



WIND AND HAIL UPDATE

South Carolina Wind And Hail
Underwriting Association
P. O. Box 407
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TERRITORY EXPANSION Frequently Asked Questions

The announcement of the territorial expansion has generated a series of calls to the Association. We want to share the questions and answers with you.

First, please note the new section on our home page at www.scwind.com. Click on New Territory to see:

- Expansion Order
- DOI Provided Questions and Answers
- SC Wind Bulletin 07-03 on Expansion
- Maps with old territory and expanded area

When will SC Wind be ready?

We were ready on the day of the order. The “in / out” mapping function was updated for Zone 2 – the expanded area. We can accept applications for business in Zone 2 starting with effective dates of March 30, 2007.

Please remember that the waiting period still applies!

It will take time for insurers to be prepared to exclude wind in Zone 2.

Are there any different underwriting rules?

Zone 1 and Zone 2 are identical for rates and rules. Director Scott Richardson has asked for the next rate filing to include a tiered rating approach. The Association is working on this and will include it in the next filing.

What is Zone 1 and Zone 2?

Zone 1 is the “old beach territory.” It also includes the 150 foot set-back in Horry and Georgetown Counties. Zone 2 is the expanded area.

Since our industry uses many different terms such as beach and seacoast with varying meanings, we will use Zone 1 and Zone 2.

We will be submitting an application for a wind policy in Zone 2. Will you adjust the rates after the filing has been approved?

No. The rates in effect as of the effective date of the policy will apply.

A word of caution on rates . . . We will be filing rates for Zone 1 and Zone 2. We will also be filing county multipliers which will debit or credit those rates.

The new models, which have been driving many of the coastal issues, have yet to be used by this Association. It is anticipated that there will be increases.

Zone 2 rates should be lower than Zone 1; however, the Zone 2 rates may not be lower than the current rates.

What will the rates be?

The actuaries are working on this now. The first step is to develop the indication. The next step is to determine the amount to include in the filing. It then must be submitted to the regulatory process for review and approval.

What the rates will be and when they will be effective is yet to be determined.

More to come Please check www.scwind.com for further updates!