



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

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**BULLETIN 2017-08**

**TO:** All Property and Casualty Insurance Companies; Premium Finance Companies;  
Managing General Agents; Adjusters; and The Public Generally

**RE:** Hurricanes Irma and Maria – Misrepresentations and Fraudulent Claims

With an influx of insurance claims being filed by the residents of this Territory for relief following Hurricanes Irma and Maria, the public is warned to beware of fraudulent activities regarding the filing of insurance claims, the completion of applications for insurance coverage and the interpretation of insurance policies. In carrying out its statutory mandates, the Office of the Lieutenant Governor, Division of Banking, Insurance and Financial Regulation (“DBIFR”) has a dual responsibility to regulate the insurance industry and to protect the consumers of this Territory. The following information is being provided to both educate the members of the public and provide a reminder to the insurance industry, including adjusters and insurers, that it is a violation of Virgin Islands law to present false claims for payment on an insurance claim and to make misrepresentations when completing applications for insurance and when interpreting the provisions contained in insurance policies.

Section 1209 of Title 22 of the Virgin Islands Code, also known as the Virgin Islands Insurance Code, prohibits an insurer, its representative, or any other person, including adjusters, from misrepresenting the terms and provisions of any insurance policy. Section 1222 of Title 22 also prohibits any person, including agents, solicitors and brokers from making false or fraudulent statements or representations in or in relation to an application for insurance coverage with an insurer in this Territory. The license of any agent, solicitor or broker found to be guilty of Section 1222 shall be revoked.

Please also be informed that pursuant to Section 1223 of Title 22 of the Virgin Islands Code, it is a felony for any person who, with intent to defraud or prejudice an insurance company, willfully injures or destroys property in any manner, except for actions which constitute the offense of arson, which is a separate offense under the Virgin Islands Criminal Code.

Additionally, Section 1224 of Title 22 of the Virgin Islands Insurance Code prohibits any person from presenting false and fraudulent claims, or any proof in support of such claims for the

payment of a loss under an insurance policy and from preparing, making or subscribing to any false or fraudulent account, certificate, affidavit, or proof of loss, or other document or writing, with intent that it be presented or used in support of such a claim. Any person found to be in violation of this Section is guilty of a gross misdemeanor.

Lastly, Chapter 41 of Title 14 of the Virgin Islands Code, also known as the Virgin Islands Criminal Code, establishes criminal penalties, to include terms of imprisonment and fines, for any person who commits fraud including making false and fraudulent claims to obtain money. The Division of Banking, Insurance and Financial Regulation will forward to the Virgin Islands Attorney General for investigation and possible prosecution, information on persons suspected of violating any of the applicable provisions of Chapter 41 including Section 842, which specifically makes it an offense to present false and fraudulent claims on any insurance contract.

If you have questions regarding this bulletin, contact the Division of Banking, Insurance and Financial Regulation by calling (340) 774-7166 on the island of St. Thomas or (340) 773-6459 on the island of St. Croix.

Dated this 27th day of October, 2017 at St. Thomas, U.S. Virgin Islands.



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Osbert E. Potter  
Lieutenant Governor/Commissioner of Insurance