



WIND AND HAIL UPDATE

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

April 3, 2003
03--04

REWRITE NOTICES FOR JULY 2003

In the last issue, The Association announced the following changes for policies effective as of July 1, 2003, or later . . .

- 10% Rate Increase Across the Board
- Additional 25% Rate Surcharge on Skelton Construction (Commercial Risks only)
- Increase in Maximum Limits For Personal Lines To \$1,000,000
- Increase in Maximum Limits For Commercial Lines To \$2,500,000
- Change To Underwriting Guidelines For Loss Of Business Income
- Change To Underwriting Guidelines For Loss of Use

As a result of these changes, the procedures for rewrites will be modified for the next twelve months.

\$1,000,000 Personal Lines Maximum Limit **\$2,500,000 Commercial Lines Maximum Limit**

If the total value of the structure *plus* the total value of the contents *plus* the indirect coverage limit equals or exceeds \$650,000 for personal lines risks or \$1,000,000 for commercial risks, the new maximum limits will come into play.

For such risks, we will notify you two ways:

- First, there will be a listing of such expiring policies included with the monthly rewrite notices. This check list is provided to you to assist in identifying such policies.
- Second, each such risk will receive an "interim rewrite application." Since we do not know how you want to allocate the increased limits, we are unable to rate the risk.

Please use the "interim rewrite application" to note the revised limits. Mail the dated and signed updated application back to the Association Office. We will issue a Notice of Acceptance with the updated limits and current premium.

Why are "interim rewrite applications" being issued on \$650,000 personal lines risks and \$1,000,000 commercial lines risks?

Many of the risks at the current maximum amounts have been there for several years. We believe that some agencies are reluctant to update the limits and exceed the maximum limits. With the increased limits, we wanted such risks to be reviewed and limits updated as needed.

Can we stay at the old maximum limits and continue with excess wind coverage "as is?"

No. At rewrite time, the new maximum limits must be utilized. State law requires that the Association's maximum limits must be used *prior* to purchasing excess wind coverage.

Loss Of Business Guidelines Loss of Use Guidelines

There is now an option to purchase 10% of Coverage A for Loss of Use for personal lines risks where SCWHUA insures the structure. For tenant policies, there is now an option for 20% of Coverage C for Loss of Use.

For contents only commercial risks, policies with less than \$50,000 in contents may now purchase up to \$100,000 of Loss of Business Income Coverage.

Please note these changes on the rewrite application and mail it to the Association Office for a Notice of Acceptance.

Revised Rates

The new rates will be included in the July 2003 rewrite notices.

Rewrite Applications

Remember . . . Please sign, date, and mail the rewrite applications. If you want the Association to rate any coverage changes, submit the rewrite application at least 30 days prior to expiration to allow us time to process the changes.