



## **WIND AND HAIL UPDATE**

*South Carolina Wind And Hail  
Underwriting Association  
P. O. Box 407  
Columbia, SC 29202*

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06-07

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### **FannieMae Deductible Requirements**

Effective May 25, 2006, FannieMae has revised its guidelines concerning wind deductibles. It now accepts hazard and wind loss deductibles of up to five percent of the face amount of the insurance policy. This new provision applies to all property types.

The announcement also makes changes to the flood deductible requirements, flood insurance requirements for one-family to four-family properties, and COBRA properties.

For a copy of the FannieMae bulletin, please email [Laura@scwind.com](mailto:Laura@scwind.com).

### **\$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 1<sup>st</sup> 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.

***Will the web site process the new limits?***

Yes. The web site automatically handles the increased limits as of September 1, 2006.

**Catastrophe Losses Hit \$5.2 Billion In 2006**

The Property Claims Service reports that insured property losses from catastrophes exceeded \$5.2 billion for the first six months of 2006. This makes the first half of this year the fifth costliest first-half year insured cat losses in the past decade.

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