



WIND AND HAIL UPDATE

*South Carolina Wind And Hail
Underwriting Association
P. O. Box 407
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06-06

\$1,300,000 Personal Lines Maximum Limit September 1, 2006

The Independent Insurance Agents and Brokers of South Carolina have asked that the Association periodically review the Maximum Limits. Since the last change on July 1, 2003, the cost of construction has increased by almost 30%. As a result, the Association is raising the Personal Lines Maximum Limits.

Effective September 1, 2006, the maximum limit for new and rewrite Personal Lines risks will be \$1,300,000. This limit is comprised of structure, contents, ICC, and loss of use coverages.

Can we purchase additional limits mid-term?

No. The change is effective for **new** and **rewrite** business as of September 1st or later. Besides, many of the providers of excess wind coverage mandate that their premiums are fully earned. It would be of no value to cancel those policies at this time.

Do we have to purchase the additional limits at rewrite time?

The guidelines require insurance to value. The limits must be adequate.

In addition, state law requires that the Association's maximum limits must be used *prior* to purchasing excess wind coverage.

Will this impact many structures?

There are approximately 672 dwellings with total values exceeding \$1 million. This change will provide adequate limits for the majority of these homes.

Will the increased limits be shown on the rewrite applications?

The Association is unable to determine how the insured may want to allocate the increased capacity. For this reason, we will not increase the coverage limits for you. However, we will note on the rewrite application that limits need to be increased. Remember you can also rate and quote on the Association web site (www.scwind.com).

You may return the rewrite applications with the increased limits for a Notice of Acceptance.

Will the web site be updated for the new limits?

We are working on this project now. It should be ready soon.