

From: Andy Twisdale <andy@andytwisdale.com>

To: 'Raymond Farmer'RFarmer@doi.sc.gov

CC: Bob GreenBoblyn4@aol.com

Daryl Fergusondaryl.a.ferguson@gmail.com

Stu Rodmansrodman@bcgov.net

Tom Davistom1960davis@yahoo.com

Veldran, KatherineKatherineVeldran@gov.sc.gov

Date: 3/22/2013 7:48:40 AM

Subject: RE: Hilton Head Home Owners Insurance Rates

Good morning Ray

Below are some in red questions regarding Mr. Green's rate increase. I ended my conversation with Will Davis that he and I would talk again. But I do not have his email address. Please forward to him

Following up on your previous emails regarding Mr. Green's premium increase, it is the Department's duty to make sure that rates are not inadequate, excessive, or unfairly discriminatory enabling insurance companies to remain solvent and pay claims. Like each rate filing, Occidental Fire and Casualty's (Occidental) filing was complex, which they supported with data. Our actuarial team (believe you started to Mr. Green that outside company) reviewed and analyzed the data supplied by Occidental with its rate request thoroughly before approving the request. Below is a note from Mr. Bob Green regarding a phone conversation with you.

I received a call from the SC Insurance Commissioner this afternoon. He indicated he was calling regarding the increase in the premium for my 2013/2014 Homeowners policy [25.5% increase from Occidental Fire and Casualty Co. of NC; includes wind and hail].

I was informed the commissioner is fairly new to the job and wants fair rates for policyholders. Independent/ outside actuaries were hired to look at the methodology and procedures used by the SC Dept. of Insurance actuaries and all is in line with proper procedures and methodology.

Occidental adjusted rating variables that it uses such as a home's age, a home's roof age, and distance within five miles of the coast. This likely occurred because of the level of risk Occidental felt is covered by its policies. It is important to note that while Mr. Green experienced an increase of 25.5%, other consumers insured by Occidental experienced rate decreases, while some experienced rate increases greater than Mr. Green's.

One point often forgotten in the discussion about risk is that, even when an area is not directly hit by a significant storm, that area can still experience significant loss as a result of that storm's proximity. Using historical data, using the data of the National Hurricane Center data of only one major storm since 1893 each insurance company hypothesizes where do they get their information the loss a one hundred year storm could cause in an area and seeks to have the funds for such an event. Occidental underwrites a substantial amount of risk close to the beach and our actuarial review determined that Occidental's rate is not excessive, inadequate, nor unfairly discriminatory.

Although the rate is higher than the insured anticipated, we continue to encourage

all South Carolina consumers to shop around each time their policy is renewed in order to obtain the most appropriate coverage and cost for their individual risks.

Additionally, I understand that Will Davis from our office is working with you to gain further clarification on your question regarding Occidental's rating of the projected cost of repair per \$1,000 home evaluation that will help us to accurately respond.

Please research the underlying situation behind this rate case. In particular:

We know that the insurance company receives "technical risk cost for every home location in the state. They project the amount which would be needed to be set aside each year to pay for future damages. This is basically a cost-of-goods sold that they project for each resident in South Carolina. The insurance company will add its operating costs and required profit to develop the retail premium price. Thus, if we know the projected 'technical risk cost' for Mr. Greens' home we will begin to have an idea if the increase is merited. We know that it is available because we have seen it."

Thus, please ask Mr. Greens' insurance company to give you the Projected technical insurance cost for his home. Then, compare that cost to his new total premium. Is his insurance company making this type of increase across the board.

Regards,

Andy Twisdale REALTOR
Charter One Real Estate
81 Main Street Suite 202
Hilton Head Island, SC 29926
843-384-7771
andy@sellhiltonhead.com
andytwisdale@gmail.com

Search all MLS listings and sign up updates
<http://www.charteronerealestate.com/hilton-head-island-realtor/Andy-Twisdale.htm>

The greatest compliment I can receive is your referral for professional real estate services.

From: Raymond Farmer [mailto:RFarmer@doi.sc.gov]

Sent: Tuesday, March 19, 2013 4:42 PM

To: Andy Twisdale

Cc: 'Andy Patrick'; Boblyn4@aol.com; 'BILL HERBKERSMAN'; 'Sam Reed'; 'Stu Rodman'; 'Ken Jackson'; 'Tim Geho'; 'Andy Walker'; 'David Burnett'; 'Laura Crowther'; 'Robert Clement'; 'Donna Smith'; 'Lawrencen Thompson'; 'Daniel Moskowitz'; 'Gwen Mcgriff'; 'David Ames'; 'Daryl Ferguson'; 'Gene Waterfall'; 'SHANNON ERICKSON'; 'Bill Harkins'; 'Katherine Veldran'; 'tedpitts@gov.sc.gov'; 'Jeff Glacken'; 'Mark Nix'; 'Ashley Feaster'; 'Jocelyn Metzger Steigar'; 'Steve Riley'; 'Michelle Kurtz'; 'Gina Smith'; 'Earl Dietz'; 'Weston Newton'; 'David Tigges'; 'Terence Ennis'; 'Jon and Sheryl Doe'; 'Tony Bartelme'; 'Cashion

Didier'; 'Billy Mills'; 'Don McCombs'; 'Tom Davis'; 'Tom Gardo'

Subject: RE: Hilton Head Home Owners Insurance Rates

RE: Market Assistance Referral

Dear Mr. Twisdale:

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Occidental adjusted rating variables that it uses such as a home's age, a home's roof age, and distance within five miles of the coast. This likely occurred because of the level of risk Occidental felt is covered by its policies. It is important to note that while Mr. Green experienced an increase of 25.5%, other consumers insured by Occidental experienced rate decreases, while some experienced rate increases greater than Mr. Green's.

One point often forgotten in the discussion about risk is that, even when an area is not directly hit by a significant storm, that area can still experience significant loss as a result of that storm's proximity. Using historical data, each insurance company hypothesizes the loss a one hundred year storm could cause in an area and seeks to have the funds for such an event. Occidental underwrites a substantial amount of risk close to the beach and our actuarial review determined that Occidental's rate is not excessive, inadequate, nor unfairly discriminatory.

Although the rate is higher than the insured anticipated, we continue to encourage all South Carolina consumers to shop around each time their policy is renewed in order to obtain the most appropriate coverage and cost for their individual risks.

Additionally, I understand that Will Davis from our office is working with you to gain further clarification on your question regarding Occidental's rating of the projected cost of repair per \$1,000 home evaluation that will help us to accurately respond.

Sincerely,

Ray Farmer

>>> "Andy Twisdale" <andy@andytwisdale.com> 03/18/2013 5:23 PM >>>

Hi Ray

Thank you very much for the quick attention to Mr. Green's email about his insurance company wanting a 25.5% rate increase. I did speak to Mr. Green and he will follow up with your offer to help with shopping for another insurance company.

I still would like to see the basis of the insurance company's rate hike when we have not had a storm or hail event for a minimum of 8-10 years? Under what basis does the insurance company feel they need to raise the costs of insurance that much?

Regards,

Andy Twisdale REALTOR
Charter One Real Estate
81 Main Street Suite 202
Hilton Head Island, SC 29926
843-384-7771
andy@sellhiltonhead.com

andytwisdale@gmail.com

Search all MLS listings and sign up updates

<http://www.charteronerealestate.com/hilton-head-island-realtor/Andy-Twisdale.htm>

The greatest compliment I can receive is your referral for professional real estate services.

From: Raymond Farmer [<mailto:RFarmer@doi.sc.gov>]

Sent: Monday, March 18, 2013 4:41 PM

To: Andy Twisdale

Cc: Andy Patrick; Boblyn4@aol.com; BILL HERBKERSMAN; Sam Reed; Stu Rodman; Ken Jackson; Tim Geho; Andy Walker; David Burnett; Laura Crowther; Robert Clement; Donna Smith; Lawrencen Thompson; Daniel Moskowitz; David Ames; Daryl Ferguson; Gene Waterfall; SHANNON ERICKSON; Bill Harkins; Katherine Veldran; tedpitts@gov.sc.gov; Jeff Glacken; Mark Nix; Ashley Feaster; Jocelyn Metzger Steigar; Steve Riley; Michelle Kurtz; Gina Smith; Earl Dietz; Weston Newton; David Tigges; Terence Ennis; Jon and Sheryl Doe; Tony Bartelme; Cashion Didier; Billy Mills; Don McCombs; Tom Davis; Tom Gardo

Subject: Re: Hilton Head Home Owners Insurance Rates

RE: Market Assistance Referral

Dear Mr. Twisdale:

Thank you so much for your email, and for forwarding Mr. Green's questions to me. Mr. Green and I have already chatted, and I was able to address his questions.

As your email noted, Mr. Green was not satisfied with the rate quote that he received from his insurer. As you know, the South Carolina Department of Insurance encourages property owners to shop around comparing insurance coverage and prices before agreeing to accept any offer. We have offered, and Mr. Green has graciously accepted our offer of assistance. In fact, we are currently assisting Mr. Green through the Department's Market Assistance Program. Mr. Joseph McDonald, our Coastal Consumer Liaison, is assisting Mr. Green by helping him shop his policy. In doing so, Mr. McDonald will help Mr. Green 1) identify insurers writing the type of property insurance coverage he needs; and 2) identify producers or agents in Mr. Green's community with property insurance markets who could help Mr. Green compare prices for the types of coverage offered.

We believe we may be able to help him. In any event, we will monitor the situation closely and follow up as necessary. Thank you again for your email, and for providing an opportunity to help a South Carolina insurance consumer.

As I indicated when we met this past December, customer service is very important to me. Our market assistance services will be made available to any consumer who requests our help. Please do not hesitate to contact me any time I can be of assistance to you or a member of your community.

Sincerely,

Ray Farmer

>>> "Andy Twisdale" <andy@andytwisdale.com> 03/17/2013 10:46 AM >>>

Hello Ray

Below is an email for a property owner facing a 25.5% increase. Can you respond with a statement as to why the insurance company's increase was justified?

Regards,

Andy Twisdale REALTOR
Charter One Real Estate

81 Main Street Suite 202
Hilton Head Island, SC 29926
843-384-7771
andy@sellhiltonhead.com
andytwisdale@gmail.com

Search all MLS listings and sign up updates

<http://www.charteronerealestate.com/hilton-head-island-realtor/Andy-Twisdale.htm>

The greatest compliment I can receive is your referral for professional real estate services.

From: JWI265@aol.com [<mailto:JWI265@aol.com>]

Sent: Sunday, March 17, 2013 10:20 AM

To: wck798@aol.com

Cc: mmkmitt@aol.com; andy@andytwisdale.com; andrewpatrick@advancepointglobal.com; tom@senatortomdavis.com

Subject: Fwd: Hilton Head Home Owners Insurance Rates

FYI. Jesse

From: JWI265@aol.com

To: Boblyn4@aol.com

Sent: 3/17/2013 10:17:56 A.M. Eastern Daylight Time

Subj: Re: Hilton Head Home Owners Insurance Rates

Bob — Contact Andy Twisdale @ 384-7771. Jesse

In a message dated 3/15/2013 3:05:58 P.M. Eastern Daylight Time, Boblyn4@aol.com writes:

Jesse,

As I have seen your emails on Hilton Head insurance rates, you may be interested in the following.
My premium with Occidental Fire and Casualty Co. of NC, Home Owners with wind and hail coverage, is being increased **25.5%**, effective with 05/01/13-05/01/14 renewal.

I called the SC Dept.of Insurance and was informed the company had justified the new increases with the department's actuaries.

Who does one complain to at the town level? I am looking for a new insurer.

Thanks.

Bob Green