



WIND AND HAIL UPDATE

*South Carolina Wind And Hail
Underwriting Association
P. O. Box 407
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REPLACEMENT COST COVERAGE AND FLOOD INSURANCE *** Important Update ***

Flood Insurance Requirement – For primary residences, the purchase of flood insurance will be an ***additional requirement*** in order to be eligible for replacement cost coverage. This will apply to business effective January 1, 2008.

- Insureds must carry flood insurance either through the National Flood Insurance Program or through a Write-Your-Own Flood Company participating in the National Flood Insurance Program.
- The Flood Insurance Policy must be written through your agency.
- Non-NFIP Flood Policies are acceptable, but must be written through your agency. Non-NFIP policies are not eligible for the Single Adjuster Program.
- You must report the full replacement cost amount on the application for rating purposes.

A form change will be implemented requiring proof of an in-force flood policy at the time of loss in order to receive a loss payment on a replacement cost basis. The lack of a flood policy will result in settlement based on ACV.

Why is SC Wind Implementing This Rule Change?

The experiences of Hurricanes Katrina, Rita, and Wilma have reminded consumers that flood insurance is essential in the event of a major wind and flood event. This rule change will encourage more dwelling policyholders to purchase flood insurance.

By having both wind and flood insurance coverage, many of the problems experienced by Gulf Coast residents as a result of combined wind and flood losses will be eliminated.

Why Does The Flood Policy Have To Be Written Through Our Agency?

The key to the Single Adjuster Program is communications. When the flood policy and the SC Wind policy are written through different agencies, it is impossible to communicate the Single Adjuster Program implementation to the unknown flood agency. The flood agency may not even do any business with SC Wind.

Non-NFIP policies must be written through your agency for verification purposes.

But the dwelling is not in a Special Flood Hazard Area (SFHA)!

In the event of a major wind and flood event, there could be significant flood damage. In fact, 30% to 35% of all flood losses occur outside of high hazard areas. By not being in a SFHA, the flood premium is relatively low.

What percentage of the existing book of dwelling business with replacement cost coverage carries flood insurance?

Producers have reported that 66% of the dwellings with replacement cost coverage have flood insurance through the NFIP or a WYO company.

Questions??? -- Please contact one of our four underwriters if you have any questions or need further assistance.

WWW.SCWIND.COM Did You Know That You Can

- *Quote business on our website?*
- *Submit eApps directly to the Association?*
- *Submit eApps and photos directly to the Association and start the waiting period?*
- *Print out a file copy of the declarations page?*
- *Look at the latest inspection report on your client?*

Coming soon

- *ePay – The ability to pay new business premiums over the Internet.*
- *Rewrites – The ability to request rewrites and submit premium payments for rewrites.*
- *Claims – Implementation of Internet claims reporting.*