



## **WIND AND HAIL UPDATE**

*South Carolina Wind And Hail  
Underwriting Association  
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### **POSITIVE BENEFITS FOR AGENTS AND CONSUMERS**

During a recent presentation to a group of agents, a staff member was asked to list some of the enhancements which have benefited either agents or consumers. While the list is not complete, here are some of the major changes we feel that benefit agents and coastal consumers.

- The Independent Insurance Agents and Brokers of South Carolina asked the Association to review some of its guidelines. As a result, the following changes were made on July 1, 2003:
  - Increased the maximum coverage limits on personal lines risks from \$650,000 to \$1 million.
  - Increased the maximum coverage limits on commercial risks from \$1.5 million to \$2.5 million.
  - Allowed small, contents only, commercial risks to obtain up to \$100,000 in Loss of Business Income Coverage – even if the contents amounts are extremely small.
  - Offered additional options for limits for Loss of Use for personal lines risks.
- The IIABSC also asked the Association to file for deductible credits for 3%, 4%, 5%, and 10%. This will be included in the next rate filing.
- To better serve coastal consumers, the Association implemented an incentive program to encourage brokers to attend educational seminars on wind insurance and procedures. Over 99% of the policies issued by the Association come from agencies that sent producers to the seminars.
- The Association eliminated its hurricane restriction in 1996. While almost every insurance company ceases writing business when a storm approaches, the Association does not. Through the use a fifteen day waiting period, processing is not interrupted by the approach of a storm,

yet the Association is protected from adverse selection. The National Flood Insurance Program uses a thirty day waiting period.

- A five business day grace period is in place to allow for the continuation of coverage in the event that a rewrite application has been delayed.
- A procedure is in place to honor mortgage closings with a property transfer –even if the closing is scheduled to take place at the same time a hurricane is making landfall.
- Rewrite applications are pre-printed and mailed to all agencies 75 to 105 days before policies expire. This relieves brokers from having to complete rewrite (renewal) applications. The premium for the next period is shown on the form.
- In response to Hurricanes Bertha, Fran, Bonnie, Floyd, and Isabel, the Association successfully implemented the Single Adjuster Program – a program designed to have one adjuster handle both the flood loss and the wind loss. This program significantly reduces conflicts and better serves consumers. South Carolina is the only state to ever successfully implement the Single Adjuster Concept with the National Flood Insurance Program.
- During a major storm, a toll-free claims fax line is established with an unlimited number of rollover lines.
- The *Rates, Rules, and Forms Manual* is on the web site and is available on CD. Upon request, a printed copy of the manual is available for brokers.
- The Association Staff developed an in-house computer system that has significantly reduced the costs to operate the organization. These savings will be passed on to consumers in the form of lower rate increases.
- The new computer system, which includes imaging, provides brokers and consumers with one of the highest levels of service in the industry. Turnaround on completed applications is twenty-four to forty-eight hours.
- Future enhancements to the system include allowing brokers to rate personal lines risks on the internet. This is a 2004 project.
- The Association works with interested insurance companies to assist them in entering the property insurance business in South Carolina. Increased capacity will benefit all involved.