

**BEFORE THE STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE**

<b>IN THE MATTER OF:</b>	)	<b>SUPPLEMENTAL DECISION</b>
	)	<b>AND ORDER No. 2007-003</b>
	)	
THE ADDITIONAL EXPANSION OF THE	)	
SOUTH CAROLINA WIND AND HAIL	)	
UNDERWRITING ASSOCIATION TO PROVIDE)	)	
ESSENTIAL PROPERTY COVERAGE TO	)	
AREAS WITHIN THE SEACOAST TERRITORY )	)	
_____	)	

On March 21, 2007, the Director of Insurance temporarily expanded the area in which the South Carolina Wind and Hail Underwriting Association (hereinafter referred to as “Wind Pool”) provides essential property insurance in accordance with the requirements of § 38-75-460.<sup>1</sup> The March 21, 2007 order set forth the initial expansion of territory covered by the Wind Pool, and provided that additional expansion will continue to be analyzed while the initial expansion was implemented.<sup>2</sup> This order supplements the March 21, 2007 order and further expands the Wind Pool territory to include additional areas within Charleston, Georgetown and Horry Counties. This supplemental order is based upon the findings set forth in the March 21, 2007 order, the Department of Insurance’s continued evaluation of coastal property insurance market conditions, input from consumers<sup>3</sup> about the availability of essential property insurance, and the review and analysis of other pertinent information.

**FINDINGS**

After considering current market conditions, consumer complaints and requests for assistance, and the Department’s analysis and review of the other pertinent information, I find and conclude as follows:

1. The Wind Pool writes wind-and-hail only coverage in the territory defined by §38-75-310. Section 38-75-460 gives the Director the ability to expand that territory upon a finding that coverage is not readily available through normal channels.

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<sup>1</sup> See S.C. Code Ann. § 38-75-460 (Supp. 2006).

<sup>2</sup> The number of non-renewals cited in that order was based on the 2006 projections of the insurer. Due to improving market conditions, some insurers did not non-renew the number of policies originally projected in 2006.

<sup>3</sup> The Department received a significant amount of input from consumers during and after forums conducted in the coastal counties of South Carolina following the issuance of the March 21, 2007 order.

2. On March 21, 2007, the Department issued an order expanding the territory as set forth in Exhibit 1.

3. While there are indications that the property market is softening and issues surrounding the availability of reinsurance have improved significantly, some consumers in Charleston, Georgetown and Horry Counties reported that they are still having difficulty finding essential property insurance within the admitted market.

4. Consequently, insurance is not readily available within the admitted market in all areas of the seacoast territory and further expansion of the Wind Pool territory is required.

5. June 1<sup>st</sup> marks the beginning of the 2007 hurricane season. Expansion of the territory covered by the Wind Pool is necessary to address those areas of the seacoast territory where essential property insurance coverage is not readily available and to provide access to consumers who are still having problems finding essential property insurance coverage in the admitted market. It should also help prevent market disruptions in the areas with the most significant hurricane exposure. The expansion will serve as a needed safety net for South Carolina consumers who may be unable to obtain property insurance coverage within the admitted market

## CONCLUSION

Based upon the foregoing, it is ordered that effective June 1, 2007:

1. The territory covered by the South Carolina Wind and Hail Underwriting Association be temporarily expanded as set forth in paragraph 2 to include additional areas within Charleston, Georgetown and Horry Counties.

2. The expanded territory shall be divided into two zones: Zone 1 and Zone 2.

Zone 1 is defined as follows:

(a) all areas in Beaufort County east of the west bank of the intracoastal waterway with the exception of Lady's Island, Coosaw Island, and Morgan Island.

(b) all areas of Colleton County which are east of the west bank of the intracoastal waterway.

(c) the following areas in Charleston County: the portion of Edisto Island which is east of Peters Point Road and Point of Pines Road, Edingsville Beach, Kiawah Island, Botany Bay Island, Folly Island, Seabrook Island, Morris Island, and all areas north of the city of Charleston which are east of the west bank of the intracoastal waterway.

(d) the following areas in Georgetown County: all areas between the Harrell Siau Bridge and the Georgetown – Horry County border which are east of U.S. Highway No. 17 or By-Pass 17, whichever is further west, and all areas south of the Harrell Siau Bridge which are east of the west bank of the intracoastal waterway.

(e) the following areas in Horry County:

(1) beginning at the northern border of Horry County, all areas east of the west bank of the intracoastal waterway to the point where the where U.S. Highway 17 crosses the intracoastal waterway

(2) from the point where U.S. Highway 17 crosses the intracoastal waterway, south to the Georgetown – Horry County border, all areas which are east of U.S. Highway 17 or By-Pass 17, whichever is farther west

3. Zone 2 is defined as follows:

(a) the following areas in Beaufort County: Lady's Island, Coosaw Island, and Morgan Island.

(b) the following areas in Charleston County:

(1) the portion of Edisto Island which is west of Peters Point Road and Point of Pines Road

(2) The portion of James Island which is east of the west bank of the James Island Creek.

(3) The portion of John's Island which is east of Exchange Road which becomes Plow Ground Road to Hoopstick Island Road to Church Creek.

(4) The portion of Wadmalaw Island which is east of Roseville Road to west of Cherry Point Road to Maybank Highway to Brigger Hill Road.

(5) all areas north of the City of Charleston which are east of U.S. Highway 17 and west of the intracoastal waterway.

(c) the following areas in Georgetown County:

(1) all areas between the Harrell Siau Bridge and the Georgetown – Horry County border which are east of the west bank of the intracoastal waterway and west of U.S. Highway 17 or By-Pass 17, whichever is farther west.

(2) all areas south of the Harrell Siau Bridge which are east of U.S. Highway 17 and west of the intracoastal waterway

(d) the following areas in Horry County:

(1) Beginning at the northern border of Horry County, an area bounded on the west by a line defined as follows: SC Highway 57 (Wampee Road) to the point where it meets SC Highway 9, then following SC Highway 9 east to SC Highway 31 (Carolina Bays Parkway), then following SC 31 west to River Oaks Drive, then following River Oaks Drive to US Highway 501, across US Highway 501, where the road becomes George Bishop Parkway, then following George Bishop Parkway and turning right onto Claypond Road, following Claypond Road to Burcale Road, then following Burcale Road until it ends at Riverside Drive. The line then continues in a straight line from the end of Burcale Road to the intracoastal waterway, where it then follows the waterway to the Georgetown – Horry County border.

(2) The eastern boundary of Zone 2 in Horry County is the western boundary of Horry County Zone 1 as defined above.

Maps of the Wind Pool territory are attached as Exhibit 2.

4. As set forth in the March 21, 2007 order, this additional expansion must be implemented so as not to compete with the admitted market. The Wind Pool shall develop and submit to the Department its tiered rates or a tiered rating plan that reflects the relative risks of the properties located in the respective area(s). Zone 1 will be considered a separate territory from Zone 2 for ratemaking purposes.

5. This order supplements and incorporates by reference the order that was issued on March 21, 2007 and will continue in effect until March 29, 2009 unless otherwise vacated or superseded by a subsequent order issued by the Director.

IT IS SO ORDERED.



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Scott H. Richardson  
Director

May 23, 2007  
Columbia, South Carolina