



WIND AND HAIL UPDATE

*South Carolina Wind And Hail
Underwriting Association
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07-05

SUPPLEMENTAL TERRITORY EXPANSION

***** Important Update *****

Scott Richardson, Director of Insurance, has signed Order 2007-03, allowing for the expansion of the South Carolina Wind and Hail Underwriting Association territory.

The territory was moderately expanded on March 21, 2007, in an effort to increase the availability of insurance coverage for homeowners in coastal South Carolina. The expansion was effective March 30, 2007.

Following an analysis of current market conditions and discussions with homeowners and representatives of coastal areas, the Director has determined that this supplemental order is need to include additional areas within Charleston, Georgetown, and Horry counties. The supplemental expansion will be effective June 1, 2007.

SC Wind is finalizing a rate filing which will include different rate levels for revised Zone 1 and revised Zone 2. The Association will also introduce county multipliers to reflect actuarial differences between counties. It is anticipated that the rate filing will be effective September 1, 2007. The rate filing is still subject to regulatory review and approval.

Information about the expansion order is available at the Department of insurance's web site www.doi.sc.gov. Information is also available at the Association's web site www.scwind.com. Please click on "Territory Expansion" on the lower right hand side.

The Association's web site will include information from the Department of Insurance as well as an updated "In / Out" function.

What are the changes to Zone 1 and Zone 2?

The description of the changes, along with maps of the revised zones, is available at www.doi.sc.gov or at www.scwind.com.

In addition, the "In / Out" function has been updated to reflect the changes as of June 1, 2007.

What are the rates for Zone 1 and Zone 2?

The current rates apply to revised Zone 1 and Zone 2.

The web site will not let me quote a risk effective September 1, 2007. Why?

In anticipation of the rate changes and other possible enhancements, we will not quote September risks until the status of the rate filing has been determined.

When will we receive September rewrite notices?

September rewrite notices will be delayed several weeks while the rate filing and other possible changes go through the regulatory review process. If it appears that there will be a timing issue, we will release the rewrite applications and delay the rate filing.