



THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR

KENNETH E. MAPP
LIEUTENANT GOVERNOR

October 20, 1995

THE HONORABLE ROY L. SCHNEIDER
Governor
United States Virgin Islands
Government House, Charlotte Amalie
St. Thomas, U.S. Virgin Islands 00802

Dear Governor Schneider:

Transmitted herewith are Rules and Regulations promulgated with regard to the maximum fee which may be charged residential insureds by public adjusters. In light of the fact that numerous public adjusters have been licensed in the Territory in the wake of Hurricane Marilyn, these regulations are deemed in the public interest and for the protection of policyholders in the Territory.

Commercial insureds are not included in this regulation since they are well equipped to negotiate their business affairs. However, due to the compelling circumstances of this matter and in the interest of our residents, it is urged that these regulations become effective October 1, 1995. This is critical since some public adjusters have been successful in coercing some residents into paying them as much as 14% of insurance proceeds received.

If you have any questions or comments, please advise.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kenneth E. Mapp".

KENNETH E. MAPP
Lieutenant Governor

THE GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE COMMISSIONER OF INSURANCE

TITLE 22. VIRGIN ISLANDS RULES AND REGULATIONS

Chapter 31. Adjusters

SECTIONS

- 774-1. Authority
- 774-2. Purpose
- 774-3. Definitions
- 774-4. Maximum Fee Allowed
- 774-5. Records Required
- 774-6. Penalty

Section 774-1. **Authority**

These regulations are promulgated pursuant to Title 22, Chapter 3, Section 53 of the Virgin Islands Code. The interpretation and application of these regulations shall be consistent with law.

Section 774-2. **Purpose**

The purpose of these Regulations is to set forth, inter alia, certain rules and mandates pertinent to the compensation received by public adjusters who represent homeowners or residential insureds. Further, given the fact that numerous public adjusters are licensed in the Territory in the wake of catastrophic natural disasters, the Commissioner of Insurance deems these regulations necessary, in the public interest and for the protection of the residential insureds of this Territory.

Section 774-3. **Definitions**

"Commissioner" means the Commissioner of Insurance of the U.S. Virgin Islands, or his duly appointed designee.

"Division" means the Virgin Islands Division of Banking and Insurance.

"Public adjuster" means an adjuster representing solely the financial interests of the insured named in the insurance policy.



Section 774-4. Maximum Fee Allowed

No public adjuster may charge a fee, or receive any compensation which exceeds 5% of the insurance proceeds recovered on behalf of a homeowner or residential insured.

Section 774-5. Records Required

In concert with the provisions of Title 22, Section 784(a)(2) and (b), Virgin Islands Code, each public adjuster shall have readily available at his business address, for inspection by the Commissioner or the employees of the Division of Banking and Insurance, a statement of any fee or compensation received from a homeowner or residential insured, as well as a detailed record of the adjustment related thereto.

Section 774-6. Penalty

Failure to comply with the provisions of these regulations shall subject a public adjuster to the penalties set forth in Title 22, Section 789 et seq., Virgin Islands Code, or any other penalties as may be provided for by law.

Pursuant to the provisions of Title 22, Chapter 3, Section 53, Virgin Islands Code, the above Rules and Regulations are hereby promulgated.

Dated: 10-20-95



KENNETH E. MAPP
Lieutenant Governor
Commissioner of Insurance

By his signature hereon, the Governor of the U.S. Virgin Islands certifies, in accordance with the provisions of Title 3, Chapter 35, Section 938, Virgin Islands Code, that compelling circumstances and the public interest require the Virgin Islands Rules and Regulations contained herein above become effective on the 1st day of October, 1995, without the lengthy delay of prior publication, and on which date they have been submitted to the Legislature pursuant to Title 3, Chapter 35, Section 913, Virgin Islands Code.



Pursuant to the powers vested in me by Section 11 of the Revised Organic Act of 1954, as amended, and Title 3, Chapter 35, Virgin Islands Code, the above Rules and Regulations are hereby approved.

Dated: 10/25/95.



ROY L. SCHNEIDER
Governor
United States Virgin Islands

