



June 22, 2006

TO: CHIEF EXECUTIVE OFFICER

**AMENDMENT TO SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION ACT
CHANGE TO BASE YEAR PARTICIPATION**

The Governor of South Carolina has signed H3996, better known as the "DOI's Clean-up Bill." It included an amendment to the Governing Legislation for the South Carolina Wind and Hail Underwriting Association.

The first paragraph of Section 38-75-370 is amended to read " . . . of the member written in this State during the calendar year two years before the current year bears to the aggregate"

Prior to this amendment, participation was based on writings and voluntary credits from the year prior to the current Association Year. With the amendment, participation is based on two years prior to the current year.

In other words, the 2006 Participation will be based on 2004 writings and voluntary credits. Participation for 2005 and 2006 will be the same percentages.

In 2007, the participation will be based on 2005 writings.

The change in procedure was implemented due to the ever-growing task of distributing participation numbers in a timely manner. By using two years prior to the Association Year, participation numbers will now be available many months before the active hurricane season.

If you have any questions, please do not hesitate to contact the Association office.

Sincerely,

J. Smith Harrison, Jr., CPCU
Executive Director

JSH/sb