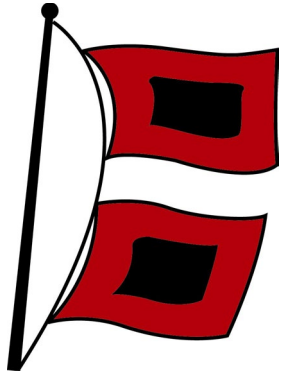


Insurance Rate Review Ad Hoc Committee

July 23, 2025

SC Wind And Hail Underwriting
Association



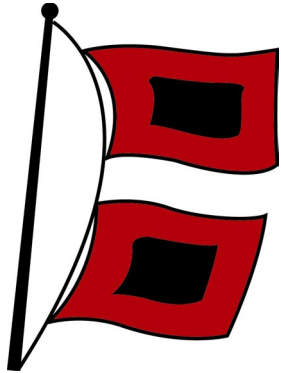
SC Wind And Hail Underwriting Association

A Safety Net For Coastal
Consumers

Key Points



- SC Wind Overview And Update
- Condo Market
- Rates
 - SC Wind
 - Coastal Property Market
- Fixing Rates?



SC Wind Overview And Update

Who Is SC Wind



- Residual Market For SC
 - Writes Wind And Hail In Designated Area
 - Unincorporated Association Of Member Insurers
 - Federal Tax ID, No Liability To The State
- Attempts To Breakeven
- Regulated By SC DOI

Who Is SC Wind?



- Maximum Limits
 - Personal \$1.3 Million
 - Commercial \$2.5 Million
- Coverage
 - 75% Dwellings At ACV
 - 38% Have 5% Or 10% Deductibles
- Flood Insurance
 - 48% Carry Flood

Agencies



- 1,442 On List -- After Recent Clean-Up
- 278 Have One Policy
- 551 Agencies Have 5 Or Less Policies (62%)
- Insureds Located In Every State, DC, PR, Guam, Foreign Countries
- Producers in 24 States – 2,755

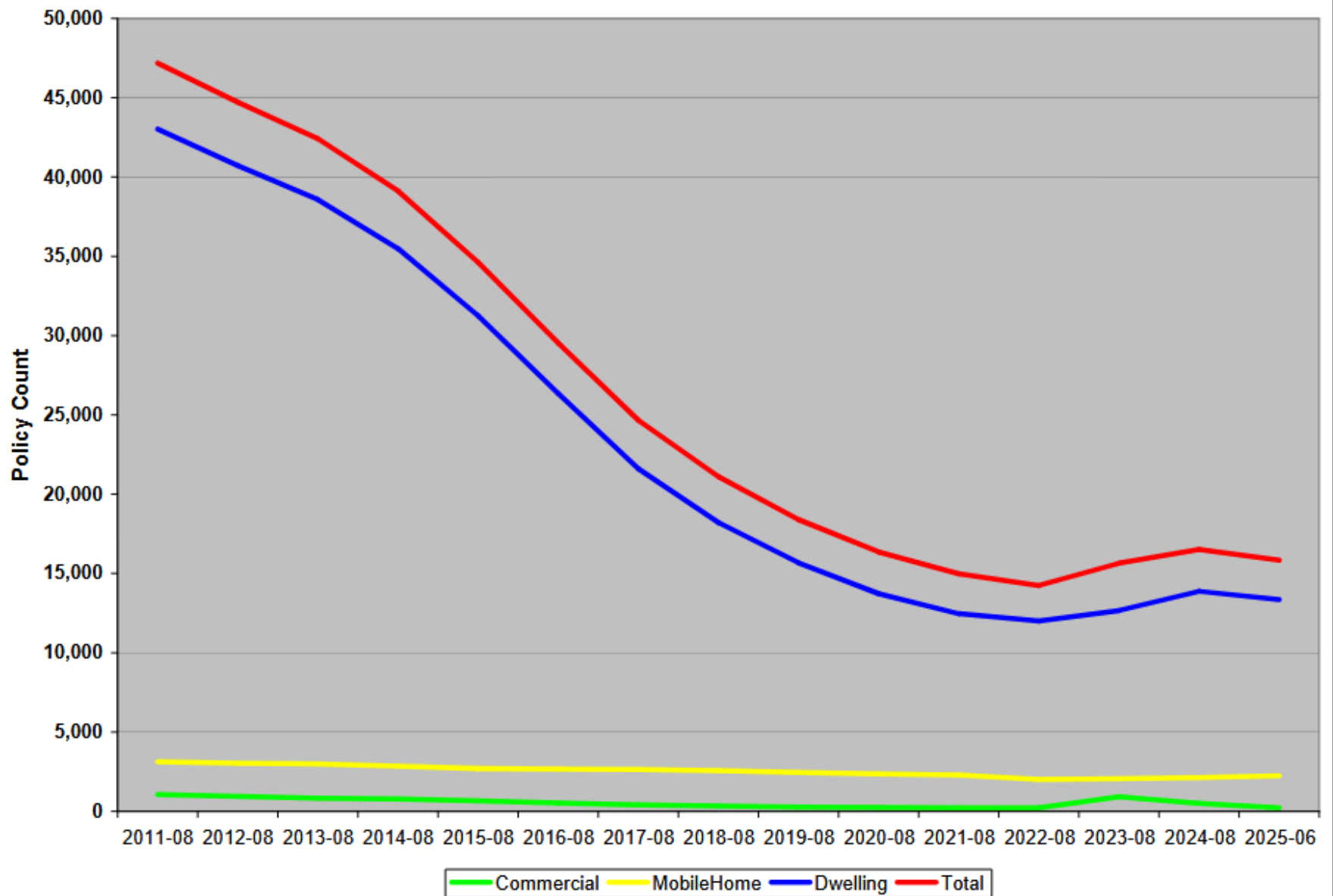
SC Wind Update



8/31/2011	6/30/2025	Change%
47,366	15,825	-67%
97,007,667	58,479,076	-40%
17,310,330,477	6,867,393,455	-60%

6/30/2024	6/30/2025	Change%
16,392	15,825	-3%
52,659,046	58,479,076	11%
7,043,785,195	6,867,393,455	-3%

SC Wind Policies In-force
At Peak in 2011 to Current



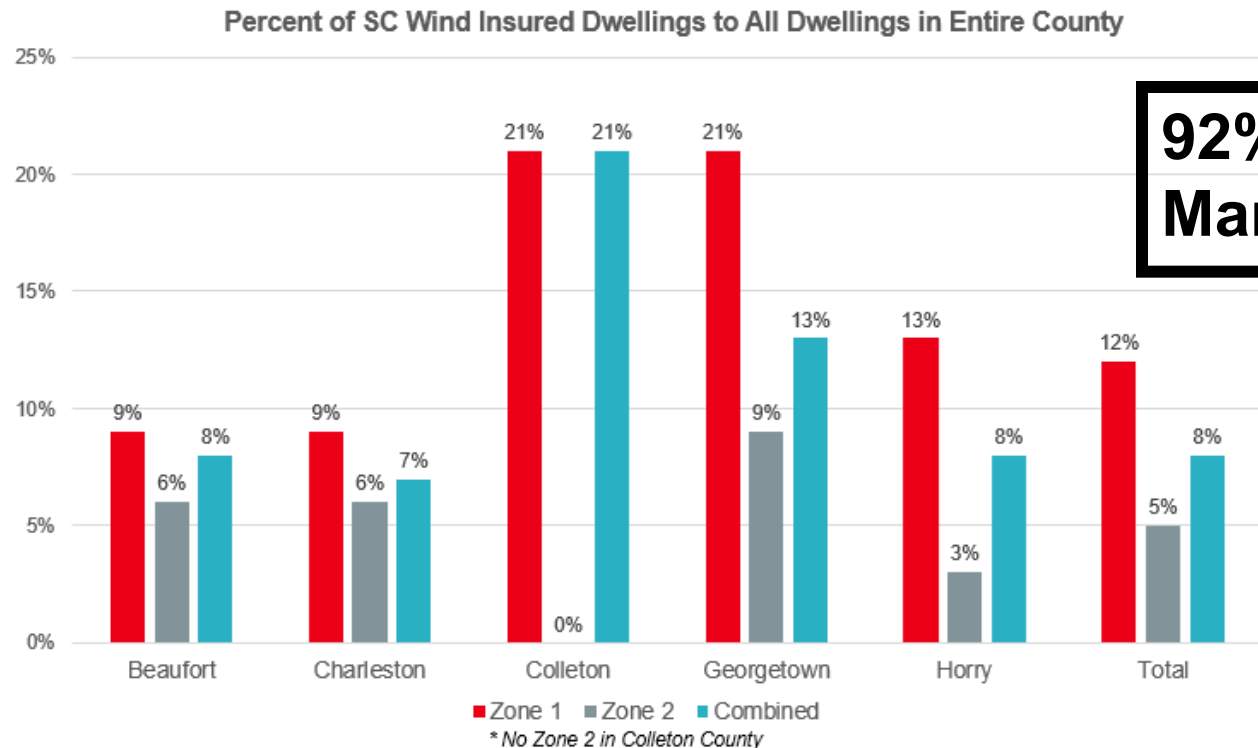
SC Wind Market Share by County and Zone

Dwellings Only as of 2/28/25

Residential property addresses included in 2020 U.S. Census Data were mapped to SC Wind territory definitions and compared with SC Wind insured property locations.

SC Wind insures only 8% of the available residential properties within our operating territory.

Total Dwellings in Coastal Counties	469,030
Not in SC Wind Territory	267,255
In Zone 1	96,787
In Zone 2	104,988

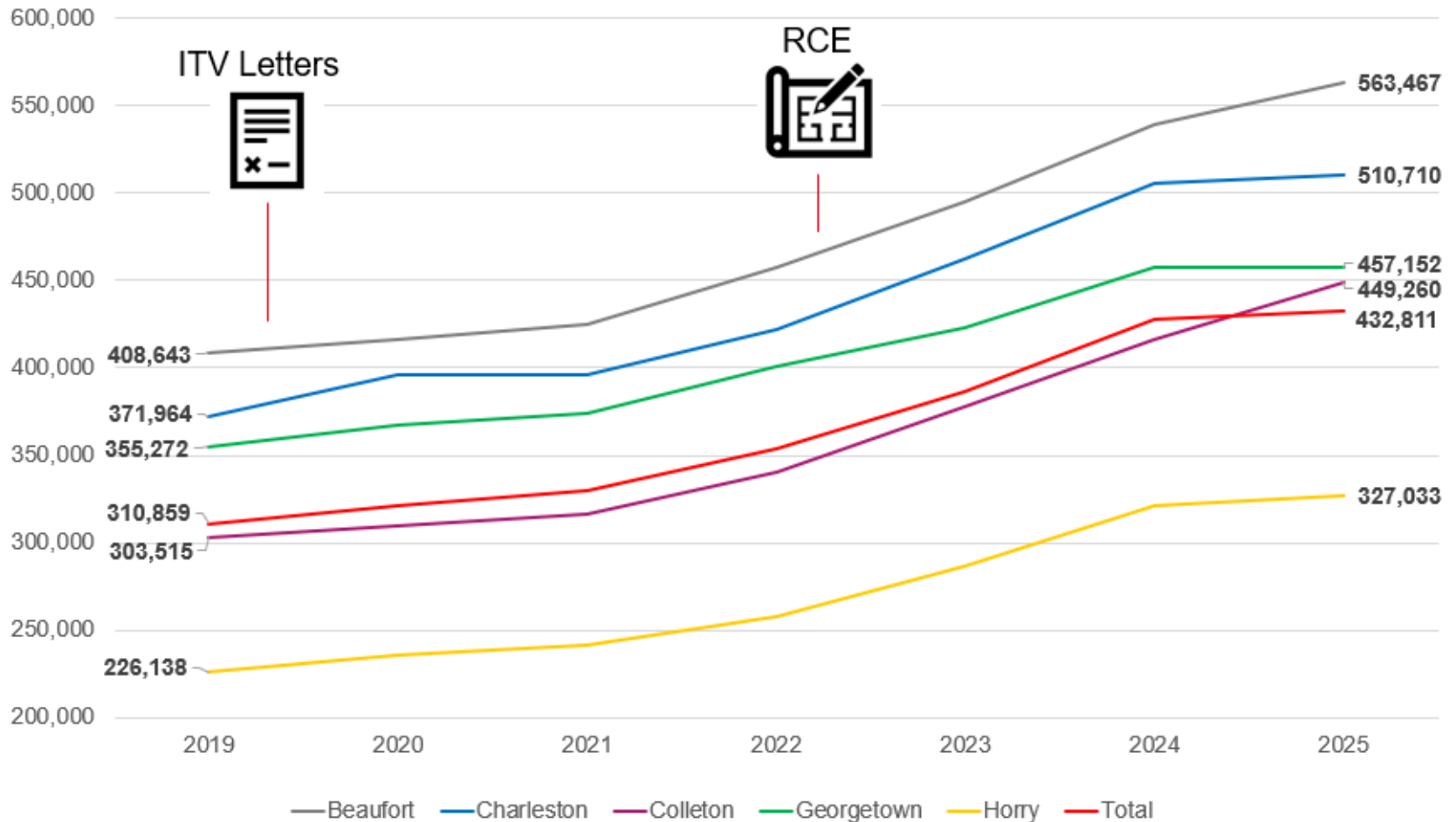


92% In Private Market!

Average Building Limits

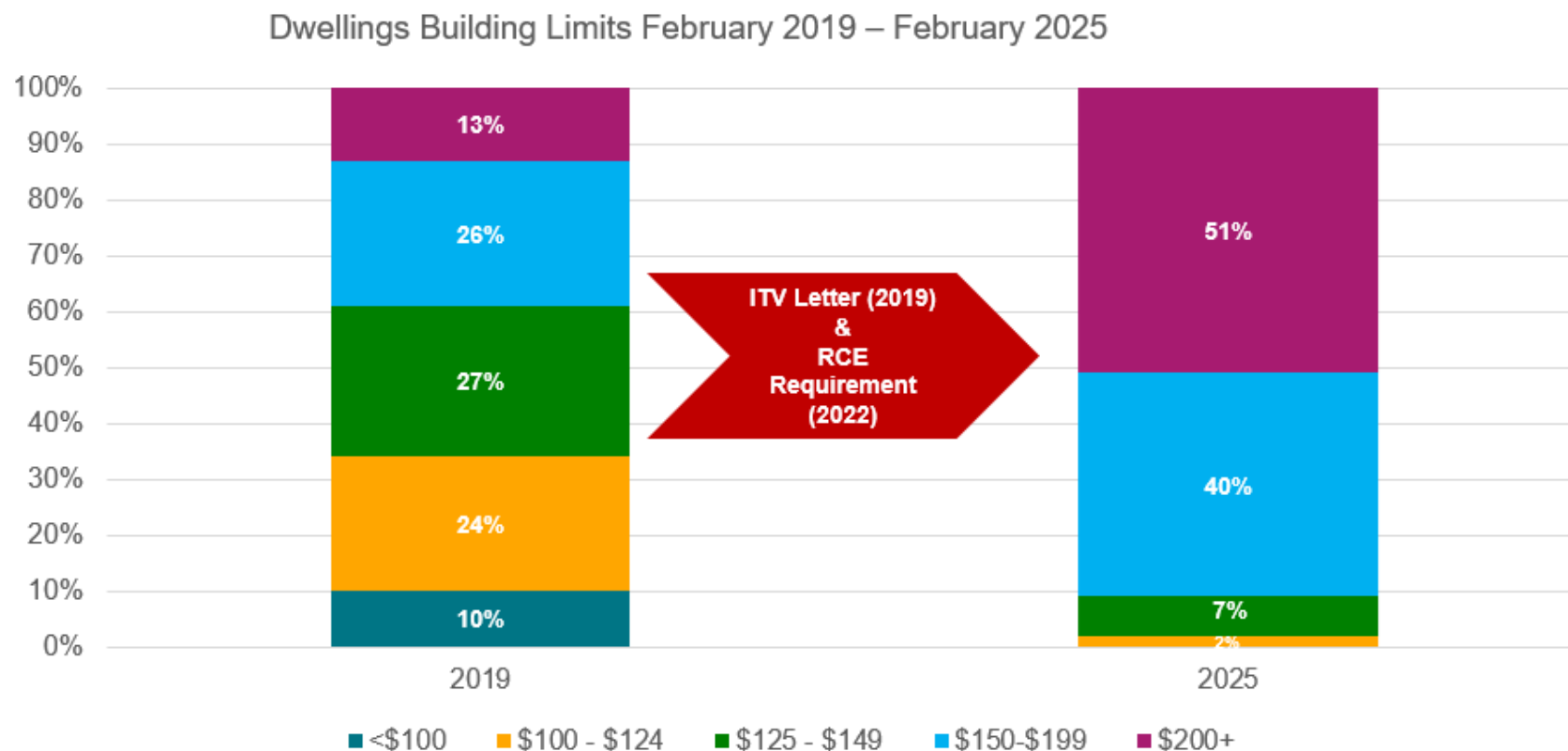
At 1-31-2025 (Dwellings and Townhomes)

>39% Increase Over
6 Years

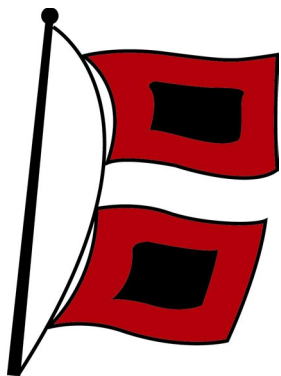


Impact of ITV Efforts on Dwelling Limits and Cost Per Square Foot

- Shift in higher cost per square foot aligns with increase in dwelling limits
- All dwellings now exceed \$100 cost per square foot
- 91% of dwellings have cost per square foot \$150+



As of 2/28/25



Condo Update

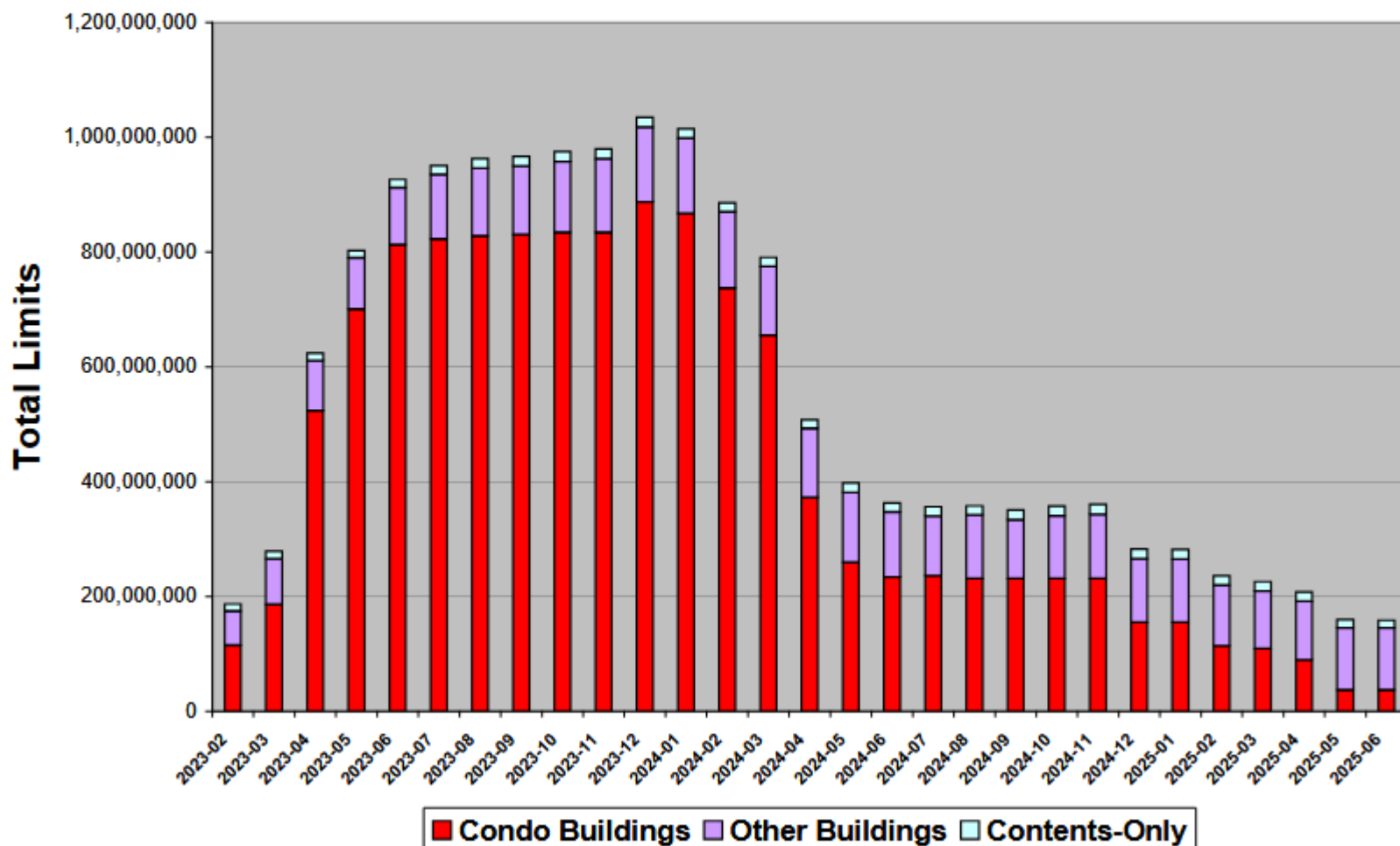


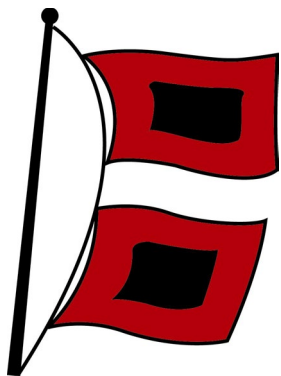
Condo Activity



- **January 1, 2024**
 - 70 HOA's
 - 735 Buildings
- **January 31, 2025**
 - 20 HOA's
 - 175 Buildings
- **July 15, 2025**
 - 8 HOA's
 - 28 Buildings

Commercial Business Only



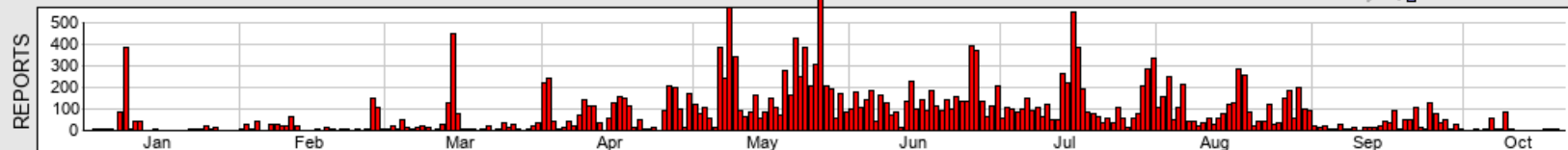
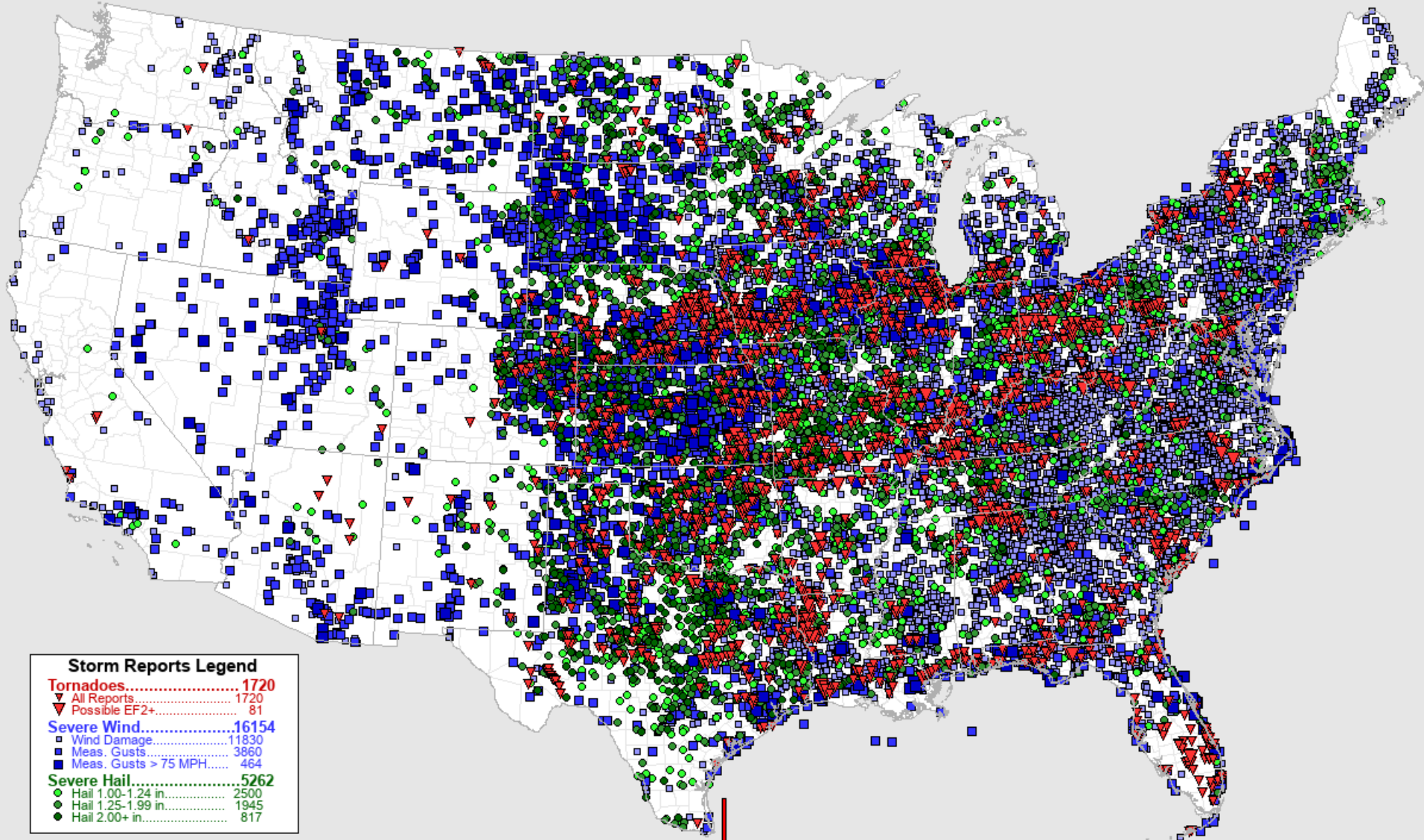


Rates

Rates



- Driven By Frequency And Severity Of Losses
- Impacted By International Availability Of Reinsurance And Retro-Reinsurance
- Trending Of Loss Costs
 - Cost Of Building Materials
 - Cost Of Construction Labor
- Inflation!

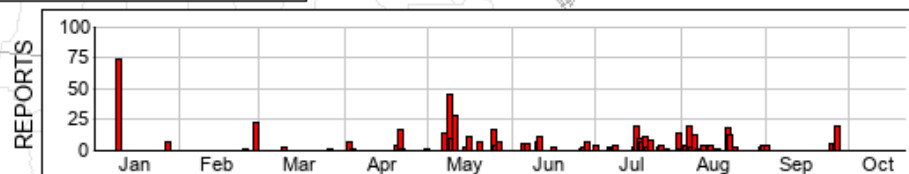
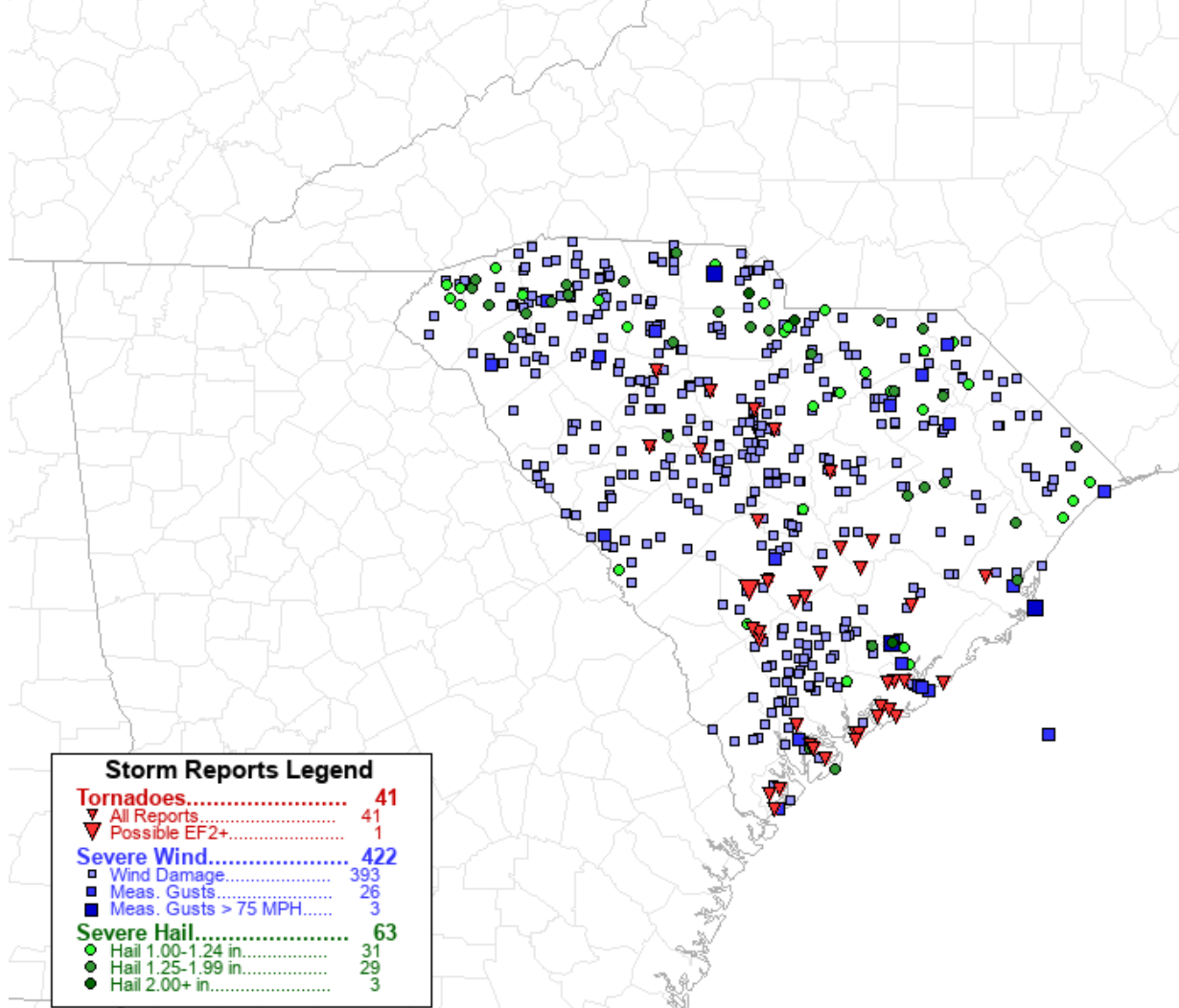


Preliminary Severe Weather Report Database

Storm Prediction Center
Norman, Oklahoma

National 2024 - All Severe Reports
01 Jan, 2024 - 21 Oct, 2024

Updated: 0406 UTC 10/21/2024



Preliminary Severe Weather Report Database

Storm Prediction Center
Norman, Oklahoma

SC 2024 - All Severe Reports

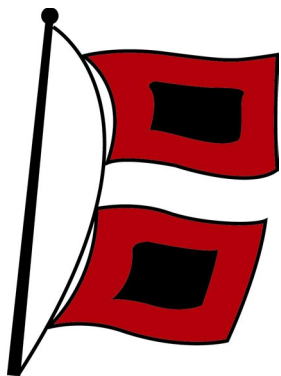
01 Jan, 2024 - 21 Oct, 2024

Updated: 0406 UTC 10/21/2024

SC Wind Rates



- Driven By The Cost Of Reinsurance – Our Loss Costs
- Time Lag For Rate Increase



Fixing Rates?

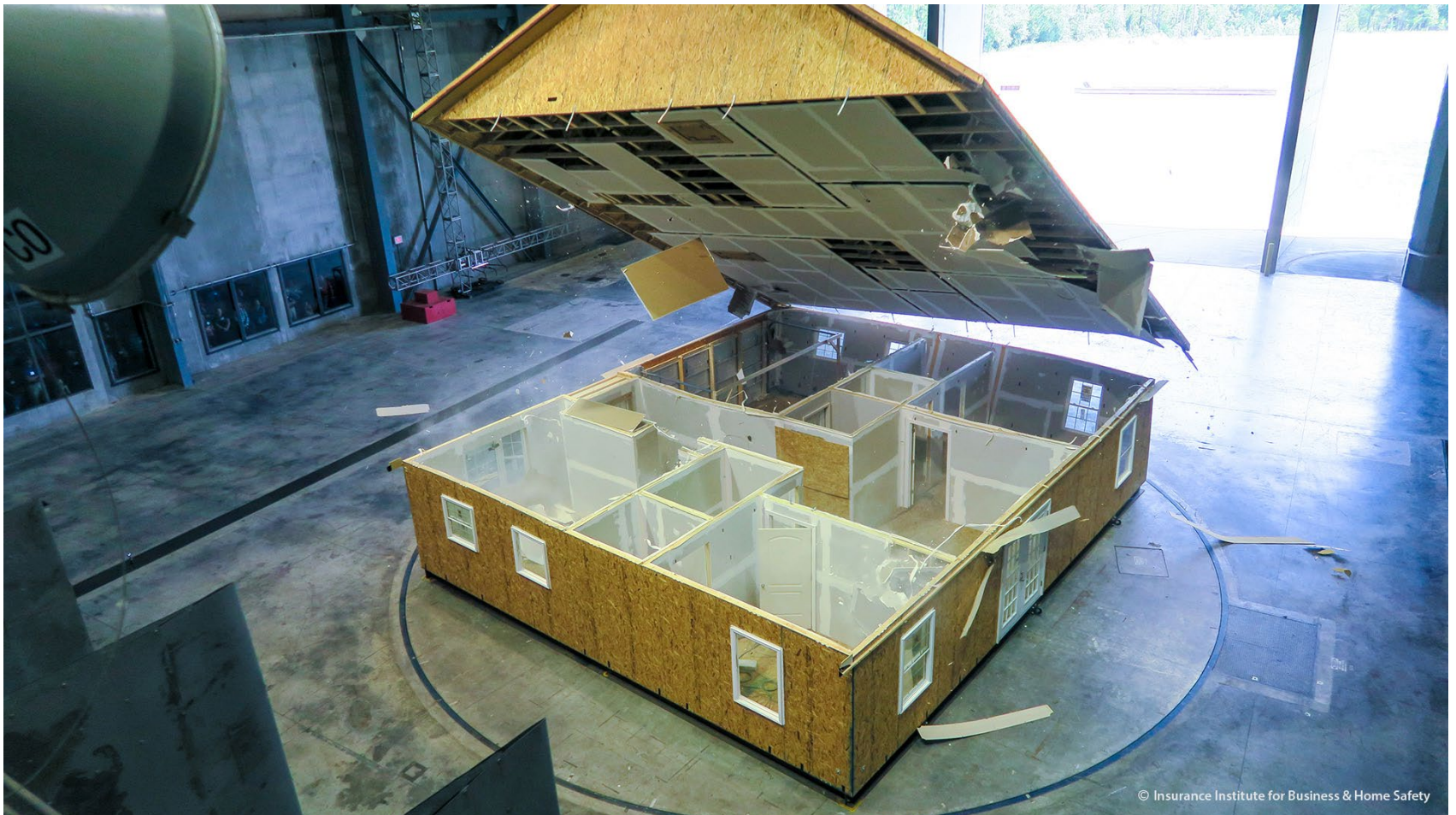
Need For Resilience



- Strengthen Homes Against Perils Such As Wind, Hail, Wildfire, Water Intrusion
- Stronger Homes Result In Human Life Safety
- Stronger Building Codes And Building Code Enforcement ***Enhance Insurability Of Structures And Possibly Have A Positive Impact On Rates***

IBHS Lab





© Insurance Institute for Business & Home Safety









Steps Forward



- Maintain Your Property
- Shop Your Insurance – It Is Work!
- Sealed Roof Deck In Building Codes
- Strengthen Building Codes Via Fortified Standards
- Increase Support For SC Safe Homes
- Consider County Delegation Earmarks For Roof Program

