



## **WIND AND HAIL UPDATE**

*South Carolina Wind And Hail  
Underwriting Association  
240 Stoneridge Drive, #101  
Columbia, SC 29210*

December 31, 2019  
19-03

---

### **THE IMPORTANCE OF MAINTAINING PROPER BUILDING LIMITS**

SC Wind is starting a new consumer outreach program to policyholders whose limits are significantly below the community average for those locations. Letters will be sent to the insured 90 days before expiration.

The notice will point out the importance of maintaining proper building limits.

A copy will also be mailed to the Producer. Please be on the lookout for these notices which will be mailed daily. The notice will also be available to Producers under the individual policy documents section when you log in to the Producer Portal.

***Why Is SC Wind Taking This Action . . .*** The Association has been working to improve Insurance-To-Value. This is not just an SC Wind issue, but an industry problem.

***Is Insurance-To-Value A Real Problem . . .*** Yes! Being underinsured can increase the insured's out of pocket expenses after a loss. Underinsurance may become a professional liability exposure for Producers who have not properly advised their clients.

***Why Are Properties Undervalued . . .*** Rising construction costs, especially after a hurricane, are a major reason why many property owners are underinsured. Also, many property owners confuse market value with the cost to repair or replace a home.

Protect your clients by discussing the need to keep their policy limits accurate with today's building costs. Remind your clients to contact you if they perform home renovations or add features. Changes can impact the home's value.

***Questions???*** . . . Please contact one of our underwriters with any questions you may have.