



## WIND AND HAIL UPDATE

South Carolina Wind And Hail  
Underwriting Association  
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### CBRA ZONE PROPERTIES

Based upon information provided by Senator Glenn McConnell's office about the lack of available coverage within certain areas of his district, the Board of Directors of the South Carolina Wind and Hail Underwriting Association approved the following change:

Any structure built on or after January 1, 2007 in a CBRA (Coastal Barrier Resources Act) zone shall not be eligible for coverage from the Association. Structures built prior to this date in CBRA zones are eligible for coverage.

This change is effective June 1, 2007. It applies to Zone 1 and Zone 2. Prior to this change, properties located in CBRA zones were ineligible for coverage.

#### ***What is a CBRA zone?***

A CBRA zone (pronounced COBRA zone) is an area designated by Congress. The applicable laws prohibit all federal expenditures, ***including flood insurance***, for residential and commercial development in such zones.

The legislation was implemented to minimize the loss of human life by discouraging development in high-risk areas, reduce wasteful expenditures of federal resources, and preserve the ecological integrity of these designated areas.

#### ***Based on that definition, why is SC Wind making this change?***

Despite good intentions of discouraging development in CBRA zones, there has been a significant amount of development in these areas. A number of coastal consumers in these areas are experiencing difficulties obtaining wind insurance. As result, SC Wind has been called on to assist.

***Will SC Wind provide coverage on future development?***

No. The Association does not want to encourage future development in these areas. It will assist those persons already there.

***Wait a minute! We currently write flood insurance policies in CBRA zones!***

If you have provided a flood policy written through the National Flood Insurance Program or through a Write-Your-Own Flood Company participating in the federal program, it will NOT pay the flood claim. You need to be careful of a potential professional liability claim.

***Are there any exceptions to this?***

If the construction permit was issued prior to the area being designated a CBRA zone or Other Protected Area (OPA), it may be eligible for flood insurance.

***Who is responsible for determining if a risk is in a CBRA zone?***

The flood manual states that it is the producer's responsibility to verify if the risk is eligible for federal flood insurance and to determine if it is in a CBRA zone. The decision as to which properties are actually in CBRA zones rests with the US Department of Interior, Fish and Wildlife Services.

***Can property owners in CBRA zones purchase flood insurance from other markets?***

There are excess and surplus lines markets that offer flood insurance in CBRA zones, but it is expensive.

***For further information on CBRA zones, please contact your flood company.***