



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

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BULLETIN 2019-06

TO: All Insurers, Brokers and Agents Licensed and Authorized to Conduct Insurance Business in the U.S. Virgin Islands

RE: Virgin Islands Law Prohibits Additional Fee for Payment of an Insurance Premium by Credit Card

The Office of the Lieutenant Governor, Division of Banking, Insurance and Financial Regulation has received complaints from Virgin Islands consumers alleging that they are being charged an additional fee for use of a credit card to pay insurance premiums. The Division has created this Bulletin to reinforce with insurers, brokers and agents that charging an additional fee for payment of an insurance premium with a credit card is prohibited by Virgin Islands law.

In accordance with Title 22, Virgin Islands Code, Chapter 33, Section 818, no additional fee may be charged which is not included in and is separate and apart from, the insurance premium specified in the policy. This Bulletin further serves to inform insurers, brokers and agents that charging an insured an additional fee for payment of an insurance premium with a credit card, is a violation of Section 818.

“Premium” as used in this Bulletin and as defined in Title 22, Virgin Islands Code, Chapter 33, Section 817, means *all sums charged, received, or deposited as consideration for an insurance contract or the continuance thereof.*

Section 818 states in its entirety:

(a) The premium stated in the policy shall be inclusive of all fees, charges, premiums, or other consideration charged for the insurance or for the procurement thereof.

(b) No insurer or its officer, employee, agent, solicitor, or other representative shall charge or receive any fee, compensation, or consideration for insurance which is not included in the

premium specified in the policy. However, any amount due with respect to gross receipts taxes may be stated separately in the policy or on an invoice for such policy.

(c) Each violation of this section is a gross misdemeanor.

The 2019 Hurricane Season is underway. Property and casualty insurance along with other lines, are impacted greatly by catastrophes. The Division actively engages in public education about the need for homeowners insurance. The Division utilizes every media format to accomplish its consumer education and protection goals by informing consumers through public education materials on its website, ltg.gov.vi, and through appearances on radio, television and at public events. It is therefore imperative that U.S. Virgin Islands licensed and authorized insurers, agents and brokers encourage consumers to purchase insurance. The realization is that insurance is costly and not every consumer can afford to pay in full and in one payment, the insurance premium stated in the policy. The use of a credit card to pay an insurance premium affords a consumer who may otherwise have been unable to pay the premium in one payment, the opportunity to pay the premium stated in the policy over a period of time. Premium financing, escrow of payments and credit cards are all methods that allow the insured to pay insurance premiums over time.

For further information, please contact the Division of Banking, Insurance and Financial Regulation on St. Thomas at 340-774-7166 or St. Croix at 340-773-6459.

Dated this 17th day of June, 2019 at St. Thomas, U.S. Virgin Islands.




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Lieutenant Governor/Commissioner of Insurance