

# Wilmington Insurance Company Coastal and Non-Coastal Property Program

**Effective January 1, 2023**

**Wilmington Insurance Company (WIC)** is a wholly owned subsidiary of Wilmington Holdings Corporation, (WHC) a privately held Delaware holding company, acquired by Gerson Partners Fund, LLC in 2017. Wilmington Insurance Company is a domestic (USA) property and casualty insurance company domiciled in the State of Delaware. Its website is [www.wilmingtoninsco.com](http://www.wilmingtoninsco.com) and it is rated “A Exceptional” by Demotech, Inc.

Gerson Partners long-term philosophy and approach is to support WIC’s underwriting operations with additional capital and financial resources to support the controlled expansion of its commercial and personal lines underwriting operations. Its merger with the National Insurance Company of Wisconsin in 2019 doubled the company’s assets, and policyholder surplus along with adding (18) State licenses for future expansion. The parent company (WHC) has continued to add capital and surplus and in 2020, WIC acquired Freedom Advantage Insurance Company, a single state P & C company headquartered in Pittsburg, Pennsylvania to further its territorial expansion initiatives. Freedom Advantage is a wholly owned subsidiary of WIC and will offer specialized insurance products as it withdraws from writing Workers Compensation insurance in Pennsylvania.

WIC is located on the eastern seaboard of the United States, Delaware is bordered by the Atlantic Ocean, Delaware Bay and Delaware River to the east, Maryland to the west and Pennsylvania to the north. It is the second smallest state in the country, with a total of 1,982 square miles. New Castle County is 438 square miles, Kent County is 594 square miles, and Sussex County is 954 square miles. Delaware is 110 miles long and varies in width from 9 to 35 miles.

The current distribution of this program is via retail agents that have been doing business with the company for many years. WIC’s salaried staff underwriters work directly with the retail agents providing a very responsive and knowledgeable local underwriting presence. In addition to providing a “hands on” local underwriting and claims operation, WIC pays competitive commissions, offers direct billing installment plans with credit card payment options and uses industry accepted policy forms that provide valuable supplemental coverages not regularly offered by MGA’s and E & S Brokers. Considering Delaware’s historically favorable catastrophic property loss experience and receptive regulatory environment, we compete against a wide range of out of state MGA’s, Wholesale E & S Brokers, Coastal Program Managers and Admitted carriers.

WIC estimates there is over \$280 million in DWP that falls within the scope of this program. The estimated split of exposures for this program is 75% Sussex County, 15% Kent County and 10% in New Castle County, Delaware

As previously reported, the construction type of our business will be 90% frame or joisted masonry (classes 1 & 2) and the remaining 10% split are between non-combustible (class 3), masonry/non-combustible (class 4) and modified fire resistant (classes 5 & 6).

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### **Program Update and/or Changes in 2023**

- WIC will require **an increase in its Annual Aggregate** to allow for the company to make the necessary inflation increases on both its HO-3 A Limits and Commercial Building limits at policy renewal in 2023. We will be applying a 10% inflation factor increase on HO-3 “A” limits and a 6% inflation factor increase on commercial building limits.
- WIC anticipates both its commercial and personal lines **underwriting operations will continue to grow in 2023 from new businesses start up’s, existing businesses expanding operations and residential home construction** along with continued **commercial property development** of retail, office and multifamily housing projects.
- Our commercial underwriting department will continue **targeting restaurants, retail stores, condominiums, apartments, dwellings, warehouses and many types of light commercial lessor’s risks** accounts using WIC’s proprietary commercial WIC pak policy. Our personal lines department offers both **HO-3 and HO-6 policy’s on primary and secondary homes**.
- **Growth of our personal and commercial premiums** in noncoastal cities and towns all **located more than (8) miles to the Atlantic seaboard** is expected to continue in 2023. These cities and towns populations are growing faster than our coastal communities as they offer more affordable housing which offers us increased opportunities to grow our HO-3 premiums and open space for new commercial developments, stores and restaurants to increase WIC-PAK opportunities.
- As a local carrier we have been able to stay in close contact with its agents and policyholders and continue to be a responsive market for new business. Renewal retention remains strong and we continue applying **selective rate increases** along with **maintaining high service standards** for both our agents and policyholders. Our ongoing underwriting initiative in 2023 will be applying inflation adjustment factors on both HO-3 and Commercial Building limits along with underwriters seeking rate increases where permitted, on new commercial quotes.