



WIND AND HAIL UPDATE

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

November 18, 2014
14-05

COMPETITIVE INSURANCE ACT FORM

The Competitive Insurance Act requires insurers as of January 1st to provide policyholders with additional information. Topics include:

- * Deductibles
- * Catastrophe Savings Accounts
- * Limitations Or Exclusions
- * Responsibilities In The Event Of A Claim

For personal lines policies effective January 1, 2015, or later, SC Wind will attach WHP 70 (01/15). A copy of this form appears on the next page.

The form has been put in the Manual and on the web site as "Important Information Required By The South Carolina Department Of Insurance."

If you have any questions, please feel free to contact the Association.

IMPORTANT INFORMATION REQUIRED BY
THE SOUTH CAROLINA DEPARTMENT OF INSURANCE

Policy Coverages and Limitations Summary

THIS NOTICE CONTAINS A SUMMARY OF YOUR COVERAGE AND DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGES OR ANY OTHER PROVISIONS CONTAINED IN YOUR POLICY. THE LANGUAGE IN YOUR POLICY CONTROLS YOUR LEGAL RIGHTS AND OBLIGATIONS. THIS DISCLOSURE IS NOT ADMISSIBLE IN ANY ACTION CONCERNING THIS POLICY EXCEPT FOR THE SOLE PURPOSE OF SHOWING THAT THE NOTICE WAS OR WAS NOT PROVIDED PURSUANT TO SOUTH CAROLINA LAW.

****READ YOUR INSURANCE POLICY
FOR COMPLETE POLICY TERMS AND CONDITIONS****

DEDUCTIBLES

A deductible is the amount of money you have to pay out-of-pocket for expenses before your insurance kicks in should you have a covered loss. The deductible applies to coverage for your home and personal property. The deductible applies to each claim.

You may be able to reduce your premium by increasing your deductible. For example, a policy with a 3% deductible will have a lower premium than the same policy with a 2% deductible. Having a higher deductible can be a good way to save money on your insurance premium, but be sure you can afford to pay the out-of-pocket costs in the event of a covered loss. Your current deductible is listed on your policy Declarations. Contact your agent or insurance company for more information about the deductible options available to you.

In cases where damage results from a non-named storm, a 1% deductible applies. This deductible is specified as a percentage of insured property (Dwelling limit under Coverage A).

NOTICE: This policy includes a separate deductible for each coverage for covered losses caused by named storms and non-named storms as defined in the policy.

Unlike your standard deductible, these separate deductible(s) are based on the home's insured value. So, for example, if your home is insured for \$100,000 (Dwelling limit under Coverage A) and you have a 2% named storm deductible, then your deductible in the event of a covered loss to the dwelling resulting from a named storm would be calculated as follows: $\$100,000 \times 2\% = \$2,000$. If you had \$30,000 in covered losses as a result of the named storm, your claim would be paid as follows:

Total amount of insured losses:	\$30,000
<u>Minus the 2% named storm deductible</u>	<u>(\$2,000)</u>
Net payment from your insurance company:	\$28,000

Your insurance company is required by law to provide an illustration of how this deductible functions along with a clear explanation of the event that will trigger this deductible. They must also include a statement on the Declarations page notifying you of this separate deductible.

CATASTROPHE SAVINGS ACCOUNTS

Establishing a Catastrophe Savings Account can help you pay for your deductible and other out-of-pocket costs. Similar to health savings accounts, the money can be set aside state income tax-free and used in the future to pay for qualified catastrophe expenses that result from a hurricane, flood, or windstorm event that has

been declared an emergency by the Governor. For more information about Catastrophe Savings Accounts, visit the South Carolina Department of Insurance website, www.doi.sc.gov (search for “catastrophe savings accounts”), or call the Department’s Office of Consumer Services (1-800-768-3467).

LIMITATIONS OR EXCLUSIONS UNDER THIS POLICY

Flood – Flood damage is not covered under your policy.

The National Flood Insurance Program (NFIP) writes most flood insurance policies, although some private insurance companies also offer this coverage. You may contact the NFIP by calling 1-888-379-9531 or go online to www.floodsmart.gov. If you need more coverage than is available through the NFIP, you may be able to purchase excess flood protection through a private insurance company. For more information, contact your insurance agent, insurance company, or the NFIP.

Mold – Mold damage is not covered under your policy.

Earthquake – Earthquake damage is not covered under your policy.

Many insurance companies offer earthquake insurance as a separate policy or an endorsement to your current policy. For an additional premium, this coverage will protect you in case your home is damaged as a result of an earthquake.

Replacement Cost and Actual Cash Value

You may have the option to insure your home and its contents for either replacement cost or actual cash value. *Actual cash value* is the amount needed to repair or replace the damage minus a deduction for depreciation. *Replacement cost* is the cost to rebuild your home or repair damages using materials of similar kind and quality, without deducting for depreciation. Read your insurance policy carefully for the complete terms and conditions regarding replacement cost coverage.

*****Please refer to your policy for complete details and information regarding all other limitations and exclusions.*****

YOUR RESPONSIBILITIES IN THE EVENT OF A CLAIM

Contact Your Insurance Producer or SC Wind Claims Call Center at 1-800-236-1873 – Insurance policies typically place a time limit on the filing of a claim.

Time Limitations May Apply – Once the company knows you’ve had a claim, they are required to send you any necessary forms (commonly referred to as “proof of loss”) within 20 days. These forms detail written proof of what caused the loss as well as the character and extent of the loss for which the claim has been made. Read your policy carefully as it may require you to return the completed forms within a specified amount of time. If you have replacement cost coverage, there may also be time limitations for repairing and replacing damaged property that, if not met, could cause the claim to be settled on an actual cash value basis.

Additional Duties Are Outlined in Your Policy – In the event of a loss, you and your insurance company are each expected to follow certain procedures as outlined in your policy. Your responsibilities include, for example, reporting any crime to the police and making temporary repairs to protect your property from further damage. Your duties after a loss are outlined fully in your insurance policy.