



August 18, 2025

Gary Brewer, Chair  
Insurance Rate Review Ad Hoc Committee  
South Carolina House of Representatives

**Re: RAA Comments Regarding South Carolina Reinsurance Market Data**

Dear Mr. Brewer:

The Reinsurance Association of America (RAA) appreciates the opportunity to submit comments to the Insurance Rate Review Ad Hoc Committee regarding your request for the RAA's perspective on the South Carolina property market. The Reinsurance Association of America (RAA) is a national trade association representing reinsurance companies doing business in the United States. RAA membership is diverse, including reinsurance underwriters and intermediaries licensed in the U.S. and those that conduct business on a cross-border basis. The RAA also has life reinsurance affiliates and insurance-linked securities (ILS) fund managers and market participants that are engaged in the assumption of property/casualty risks. The RAA represents its members before state, federal and international bodies.

The RAA appreciates the Insurance Rate Review Ad Hoc Committee's thoughtful engagement in this space. The RAA has the capability of running market data analytics which allow us to offer comments on the state of the homeowners multiperil (HMP) insurance market.

The data shows that catastrophic weather losses are a major and growing challenge for South Carolina. Billion-dollar disasters have surged in recent years, with record-breaking event counts and escalating damages. Reinsurance use among top carriers in the state has varied with market conditions, yet insurers have still maintained roughly 90% net retention even in peak utilization years. Reinsurance remains a crucial risk-management tool, not a new or disproportionate factor behind premium increases.

The South Carolina homeowners market is largely served by national insurance companies. The top 5 South Carolina homeowner's writers have 48% of the market but, on average, utilize only 4.6% in the purchase of reinsurance. If reinsurance costs 4.6 cents on the dollar for policyholders, it is hard to make the case that reinsurance is a significant cost driver. The net cost of reinsurance, that is premiums paid by insurance company buyers, less recoveries for claims paid under those reinsurance contracts, is consistently de minimis. In some years South Carolina homeowner insurance companies recovered more from reinsurers than they paid.

The RAA is supportive of anything that helps improve the health of the insurance market.

- Investing in South Carolina's future with state grants geared toward catastrophe mitigation infrastructure
- Improving building codes and carefully considering where developers are building new subdivisions
- Passing legislation that cleans up legal system abuse
- Stable and predictable market conditions will attract greater market competition

The RAA appreciates the opportunity to share our thoughts on this matter. We would be happy to meet with members of the Committee to discuss this further. We look forward to further engagement on this issue.

Sincerely,

Jason Rudis  
VP, State Government Relations  
Reinsurance Association of America