



The Honorable Senator Justin Harrigan, Sr.
Legislature of the Virgin Islands
PO Box 1690
St. Thomas, VI 00804

BILL NO. 31-0049

Good day, Chairman Harrigan and other members of the Committee.

My name is Warner Bowers, here on behalf of Guardian Insurance Company and I would like to quickly point out that I am 77 years old and belong to the Senior Citizens' age group.

As you may know, Guardian has been directly involved in the Virgin Islands Automobile Insurance market since we began underwriting in 1984. In addition to our Virgin Island's domicile, our affiliates in other Caribbean jurisdictions, including Puerto Rico, British Virgin Islands, Anguilla, Turks and Caicos, and in the Continental United States, including Illinois, Indiana, Missouri, Wisconsin and Arizona, are also market participants in the Automobile business.

While we appreciate Bill No. 31-0049's good intention towards the wiser generation, we firmly believe that a 5% discount for Senior Citizens after having taken a safe driver course is not only discriminatory and unfair to the other classes of drivers, but also an unnecessary imposition over the underwriting guidelines of all insurers in this market. There are no other businesses in the territory that are required by law to provide specific discounts to a specific class of consumer. If a Company wishes to insure Senior Citizens at a discount they should be allowed to do so, but not legally forced to. In our view it sends the wrong message to an (already) fragile industry. Typically, the AARP through their partner insurance companies would negotiate a discount for their members. We are not really sure if they do that here in the VI. If they do so, then there is already an alternative in the market that would have solved the problem without having to legislate on the subject. We are neither aware of any other jurisdiction where such law exists, or where it is even necessary. The participating insurers typically and freely absorb the needs of the markets. No different here in the VI, in our own view.

The Insurance Industry is regulated by the Division of Banking and Insurance within the Office of the Lt. Governor. Every Insurance Company files rates to be used by that company in the Territory. The rates for basic insurance required by the Compulsory Automobile Insurance Law have not been changed since 1984, which (by the way) is not in tune with many other markets. The basic premium cost for drivers over the age of 26 is less than \$25.00 per month. Guardian currently offers "No-Claim Discounts" to safe drivers. It is our position that a Driving Course cannot improve the senses or agility of a driver, which is the reason why some companies prefer not to insure certain drivers, Young or Old. At Guardian the Senior Citizens are treated



with the same rating factors than the younger, for as long as he keeps his good record! No discrimination!
Why would a law push us in another direction?

We hope to have been useful throughout this discussion, and we are available for questions and any further collaboration that may be necessary.