



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

#5049 Kongens Gade, Charlotte Amalie, St. Thomas, USVI 00802-6487 ● (340) 774-7166 ● Fax (340) 774-9458
1131 King Street, Suite 101, Christiansted, St. Croix, USVI 00820 ● (340) 773-6459 ● Fax (340) 719-3801
ltg.gov.vi

BULLETIN NO. 2018-02

To: All Banks in the Territory Regulated by the U.S. Virgin Islands Banking Board and the Division of Banking, Insurance and Financial Regulation

RE: Written Catastrophe Response Plans

In light of the passage of Hurricane Irma and Hurricane Maria on September 6, 2017 and September 19, 2017 respectively, which devastated the St. Thomas - St. John District and St. Croix District, the Honorable Osbert E. Potter, who serves as Lieutenant Governor and Chairman of the Virgin Islands Banking Board ("Board"), is requiring banks licensed and authorized to conduct business in the Territory, to maintain a catastrophe plan for the benefit of its customers in the event of a disaster or emergency. The Board's authority to require a written catastrophe plan from the local banks is established in Title 9, Virgin Islands Code, Chapter 5, Section 61(a) and (b).

Hurricane Irma and Hurricane Maria caused massive destruction to the lives, livelihoods, and property of many citizens of this Territory. These storms crippled the U.S. Virgin Islands communications and transportation systems, making it virtually impossible for local banks' customers to make cash withdrawals and gain access to their bank's electronic products and services. As a result of the devastation caused by Hurricane Irma and Hurricane Maria and the resulting negative impact on the Territory, the Board recognized that the interest of the public demands that banks have a catastrophe plan in place should a similar emergency arise again.

Moreover, each local bank had a senior official in attendance at the February 7, 2018 meeting between the Office of the Lieutenant Governor, Division of Banking, Insurance and Financial Regulation ("Division") and the Virgin Islands Bankers

Association, held at FirstBank Waterfront on St. Thomas. Therein, the Division's Director Gwendolyn Hall Brady announced that the Board will require, as condition of a bank's licensure to conduct business in the U.S. Virgin Islands, the submission of a written catastrophe plan. The Director and other Division officials present, were informed that most banks had an existing catastrophe plan at the time of the 2017 hurricanes. The existing plan is to be amended to include:

- The bank's experiences (negative and positive) from the two 2017 Category 5 hurricanes;
- The bank's response to each experience; and
- The Bank's goals and objectives to improve its response to a similar occurrence in the future.

Because each local bank was given notice on February 7, 2018, of the required submission of the written catastrophe plan, the due date for the submission of the plan to the attention of Director Brady, is **Tuesday, June 26, 2018**.

Notwithstanding, the purpose of this Bulletin is to advise local banks of their responsibilities as it relates to catastrophe plans and to provide guidance.

A LOCAL BANK'S RESPONSIBILITIES RELATIVE TO A WRITTEN CATASTROPHE PLAN:

All local banks licensed and regulated by the Board, through the administrative procedures fulfilled by the Division, must maintain a written catastrophe plan that describes how it will respond to a catastrophe affecting its customers in this Territory. For the purpose of continuity, at a minimum, certain provisions are required to ensure that each bank is prepared for and can respond to emergencies and disasters that may affect its customers, such as:

- Emergency contact information of the bank (i.e., electronic mail address, phone number(s), etc.) to be provided to the general public by the Division;
- Emergency contact information of key or essential bank management officials located in this Territory;
- Alternative office location(s) or worksite(s);
- Procedures for back-up, storage, and retrieval of records and data, including accessibility to and security of such records and data;
- Procedures for communication with customers in the immediate aftermath of a catastrophe;
- Procedures for branch openings and closings in the aftermath of a catastrophe;

- Procedures for the manual processing of customers' requests for products and services;
- Loan payment moratorium procedures (for each type of loan offered);
- Procedures for training of bank staff, on the implementation of the bank's written catastrophe plan; and any other information that may be useful to the customer and the Division.

As such, all local banks licensed and regulated by the Board are required to file a copy of its plan annually with the Division of Banking, Insurance and Financial Regulation as a condition for license renewal. A copy of this plan shall be placed in each Branch of the Bank and will be reviewed by the Division. The plan will be maintained by the Division and shall be given confidential treatment. Moreover, it will not be subject to public records disclosure, nor shall it be made public by the Board.

A local bank's failure to maintain a plan (and submit a copy to the Division) will be deemed a violation of this action taken by the Board.

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

Dated this 11th day of June, 2018 at St. Thomas, U.S. Virgin Islands.



Osbert E. Potter
Lieutenant Governor/
Chairman, Virgin Islands Banking Board