

WIND POOL EXPANSION QUESTIONS AND ANSWERS

May 23, 2007

1. What is happening?

Answer: The Director of the South Carolina Department of Insurance has announced an additional expansion of the territory covered by the South Carolina Wind and Hail Underwriting Association (Wind Pool).

2. When is the expansion effective?

Answer: The additional expansion is effective on June 1, 2007, and will continue in effect until March 29, 2009, unless changed via an order of the Director or action by the South Carolina General Assembly.

3. What does this mean?

Answer: The territory in which the South Carolina Wind and Hail Underwriting Association may provide wind and hail insurance coverage (i.e., coverage that protects property from losses due to hurricane, tornadoes, severe thunderstorms, other catastrophic wind and hail) has been expanded to include some additional areas. This expansion supplements the initial expansion and is limited. It is intended to help improve availability by providing access to wind and hail insurance coverage to consumers who have had difficulty obtaining that coverage. It is also intended to encourage more standard insurers to write insurance coverage in the Wind Pool territory.

4. What is the new area?

Answer: Maps depicting the revised area may be viewed on the websites of the South Carolina Department of Insurance and the South Carolina Wind and Hail Underwriting Association. You may view the maps by accessing the Department of Insurance website at www.doi.sc.gov or the South Carolina Wind and Hail Underwriting Association's website at www.scwind.com.

5. Will this expansion solve the coastal property insurance crisis?

Answer: This expansion is a part of a comprehensive approach to improving the availability and affordability of property insurance coverage being advanced by the Governor, members of the General Assembly and the Director of Insurance. To access the bills addressing the coastal property insurance availability issue, you may access the DOI website at www.doi.sc.gov.

6. How can I obtain insurance through the Wind Pool?

Answer: You may contact any licensed insurance agent or broker. Your current agent should be able to assist you with obtaining coverage.

- 7. Will expanding the Wind Pool save me money?**
Answer: Some consumers whose coverage is currently written by a surplus lines carrier may see a reduction in what they are paying for property insurance coverage if they obtain coverage through the Wind Pool. The cost of coverage may increase for others if it is written by a standard carrier and the wind coverage is excluded.
- 8. Am I eligible for coverage as a part of the expansion?**
Answer: If you are in the territory covered by the Wind Pool and meet the eligibility requirements for coverage, you may obtain coverage through the Wind Pool. One of the criteria for coverage through the Wind Pool is proper maintenance of the property you are seeking to insure.
- 9. How was the expansion area determined?**
Answer: The location of the expanded areas was determined through surveys, data calls, and discussions with producers, legislators and consumers about the areas along the coast that are having the most significant availability problems.
- 10. Who should I contact if I want more information about the expansion?**
Answer: You may access the Department of Insurance Website to review information about the expansion at www.doi.sc.gov.
- 11. Who should I contact if I want more information about coverage offered through the Wind Pool?**
Answer: You may contact your agent or the Wind Pool at (803)779-8373 or www.sewind.com.
- 12. What do I do if I don't want to be in the Wind Pool?**
Answer: You do not have to be in the Wind Pool if you can secure the insurance coverage you desire elsewhere. You always have the option of securing coverage from a standard insurance company such as State Farm, SC Farm Bureau, Travelers, Nationwide, Allstate, etc., or the surplus lines market. You should always shop around for the best coverage and rates.
- 13. What about rates?**
Answer: The Wind Pool was not created to be the low cost provider of wind and hail insurance. Its rates will be higher than the standard market, but may be lower than some excess and surplus lines companies. This is why it is extremely important that you shop around and try to secure coverage through a standard insurer before going to the Wind Pool. The Wind Pool exists to provide coverage for consumers who cannot find that coverage in the standard market.