



October 13, 2008

TO: CHIEF EXECUTIVE OFFICER
VOLUNTARY CREDIT KEY CONTACTS

Electronic Voluntary Credit Reporting

Let me begin by thanking all of you who participated in reporting your 2007 Voluntary Writings via our web site. Overall, it was an extremely successful process for both Member Companies and the Association.

If you are not familiar with the new procedures, please go to www.scwind.com. If you click on Member Company Info, you can see the participation manual with all of the instructions. If you have additional questions, you can email our Underwriting Manager David Leadbitter (david@scwind.com).

We have received several questions concerning the procedure. Let me share those questions and answers with you.

When can we start testing our current book of business via the web site?

The web site is available now for any test bordereaux you wish to submit. The system will determine if your policies with wind are in Zone 1, in Zone 2, or out of the territory.

Now is an excellent time to start checking and validating your addresses. You have plenty of time to make any corrections or updates before your final submission for 2008.

When is our final submission due?

By state law, the final submission is due to the Association no later than March 31st of the following year.

What changes will take place this year?

We have received a number of excellent suggestions from several of the key contacts that we work with on voluntary credits. We will be adding some edits to the process of testing the bordereaux. For example, we will be pulling out any inconsistencies on effective dates and expiration dates.

Any suggestions that you would like to make may be submitted to our Underwriting Manager David Leadbitter (david@scwind.com).

Note: We will be updating the Voluntary Credit Manual in the near future. This will result in a minor change to the record layout to add a field for building number.

What problems did you see with the submissions?

Overall, the submissions were very good, but there were some problems. They included:

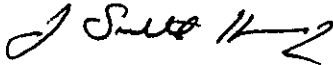
- Submissions did not include the proper length, fixed record.
- Submitted policies excluded wind.
- First submission was uploaded after 10:00 p.m. on the due date.

(Over)

When will the 2009 Initial Participation Report be released?

The Association has just received the premium data from the South Carolina Department of Insurance. We are working to incorporate that into our data base in order that we can prepare and distribute the 2009 Initial Participation rates.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Smith Harrison, Jr.", with a stylized flourish at the end.

J. Smith Harrison, Jr., CPCU
Executive Director

JSH/sb