



Frequently Asked Questions About Property Damage Insurance Claims in South Carolina

This Roadmap to Recovery publication offers general guidance and answers to common questions people ask after a loss when they are dealing with an insurance company or adjuster. Rules and procedures vary state to state and company by company. This publication is applicable to residents of the State of South Carolina.

United Policyholders strongly recommends reading our [Top Twenty Tips](http://www.unitedpolicyholders.org/pdfs/TopTwentyTips.pdf) (<http://www.unitedpolicyholders.org/pdfs/TopTwentyTips.pdf>) to get oriented. We thank and acknowledge AJR Insurance Consultants for contributing their professional claims-handling expertise to this publication.

1. How long will it take before my insurance company settles with me?

This depends on the size of the insurance claim; the amount and cost of the damage/destruction, and whether there are complications. Complications can include the *cause and origin of a fire, reconstructing plans for a destroyed home, disputes over repair estimates, or an untrained/inexperienced adjuster*. The average small claim takes about 3 months to settle. A larger claim can take anywhere from 6 months to two years to fully resolve. Insurance claim settlement delays are very common.

2. How long will it take for the insurance company to send someone out to inspect the loss site?

Typically an adjuster is sent out to your claim within 48 hours, depending on the seriousness of your loss. The more (polite but assertive) pressure you put on the insurance company, the quicker they tend to react.

3. What are my duties, and what are my insurers' duties after a loss?

In every insurance policy there is wording that explains your duties after a loss. Unfortunately most policies are written in *legalese*, and are not easy to understand. The first important duty you have as a policyholder is to cooperate with your insurance company when they are investigating your loss and claim. Another important duty is to

preserve and photograph damaged items until they've been inspected and documented by your insurer.

Your insurer's duties after a loss are spelled out in South Carolina law as well as in your policy (again, often in legalese.) Your insurance company's important duties include promptly acknowledging, investigating and paying or denying your claim within a reasonable time after you have notified them of a loss. Your insurer must act reasonably and try to settle all covered claims fairly. If you want to read the exact wording of your SC laws, go to the [58-63-10 General Statutes of South Carolina](http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_58/GS_58-63-10.html) (http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_58/GS_58-63-10.html).

4. Do adjusters in South Carolina need to be trained and licensed?

A: Yes. Public adjusters, "independent"¹ adjusters, and company adjusters all must be licensed in South Carolina.

Anyone can become an Insurance Adjuster in South Carolina, even a non-resident, as long as he/she meets the minimum qualifications:

1. Is at least 18 years old.
2. Applies for a license on a prescribed form or the web site prescribed by the director or his designee.
3. Has not committed any act that is ground for denial, suspension, or revocation.
4. Has passed the required license examination with a minimum grade of 70%.
5. Has paid the one-time adjuster licensing fee.

Continuing education is not required to maintain an adjuster's license in SC. An adjuster's license will not be revoked or suspended as long as all requirements are met and fees are paid.

Debris Removal

5. Who is responsible for clearing the debris from my lot, and is that covered under my policy?

Your policy should have coverage for debris removal, and there are companies that will do that work. Your coverage will either be a stated amount or a percentage of your dwelling limits. Check your policy limits for this item before you sign a contract for removal to make sure you're not agreeing to pay more than you're covered for. If yours

¹ There are three types of insurance adjusters. Company or "staff" adjusters are employed by an insurance company. Independents are also employed by insurance companies as freelancers/outsourcing. Public adjusters work only for the consumer. A consumer cannot hire an independent or a company adjuster.

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wasn't the only home destroyed in the neighborhood, you may save time and money by entering into a group lot clearing arrangement.

6. Is there anything I need to do before my lot gets cleared?

Make sure you take pictures of the debris, notify your insurer in writing and in advance of your intention to clear your lot, and give them a reasonable amount of time to inspect beforehand.

7. The city/county/state is offering a coordinated lot-clearing program. If I participate, am I protected if the cost ends up being more than my coverage for debris removal?

Your insurance limits are what they are, and they won't change just because you are participating in a government program.

Cause of loss/Expert opinions

8. The cause and origin of the event that destroyed my home is not 100% clear. What do I need to do to protect myself?

Your insurance company may hire experts. You may want to hire your own independent, experienced expert(s) to investigate and give you a professional opinion or report.

9. Do I need second opinions about everything my adjuster says – or just “big ticket” items related to *causes and amounts* of damage?

Definitely with regard to repair/replacement cost estimates, major items your insurer says are not covered, and cause of loss, if disputed.

10. What kinds of professionals/experts typically get involved in evaluating a large loss insurance claim?

Insurance adjusters, repair/rebuilding contractors, mold/water damage remediation specialists, pack out/cleaning specialists, engineers, public adjusters, and accountants.

Temporary/Additional Living Expenses

11. Will my insurance company make arrangements for temporary housing?

Some companies will help you find temporary housing; others will reimburse you for the cost of the housing that you arrange for yourself. You are entitled to maintain your normal standard of living while your home is uninhabitable. Depending on how long you'll be out of your home, and the size/features of the home that was damaged or destroyed, your temporary residence can be a rental unit, a hotel, or a trailer. Some

insurers have relationships with companies that provide temporary housing and they will offer to set you up with them. Generally speaking, you're free to find a situation that suits you and submit receipts for reimbursement up to your policy limits.

12. What items can I claim for reimbursement under the Additional Living Expense (ALE) portion of my coverage? And how long will my insurer cover my temporary rent/living expenses?

Claim every living expense that is beyond the norm for you and your family, including accommodations for your pets, additional mileage to get to work from your temporary location, mileage to inspect and protect your damaged home, etc. Keep all receipts for eating out and any other living expenses in an envelope so you can submit them for reimbursement.

Your policy will specify whether your ALE is limited to a set time period or just a dollar amount. ALE generally covers at least a year of expenses.

13. What if I run out of ALE coverage before my home is rebuilt?

If you can document that your insurance company is at fault for repair/rebuilding delays, request an extension of time and do your best to negotiate for what you need. Get help from your [state insurance department](http://www.unitedpolicyholders.org/state_help/help_SC.html) (http://www.unitedpolicyholders.org/state_help/help_SC.html) if need be.

14. Will my insurer cover the cost if I live in a trailer during reconstruction?

Yes they will cover a trailer, if it is equal to or less than your normal standard of living.

Costs

15. What are the rules in South Carolina on:

a. Actual Cash Value (ACV)?

In South Carolina, ACV is normally defined as Replacement Cost less Depreciation for age and condition at the time of the loss (may vary slightly if your policy defines the term.)

b. Replacement Cost?

Cost to replace new with exact same item, or an item of like kind and quality.

c. Depreciation?

Deduction from the new cost (Replacement Cost) to allow for the age and condition of the used item in order to arrive at its Actual Cash Value.

16. My insurance company says it will only pay according to its “pricing guidelines.” The guidelines are really out of date—what can I do?

There is no such thing as an acceptable standard pricing guide. It is important for you to get your own quotes through real life sources including vendors/stores, the Internet, catalogs, appraisals, etc.

17. My insurance company is refusing to pay anything up front for my contractor’s overhead and profit. I don’t have the cash to advance this item, and he won’t get started without it, so I’m stuck.

In our view, your insurance carrier has no right to withhold overhead and profit. If they persist, you may have to engage legal counsel to aid you on this issue. Visit UP’s [Find Help](#) section (<http://www.uphelp.org/sponsors.html>) to find qualified professional help in your area.

18. How much overhead and profit is standard in South Carolina?

Ten percent overhead and ten percent profit.

19. My insurance company keeps reducing what they’re going to pay by “depreciating” items in my claim; what can I do?

A homeowners/renters policy typically allows an insurer to hold back a portion of policy benefits to account for depreciation. But under most policies, you can recover what was held back when you submit proof that you’ve replaced items. And, depreciation is **negotiable**. You can and should challenge unreasonably high amounts taken for depreciation. The age, condition and type of item will often determine the amount of depreciation that is applicable. Read [UP’s Depreciation Basics](#) (<http://www.unitedpolicyholders.org/pdfs/DepreciationTipSheet.pdf>) for more info.

Deadlines

20. The insurance company is rushing me to complete my contents inventory, but I just can’t remember everything yet. What can I do?

Your insurance policy may have a deadline for submitting your itemized, detailed contents inventory, but you can always submit a partial claim and note to the insurance adjuster that there will be additional items forthcoming. And, you can always ask for extensions of time and get help from your state department of insurance if the request is unreasonably denied by your insurer.

Common problems and help resources

21. What are the most common insurance problems for property owners in South Carolina who have a loss and file a claim?

The most common problem is getting full payment on a claim in a reasonable amount of time.

22. How can I find out what my rights are, and what the rules and laws are that apply to insurance claims in South Carolina?

United Policyholders website offers a full library of claim help resources (http://www.uphelp.org/state_help/help_SC.html) to educate you about your rights, and point you in the right direction of finding government and professional help. You can also check the [South Carolina Department of Insurance's website](http://www.doi.sc.gov) (<http://www.doi.sc.gov>).

23. Will the South Carolina Insurance Department help me if I run into problems?

The South Carolina Insurance Commissioner's office can be very helpful, depending on the amount in controversy and the type of problem you're having. But they won't help you resolve a legal matter, and they've experienced budget cuts and are understaffed. There are limits to what they are able to do for consumers, and if you have a serious problem, it makes more sense to hire a public adjuster or attorney.

24. The estimates I've gotten from local contractors for repairing/rebuilding my home are much higher than the insurance company's estimate. How can I break the logjam and still hire the contractor I trust?

Local contractors should give you detailed estimates that can be compared side by side with the insurance company's estimate. See UP's [Property Damage Claim Help Library](http://www.unitedpolicyholders.org/claimtips/tip_property.html) (http://www.unitedpolicyholders.org/claimtips/tip_property.html) for more information and help. Often an in-person meeting between your contractor, the insurance company's contractor and the adjuster can resolve issues and pricing differences. If not, consult with a claim help professional in your state to determine whether you want to invoke "appraisal" or resolve the dispute some other way.

25. The insurance company is pressuring me to accept a settlement, but I think it may be low. What can I do?

If you feel the insurance company's offer for settlement is too low, politely reject it in writing with an explanation as to why. Then, read UP's "Speak UP: How to Communicate With Your Insurance Company" (http://www.unitedpolicyholders.org/pdfs/Effective_Claims.pdf)

26. Do I have to accept the dollar amounts the insurer offers me?

No.

27. Are there different types of adjusters?

There are insurance adjusters who represent insurance companies. There are public insurance adjusters who only represent the policyholder. A public adjuster is an advocate for the insured. An adjuster cannot hold a dual license and must work either for consumers/insureds or insurers.

28. If I hire a professional to help me negotiate a fair claim settlement, won't their fee come out of the money I need to rebuild/replace what was destroyed?

A good public adjuster will advise and assist you on your claim and help you get a better settlement than you'd get on your own. A good adjuster will add far more value to your claim than the amount of their fee, and will save you aggravation and time. Public adjusters generally charge a percentage fee, which is typically 10% of the settlement. The fee is negotiable depending on the size of the claim. You can also hire an attorney to help you negotiate a fair claim settlement. Lawyers work by the hour or on a contingent fee contract, both are negotiable.

29. Are public adjuster fees regulated or capped in South Carolina?

Yes. The total fee cannot exceed 50%, and there is a 5-day cooling off period during which you can cancel your contract after hiring a public adjuster.

30. What is the typical fee for a public adjuster?

The typical fee is 10%, and it is negotiable depending on the complexity and size of a claim.

31. If I hire a public adjuster to represent me, will he or she pay for expert reports/inspections, etc. or will I?

This is a negotiable item, just like the percentage/fee for their services.

Partial losses

32. If my insurer brings in a clean up company, does their entire fee come out of my policy limits, and if so, which category?

Yes, and prior to the work being done, it is very important that you check their references and clarify in advance how much it is going to cost, and what part of the insurance policy it is going to be covered under.

33. What can I do if I'm not happy with the clean-up company's work?

Take lots of pictures after the loss and before repairs or cleaning. If your insurer recommends or steers you to a specific clean up vendor, make sure it is stated in writing that if they are not able to clean an item, then you won't be charged for their time cleaning that item.

34. How can I find qualified experts to give me second opinions on clean-up, repairs, or the cause of the loss?

Two ways: You can find local, qualified experts through the Yellow Pages or word of mouth. Or, you can find them by hiring a public adjuster or by checking the website of the National Association of Public Insurance Adjusters (<http://www.napia.com>),

Vendors/Experts who do a lot of insurance work generally work for one "side" or the other (insurance company adjusters or public adjusters). If you're trying to hire a vendor/expert on your own, ask him or her whether they do most of their work for insurance companies or for public adjusters. If their answer is "insurance companies", you'll want to find someone else to give you a truly independent opinion.

35. My home is only partially damaged, but it will look weird if half the vinyl siding is old, and half is new. What are the rules in South Carolina regarding "matching"? My insurance company is telling me they don't owe for "matching." Is that true?

Matching is often a hotly contested part of a claim. In our view, your insurance company should pay benefits sufficient to restore your property to its pre-loss condition, even if that means replacing some items that weren't damaged, (to achieve a uniform, consistent appearance).

36. How can I be sure it is safe to move back into my home? How can I be sure the air quality in my home is healthy/smoke free?

The contractor doing the repairs should hire qualified experts to guarantee that your house has no residual leftover issues from the claim.

37. How can I be sure there is no hidden damage from smoke or extreme heat?

Review UP's tips on [Partial Loss Fires](http://www.unitedpolicyholders.org/pdfs/ExtremeHeat.pdf) (<http://www.unitedpolicyholders.org/pdfs/ExtremeHeat.pdf>).

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