of you are aware, the impact the storms had on the Territory was so great that many Virgin Islands residents are now displaced in various parts of the United States. Not only was there severe damage to properties but communication between persons in and outside the Territory was limited and at times nonexistent. As such, the Commissioner of Insurance recognized that the interest of the public demands that certain insurers have a Catastrophe Response Plan in place should a similar emergency arise again.

Property and Casualty and Domestic Insurers

Effective January 15, 2018, the Commissioner of Insurance, pursuant to 22 V.I. C. § 206(2)(F), requires insurers issuing property and casualty policies to maintain and submit to the Commissioner with its new or renewal application a copy of its Catastrophe Response Plan for the benefit of its policyholders in the event of a disaster or emergency. More particularly, an insurer writing any commercial or residential property, automobile, marine, or inland marine insurance must maintain a written Catastrophe Response Plan that describes how it will respond to a catastrophe affecting

its policyholders in this Territory. Although this Bulletin is not intended to specify what particular elements are to be included in the Catastrophe Response Plan, the Commissioner is of the opinion that for proper continuity of the insurer's business operations that the plan must contain, at a minimum, provisions as follows that will ensure the insurer is prepared for and can respond to emergencies and disasters that may affect its policyholders:

- Emergency contact information of the insurer (i.e., electronic mail address, phone number(s), etc.) to be provided to the general public and the Division of Banking, Insurance and Financial Regulation ("Division");
- Emergency contact information of key or essential personnel of the insurer;
- Alternative office location(s) or worksite(s);
- Procedures of back-up, storage, and retrieval of records and data, including accessibility to and security of such records and data;
- Procedures for communication with policyholders;
- Procedures for the distribution of catastrophe claims information;
- Procedures for handling and processing of existing claims and potential issues by the insurer;
- Procedures for training staff; and any other information that may be useful to the policyholder and the Division.

This Plan shall be produced to and will be reviewed by the Division during the insurers licensure and examination process or at any time at the discretion of the Commissioner. A copy of the Plan will be maintained by the Division and shall be given confidential treatment along with all other analysis and examination working papers, documents, and reports. Moreover, it will not be subject to public records disclosure, nor shall it be made public by the Commissioner. Failure to maintain a Plan will be deemed a "violation" of Title 22, Virgin Islands Code and may subject the insurer to administrative action.

Other Insurers and Entities Regulated by the Division

Pursuant to 22 V.I.C. § 53, the Commissioner is vested with the authority to regulate the insurance industry in all its phases, and it is the intent of the Commissioner to ensure that policyholders in this Territory are receiving prompt and effective services from their respective insurance company, particularly in response to a disaster. Therefore, the Commissioner hereby directs that insurers writing other lines of business, excluding those mentioned above, and other entities regulated by the Division shall develop and file a copy of its Catastrophe Response Plan with the Division. This measure is to ensure that a mechanism is in place when a catastrophe occurs and those policyholders suffering any type of losses will have access to emergency information and services provided by the insurer. As provided above, this information

shall be considered proprietary and treated as confidential. It shall not be subject to public records disclosure or made public by the Commissioner.

To this end, the Commissioner urges all property and casualty and domestic insurers to initiate and complete the development of a Catastrophe Response Plan to ensure full compliance with this Bulletin. Other insurers, insurance agencies and entities regulated by the Commissioner are also required to develop a Plan in order to respond to the needs of their policyholders. Accordingly, all insurers, insurance agencies and entities should do or take whatever action that is necessary, incidental or appropriate for the implementation of such Plan.

Questions regarding this Bulletin should be directed to Attorney Glendina Matthew, Division of Banking, Insurance and Financial Regulation, at (340)773-6459 Ext. 3107 and/or by e-mail at glendina.matthew@lgo.vi.gov.

Dated this 27th day of October 2017 at Christiansted, Virgin Islands.



Osbert E. Potter
Lieutenant Governor/
Commissioner of Insurance