

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
COUNTY OF BEAUFORT)	CASE NO.: 2012-CP-07-1352
Bruce R. Hoffman,)	
)	
Plaintiff,)	
vs.)	
)	
Seneca Specialty Insurance Company,)	
CRC Insurance Services, Inc. d/b/a)	
Southern Cross Underwriters of Sumter,)	
Aydlette Services of Lowcountry, Inc.,)	
Capstone ISG, Inc.,)	
)	
Defendants.)	

ORDER

JENNIFER ANNE ROSENEAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

2013 APR -9 AM 9:10

This matter came before the Court January 22, 2013, on a Motion for Summary Judgment filed by CRC Insurance Services, Inc. d/b/a Southern Cross Underwriters of Sumter ("Defendant CRC Insurance"). The Court heard arguments and reviewed the pleadings, exhibits, and memoranda filed with the Court. For the reasons set forth below, Defendant CRC Insurance's Motion for Summary Judgment is GRANTED:

This is a case about the interpretation of insurance policy language. Plaintiff purchased a commercial insurance policy from Seneca Specialty Insurance, which provides insurance coverage on Plaintiff's office building located at 574 Sea Island Parkway, Saint Helena Island, South Carolina. The policy at issue is policy number BAK-1002868 and was effective 6/12/11 through 6/12/12 (the "Subject Policy"). Plaintiff made a claim under the Subject Policy for damage sustained at his office building caused by raccoons. Seneca Insurance denied coverage for this loss, claiming such damage falls within a policy exclusion. Plaintiff brought suit against all defendants under the following theories – breach of insurance contract, bad faith refusal to pay insurance claim, declaratory judgment, and violations of the Unfair Trade Practices Act.

Defendant CRC Insurance is a brokerage and underwriting company. It does not insure persons or businesses nor does it write insurance policies. It is not party to the Subject Policy. It is not party to any written or oral contract with Plaintiff. Defendant CRC did not investigate Plaintiff's claim. It did not deny Plaintiff's claim. Defendant CRC acted strictly as an underwriter/broker for the Subject Policy.

The Court finds that Defendant CRC is not party to the insurance policy at issue. The Subject Policy is between Plaintiff and Seneca Specialty Insurance Company. To hold a defendant liable for breach of contract or bad faith refusal to pay a claim, Plaintiff must first establish the existence of a contract to which the defendant is a party. The existence of a contract is the key element for both causes of action. See, e.g., Carter v. Am. Mut. Fire Ins. Co., 307 S.E.2d 227 (S.C. 1983); Carolina Bank & Trust Co. v. St. Paul Fire & Marine Co., 310 S.E.2d 163 (S.C. Ct. App. 1983); Charleston Dry Cleaners & Laundry, Inc. v. Zurich Am. Ins. Co., 586 S.E.2d (S.C. 2003).

The Court finds that Defendant CRC is not party to the Subject Policy. The Subject Policy confers no duties or obligations upon Defendant CRC to pay claims, make coverage decisions, or to do anything else alleged by Plaintiff. Therefore, the Court finds that Defendant CRC is entitled to summary judgment on Plaintiff's claims for breach of contract and bad faith refusal to pay a claim.

Plaintiff further requests a declaratory judgment to have the Court declare the "rights and obligations of the parties under said insurance contract[.]" Even if Plaintiff is successful and the Court ultimately declares the loss was covered by the Subject Policy, this would in no way implicate CRC because it is not party to the insurance contract. Thus, the Court finds that Defendant CRC is entitled to summary judgment on Plaintiff's claim for declaratory judgment.

Plaintiff also alleges violation of the Unfair Trade Practices Act ("UTPA") by all defendants based on "their bad faith conduct" described in the Complaint. However, Plaintiff has failed to properly allege any bad faith conduct on the part of Defendant CRC. This claim concerns conduct that arises out of the insurance contract and the defendants' alleged duties under that contract. Because Defendant CRC is not party to the insurance contract and owes no duties or obligations to Plaintiff under the Subject Policy, Defendant CRC is entitled to summary judgment on Plaintiff's claim for violation of the UTPA.

Therefore, for the reasons set forth above, it is hereby ORDERED, ADJUDGED, AND DECREED that the Motion for Summary Judgment filed by CRC Insurance Services, Inc. d/b/a Southern Cross Underwriters of Sumter is GRANTED.

IT IS SO ORDERED.



Carmen T. Mullen
Fourteenth Judicial Circuit

Beauford, South Carolina
4-4, 2013