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THE STATE OF SOUTH CAROLINA
In the Supreme Court

SC SUPREME COURT

No. 2016-001512

APPEAL FROM ABBEVILLE COUNTY
Court of Common Pleas

The Honorable Eugene C. Griffith, Jr., Circuit Court Judge

Opinion No. 5387 (S.C. Ct. App. Filed March 2, 2016)
Appellate Case No. 2014-00946

Richard Wilson, Michael J. Antoniak, Jr., Marsha L. Antoniak,
Anita L. Belton, Prescott Darren Bosler, Johnny Calhoun, Sallie
Calhoun, Cynthia Gary, Robert Wayne Gary, Eugene P. Lawton,
Jr., Jeanette Norman, James Robert Shirley, Robert W. Spires,
Crystal Spires Wiley, Lewis S. Williams, Janie Wiltshire, Benjamin
Franklin Wofford, Jr., and Rebecca Hammond Wofford,.....*Plaintiffs/Petitioners,*

v.

Laura B. Willis and Jesse A. Dantice, individually, and as
agents and/or brokers for Southern Risk Insurance Services LLC,
Travelers Casualty Insurance Company of America, Allied Property and
Casualty Insurance Co., Peerless Insurance Co., Montgomery Mutual
Insurance Co., Safeco Insurance Co. of America, and Foremost
Insurance Co.; Southern Risk Insurance Services, LLC; Travelers
Casualty Insurance Co. of America, Allied Property and Casualty
Insurance Co., Peerless Insurance Co., Montgomery Mutual Insurance
Co., Safeco Insurance Co. of America, and Foremost Insurance Co; and Laurie
Williams,.....*Defendants,*

Of whom Peerless Insurance Co., Montgomery Mutual Insurance
Co., and Safeco Insurance Co. of America are.....*Respondents,*

Of whom Laurie Williams is.....*Petitioner.*

JOINT APPENDIX VOLUME I

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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM ABBEVILLE COUNTY
Court of Common Pleas
Eugene C. Griffith, Jr., Circuit Court Judge

Case No. 2012-CP-01-00306
Appellate Case No. 2014-00946

Richard Wilson, Michael J. Antoniak, Jr., Marsha L.
Antoniak, Anita L. Belton, Prescott Darren Bosler,
Johnny Calhoun, Sallie Calhoun, Cynthia Gary, Robert
Wayne Gary, Eugene P. Lawton, Jr., Jeanette Norman,
James Robert Shirley, Robert W. Spires, Crystal Spires
Wiley, Lewis S. Williams, Janie Wiltshire, Benjamin
Franklin Wofford, Jr., and Rebecca Hammond Wofford .. Respondents,

v.

LAURA B. WILLIS and JESSE A. DANTICE,
individually, and as agents and/or brokers for Southern
Risk Insurance Services LLC, Travelers Casualty
Insurance Company of America, Allied Property and
Casualty Insurance Company, Peerless Insurance
Company, Montgomery Mutual Insurance Company,
Safeco Insurance Company of America, and Foremost
Insurance Company, SOUTHERN RISK
INSURANCE SERVICES, LLC, TRAVELERS
CASUALTY INSURANCE COMPANY OF
AMERICA, ALLIED PROPERTY AND CASUALTY
INSURANCE COMPANY, PEERLESS INSURANCE
COMPANY, MONTGOMERY MUTUAL
INSURANCE COMPANY, SAFECO INSURANCE
COMPANY OF AMERICA, AND FOREMOST
INSURANCE COMPANY, and Laurie Williams Defendants,
Of Whom Peerless Insurance Company, Montgomery
Mutual Insurance Company, and Safeco Insurance
Company of America are, ... Appellants,
Of Whom Laurie Williams is, ... Respondent.

RECORD ON APPEAL – VOLUME I

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Certificate of Compliance January 23, 2015

STATE OF SOUTH CAROLINA

COUNTY OF ABBEVILLE

RICHARD W. WILSON,

Plaintiff,

vs.

LAURA B. WILLIS AND JESSE A.
DANTICE, INDIVIDUALLY, AND AS
AGENTS AND/OR BROKERS FOR
SOUTHERN RISK INSURANCE
COMPANY, TRAVELERS CASUALTY
INSURANCE COMPANY OF AMERICA,
ALLIED PROPERTY AND CASUALTY
INSURANCE COMPANY, PEERLESS
INSURANCE COMPANY,
MONTGOMERY MUTUAL
INSURANCE COMPANY, SAFECO
INSURANCE COMPANY OF AMERICA,
AND FOREMOST INSURANCE
COMPANY,
SOUTHERN RISK INSURANCE
COMPANY, TRAVELERS CASUALTY
INSURANCE COMPANY OF AMERICA,
ALLIED PROPERTY AND CASUALTY
INSURANCE COMPANY, PEERLESS
INSURANCE COMPANY,
MONTGOMERY MUTUAL
INSURANCE COMPANY, SAFECO
INSURANCE COMPANY OF AMERICA,
AND FOREMOST INSURANCE
COMPANY,

Defendants.

IN THE COURT OF COMMON PLEAS

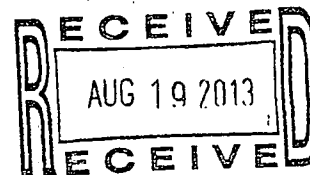
Civil Action No. 2012-CP-01-306

TRUE COPYBY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT**PROPOSED CONFIDENTIALITY
ORDER**EMILY Y MCMAHAN
CLERK OF COURT

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FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

Whereas, the Plaintiff to this action has stipulated that certain discovery material is and should be treated as confidential and has requested that the court enter a confidentiality order; whereas counsel for Defendants have consented to entry of such



confidentiality order; and whereas the court has determined that the terms set forth herein are appropriate to protect the respective interests of the parties, the public, and the court; accordingly, this ____ day of _____, 2013, IT IS SO ORDERED:

1. **Scope.** All documents produced in the course of discovery, all responses to discovery requests and all deposition testimony and deposition exhibits and any other materials which may be subject to discovery (hereinafter collectively "documents") shall be subject to this Order concerning confidential information as set forth below.

2. **Form and Timing of Designation.** Confidential documents shall be so designated by placing or affixing the word "CONFIDENTIAL" on the document in a manner which will not interfere with the legibility of the document and which will permit complete removal of the Confidential designation. Documents shall be designated CONFIDENTIAL prior to, or contemporaneously with, the production or disclosure of the documents. Inadvertent or unintentional production of documents without prior designation as confidential shall not be deemed a waiver, in whole or in part, of the right to designate documents as confidential as otherwise allowed by this Order.

3. **Documents Which May be Designated Confidential.** Any party may designate documents as confidential but only after review of the documents by an attorney who has, in good faith, determined that the documents contain information protected from disclosure by statute, sensitive personal information, trade secrets, or confidential research, development, or commercial information. Information or documents which are available in the public sector may not be designated as confidential.

4. **Depositions.** Portions of depositions shall be deemed confidential only if designated as such when the deposition is taken or within seven business days after

receipt of the transcript. Such designation shall be specific as to the portions to be protected.

5. Protection of Confidential Material.

a. **General Protections.** Documents designated CONFIDENTIAL under this Order shall not be used or disclosed by the parties or counsel for the parties or any other persons identified below (§ 6.b.) for any purposes whatsoever other than preparing for and conducting the litigation in which the documents were disclosed (including any appeal of that litigation). The parties shall not disclose documents designated as confidential to putative class members not named as plaintiffs in putative class litigation unless and until one or more classes have been certified.

b. **Limited Third Party Disclosures.** The parties and counsel for the parties shall not disclose or permit the disclosure of any documents designated CONFIDENTIAL under the terms of this Order to any other person or entity except as set forth in subparagraphs (1)-(5) below. Subject to these requirements, the following categories of persons may be allowed to review documents which have been designated CONFIDENTIAL pursuant to this Order:

- (1) counsel and employees of counsel for the parties who have responsibility for the preparation and trial of the lawsuit;
- (2) parties and employees of a party to this Order but only to the extent counsel shall certify that the specifically named individual party or employee's assistance is necessary to the conduct of the litigation in which the information is disclosed;

(3) court reporters engaged for depositions and those persons, if any, specifically engaged for the limited purpose of making photocopies of documents;

(4) consultants, investigators, or experts (hereinafter referred to collectively as "experts") employed by the parties or counsel for the parties to assist in the preparation and trial of the lawsuit; and

(5) other persons only upon consent of the producing party or upon order of the court and on such conditions as are agreed to or ordered.

c. **Control of Documents.** Counsel for the parties shall take reasonable efforts to prevent unauthorized disclosure of documents designated as Confidential pursuant to the terms of this order. Counsel shall maintain a record of those persons, including employees of counsel, who have reviewed or been given access to the documents along with the originals of the forms signed by those persons acknowledging their obligations under this Order.

d. **Copies.** All copies, duplicates, extracts, summaries or descriptions (hereinafter referred to collectively as "copies"), of documents designated as Confidential under this Order or any portion of such a document, shall be immediately affixed with the designation "CONFIDENTIAL" if the word does not already appear on the copy. All such copies shall be afforded the full protection of this Order.

7. **Filing of Confidential Materials.** In the event a party seeks to file any material that is subject to protection under this Order with the court, that party shall take appropriate action to insure that the documents receive proper protection from public

disclosure including: (1) filing a redacted document with the consent of the party who designated the document as confidential; (2) where appropriate (*e.g.* in relation to discovery and evidentiary motions), submitting the documents solely for *in camera* review; or (3) where the preceding measures are not adequate, seeking permission to file the document under seal pursuant to Rule 26, S.C.R.C.P., or such other rule or procedure as may apply in the relevant jurisdiction. Absent extraordinary circumstances making prior consultation impractical or inappropriate, the party seeking to submit the document to the court shall first consult with counsel for the party who designated the document as confidential to determine if some measure less restrictive than filing the document under seal may serve to provide adequate protection. This duty exists irrespective of the duty to consult on the underlying motion. Nothing in this Order shall be construed as a prior directive to the Clerk of Court to allow any document be filed under seal. The parties understand that documents may be filed under seal only with the permission of the court after proper motion pursuant to Rule 26, S.C.R.C.P.

8. **Greater Protection of Specific Documents.** No party may withhold information from discovery on the ground that it requires protection greater than that afforded by this Order unless the party moves for an Order providing such special protection.

9. **Challenges to Designation as Confidential.** Any CONFIDENTIAL designation is subject to challenge. The following procedures shall apply to any such challenge.

a. The burden of proving the necessity of a Confidential designation remains with the party asserting confidentiality.

b. A party who contends that documents designated CONFIDENTIAL are not entitled to confidential treatment shall give written notice to the party who affixed the designation of the specific basis for the challenge. The party who so designated the documents shall have fifteen (15) days from service of the written notice to determine if the dispute can be resolved without judicial intervention and, if not, to move for an Order confirming the Confidential designation.

c. Notwithstanding any challenge to the designation of documents as confidential, all material previously designated CONFIDENTIAL shall continue to be treated as subject to the full protections of this Order until one of the following occurs:

- (1) the party who claims that the documents are confidential withdraws such designation in writing;
- (2) the party who claims that the documents are confidential fails to move timely for an Order designating the documents as confidential as set forth in paragraph 9.b. above; or
- (3) the court rules that the documents should no longer be designated as confidential information.

d. Challenges to the confidentiality of documents may be made at any time and are not waived by the failure to raise the challenge at the time of initial disclosure or designation.

12. **No Judicial Determination.** This Order is entered based on the representations and agreements of the parties and for the purpose of facilitating discovery. Nothing herein shall be construed or presented as a judicial determination that any specific document or item of information designated as CONFIDENTIAL by counsel is subject to protection under Rule 26(c) of the South Carolina Rules of Civil Procedure or otherwise until such time as a document-specific ruling shall have been made.

13. **Persons Bound.** This Order shall take effect when entered and shall be binding upon all counsel in this action and their respective law firms and clients.

IT IS SO ORDERED.

5

The Honorable Eugene C. Griffith, Jr.
Chief Administrative Judge
Eighth Judicial Circuit

AUGUST 7, 2013
Newberry, South Carolina

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

Civil Action Nos. 2012-CP-01-306
2012-CP-01-340
2012-CP-01-341
2012-CP-01-342
2012-CP-01-343
2013-CP-01-044
2013-CP-01-045
2013-CP-01-066
2013-CP-01-073
2013-CP-01-094
2013-CP-01-123
2013-CP-01-124
2013-CP-01-220
2013-CP-01-221

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

2014 MAR 25 PM 8:41

EMILY Y MCMAHAN
CLERK OF COURT

ORDER

This matter comes before the Court on Motion of Defendants Peerless Insurance Company, Montgomery Insurance Company and Safeco Insurance Company ("Insurer Defendants") to Compel Arbitration and Dismiss Claims in each of the above-listed cases. The Insurer Defendants seek to apply an arbitration provision in a contract between them and co-defendant Southern Risk Insurance Company to the Plaintiffs in the instant litigation as alleged third party beneficiaries of the contract. This Court heard oral arguments on the motions on January 21, 2014. After careful consideration and for the reasons more fully stated below, this Court hereby denies Defendants' Motions to Compel Arbitration and Dismiss Claims.

Facts

Plaintiffs Lewis Williams, Johnny and Sally Calhoun, Robert Spires, Crystal Spires Wiley, Prescott Darren Bosler, Benjamin and Rebecca Wofford, Robert and Cynthia Gary, Janie Wiltshire, Marsha and Michael Antoniak, Eugene Lawton, Anita Belton and Jeanette Norman ("Insured Plaintiffs") filed suit in Abbeville County against two local insurance

gcr 1/16

agents, Defendants Laura Willis and Jesse Dantice, and their agency, Southern Risk Insurance Company, as well as various insurance companies including the Insurer Defendants, alleging, among other causes of action, violations of the S.C. Unfair Trade Practices Act, common law unfair trade practices, fraud and conversion. Plaintiffs seek to recover against the Insurer Defendants under a *respondeat superior* theory, alleging these Defendants failed to supervise or audit Willis or the Southern Risk agency, resulting in Plaintiffs' harm.

Plaintiffs Richard Wilson and Robert Shirley ("Agent Plaintiffs") are two local insurance agents who worked in direct competition with Defendants Willis and the Southern Risk agency. The Agent Plaintiffs allege Willis, Southern Risk and the Insurer Defendants engaged in illegal underwriting practices, effectively prohibiting the Agent Plaintiffs from competing in the local insurance market and resulting in a substantial loss of clients and revenue.

The Insurer Defendants rely upon a 2010 Agency Agreement ("the Agreement") presented to Southern Risk Agency in support of their motion. These Defendants allege the Agreement contains a clear arbitration provision, requiring the parties to arbitrate any claims arising "in connection with the interpretation of this Agreement, its performance or nonperformance." (Exhibit B to Defendants' Motion to Compel, *Wilson v. Willis, et. al*, ¶ 12.A.) The Insurer Defendants allege that each of the Plaintiff's claims is premised on duties that would not exist but for the Agreement, and therefore, the Plaintiffs are bound by the arbitration clause contained within the Agreement.

The Insured Plaintiffs and the Agent Plaintiffs dispute their reliance on any provisions of the Agreement, noting they were unaware this Agreement even existed until the filing of the Insurer Defendants' motion. The Plaintiffs further argue Southern Risk never

signed the 2010 Agency Agreement that the Defendants are asking the Court to enforce. For these reasons, Plaintiffs allege no basis exists under the law to apply the doctrine of equitable estoppel in this case and force them, who are third parties to the contract at issue, to submit to arbitration.

STANDARD OF REVIEW

"The question of the arbitrability of a claim is an issue for judicial determination, unless the parties provide otherwise." *Zabinski v. Bright Acres Associates*, 346 S.C. 580, 596, 553 S.E.2d 110, 118 (2001).

Law and Analysis

I. No Evidence Exists to Support a Valid Contract Requiring Arbitration

"Generally, arbitration is a matter of contract and a party cannot be required to submit to arbitration any dispute which he has not agreed so to submit." *Int'l Paper Co. v. Schwabedissen Maschinen & Anlagen GMBH*, 206 F.3d 411, 416 (4th Cir. 2000) (internal citations omitted). In the instant case, the Insurer Defendants primarily rely on a 2010 Agency Agreement that contains an arbitration provision in support of their motion. The Agreement, however, is not signed by Southern Risk Insurance Agency. Therefore, this Court holds Defendants have failed to meet their burden of proof in establishing a valid, binding contract by which the Plaintiffs should be forced to arbitrate their claims.

During oral argument, Defendants' counsel argued if the 2010 Agency Agreement is not valid, then the 2007 Agency Agreement, also attached as an exhibit to Defendants' Motions, should apply. In their own motions, however, the Insurer Defendants assert the "2010 Agency Agreement ... replaced and superseded any prior agreement between [the parties] and thus the relevant arbitration provision is the one found in this Agreement."

3 SCM 3/10

(Defendants' Motion to Compel, *Wilson v. Willis, et. al*, p. 4). Therefore, this court finds the 2007 Agreement inapplicable to the facts at hand, and the 2010 Agreement cannot be enforced due to Defendants' failure to prove it is a valid, binding contract.

In addition to the fact the Insurer Defendants have failed to meet their burden of proof, the Court alternatively finds the unsigned agreement invalid because it violates the Statute of Frauds. South Carolina law requires certain agreements be in writing and signed to be enforceable. See S.C. Ann. § 32-3-10. If such agreements are not signed or in writing, "no action shall be brought" under the agreement. *Id.* As is well-established by our courts, "[t]o satisfy the Statute of Frauds, every essential element of the contract must be expressed in a writing signed by the party to be compelled." *Fici v. Koon*, 372 S.C. 341, 346, 642 S.E.2d 602, 604 (2007) (citations omitted). Further, "the burden of proof is on the party seeking to enforce the contract." *Id.* Upon review of the Agreement at issue, and its provisions regarding arbitration, this Court finds it is unenforceable because it cannot be performed within one year's time and was not signed by Southern Risk. See § 32-3-10(d). For this reason, as well as those stated above, the Insurer Defendants have failed to meet their burden, and this Court denies the Motion to Compel Arbitration.

II. The Arbitration Clause is Too Narrowly Worded to be Enforced

As an alternative ground for denial of Defendants' Motions, this Court finds even if the Agency Agreement is a valid and binding contract, the arbitration clause contained therein is too narrowly worded for the Court to enforce in the instant litigation. South Carolina state and federal courts closely scrutinize the wording in arbitration provisions before ruling on their enforceability. For instance, a clause which provides for arbitration of all disputes "arising out of or relating to" the contract is construed broadly. See, e.g. *Prima Paint Corp. v.*

4 JCA 4/10

Flood & Conklin Mfg. Co., 388 U.S. 395, 398 (1967) (labeling as “broad” a clause that required arbitration of “[a]ny controversy or claim arising out of or relating to this Agreement”). The Fourth Circuit has held that such broad clauses are “capable of an expansive reach.” *Am. Recovery Corp. v. Computerized Thermal Imaging, Inc.*, 96 F.3d 88, 93 (4th Cir. 1996). “Narrowly worded” arbitration clauses, on the other hand, are subject to strict scrutiny. As the Fourth Circuit explains, when it “may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute,” arbitration should not be ordered. *Am. Recovery*, 96 F.3d at 92 (quoting *United Steelworkers of America v. Warrior & Gulf Navigation Co.*, 363 U.S. 574, 582–83 (1960)); see also *Zabinski*, 346 S.C. at 597, 553 S.E.2d at 119 and *Landers v. Fed. Deposit Ins. Corp.*, 402 S.C. 100, 109, 739 S.E.2d 209, 213 (2013).

The arbitration clause contained within the Agency Agreement upon which Defendants rely is very narrow in scope: “If any dispute or disagreement arises in connection with the interpretation of this Agreement, its performance or nonperformance, its termination, the figures and calculations used or any nonpayment of accounts, the parties will make efforts to meet and settle their dispute in good faith informally.” Exhibit B to Defendants’ Motion, *Wilson v. Willis, et. al*, ¶ 12(A). The Court finds the arbitration provision is not only too narrowly worded, but is also inapplicable on its face to the Plaintiffs’ claims because these claims have no relation to and are not “in connection with the performance of the Agency Agreement.” *Id.* The Agency Agreement appears to control only the business relationship between the agency and the insurance company, not the relationship between the insurers and its insureds. Further, there are no allegations in the Plaintiffs’ tort complaints which allege or relate to any dispute or disagreement in connection with the interpretation of the

5 SC 11/10

agreement, its performance or nonperformance, or its termination. The Agency Agreement, therefore, and the arbitration clause contained therein 'is not susceptible of an interpretation that covers the dispute,' *Am. Recovery*, 96 F.3d at 92 (citations omitted), and is inapplicable to the instant claims. For this reason, the Court denies Defendants' Motions to Compel Arbitration.

III. The Court Finds the Doctrine of Equitable Estoppel Inapplicable to the Instant Claims

South Carolina courts have enforced arbitration clauses upon non-signatories under the doctrine of equitable estoppel. In *Pearson v. Hilton Head Hospital*, 400 S.C. 281, 733 S.E.2d 597 (Ct. App. 2012), the Court of Appeals recently addressed the limited instances when a non-signatory to an arbitration agreement could be compelled to arbitrate. The *Pearson* court held that the doctrine of equitable estoppel in the arbitration context "recognizes that a party may be estopped from asserting that the lack of his signature on a written contract precludes enforcement of the contract's arbitration clause when he has consistently maintained that other provisions of the same contract should be enforced to benefit him." *Pearson*, 400 S.C. at 290, 733 S.E.2d at 601 (citing *Int'l Paper Co. v. Schwabedissen Maschinen & Anlagen GMBH*, 206 F.3d 411, 418 (4th Cir. 2000)). This Court finds the *Pearson* case is inapplicable to the claims at issue and cannot support compelling the Plaintiffs to arbitrate under the instant circumstances.

In these cases, unlike the factual pattern in *Pearson*, there is absolutely no evidence whatsoever that the Plaintiffs have consistently maintained the provisions of the Agency Agreement between Defendants and Southern Risk should be enforced to benefit them. In fact, as mentioned above, Plaintiffs assert they had never even seen the instant contract prior to the filing of Defendants' motions. Further, a close reading of the contract evidences that

the allegations for which Plaintiffs seek to recover – stealing, misappropriation of funds, artificial premium calculations, fraud, and forgery – are not contemplated by the Agency Agreement at hand.

The Fourth Circuit Court of Appeals has applied a “direct benefits test” in determining whether the doctrine of equitable estoppel applies in enforcing arbitration clauses. *See Int'l Paper Co. v. Schwabedissen Maschinen & Anlagen GMBH*, 206 F.3d 411 (4th Cir. 2000). Under the direct benefits analysis, the Fourth Circuit has held “a nonsignatory is estopped from refusing to comply with an arbitration clause when it [is seeking or] received a direct benefit from a contract containing an arbitration clause.” *R.J. Griffin & Co. v. Beach Club II Homeowners Ass'n, Inc.*, 384 F.3d 157, 161 (4th Cir. 2001) (citations and quotations omitted). In this case, the Agency Agreement controls the business relationship between the Defendants and Southern Risk, to include payment of commissions, limits on advertising, and use of the company's name by the agency. The agreement does not control acts of negligence by agents, which is an issue of South Carolina law. In their Complaints, Plaintiffs do not seek to receive any benefits from the Agency Agreement and do not utilize its terms to support the allegations in the Complaints. Plaintiffs' claims do not hinge on any alleged rights found in the Agency Agreement but instead are grounded in South Carolina law. Since Plaintiffs seek *no direct benefit* from the Agency Agreement, equitable estoppel should not apply to enforce the agreement's arbitration provision.

IV. South Carolina Courts Decline to Enforce Arbitration Provisions in the Case of Outrageous Acts Unforeseeable to Reasonable Consumers

The Plaintiffs assert, as the plaintiff did in *Purtain v. Upstate Auto. Grp.*, 386 S.C. 488, 493-95, 689 S.E.2d 602, 604-05 (2010), that even if the Court held that their claims are encompassed by language of the arbitration clause, the clause does not apply because the

7 SCAP.
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alleged actions of Defendants constitute "illegal and outrageous acts" unforeseeable to a reasonable consumer in the context of normal business dealings. The Court in *Partain, supra*, followed this reasoning in refusing to uphold an arbitration clause.

In the instant cases, Plaintiffs ground their Complaints on allegations of fraudulent conduct and misrepresentations of the Defendants. Like in *Partain*, this Court finds the Agency Plaintiffs and Insured Plaintiffs could not have foreseen the actions of Defendants and therefore cannot be bound to arbitration under the Agency Agreement between the Insurer Defendants and Defendant Southern Risk. For this reason as well as each of the other grounds stated above, the Court denies Defendants' motions.

V. Defendants' Waived Their Right to Compel Arbitration Under the Agency Agreement

As a sixth and final alternative ground for denying the Defendants' Motions, this Court finds by delaying to seek relief under the arbitration provision in the Agency Agreement, the Defendants have waived their right to now enforce the provision against the non-signatory Plaintiffs. "It is generally held that the right to enforce an arbitration clause may be waived." *General Equipment & Supply, Co., Inc. v. Keller Rigging & Const., SC, Inc.*, 344 S.C. 553, 556, 544 S.E.2d 643, 645 (Ct. App. 2001) (citing *Hyload, Inc. v. Pre-Engineered Prods., Inc.*, 308 S.C. 277, 280, 417 S.E.2d 622, 624 (Ct.App.1992)). "Waiver is the voluntary and intentional relinquishment of a known right." *Provident Life & Accident Ins. Co. v. Driver*, 317 S.C. 471, 478, 451 S.E.2d 924, 929 (Ct.App.1994). "In order to establish waiver, a party must show prejudice through an undue burden caused by delay in demanding arbitration." *General Equipment & Supply*, 344 S.C. at 556, 544 S.E.2d at 645 (citing *Sentry Eng'g. & Constr., Inc. v. Muriner's Cay Dev. Corp.*, 287 S.C. 346, 351, 338 S.E.2d 631, 634 (1985)). "There is no set rule as to what constitutes a waiver of the right to

arbitrate; the question depends on the facts of each case.” *Hyload, Inc. v. Pre-Engineered Prods., Inc.*, 308 S.C. 277, 280, 417 S.E.2d 622, 624 (Ct.App.1992).

Our courts have looked to the following factors to determine whether a party waived its right to compel arbitration: “(1) whether a substantial length of time transpired between the commencement of the action and the commencement of the motion to compel arbitration; (2) whether the party requesting arbitration engaged in extensive discovery before moving to compel arbitration; and (3) whether the non-moving party was prejudiced by the delay in seeking arbitration.” *Rhodes v. Benson Chrysler-Plymouth, Inc.*, 374 S.C. 122, 126, 647 S.E.2d 249, 251 (Ct. App. 2007). In the case of Plaintiffs: Wilson, Williams, Calhouns, Spires, Wiley, Bosler, Woffords, Garys, Wiltshire, Antoniaks and Lawton, the Court finds all three relevant factors are met and denies Defendants’ Motions to Compel Arbitration on this basis.

The first factor to consider in analyzing waiver is the length of time between the filing of the action and the filing of the motion to compel arbitration. Many of these cases have been pending since December 2012, approximately eleven months prior to the filing of Defendants’ Motions to Compel Arbitration. The *Rhodes* court held “[w]hat is a ‘substantial length of time’ varies from one case to the next, depending on the extent of discovery conducted and the corresponding presence or absence of prejudice to the party opposing arbitration.” *Rhodes*, 374 S.C. at 127, 647 S.E.2d at 251. In these cases, the parties have spent a substantial amount of time litigating. Plaintiffs have served Complaints and Amended Complaints, and Defendants have answered and filed Motions to Dismiss. This Court held oral arguments on the Motions to Dismiss in November 2013, only a few weeks after Defendants filed the instant motions. Additionally, the parties submit they have commenced

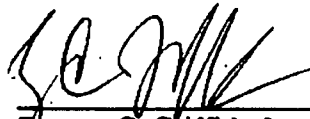
9 set 1/6

discovery in all cases and have spent a substantial amount of time preparing discovery responses and requests. This Court finds, given the complexity of these cases and the nature of the claims, an order compelling arbitration at this stage would substantially prejudice Plaintiffs, meeting the second and third factors set forth above in *Rhodes*. For these reasons, Defendants' Motions to Compel Arbitration as to Plaintiffs Wilson, Williams, Calhouns, Spires, Wiley, Bosler, Woffords, Garys, Wiltshire, Antoniaks and Lawton are denied on the basis of waiver.

CONCLUSION

For each of the reasons stated above, this Court hereby denies Defendants' Motions to Compel Arbitration and Dismiss Claims.

AND IT IS SO ORDERED.



Eugene C. Griffith, Jr.
Eighth Judicial Circuit

Newberry, South Carolina
March 21, 2014

STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

IN THE COURT OF COMMON PLEAS

RICHARD W. WILSON,
Plaintiff,

Civil Action No. 2012-CP-01-306

vs.

LAURA B. WILLIS AND JESSE A.
DANTICE, INDIVIDUALLY, AND AS
AGENTS AND/OR BROKERS FOR
SOUTHERN RISK INSURANCE
COMPANY, TRAVELERS CASUALTY
INSURANCE COMPANY OF AMERICA,
ALLIED PROPERTY AND CASUALTY
INSURANCE COMPANY, PEERLESS
INSURANCE COMPANY,
MONTGOMERY MUTUAL
INSURANCE COMPANY, SAFECO
INSURANCE COMPANY OF AMERICA,
AND FOREMOST INSURANCE
COMPANY; SOUTHERN RISK
INSURANCE COMPANY; TRAVELERS
CASUALTY INSURANCE COMPANY
OF AMERICA; ALLIED PROPERTY
AND CASUALTY INSURANCE
COMPANY; PEERLESS INSURANCE
COMPANY; MONTGOMERY MUTUAL
INSURANCE COMPANY; AND
SAFECO INSURANCE COMPANY OF
AMERICA,

SCHEDULING ORDER

Defendants.

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2014 JUN 26 AM 9:09
EMILY Y. MCMAHAN
CLERK OF COURT

This matter comes before me on Motion of the Plaintiff to create a
schedule to complete discovery and coordinate trial in the above-referenced matter.
Given the age of this case and the complexity of issues involved, this Court finds
good cause exists for ordering a schedule to progress this matter toward trial. This
Court, therefore, establishes the following schedule in this case:

1. Plaintiff must identify all expert witnesses on or before July 15, 2014.
2. Defendants must identify all expert witnesses on or before September 15, 2014.
3. Discovery, including depositions of the parties and experts, shall be completed or on or before December 15, 2014.
4. All dispositive motions shall be filed on or before February 15, 2015.
5. Mediation shall be completed on or before March 15, 2015.
6. This case is eligible to be called for trial on or after April 15, 2015.



The Honorable Frank R. Addy, Jr.
Chief Administrative Judge
Eighth Judicial Circuit

March 21, 2014
Greenwood, South Carolina

med 4/22/2014

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS
FOR THE EIGHTH JUDICIAL CIRCUIT

RICHARD WILSON,

Plaintiff,

vs.

LAURA B. WILLIS and JESSE A.
DANTICE, individually, and as agents
and/or brokers for Southern Risk
Insurance Services, LLC, Travelers
Casualty Insurance Company of America,
Allied Property and Casualty Insurance
Company, Peerless Insurance Company,
Montgomery Mutual Insurance Company,
Safeco Insurance Company of America,
And Foremost Insurance Company,
SOUTHERN RISK INSURANCE
SERVICES, LLC, TRAVELERS
CASUALTY INSURANCE COMPANY
OF AMERICA, ALLIED PROPERTY
AND CASUALTY INSURANCE
COMPANY, PEERLESS INSURANCE
COMPANY, MONTGOMERY
MUTUAL INSURANCE COMPANY,
SAFECO INSURANCE COMPANY OF
AMERICA, AND FOREMOST
INSURANCE COMPANY,

Defendants.

Civil Action Nos.: 2012-CP-01-306
2012-CP-01-340
2012-CP-01-341
2012-CP-01-342
2012-CP-01-343
2013-CP-01-044
2013-CP-01-045
2013-CP-01-066
2013-CP-01-073
2013-CP-01-094
2013-CP-01-123
2013-CP-01-124
2013-CP-01-220
2013-CP-01-221

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2014 APR 21 AM 9:02
EMILY Y. MCRAHAN
CLERK OF COURT

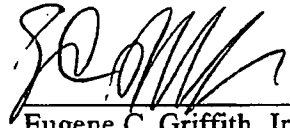
TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

ORDER DENYING MOTION TO RECONSIDER

The Defendants' Motion to Alter or Amend the Order filed March 21, 2014 which denied Defendants' motion to compel arbitration is denied.

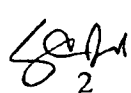
SCA 1/2

IT IS SO ORDERED.



Eugene C. Griffith, Jr.
Eighth Judicial Circuit

Newberry South Carolina
April 17th, 2014

 2/2
2

**UNITED STATES DISTRICT COURT
DISTRICT OF SOUTH CAROLINA
GREENWOOD DIVISION**

**First National Insurance Company of
America,**

Plaintiff,

vs.

**Robert Wayne Gary and Cynthia Gary,
and Laurie Wilson-Williams,**

Defendants.

**COMPLAINT
(NON-JURY TRIAL)
(DECLARATORY JUDGMENT ACTION)**

CASE NO. _____

Comes now, Plaintiff, First National Insurance Company of America (hereinafter "First National") complaining against the Defendants as follows:

PARTIES

1. First National is a company organized under the laws of the State of New Hampshire, with its principal place of business in Boston, Massachusetts.
2. Defendants Robert Wayne Gary and Cynthia Gary are citizens and residents of Greenwood County, South Carolina.
3. Defendant Laurie Wilson-Williams is a citizen and resident of Greenwood County, South Carolina.

JURISDICTION AND VENUE

4. This court has jurisdiction over the parties to this action as it involves the rights and obligations of the parties with respect to a First National Insurance Company of America automobile policy number F2555459, which allegedly covered Defendants Robert Wayne Gary and Cynthia Gary from July 10, 2012, through July 10, 2013, with total liability limits of either \$100,000/\$300,000 or \$250,000/\$500,000. A copy is attached as Exhibit "A".

5. This action is brought pursuant to the Declaratory Judgment Act, 28 U.S.C. Section 2201, *et. seq.*

6. The amount in controversy involved in this action exceeds \$75,000, exclusive of interest and costs.

7. Jurisdiction and venue of this court are proper pursuant to 28 U.S.C. Section 1332.

FACTUAL ALLEGATIONS

8. Specifically, this action relates to claims for defense and indemnity with regard to an accident that occurred on July 26, 2012, and whether Defendants Mr. and Mrs. Gary would qualify as insureds under the First National policy.

9. On July 26, 2012, Defendant Cynthia Gary was driving a car which allegedly struck Defendant Laurie Wilson-Williams. Ms. Wilson-Williams allegedly suffered injuries and damages from that accident.

CAUSES OF ACTION

10. The automobile liability policy contains the following language:

FRAUD

This policy was issued in reliance upon the information provided on your application. We may void this policy if you or an **insured** have concealed or misrepresented any material fact or circumstance or engaged in fraudulent conduct, at the time application was made or any time during the policy period.

We may void this policy or deny coverage for an accident or loss if you or an **insured** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

We may void this policy or deny coverage for fraud or material misrepresentation even after the occurrence of an accident or loss. This means we will not be liable for any claims or damages which would otherwise be covered. If we make a payment, we may request that you reimburse us. If so requested, you must reimburse us for any payments we may have already made. However, we will provide coverage to such **insured** for damages sustained by any person

who has not made fraudulent statements or engaged in fraudulent conduct if such damages result from an accident which is otherwise covered under this policy period.

11. Defendants Mr. and Mrs. Gary, previous to the First National policy, had automobile coverage with Peerless Insurance Company, policy number PLPW634837, with coverage periods from June 19, 2011, through June 19, 2012, and limits of \$50,000/\$100,000. The named insureds under that policy were Robert Wayne Gary and Cynthia Gary, and the agent for the policy was Southern Risk Insurance, 511 West Greenwood Street, Abbeville, South Carolina 29620-2540.

12. The Peerless policy was cancelled due to nonpayment on May 4, 2012.

13. On or around August 5, 2012, Mr. Gary notified his agent, Laura Willis at Southern Risk Insurance, of the accident on July 26, 2012, by bringing the FR-10 to Ms. Willis.

14. On August 8, 2012, Ms. Willis uploaded an application for First National's policy into the system, with an effective back date of July 10, 2012. The named insured on the First National policy was Robert Wayne Gary, and Cynthia Gary was listed as a permitted driver under the policy.

15. The application that was submitted for Mr. and Mrs. Gary asked if there were any accident or violations in the last three (3) years, and the accident on July 26, 2012, was not listed.

16. On August 10, 2012, Mr. Gary gave Ms. Willis a check for \$1,094.00 as premium payment for the First National policy.

17. On August 14, 2012, Ms. Willis, the agent, raised the limits from \$100,000/\$300,000 to \$250,000/500,000 on the First National policy, with an effective back date of July 10, 2012.

18. The policy for the First National policy was uploaded to the First National system as a new policy after the car accident on July 26, 2012, but the policy was backdated to July 10, 2012.

19. First National would not have approved the application for new automobile liability insurance for Mr. and Mrs. Gary had it known about the accident on July 26, 2012.

20. First National believes that the First National policy was procured fraudulently in an attempt to obtain retroactive liability coverage for an accident that had occurred prior to the policy's inception date and, therefore, First National does not have a duty to defend or indemnify Defendants Mr. and Mrs. Gary as a result of the occurrence on July 26, 2012, under the First National automobile liability policy.

WHEREFORE, First National prays for relief as follows:

- a. that First National has no duty under the automobile policy number PLPW634837, to defend or indemnify Defendants Mr. and Mrs. Gary with respect to the incident of July 26, 2012;
- b. for such other and further forms relief as are proper and for its costs in bringing this action.

Turner, Padget, Graham & Laney, P.A.

BY: /s/ Shannon F. Bobertz

**Shannon F. Bobertz
Federal ID #: 9399
1901 Main Street, 17th Floor
Post Office Box 1473 (29202)
Columbia, South Carolina 29201
(803) 227-4203
(803) 400-1548**

Attorneys for Plaintiff

Columbia, South Carolina

October 29, 2012

AFFIDAVIT

State of Indiana

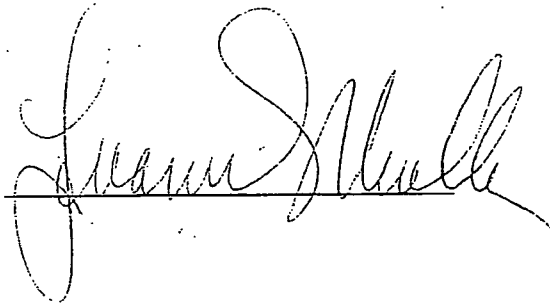
County of Hamilton

NAME OF INSURED: ROBERT WAYNE GARY

POLICY NUMBER: F2555459

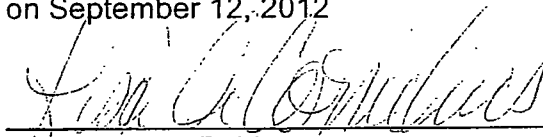
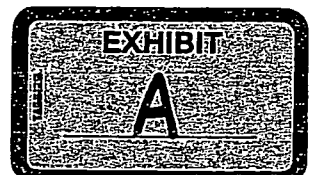
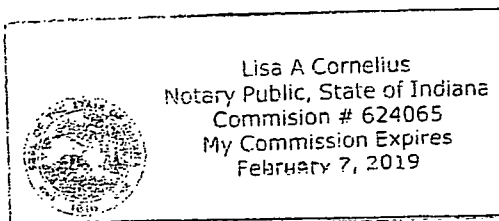
POLICY DATES: 07-10-2012 TO 07-10-2013

Luann Mueller being duly sworn on oath says she is an archivist of First National Insurance Company of America and that she has compared the attached copies of the insurance policy number listed above and endorsements with the original records of the policy of insurance and endorsements contained in the Company's files and that the same is a true and exact recital of all the provisions in the said original policy attached thereto.



Subscribed and sworn to before me

on September 12, 2012


Notary Public

ROA_0026

APPENDIX 00034

THIS IS NOT A BILL.

When money is due, you will receive a bill in a separate mailing.

SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540

AUGUST 14, 2012

Policy Number: F2555459

24-Hour Claims: 1-800-332-3226

Policy Service: (864) 366-3667

Online Account Services: www.safeco.com

ROBERT WAYNE GARY
2507 LONG CANE RD
TROY SC 29848-3636

Thank you for allowing us to continue serving your insurance needs.

To ensure you are receiving the best coverage and value available, the following changes have been made to your 12-month automobile policy, including those requested by you or your agent or broker.

1988 CHEVROLET K1500

- The Bodily Injury limits are changed from \$100,000/\$300,000 to \$250,000/\$500,000.

2002 GMC YUKON

- The Bodily Injury limits are changed from \$100,000/\$300,000 to \$250,000/\$500,000.

2005 CHEVROLET SILVERADO K2500HD

- The Bodily Injury limits are changed from \$100,000/\$300,000 to \$250,000/\$500,000.

1967 CHEVROLET CAMARO

- The Bodily Injury limits are changed from \$100,000/\$300,000 to \$250,000/\$500,000.

This change is effective July 10, 2012. Please place this letter with your insurance policy. Information on coverages and limits can be found on the revised Declarations page, enclosed.

The additional premium for this change is \$94.20. The billing for this amount will be explained on the next statement for your account number 7214-2555459.

If you have any questions or wish to make any changes to your policy, you can do so by calling your agent at (864) 366-3667.

PLEASE SEE REVERSE
FIRST NATIONAL INSURANCE COMPANY OF AMERICA

We appreciate the opportunity to serve you. Thank you.

Personal Lines Underwriting

311X



Member of Liberty Mutual Group

POLICY NUMBER: F2555459

FIRST NATIONAL INSURANCE COMPANY OF AMERICA AUTOMOBILE POLICY DECLARATIONS

NAMED INSURED:
ROBERT WAYNE GARY
2507 LONG CANE RD
TROY SC 29848-3636

POLICY CHANGE

CHANGED EFFECTIVE: JULY 10 2012
POLICY PERIOD FROM: JULY 10 2012
TO: JULY 10 2013

at 12:01 A.M. standard time at
the address of the insured as
stated herein.

AGENT:
SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540

AGENT TELEPHONE:
(864) 366-3667

RATED DRIVERS ROBERT W GARY, CYNDI D GARY

1988 CHEVROLET	K1500	2 DOOR TRUCK	ID# 1GCDK14K4JZ277261
2002 GMC	YUKON	4 DOOR	ID# 1GKEK13ZX2R291240

Insurance is afforded only for the coverages for which limits of liability or premium charges are indicated.

COVERAGES	1988 CHEV LIMITS	PREMIUMS	2002 GMC LIMITS	PREMIUMS
LIABILITY:				
BODILY INJURY	\$250,000 Each Person \$500,000 Each Occurrence	\$ 130.70	\$250,000 Each Person \$500,000 Each Occurrence	\$ 170.70
PROPERTY DAMAGE	\$50,000 Each Occurrence	66.00	\$50,000 Each Occurrence	87.00
UNINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000 Each Accident	13.00	\$25,000 Each Person \$50,000 Each Accident	13.00
PROPERTY DAMAGE	\$25,000 Each Accident Less \$200 Deductible	3.10	\$25,000 Each Accident Less \$200 Deductible	3.10
UNDERINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000 Each Accident	27.90	\$25,000 Each Person \$50,000 Each Accident	27.90
PROPERTY DAMAGE		REJECTED		REJECTED
COMPREHENSIVE			Actual Cash Value Less \$500 Deductible	152.80
COLLISION			Actual Cash Value Less \$500 Deductible	109.00
ADDITIONAL COVERAGES:				
ROADSIDE ASSIST		6.70		6.70
TOTAL \$		247.40	TOTAL \$	570.20

-CONTINUED-

P O BOX 515097, LOS ANGELES, CA 90051

1-800-332-3226

ROA_0029

APPENDIX 00037

FIRST NATIONAL INSURANCE COMPANY OF AMERICA
AUTOMOBILE POLICY DECLARATIONS
(CONTINUED)

You may pay your premium in full or in installments. There is no installment fee for the following billing plans: Full Pay, Annual 2-Pay. Installment fees for all other billing plans are listed below. If more than one policy is billed on the installment bill, only the highest fee is charged. The fee is:
\$2.00 per installment for recurring automatic deduction (EFT)
\$2.00 per installment for recurring credit card or debit card
\$5.00 per installment for all other payment methods

312X

-CONTINUED-



Member of Liberty Mutual Group

POLICY NUMBER: F2555459

FIRST NATIONAL INSURANCE COMPANY OF AMERICA AUTOMOBILE POLICY DECLARATIONS

(CONTINUED)

NAMED INSURED:
ROBERT WAYNE GARY
2507 LONG CANE RD
TROY SC 29848-3636

POLICY CHANGE

CHANGED EFFECTIVE: JULY 10 2012
POLICY PERIOD FROM: JULY 10 2012
TO: JULY 10 2013

at 12:01 A.M. standard time at
the address of the insured as
stated herein.

AGENT:
SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540

AGENT TELEPHONE:
(864) 366-3667

RATED DRIVERS ROBERT W GARY, CYNDI D GARY

2005 CHEVROLET SILVERADO K2500HD 4 DOOR PICK-UP ID# 1GCHK29U05E126903

1967 CHEVROLET CAMARO CLASSIC CAR ID# 123377N203673

Insurance is afforded only for the coverages for which limits of liability or premium charges are indicated.

COVERAGES	2005 CHEV LIMITS	PREMIUMS	1967 CHEV LIMITS	PREMIUMS
LIABILITY:				
BODILY INJURY	\$250,000 Each Person \$500,000	\$ 182.20	\$250,000 Each Person \$500,000	\$ 32.40
PROPERTY DAMAGE	Each Occurrence \$50,000 Each Occurrence	94.10	Each Occurrence \$50,000 Each Occurrence	40.20
UNINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000	13.00	\$25,000 Each Person \$50,000	7.80
PROPERTY DAMAGE	Each Accident \$25,000 Each Accident Less \$200 Deductible	3.10	Each Accident \$25,000 Each Accident Less \$200 Deductible	3.90
UNDERINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000	27.90	\$25,000 Each Person \$50,000	8.40
PROPERTY DAMAGE	Each Accident	REJECTED	Each Accident	REJECTED
COMPREHENSIVE	Actual Cash Value Less \$500 Deductible	136.80	Actual Cash Value Less \$500 Deductible Not to Exceed \$12,000	35.10
COLLISION	Actual Cash Value Less \$500 Deductible	132.40	Actual Cash Value Less \$500 Deductible Not to Exceed \$12,000	89.60
ADDITIONAL COVERAGES:				
ROADSIDE ASSIST		4.50		4.00
TOTAL \$		594.00	TOTAL \$	221.40

-CONTINUED-

P O BOX 515097, LOS ANGELES, CA 90051

1-800-332-3226

ROA_0031

APPENDIX 00039

FIRST NATIONAL INSURANCE COMPANY OF AMERICA
AUTOMOBILE POLICY DECLARATIONS
 (CONTINUED)

TOTAL EACH VEHICLE:	1988 CHEV	\$	247.40
	2002 GMC		570.20
	2005 CHEV		594.00
	1967 CHEV		221.40

PREMIUM SUMMARY		PREMIUM
VEHICLE COVERAGES		\$ 1,633.00
DISCOUNTS & SAFECO SAFETY REWARDS	You saved \$181.00	Included
TOTAL 12 MONTH PREMIUM FOR ALL VEHICLES		\$ 1,633.00

You may pay your premium in full or in installments. There is no installment fee for the following billing plans: Full Pay, Annual 2-Pay. Installment fees for all other billing plans are listed below. If more than one policy is billed on the installment bill, only the highest fee is charged. The fee is:
 \$2.00 per installment for recurring automatic deduction (EFT)
 \$2.00 per installment for recurring credit card or debit card
 \$5.00 per installment for all other payment methods

YOU SAVED \$181.00 BY QUALIFYING FOR THE FOLLOWING DISCOUNTS:
 Account
 Coverage
 Homeowners
 Multi-Car
 Anti-Theft

313X

THIS IS NOT A BILL.

When money is due, you will receive a bill in a separate mailing.

SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540

AUGUST 8, 2012

Policy Number: F2555459

24-Hour Claims: 1-800-332-3226

Policy Service: (864) 366-3667

Online Account Services: www.safeco.com

ROBERT WAYNE GARY
2507 LONG CANE RD
TROY SC 29848-3636

IDENTIFICATION CARDS ENCLOSED

Welcome to Safeco!

We believe insurance shouldn't be any more complex than it has to be. Welcome to an easier experience with Safeco.

Enclosed is your new automobile policy. Read it through carefully. It will give you a detailed description of the type and amount of your coverage, any deductibles (your out-of-pocket costs) that apply and the effective date of your policy. If, after reading your policy, you have any questions or want to find out about discounts that may apply to your policy, please call (864) 366-3667.

The premium for your policy is \$1,538.80 for the July 10, 2012 to July 10, 2013 policy term. When you receive your billing statement, please review it carefully for the amount and date of your next payment. Please also verify that your requested payment method is correct.

You can uncomplicate your bill paying experience by choosing our Automatic Deduction Payment Plan, which offers the convenience of monthly deductions from your checking account that can be scheduled any day of the month you like. Please use the form on the back of your next billing statement to enroll.

For added convenience, visit www.safeco.com and make use of our automated services available to you including, but not limited to:

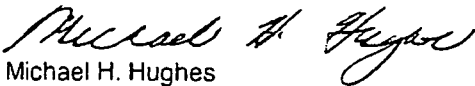
- Make a payment by online check, or credit card.
- Review your billing history.
- Change your billing due date.
- View your policy documents.
- Order a copy of your policy and/or insurance ID cards.
- Report to us a name change, or change of address.
- Review Safeco's Producer Compensation Disclosure.

For all other assistance please call your agent at (864) 366-3667.

PLEASE SEE REVERSE
FIRST NATIONAL INSURANCE COMPANY OF AMERICA

Thank you for your business. We look forward to serving you.

Sincerely,



Michael H. Hughes
President, Safeco Insurance and
Executive Vice President, Agency Markets

2882X

STATE OF SOUTH CAROLINA DEPARTMENT OF INSURANCE

OFFER OF ADDITIONAL UNINSURED MOTORIST COVERAGE AND OPTIONAL UNDERINSURED MOTORIST COVERAGE

Motor vehicle liability insurance coverage pays other motor vehicle drivers and their passengers for damages caused by you and for which you are legally responsible. There are two types of motor vehicle liability insurance coverages: bodily injury and property damage. Bodily injury coverage pays for bodily injuries to others inflicted by your motor vehicle. Property damage coverage pays for damages which your motor vehicle causes to other motor vehicles or property.

Under South Carolina law, an insurance company may refuse to write your motor vehicle liability insurance for a number of reasons. If an insurance company decides to write your motor vehicle liability insurance coverage, however, it must provide at least \$25,000 of bodily injury coverage for each person whom you may injure in any single accident and \$50,000 of bodily injury coverage for two or more people whom you may injure in any single accident. The insurance company must also provide at least \$25,000 in property damage coverage for each accident you may cause. You may have seen these limits described as \$25,000/\$50,000/\$25,000 or 25-50-25. These limits are commonly-known as minimum limits. In order to drive your motor vehicle upon the roads of this State, you must have at least these minimum limits of insurance, unless you post a satisfactory bond or pay a \$550 fee to drive uninsured. There is no requirement that an insurance company offer higher than minimum limits of motor vehicle liability insurance coverage. If your insurance company does offer more than the minimum limits, you will be required to pay an additional premium for those increased limits of protection.

An insurer that writes your motor vehicle liability insurance coverage must also offer two additional coverages which will protect you in the event you are damaged in a motor vehicle accident by an at-fault driver who either has no motor vehicle insurance or whose motor vehicle insurance liability limits are less than your damages in that accident. These coverages are termed additional uninsured motorist coverage and optional underinsured motorist coverage, respectively. You may also see them referred to as UM and/or UIM. If you decide to purchase either of these coverages, you will be required to pay an additional premium for each of these coverages.

Uninsured motorist coverage compensates you, or other persons insured under your motor vehicle insurance policy, for amounts which you may be legally entitled to collect as damages from an owner or operator of an at-fault uninsured motor vehicle. An uninsured motor vehicle is a motor vehicle which either has no liability insurance coverage or is operated by a hit-and-run driver. By law, your motor vehicle insurance policy automatically provides uninsured motorist coverage of \$25,000/\$50,000/\$25,000. There is a \$200 deductible for uninsured property damage claims.

You also have the right to buy additional uninsured motorist coverage, in various limits up to the limits of the liability coverage you have purchased. The limits of additional uninsured motorist coverage which your insurance company is authorized to write and for which you are eligible are shown on this form, together with the additional premium for those increased limits. You may not purchase uninsured motorist coverage with limits in excess of your liability limits.

Underinsured motorist coverage compensates you, or other persons insured under your motor vehicle insurance policy, for amounts which you legally may be entitled to collect as damages from an owner or operator of an at-fault underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle which is covered by some form of liability insurance, but which is insufficient to fully compensate you for your damages.

Your motor vehicle insurance policy does not automatically provide any underinsured motorist coverage. However, you have the right to buy, and your insurance company is required to offer, optional underinsured motorist coverage in various limits up to the limits of liability coverage you have purchased. The limits of optional underinsured motorist coverage which your insurer is authorized to write and for which you are eligible are shown on this form, together with the additional premium for those limits. You may not purchase underinsured motorist coverage with limits in excess of your liability limits.

If you reject optional underinsured or additional uninsured motorist coverages and if you are involved in a motor vehicle accident that is not your fault, the rejection may be used by your insurance company as evidence against you if you make a claim for additional uninsured motorist coverage or optional underinsured motorist coverage.

If you have not completed the offer form and returned it to your insurance company or insurance agent within 30 days, your insurance company is required by law to add additional uninsured motorist coverage and optional underinsured motorist coverage, in the same limits as your motor vehicle liability insurance, to your

motor vehicle insurance policy. You will be required to pay an additional premium for each of these coverages and your policy may be canceled for non-payment of that additional premium.

In the future, if you wish to increase or to decrease your limits of additional uninsured motorist coverage or optional underinsured motorist coverage, you must contact either your insurance agent or your insurance company. You will not be presented with another copy of this form by your insurance agent or insurance company upon the renewal of your motor vehicle liability insurance policy. You will not be presented with another copy of this form by your insurance agent or current insurance company when you extend, change, supersede, or replace your motor vehicle liability insurance policy.

Please read this form carefully. Your insurance agent or your insurance company must answer any questions which you may have. If you have any further questions, you may contact the Department of Insurance at:

Office of Consumer Services
South Carolina Department of Insurance
300 Arbor Lake Drive, Suite 1200, Columbia, SC 29223
Post Office Box 100105 Columbia, South Carolina 29202-3105
(803) 737-6180
(800) 768-3467 E-mail Address: CnsmMail@doi.sc.gov



Member of Liberty Mutual Group

Consumer Privacy Statement

Safeco appreciates the trust you place in us when you purchase insurance from one of our companies. We are committed to protecting your nonpublic personal information ("personal information") and we value you as a customer.

To learn more about how Safeco collects and uses your personal information, please read the following notice.

Safeco's sources of information about you

We collect personal information about you from different sources, including:

- The information you provide on applications or other forms (such as your name, address and Social Security number);
- Your transactions with us, our affiliates or others (such as your payment history and claims information);
- The information we receive from a consumer reporting agency or insurance support organization (such as your credit history, driving record or claims history); and
- Your independent insurance producer (such as updated information pertaining to your account).

Safeco's use of your personal information

We only disclose personal information about our customers and former customers as permitted by law. Generally, this includes sharing it with third parties to administer your transactions with us, service your insurance policy or claim, detect and prevent fraud, or with your authorization. These third parties may include independent insurance producers authorized to sell Safeco insurance products, independent contractors (such as automobile repair facilities and property inspectors), independent claims representatives, insurance support organizations, other insurers, auditors, attorneys, courts and government agencies. We may also disclose your personal information to other financial institutions with whom we have joint marketing agreements. When we disclose your information to these individuals or organizations, we require them to use it only for the reasons we gave it to them.

We may also share information about our transactions (such as payment history and products purchased) and experiences with you (such as claims made) within our Safeco family of companies.

Safeco does not sell your personal information to others and we do not provide your information to third parties for their own marketing purposes.

Independent Safeco Insurance Agents

The independent insurance agents authorized to sell Safeco products are not Safeco employees and not subject to Safeco's Privacy Policy. Because they have a unique business relationship with you, they may have additional personal information about you that Safeco does not have. They may use this information differently than Safeco. Contact your Safeco distributor to learn more about their privacy practices.

Information about Safeco's web site

If you have internet access and want more information about our web site specific privacy and security practices, click on the Privacy Policy link on www.safeco.com.

Protecting your personal information from unauthorized access

We maintain physical, electronic and procedural safeguards to protect your personal information. Our employees are authorized to access customer information only for legitimate business purposes.

State Privacy Laws

This privacy statement may be supplemented by privacy laws in your state. We will protect your information in accordance with state law.

This Privacy Statement applies to the following members of the Safeco family of companies:

**American Economy Insurance Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
First National Insurance Company of America
General Insurance Company of America
Insurance Company of Illinois
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Insurance Company of Oregon
Safeco Lloyds Insurance Company
Safeco National Insurance Company
Safeco Surplus Lines Insurance Company**

2884X

IMPORTANT NOTICE

IN ADDITION TO THE INSURANCE COVERAGE REQUIRED BY LAW TO PROTECT YOU AGAINST A LOSS CAUSED BY AN UNINSURED MOTORIST, IF YOU HAVE PURCHASED LIABILITY INSURANCE COVERAGE THAT IS HIGHER THAN THAT REQUIRED BY LAW TO PROTECT YOU AGAINST LIABILITY ARISING OUT OF THE OWNERSHIP, MAINTENANCE, OR USE OF THE MOTOR VEHICLES COVERED BY THIS POLICY, AND YOU HAVE NOT ALREADY PURCHASED UNINSURED MOTORIST INSURANCE COVERAGE EQUAL TO YOUR LIABILITY INSURANCE COVERAGE:

- (1) YOUR UNINSURED AND UNDERINSURED MOTORIST INSURANCE COVERAGE HAS INCREASED TO THE LIMITS OF YOUR LIABILITY COVERAGE AND THIS INCREASE WILL COST YOU AN EXTRA PREMIUM CHARGE; AND
- (2) YOUR TOTAL PREMIUM CHARGE FOR YOUR MOTOR VEHICLE INSURANCE COVERAGE WILL INCREASE IF YOU DO NOT NOTIFY YOUR AGENT OR INSURER OF YOUR DESIRE TO REDUCE COVERAGE WITHIN TWENTY DAYS OF THE MAILING OF THE POLICY OR THE PREMIUM NOTICE, AS THE CASE MAY BE;
- (3) IF THIS IS A NEW POLICY AND YOU HAVE ALREADY SIGNED A WRITTEN REJECTION OF SUCH HIGHER LIMITS IN CONNECTION WITH IT, PARAGRAPHS (1) AND (2) OF THIS NOTICE DO NOT APPLY.

SA-2380/SCEP 1/99

IMPORTANT NOTICE REGARDING CANCELLATION

THE INSURER CAN CANCEL THIS POLICY FOR WHICH YOU ARE APPLYING WITHOUT CAUSE DURING THE FIRST 90 DAYS. THAT IS THE INSURER'S CHOICE. AFTER THE FIRST 90 DAYS, THE INSURER CAN ONLY CANCEL THIS POLICY FOR REASONS STATED IN THE POLICY.

SA-2381/SCEP 1/99

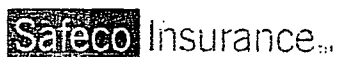
Policy Number: F2555459

Fair Credit Reporting Act and State Law Notice

This notice is provided to you pursuant to the Fair Credit Reporting Act and provides information about the use of a consumer credit report in the pricing of the insurance policy issued to you by FIRST NATIONAL INSURANCE COMPANY OF AMERICA, a Safeco company. Numerous factors are used to price insurance making your premium reflective of your individual situation. The rate is based on a consideration of many factors, including, for example: driving record, claims history, type of home or vehicle owned and insurance score. We are required by law to tell you that your premium has been adversely impacted at least in part by information in your credit report.

You can obtain a free copy of your current consumer credit report by contacting LexisNexis within 60 days of receipt of this notice using one of the following methods: visit consumerdisclosure.com and follow the online instructions; call 800-456-6004 (automated request line); or write to LexisNexis Consumer Service Center, PO Box 105108, Atlanta, GA 30348-5108. LexisNexis did not decide how to rate your policy or make any decisions about your insurance premium and is unable to provide specific reasons regarding those decisions.

The credit bureau that supplied your information will be identified in the report sent to you. If the report is incomplete or has an error, you may contact the credit bureau to dispute the accuracy or completeness of the information. When any changes are made the credit bureau will notify you in writing. If a change was made on your report, you may ask us to obtain a new insurance score and re-rate your insurance policy. Please provide your name, policy number and a copy of the notice from the bureau to: Safeco Imaging Center, PO Box 515097, Los Angeles, CA 90051-5097 or via fax at 877-344-5107.



Member of Liberty Mutual Group

POLICY NUMBER: F2555459

FIRST NATIONAL INSURANCE COMPANY OF AMERICA AUTOMOBILE POLICY DECLARATIONS

NAMED INSURED:
ROBERT WAYNE GARY
 2507 LONG CANE RD
 TROY SC 29848-3636

POLICY PERIOD FROM: JULY 10 2012
TO: JULY 10 2013

at 12:01 A.M. standard time at
 the address of the insured as
 stated herein.

AGENT:
SOUTHERN RISK INSURANCE
 511 W GREENWOOD ST
 ABBEVILLE SC 29620-2540

AGENT TELEPHONE:
 (864) 366-3667

RATED DRIVERS ROBERT W GARY, CYNDI D GARY

1988 CHEVROLET K1500	2 DOOR TRUCK	ID# 1GCDK14K4JZ277261
2002 GMC YUKON	4 DOOR	ID# 1GKEK13ZX2R291240

Insurance is afforded only for the coverages for which limits of liability or premium charges are indicated.

COVERAGES	1988 CHEV LIMITS	PREMIUMS	2002 GMC LIMITS	PREMIUMS
LIABILITY:				
BODILY INJURY	\$100,000 Each Person \$300,000 Each Occurrence	\$ 106.30	\$100,000 Each Person \$300,000 Each Occurrence	\$ 138.20
PROPERTY DAMAGE	\$50,000 Each Occurrence	66.00	\$50,000 Each Occurrence	87.00
UNINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000 Each Accident	13.00	\$25,000 Each Person \$50,000 Each Accident	13.00
PROPERTY DAMAGE	\$25,000 Each Accident Less \$200 Deductible	3.10	\$25,000 Each Accident Less \$200 Deductible	3.10
UNDERINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000 Each Accident	27.90	\$25,000 Each Person \$50,000 Each Accident	27.90
PROPERTY DAMAGE		REJECTED		REJECTED
COMPREHENSIVE			Actual Cash Value Less \$500 Deductible	152.80
COLLISION			Actual Cash Value Less \$500 Deductible	109.00
ADDITIONAL COVERAGES:				
ROADSIDE ASSIST		6.70		6.70
TOTAL \$		223.00	TOTAL \$	537.70

-CONTINUED-

P O BOX 515097, LOS ANGELES, CA 90051

1-800-332-3226

ROA_0041

APPENDIX 00049



Member of Liberty Mutual Group

**FIRST NATIONAL INSURANCE COMPANY OF AMERICA
AUTOMOBILE POLICY DECLARATIONS**

(CONTINUED)

You may pay your premium in full or in installments. There is no installment fee for the following billing plans: Full Pay, Annual 2-Pay. Installment fees for all other billing plans are listed below. If more than one policy is billed on the installment bill, only the highest fee is charged. The fee is:

- \$2.00 per installment for recurring automatic deduction (EFT)
- \$2.00 per installment for recurring credit card or debit card
- \$5.00 per installment for all other payment methods

2887X

-CONTINUED-



Member of Liberty Mutual Group

POLICY NUMBER: F2555459

FIRST NATIONAL INSURANCE COMPANY OF AMERICA AUTOMOBILE POLICY DECLARATIONS

(CONTINUED)

NAMED INSURED:
ROBERT WAYNE GARY
2507 LONG CANE RD
TROY SC 29848-3636

POLICY PERIOD FROM: JULY 10 2012
TO: JULY 10 2013

at 12:01 A.M. standard time at
the address of the insured as
stated herein.

AGENT:
SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540

AGENT TELEPHONE:
(864) 366-3667

RATED DRIVERS ROBERT W GARY, CYNDI D GARY

2005 CHEVROLET SILVERADO K2500HD 4 DOOR PICK-UP ID# 1GCHK29U05E126903
1967 CHEVROLET CAMARO CLASSIC CAR ID# 123377N203673

Insurance is afforded only for the coverages for which limits of liability or premium charges are indicated.

COVERAGES	2005 CHEV LIMITS	PREMIUMS	1967 CHEV LIMITS	PREMIUMS
LIABILITY:				
BODILY INJURY	\$100,000 Each Person \$300,000 Each Occurrence	\$ 147.30	\$100,000 Each Person \$300,000 Each Occurrence	\$ 30.00
PROPERTY DAMAGE	\$50,000 Each Occurrence	94.10	\$50,000 Each Occurrence	40.20
UNINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000 Each Accident	13.00	\$25,000 Each Person \$50,000 Each Accident	7.80
PROPERTY DAMAGE	\$25,000 Each Accident Less \$200 Deductible	3.10	\$25,000 Each Accident Less \$200 Deductible	3.90
UNDERINSURED MOTORISTS:				
BODILY INJURY	\$25,000 Each Person \$50,000 Each Accident	27.90	\$25,000 Each Person \$50,000 Each Accident	8.40
PROPERTY DAMAGE		REJECTED		REJECTED
COMPREHENSIVE	Actual Cash Value Less \$500 Deductible	136.80	Actual Cash Value Less \$500 Deductible Not to Exceed \$12,000	35.10
COLLISION	Actual Cash Value Less \$500 Deductible	132.40	Actual Cash Value Less \$500 Deductible Not to Exceed \$12,000	89.60
ADDITIONAL COVERAGES:				
ROADSIDE ASSIST		4.50		4.00
TOTAL \$		559.10	TOTAL \$	219.00

-CONTINUED-

P O BOX 515097, LOS ANGELES, CA 90051

1-800-332-3226

ROA_0043

APPENDIX 00051

**FIRST NATIONAL INSURANCE COMPANY OF AMERICA
AUTOMOBILE POLICY DECLARATIONS**

(CONTINUED)

TOTAL EACH VEHICLE:	1988 CHEV	\$	223.00
	2002 GMC		537.70
	2005 CHEV		559.10
	1967 CHEV		219.00

PREMIUM SUMMARY

VEHICLE COVERAGES

DISCOUNTS & SAFECO SAFETY REWARDS

You saved \$166.20

PREMIUM
\$ 1,538.80
Included

TOTAL 12 MONTH PREMIUM FOR ALL VEHICLES \$ 1,538.80

You may pay your premium in full or in installments. There is no installment fee for the following billing plans: Full Pay, Annual 2-Pay. Installment fees for all other billing plans are listed below. If more than one policy is billed on the installment bill, only the highest fee is charged. The fee is:
\$2.00 per installment for recurring automatic deduction (EFT)
\$2.00 per installment for recurring credit card or debit card
\$5.00 per installment for all other payment methods

YOU SAVED \$166.20 BY QUALIFYING FOR THE FOLLOWING DISCOUNTS:

Account
Coverage
Homeowners
Multi-Car
Anti-Theft

POLICY FORMS APPLICABLE TO THIS POLICY:

SA-1697/EP 9/90, SA-2890/SCEP 10/11, SA-1701/EP 9/90, SA-1092/EP 5/97

2889X



Insurance

Member of Liberty Mutual Group

SOUTH CAROLINA ESSENTIAL AUTO POLICY

FIRST NATIONAL INSURANCE COMPANY OF AMERICA
 Home Office: Safeco Plaza, Seattle, Washington 98185-0001
 Regional Office: 2055 Sugarloaf Circle, Duluth, Georgia 30097-4932
 Telephone Number: 1-800-332-3226

(A stock insurance company.)

READY REFERENCE TO YOUR AUTO POLICY

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ADDITIONAL COVERAGES

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Roadside Assistance Coverage
Loss of Use Coverage

24

288BX

AGREEMENT

In return for your payment of all premiums, and in reliance upon the statements in the application we agree to insure you subject to the terms, conditions and limitations of this policy. We will insure you for the coverages and limits shown on the Declarations. Your policy consists of the policy contract, Declarations and endorsements applicable to the policy.

DEFINITIONS

- A. Throughout this policy, "you" and "your" refer to:
1. The "named insured" shown in the Declarations;
 2. The spouse if a resident of the same household;
 3. The civil partner, if a resident of the same household, by civil union licensed and certified by the state; or
 4. The **domestic partner**, if a resident of the same household;
- "Domestic partner"** means a person living as a continuing partner with you and:
- (a) is at least 18 years of age and competent to contract;
 - (b) is not a relative; and
 - (c) shares with you the responsibility for each other's welfare, evidence of which includes:
 - (1) the sharing in domestic responsibilities for the maintenance of the household; or
 - (2) having joint financial obligations, resources, or assets; or
 - (3) one with whom you have made a declaration of domestic partnership or similar declaration with an employer or government entity.
- Domestic partner** does not include more than one person, a roommate whether sharing expenses equally or not, or one who pays rent to the named insured.
- B. "We," "us" and "our" refer to the Company, as shown in the Declarations providing this insurance.
- C. For purposes of this policy, a private passenger auto shall be deemed to be owned by a person if leased:
1. Under a written agreement to that person; and
 2. For a continuous period of at least six months.
- D. Throughout the policy, "**minimum limits**" refers to the following limits of liability required by South Carolina Financial Responsibility Act to be provided under a policy of automobile liability insurance:
1. \$25,000 for each person, subject to \$50,000 for each accident, with respect to **bodily injury**; or
 2. \$25,000 for each accident with respect to **property damage**.

Other words and phrases are defined. They are in bold type when used.

- E. "**Bodily injury**" means bodily harm, sickness or disease, including death that results.
- F. "**Business**" includes trade, profession or occupation.
- G. "**Diminution in value**" means the actual or perceived loss in market or resale value which results from a direct and accidental loss.
- H. "**Family member**" means a person related to you by blood, marriage, civil union, domestic partnership or adoption who is a resident of your household. This includes a ward or foster child who is a resident of your household.
- I. "**Fungi**" means any type or form of fungus, including yeast, mold or mildew, blight or mushroom and any mycotoxins, spore, scents or other substances, products or byproducts produced, released by or arising out of **fungi**, including growth, proliferation or spread of **fungi** or the current or past presence of **fungi**. However, this definition does not include any **fungi** intended by the insured for consumption.
- J. "**Occupying**" means in; upon; or getting in, on, out or off.

K. "Property damage" means physical injury or destruction of tangible property including loss of use.

L. "Trailer" means a vehicle designed to be pulled by a:

1. Private passenger auto; or
2. Pickup, van or motorhome.

It also means a recreational camping vehicle, a farm wagon or farm implement while towed by a vehicle listed in L.1. or L.2. above.

M. "Your covered auto" means:

1. Any vehicle shown in the Declarations.
2. a. Any newly acquired vehicle, whether operational or not, on the date you become the owner, subject to conditions for **Newly Acquired Replacement Vehicle** and **Newly Acquired Additional Vehicle** under M.2.b. below. Any newly acquired vehicle must be of the following types:

- (1) a private passenger auto;
- (2) a pickup or van that:
 - (a) has a Gross Vehicle Weight Rating of 12,000 lbs or less; and
 - (b) is not used for the delivery or transportation of goods and materials unless such use is:
 - i. incidental to your business of installing, maintaining or repairing furnishings or equipment; or
 - ii. for farming or ranching; or

- (3) a motorhome or trailer.

b. A newly acquired vehicle is subject to the following conditions:

- (1) **Newly Acquired Replacement Vehicle.** If the vehicle you acquire replaces one shown in the Declarations, the replacement vehicle will have the same coverage as the vehicle it replaced, other than Part D — Coverage for Damage to Your Auto. This provision applies only if there is no other insurance policy that provides coverage for that replacement vehicle.

Part D — Coverage for Damage to Your Auto shall apply for the first fourteen (14) days after you acquire the vehicle, including the date of acquisition, only to the extent Part D — Coverage for Damage to Your Auto applied to the vehicle being replaced. You must notify us within fourteen (14) days after you acquire the replacement vehicle for Part D — Coverage for Damage to Your Auto to continue.

- (2) **Newly Acquired Additional Vehicle.** For any newly acquired vehicle that is in addition to any shown in the Declarations coverage shall apply for the first fourteen (14) days after you acquire the vehicle, including the date of acquisition. Coverage shall be the broadest coverage we provide for any vehicle shown in the Declarations. This coverage applies only if:

- (a) you acquire the additional vehicle during the policy period shown on the Declarations; and
- (b) there is no other insurance policy that provides coverage for the additional vehicle.

If you wish to add or continue coverage you must ask us to insure the additional vehicle within fourteen (14) days after you acquire the additional vehicle. This fourteen (14) days of coverage includes the day you acquire the vehicle.

- (3) Collision Coverage for a newly acquired vehicle begins on the date that you acquire the vehicle. However, if the Declarations does not indicate that Collision Coverage applies to at least one vehicle, you must ask us to insure the newly acquired vehicle within four (4) days after you acquire it. If a loss occurs during the four (4) days after you acquire the vehicle but before you asked us to insure the newly acquired vehicle, a \$500 collision deductible will apply.

- (4) Comprehensive Coverage for a newly acquired vehicle begins on the date that you acquire the vehicle. However, if the Declarations does not indicate that Comprehensive Coverage applies to at least one vehicle, you must ask us to insure

the newly acquired vehicle within four (4) days after you acquire it. If a loss occurs during the four (4) days after you acquire the vehicle but before you asked us to insure the newly acquired vehicle, a \$500 comprehensive deductible will apply.

3. Any auto or trailer you do not own while used as a temporary substitute for any other vehicle described in this definition which is out of normal use because of its:
 - a. breakdown;
 - b. repair;
 - c. servicing;
 - d. loss; or
 - e. destruction.

This provision (M.3.) does not apply to Coverage for Damage to Your Auto.

PART A — LIABILITY COVERAGE

INSURING AGREEMENT

- A. We will pay damages for **bodily injury** or **property damage** for which any **insured** becomes legally responsible because of an auto accident. We will settle or defend, as we consider appropriate, any claim or suit asking for these damages. In addition to our limit of liability, we will pay all defense costs we incur. Our duty to settle or defend ends when our limit of liability for this coverage has been exhausted. We have no duty to defend any suit or settle any claim for **bodily injury** or **property damage** not covered under this policy.
- B. "Insured" as used in this Part means:
 1. You or any **family member** for the ownership, maintenance or use of any auto or trailer.
 2. Any person using **your covered auto** with your express or implied permission. The actual use must be within the scope of that permission.
 3. For **your covered auto**, any person or organization but only with respect to legal responsibility for acts or omissions of a person for whom coverage is afforded under B.1. and B.2. above.
 4. For any auto or trailer, other than **your covered auto**, any other person or organization but only with respect to legal responsibility for acts or omissions of you or any **family member** for whom coverage is afforded under this Part. This provision (B.4.) applies only if the person or organization does not own or hire the auto or trailer.

INTEREST ON JUDGMENTS

We will pay interest on judgments subject to all of the following:

1. Any notice, demand, summons, judgment, or any process has been promptly forwarded to us as required by the policy conditions.
2. We accept the defense or agree to the judgment.
3. We will pay the interest on that part of the judgment that is covered and that does not exceed our applicable limit of liability.
4. We will pay interest that accrues after entry of judgment and before we pay, tender, or deposit in court.
5. If we appeal the judgment, we will pay interest on the entire judgment.
6. Post-judgment interest is in addition to the applicable limit of liability.
7. Where we are required to cover prejudgment interest, it shall be included in the limit of liability and is not an additional amount of insurance.

SUPPLEMENTARY PAYMENTS

We will pay on behalf of an insured:

1. Up to \$250 for the cost of bail bonds required because of an accident, including related traffic law violations. The accident must result in **bodily injury** or **property damage** covered under this policy. We are not obligated to apply for or furnish such bonds.

2. Premiums on appeal bonds and bonds to release attachments in any suit we defend.
3. Up to \$200 a day for loss of earnings, but not other income, because of attendance at hearings or trials at our request.
4. Other reasonable expenses incurred at our request.
5. All expenses incurred by an **insured** for first aid to others at the time of the auto accident, not to exceed \$10,000.

EXCLUSIONS

A. We do not provide Liability Coverage for:

1. Any **insured** who intentionally causes **bodily injury** or **property damage** even if such **bodily injury** or **property damage** is of a different kind or degree than expected or intended, or such **bodily injury** or **property damage** is sustained by a different person or persons than expected or intended to the extent that the limits of liability for this coverage exceed the **minimum limits** required by the South Carolina Financial Responsibility Act.
2. **Property damage** to property owned or being transported by any **insured**.
3. **Property damage** to property:
 - a. rented to;
 - b. used by; or
 - c. in the care of;any **insured**.

This exclusion (A.3.) does not apply to **property damage** to a residence or private garage.

4. **Bodily injury** to an employee of any **insured** during the course of employment. This exclusion (A.4.) does not apply to **bodily injury** to a domestic employee unless workers compensation benefits are required or available for that domestic employee.
5. Any **insured's** liability arising out of the ownership or operation of a vehicle while it is being used as a public or livery conveyance. This exclusion (A.5.) does not apply to a share-the-expense car pool.
6. Any **insured** using any vehicle while employed in the pickup or delivery of newspapers or magazines, food or any products for the purpose of compensation to the extent that the limits of liability for this coverage exceed the minimum limits specified by the South Carolina Financial Responsibility Act. This exclusion does not apply to delivery that is incidental to an **insured's** business.
7.
 - a. Any **insured** while employed or otherwise engaged in the **business** of:
 - (1) selling;
 - (2) repairing;
 - (3) servicing;
 - (4) storing; or
 - (5) parking;vehicles designed for use mainly on public highways. This includes road testing and delivery.
 - b. This exclusion (A.7.) does not apply to the ownership, maintenance or use of **your covered auto** by:
 - (1) you;
 - (2) any family member; or
 - (3) any partner, agent or employee of you or any family member.
8. Any **insured** maintaining or using any vehicle while that **insured** is employed or otherwise engaged in any **business** (other than farming or ranching) not described in Exclusions A.6. or A.7. This exclusion (A.8.) does not apply to the maintenance or use of a:
 - a. private passenger auto;

- b. pickup, motorhome or van that:
 - (1) you own; or
 - (2) you do not own while used as a temporary substitute for **your covered auto** which is out of normal use because of its:
 - (a) breakdown;
 - (b) repair;
 - (c) servicing;
 - (d) loss; or
 - (e) destruction; or
 - c. trailer used with a vehicle described in A.8.a. or A.8.b. above.
9. Any **insured** using a vehicle without the express or implied permission of the owner or other person having lawful possession, or using a vehicle beyond the scope of the permission granted. However, this exclusion does not apply to a **family member** using **your covered auto**.
10. a. **Bodily injury or property damage** for which any **insured**:
 - (1) is an insured under a nuclear energy liability policy; or
 - (2) would be an insured under a nuclear energy liability policy but for its termination upon exhaustion of its limit of liability.
- b. A nuclear energy liability policy is a policy issued by any of the following or their successors:
 - (1) Nuclear Energy Liability Insurance Association;
 - (2) Mutual Atomic Energy Liability Underwriters; or
 - (3) Nuclear Insurance Association of Canada.
11. **Bodily injury or property damage** arising out of the use of **your covered auto** while leased or rented to others. However, this exclusion does not apply to the operation of **your covered auto** by you or a **family member**.
12. **Bodily injury or property damage** arising out of a criminal act or omission of the **insured**. This exclusion applies regardless of whether that **insured** is actually charged with, or convicted of, a crime. However, this exclusion (12.) does not apply to traffic violations.
- B. We do not provide Liability Coverage for the ownership, maintenance or use of:
- 1. a. Any vehicle which:
 - (1) has fewer than four wheels;
 - (2) is designed mainly for use off public roads; or
 - (3) is a vehicle not licensed for use on public roads.
 - b. This exclusion does not apply:
 - (1) while such vehicle is being used by an **insured** in a medical emergency; or
 - (2) to any trailer.
 - 2. Any vehicle, other than **your covered auto**, which is:
 - a. owned by you; or
 - b. furnished or available for your regular use.
 - 3. a. Any vehicle, other than **your covered auto**, which is:
 - (1) owned by any **family member** or other person who resides with you; or
 - (2) furnished or available for the regular use of any **family member** or other person who resides with you.
 - b. However, this exclusion (B.3.) does not apply to you while you are maintaining or occupying any vehicle which is:
 - (1) owned by a family member or other person who resides with you; or

(2) furnished or available for the regular use of a **family member** or other person who resides with you.

4. Any vehicle while it is:
 - a. operating on a surface designed or used for racing, except for an organized and controlled event that is not a speed, performance, stunt or demolition event;
 - b. participating in a high performance driving or racing instruction course or school; or
 - c. preparing for, practicing for, used in, or competing in any prearranged or organized:
 - (1) race activity; or
 - (2) speed, performance, stunt, or demolition contest or exhibition.

LIMIT OF LIABILITY

- A. If the Declarations indicates "per person"/"per accident" coverage applies:

The limit of liability as shown in the Declarations for "each person" for Bodily Injury Liability is our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in any one auto accident.

Subject to this limit for "each person," the limit of liability shown in the Declarations for "each accident" for Bodily Injury Liability is our maximum limit of liability for all damages for **bodily injury** resulting from any one auto accident.

The limit of liability shown in the Declarations for each accident for Property Damage Liability is our maximum limit of liability for all **property damage** resulting from any one accident.

This is the most we will pay regardless of the number of:

1. Insureds;
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the auto accident.
- B. If the Declarations indicate **Combined Single Limit** applies, Paragraph A. above is replaced by the following:

The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for all damages resulting from any one auto accident. This is the most we will pay regardless of the number of:

1. Insureds;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the auto accident.

We will apply the limit of liability shown in the Declarations to first provide the separate **minimum limits** required by the Statutes of South Carolina for:

1. **Bodily injury** or death of one person in any one auto accident;
2. **Bodily injury** or death of two or more people in any one auto accident; and
3. Injury to or destruction of property of others in any one auto accident.

This provision will not change our total limit of liability.

- C. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and
1. Part B or Part C of this policy; or
 2. Any Underinsured Motorists Coverage provided by this policy.
- D. A vehicle and attached trailer are considered one vehicle. Therefore the limits of liability will not be increased for an accident involving a vehicle which has an attached trailer.

OUT OF STATE COVERAGE

If an auto accident to which this policy applies occurs in any state or province other than the one in which your **covered auto** is principally garaged, we will interpret your policy for that accident as follows:

- A. If the state or province has:
1. A financial responsibility or similar law specifying limits of liability for **bodily injury** or **property damage** higher than the limit shown in the Declarations, your policy will provide the higher specified limit.
 2. A compulsory insurance or similar law requiring an on resident to maintain insurance whenever the nonresident uses a vehicle in that state or province, your policy will provide at least the required minimum limits and types of coverage.
- B. No one will be titled to duplicate payments for the same elements of loss.

FINANCIAL RESPONSIBILITY

When this policy is certified as future proof of financial responsibility, this policy shall comply with the law to the extent required. The **insured** must reimburse us if we make a payment that we would not have made if this policy was not certified as proof of financial responsibility.

OTHER INSURANCE

If there is other applicable liability insurance available any insurance we provide shall be excess over any other applicable liability insurance. If more than one policy applies on an excess basis, we will bear our proportionate share with other collectible liability insurance.

PART B — MEDICAL PAYMENTS COVERAGE

INSURING AGREEMENT

- A. We will pay **usual and customary charges** incurred for reasonable and necessary medical and funeral expenses because of **bodily injury**:

1. Caused by accident; and
2. Sustained by an **insured**.

We will pay only those expenses incurred for services rendered within three (3) years from the date of the accident.

We have a right to review medical expenses and services to determine if they are reasonable and necessary for the **bodily injury** sustained.

- B. "Insured" as used in this Part means:

1. You or any **family member**:
 - a. while **occupying**; or
 - b. as a pedestrian or bicyclist when struck by;

a motor vehicle designed for use mainly on public roads or a trailer of any type.
2. Any other person while **occupying your covered auto** with your express or implied permission. The actual use must be within the scope of that permission.
3. Any other person while **occupying**, as a guest, an automobile not owned by you or a **family member**, while being operated by you or a **family member**.

- C. "Usual and customary charges" as used in this Part mean:

Any amount which we determine represents a customary charge for services in the geographic area in which the service is rendered. To determine whether a charge is customary, we may consider outside sources of information of our choice, including, but not limited to:

1. Licensed, certified or registered health care professionals;
2. Medical examinations;
3. Medical file reviews;
4. Medical bill review services; or

5. Computerized data bases.

The **insured** shall not be responsible for payment of any reduction applied by us. If a medical provider disputes an amount paid by us, we will be responsible for resolving such disputes.

EXCLUSIONS

We do not provide Medical Payments Coverage for any **insured** for **bodily injury**:

1. Sustained while **occupying** any motorized vehicle having fewer than four wheels.
2. Sustained while **occupying your covered auto** when it is being used as a public or livery conveyance. This exclusion (2.) does not apply to a share-the-expense car pool.
3. Sustained while **occupying** any vehicle while employed in the pickup or delivery of newspapers or magazines, food or any products for the purpose of compensation. This exclusion does not apply to delivery that is incidental to an **insured's business**.
4. Sustained while **occupying** any vehicle located for use as a residence or premises.
5. Occurring during the course of employment if workers compensation benefits are required or available for the **bodily injury**.
6. Sustained while **occupying**, or when struck by, any vehicle (other than **your covered auto**) which is:
 - a. owned by you; or
 - b. furnished or available for your regular use.
7. Sustained while **occupying**, or when struck by, any vehicle (other than **your covered auto**) which is:
 - a. owned by any **family member** or other person who resides with you; or
 - b. furnished or available for the regular use of any **family member** or other person who resides with you.

However, this exclusion (7.) does not apply to you.
8. Sustained while **occupying** a vehicle without the express or implied permission of the owner or other person having lawful possession, or using a vehicle beyond the scope of the permission granted. However this exclusion does not apply to a **family member** using **your covered auto**.
9. Sustained while **occupying** a vehicle when it is being used in the **business** of an **insured**. This exclusion (9.) does not apply to **bodily injury** sustained while **occupying** a:
 - a. private passenger auto;
 - b. pickup, van or motorhome that you own; or
 - c. trailer used with a vehicle described in a. or b. above.
10. Caused by or as a consequence of:
 - a. discharge of a nuclear weapon (even if accidental);
 - b. war (declared or undeclared);
 - c. civil war;
 - d. insurrection; or
 - e. rebellion or revolution.
11. From or as a consequence of the following, whether controlled or uncontrolled or however caused:
 - a. nuclear reaction;
 - b. radiation; or
 - c. radioactive contamination.
12. Sustained while **occupying** any vehicle while it is:
 - a. operating on a surface designed or used for racing except for an organized and controlled event that is not a speed, performance, stunt or demolition event;
 - b. participating in a high performance driving or racing instruction course or school; or

- c. preparing for, practicing for, used in, or competing in any prearranged or organized:
 - (1) race activity; or
 - (2) speed, performance, stunt, or demolition contest or exhibition.
- 13. Caused by the actual, alleged or threatened presence, growth, proliferation or spread of **fungi** or bacteria.

LIMIT OF LIABILITY

- A. The limit of liability shown in the Declarations for this coverage is our maximum limit of liability for each person injured in any one accident. This is the most we will pay regardless of the number of:
 - 1. Insureds;
 - 2. Claims made;
 - 3. Vehicles or premiums shown in the Declarations; or
 - 4. Vehicles involved in the accident.
- B. No one will be entitled to receive duplicate payments for the same elements of loss.

OTHER INSURANCE

If there is other applicable auto medical payments insurance available any insurance we provide shall be excess over any other applicable auto medical payments insurance. If more than one policy applies on an excess basis, we will bear our proportionate share with other collectible auto medical payments insurance.

PART C — UNINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

- A. We will pay damages which an **insured** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of:
 - 1. **Bodily injury** sustained by that **insured** and caused by an accident; and
 - 2. **Property damage** caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **uninsured motor vehicle**.
- B. "**Insured**" as used in this Part means:
 - 1. You or any **family member**.
 - 2. Any Rated Driver shown on the Declarations other than you or a **family member**.
 - 3. Any other person **occupying your covered auto** with your express or implied permission. The actual use must be within the scope of that permission.
 - 4. Any person entitled to recover damages because of **bodily injury** to which this coverage applies sustained by a person described in B.1., B.2. or B.3. above.
- C. "**Property damage**" as used in this Part means physical injury to or destruction of the property of an **insured**.
- D. "**Uninsured motor vehicle**" means a land motor vehicle or trailer of any type:
 - 1. To which neither:
 - a. a liability bond or policy; nor
 - b. cash or securities deposited in the State Treasurer;
 applies at the time of the accident.
 - 2. To which a liability bond or policy applies at the time of the accident. In the case its limit for liability must be less than the **minimum limits** specified by the South Carolina Financial Responsibility Act.

3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an accident resulting in **bodily injury** or **property damage** without hitting:
 - a. you, any **family member** or any other rated driver shown on the Declarations;
 - b. a vehicle which you, any **family member** or any other rated driver shown on the Declarations are **occupying**;
 - c. **your covered auto**; or
 - d. any of your property.

If there is no physical contact with the hit-and-run vehicle the facts of the accident must be corroborated by an affidavit attesting to the truth of the facts of the accident signed by any eyewitness other than the owner or operator of the vehicle which you, any **family member** or any other rated driver shown on the Declarations were **occupying** at the time of the accident.

4. To which a liability bond or policy applies at the time of the accident, but the bonding or insuring company:
 - a. successfully denies coverage; or
 - b. is or becomes insolvent.
 - c. is in delinquency proceedings, suspension or receivership; or
 - d. is proven unable to respond to a judgment.
5. For which the owner has not qualified as a self-insurer in accordance with the applicable provisions of the South Carolina Insurance Laws.

However, "**uninsured motor vehicle**" does not include any vehicle or equipment:

1. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
2. Owned by any governmental unit or agency unless a cause of action against that governmental unit or agency is barred by the Tort Claims Act, South Carolina Laws 1986, Ratification No. 514, Subsection 15-78-60, or by other applicable statute.
3. Operated on rails or crawler treads.
4. Designed mainly for use off public roads while not on public roads.

EXCLUSIONS

- A. We do not provide Uninsured Motorists Coverage for **bodily injury** or **property damage** sustained by any **insured**:
 1. If that **insured** or the legal representative settles the **bodily injury** or **property damage** claim without our consent.
 2. While **occupying your covered auto** when it is being used as a public or livery conveyance. This exclusion (A.2.) does not apply to a share-the-expense car pool.
 3. While using any vehicle while employed in the pickup or delivery of newspapers or magazines, food or any products for the purpose of compensation. This exclusion does not apply to delivery that is incidental to an **insured's business**.
 4. While using a vehicle without the express or implied permission of the owner or other person having lawful possession, or using a vehicle beyond the scope of the permission granted. However, this exclusion does not apply to you, any **family member** or any other rated driver shown on the Declarations using **your covered auto**.
 5. While **occupying** or operating an owned motorcycle or moped.
 6. While using any vehicle while it is:
 - a. operating on a surface designed or used for racing except for an organized and controlled event that is not a speed, performance, stunt or demolition event;
 - b. participating in a high performance driving or racing instruction course or school; or
 - c. preparing for, practicing for, used in, or competing in any prearranged or organized:
 - (1) race activity; or
 - (2) speed, performance, stunt, or demolition contest or exhibition.

7. For the first \$200 of the amount of **property damage** to the property of each **insured** as the result of any one accident.
 8. For **diminution in value** for your covered auto.
- B. This coverage shall not apply directly or indirectly to benefit:
1. Any insurer or self-insurer under any of the following or similar law:
 - a. Workers compensation law; or
 - b. Disability benefits law.
 2. Any insurer of property.

LIMIT OF LIABILITY

- A. If **bodily injury** or **property damage** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while **occupying your covered auto**:
1. Our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in that accident is the sum of the limits of liability shown in the Declarations for "each person" for Bodily Injury Liability Uninsured Motorists Coverage.
 2. Subject to this limit for "each person," our maximum limit of liability for all damages arising out of **bodily injury** sustained in that accident is the sum of the limits of liability shown in the Declarations for each accident for Bodily Injury Liability Uninsured Motorists Coverage.
 3. Our maximum limit of liability for all **property damage** resulting from that accident is the sum of the limits of liability shown in the Declarations for "each accident" for Property Damage Liability Uninsured Motorists Coverage.

Subject to the maximum limit of liability set forth in paragraphs 1., 2. or 3. above:

1. The most we will pay for **bodily injury** or **property damage** sustained in that accident by an **insured** other than you, any **family member** or any other rated driver shown on the Declarations is that **insured's** pro rata share of the "each person" or "each accident" limit shown in the Declarations for this coverage applicable to the vehicle that **insured** was **occupying** at the time of the accident; and
2. You, any **family member** or any other rated driver shown on the Declarations who sustains **bodily injury** or **property damage** in that accident will also be entitled to a pro rata share of the "each person" or "each accident" limit described in paragraph 1. above.

A person's pro rata share shall be the proportion that that person's damages bears to the total damages sustained by all **insureds**.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

- B. If **bodily injury** or **property damage** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while not **occupying** any auto:
1. Our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in that accident is the sum of the limits of liability shown in the Declarations for "each person" for Bodily Injury Liability Uninsured Motorists Coverage.
 2. Subject to this limit for "each person," our maximum limit of liability for all damages arising out of **bodily injury** sustained in that accident is the sum of the limits of liability shown in the Declarations for "each accident" for Bodily Injury Liability Uninsured Motorists Coverage.
 3. Our maximum limit of liability for all **property damage** resulting from that accident is the sum of the limits of liability shown in the Declarations for "each accident" for Property Damage Liability Uninsured Motorists Coverage.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;

2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- C. If **bodily injury** or **property damage** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while **occupying** a vehicle not owned by you, any **family member** or any other rated driver shown on the Declarations:
1. Our maximum limit of liability for all damages including damages for care and loss of services (including loss of consortium and wrongful death) arising out of **bodily injury** sustained by any one person in that accident is the highest "each person" limit of liability shown in the Declarations for Bodily Injury Liability Uninsured Motorists coverage applicable to any one of **your covered autos**;
 2. Subject to this limit for "each person," our maximum limit of liability for all damages arising out of **bodily injury** sustained in that accident is the highest each accident limit of liability shown in the Declarations for Bodily Injury Liability Uninsured Motorists Coverage applicable to any one of **your covered autos**; and
 3. Our maximum limit of liability for all **property damage** resulting from that accident is the highest each accident limit of liability shown in the Declarations for Property Damage Liability Uninsured Motorists Coverage applicable to any one of **your covered autos**.

The maximum limit of liability is the most we will pay regardless of the number of:

1. Insureds;
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- D. If **bodily injury** or **property damage** is sustained by an insured other than you, any **family member** or any other rated driver shown on the Declarations in an accident in which neither you, any **family member** nor any other rated driver shown on the Declarations sustained **bodily injury** or **property damage**:
1. Our maximum limit of liability for all damages including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in that accident will be the "each person" limit of liability shown in the Declarations for Bodily Injury Liability Uninsured Motorists Coverage applicable to the vehicle that insured was **occupying** at the time of that accident.
 2. Subject to this limit for "each person," our maximum limit of liability for all damages arising out of **bodily injury** sustained in that accident is the "each accident" limit of liability shown in the Declarations for Bodily Injury Liability Uninsured Motorists Coverage applicable to the vehicle that insured was **occupying** at the time of the accident.
 3. Our maximum limit of liability for all **property damage** resulting from that accident is the "each accident" limit of liability shown in the Declarations for Property Damage Liability Uninsured Motorists Coverage applicable to the vehicle that insured was **occupying** at the time of the accident.

The maximum limit of liability is the most we will pay regardless of the number of:

1. Insureds;
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- If the Declarations indicates Combined Single Limit (CSL) applies for Uninsured Motorists Coverage, then paragraphs A., B., C. and D. of the Limit Of Liability Provision above are replaced by A., B., C. and D. as follows:
- A. If **bodily injury** or **property damage** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while **occupying your covered auto**, our maximum limit of liability for all damages resulting from that accident is the sum of the limits of liability for Uninsured Motorists Coverage shown in the Declarations applicable to each vehicle.

Subject to the maximum limit of liability for all damages:

1. The most we will pay for **bodily injury** or **property damage** sustained in such accident by an **insured** other than you, any **family member** or any other rated driver shown on the Declarations is that **insured's** pro rata share of the limit shown in the Declarations for this coverage applicable to the vehicle that the **insured** was **occupying** at the time of the accident.
2. You, any **family member** or any other rated driver shown on the Declarations who sustains **bodily injury** or **property damage** in such accident will also be entitled to a pro rata share of the limit described in Paragraph A.1. above.

A person's pro rata share shall be the proportion that that person's damages bears to the total damages sustained by all **insureds**.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

- B. If **bodily injury** or **property damage** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while not **occupying** any auto, our maximum limit of liability for all damages resulting from that accident is the sum of the limits of liability for Uninsured Motorists Coverage shown in the Declarations applicable to each vehicle.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

- C. If **bodily injury** or **property damage** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while **occupying** a vehicle not owned by you, any **family member** or any other rated driver shown on the Declarations, our maximum limit of liability for all damages resulting from that accident will be the highest limit of liability shown in the Declarations for this coverage applicable to any one of **your covered autos**. This is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

- D. If **bodily injury** or **property damage** is sustained by an **insured** other than you, any **family member** or any other rated driver shown on the Declarations in an accident in which neither you, any **family member** nor any other rated driver shown on the Declarations sustained **bodily injury** or **property damage**, our maximum limit of liability for all damages resulting from that accident will be the limit of liability shown in the Declarations for this coverage applicable to the vehicle that **insured** was **occupying** at the time of that accident. This is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

- E. We will apply the limit of liability shown in the Declarations to first provide the separate limits required by the Statutes of South Carolina for:

1. **Bodily injury** or death of one person in any one accident; and
2. **Bodily injury** or death of two or more people in any one accident; and
3. Injury to or destruction of property of an **Insured** in any one accident.

This provision will not change our total limit of liability.

- F. Any amounts otherwise payable for damages which the **insured** is legally entitled to recover from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** or **property damage** caused by an accident shall be reduced by all sums:
1. Paid because of the **bodily injury** or **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A of the policy; and
 2. Paid because of the **property damage** under Part D of the policy or any similar coverage under any other policy.
- G. Any payment under this coverage will reduce any amount that person is entitled to recover for the same damages under Part A of the policy.
- H. No one will be entitled to receive duplicate payments for the same elements of loss.
- I. A vehicle and attached **trailer** are considered one vehicle. Therefore the limits of liability will not be increased for an accident involving a vehicle which has an attached **trailer**.

OTHER INSURANCE

- A. If an **insured** sustains **bodily injury** while:

1. **Occupying** a vehicle:

- a. not owned by that person, including any vehicle while used as a temporary substitute for **your covered auto**; or
- b. owned by you, any **family member** or any other rated driver shown on the Declarations which is not insured for this coverage under this policy; or

2. **Not occupying** any vehicle;

the following priorities of recovery apply:

FIRST PRIORITY The policy affording Uninsured Motorists Coverage to the vehicle the **insured** was **occupying** at the time of the accident.

SECOND PRIORITY Any policy affording Uninsured Motorists Coverage to the **insured** as a named insured or family member.

1. If there is no applicable insurance available under the first priority, the maximum recovery under all policies in the second priority shall not exceed the highest applicable limit for any one vehicle under any one policy.
2. If there is applicable insurance available under the first priority:
 - a. The limit of liability applicable to the vehicle the **insured** was **occupying**, under the policy in the first priority, shall first be exhausted; and
 - b. The maximum recovery in the second priority shall not exceed the highest limit for any one vehicle under any one policy in the second priority.
3. We will pay only our share of the loss, not to exceed our share of the maximum recovery. Our share is the proportion that our limit of liability bears to the total of all applicable limits in the same level of priority.

- B. With respect to **property damage**, this insurance shall apply only after the limits of any other collectible insurance applicable to the damaged property have been exhausted.

GENERAL PROVISIONS

Part F of the policy is amended as follows with respect to Uninsured Motorists Coverage:

The Our Right to Recover Payment provision is replaced by the following:

OUR RIGHT TO RECOVER PAYMENT

1. If we make payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right to the extent of such payment that does not exceed the minimum limits specified by the South Carolina Motor Vehicle Financial Responsibility Act. That person shall do:
 - a. Whatever is necessary to enable us to exercise our rights; and
 - b. Nothing after loss to prejudice them.

2. If an **insured** has prosecuted to judgment any suit against any person responsible, we will be entitled to an assignment of the judgment to the extent of payment under this insurance that does not exceed the minimum limits specified by the South Carolina Motor Vehicle Financial Responsibility Act.
3. We will pay our proportionate part of any reasonable costs and expenses incurred for any recovery, including reasonable attorneys' fees. However, we reserve the right to retain an attorney of our choice to pursue a claim instead of reasonable attorneys' fees.

If an **insured** making a claim for **property damage** under this insurance is also entitled to insurance or other compensation for the **property damage**, we will not be obligated to pay a claim until the **insured** has assigned us the rights to the compensation, to the extent of payment under this insurance that does not exceed the minimum limits specified by the South Carolina Motor Vehicle Financial Responsibility Act.

CONFORMITY TO STATUTE

This coverage is intended to be in full conformity with the South Carolina Insurance Laws. If any provision of this endorsement conflicts with that law, it is changed to comply with the law.

PART D — COVERAGE FOR DAMAGE TO YOUR AUTO

INSURING AGREEMENT

- A. We will pay for direct and accidental loss to **your covered auto** or any **non-owned auto**, including its equipment, any child safety seat in use in **your covered auto** or **non-owned auto**, minus any applicable deductible shown in the Declarations. We will pay for loss to **your covered auto** caused by:

1. Other than **collision** only if the Declarations indicate that Comprehensive Coverage is provided for that auto.
2. **Collision** only if the Declarations indicate that Collision Coverage is provided for that auto.

If there is a loss to a **non-owned auto**, we will provide the broadest coverage applicable to any vehicle shown in the Declarations.

Deductible

Unless stated otherwise, the applicable deductible shown in the Declarations shall be applied to each accidental loss covered under this Part of the policy. However,

- a. if loss to more than one of **your covered autos** or a **non-owned auto** results from the same loss, only the highest applicable deductible will apply.
- b. In the event of a **collision** with another vehicle insured by:
 - (a) a Safeco insurance company; or
 - (b) another Liberty Mutual Agency Corporation company;
 no deductible will apply.

This does not include a vehicle described as **your covered auto** or **non-owned auto**.

- c. We will pay under Comprehensive Coverage for the cost of repairing or replacing the damaged safety glass on **your covered auto** without a deductible. We will pay only if the Declarations indicates that Comprehensive Coverage applies.
 - d. No deductible will apply to **your covered auto** or a **non-owned auto** if the loss to **your covered auto** or a **non-owned auto** results from the same event as a loss covered under your Safeco Homeowners or Condominium policy and we issue a payment under your Homeowners or Condominium policy for the loss.
- B. "Collision" means the upset of **your covered auto** or a **non-owned auto** or its impact with another vehicle or object.

"Comprehensive" means loss, other than **collision**, to **your covered auto** or a **non-owned auto**. Losses caused by the following are not **collision** losses but are **comprehensive** losses:

Loss caused by missiles or falling objects; fire; theft or larceny; explosion or earthquake; windstorm; hail, water or flood; malicious mischief or vandalism; riot or civil commotion; contact with a bird or animal; or breakage of glass.

If breakage of glass is caused by a collision; you may elect to have it considered a loss caused by collision.

C. 1. "Non-owned auto" means:

- a. Any private passenger auto, pickup, van (other than cargo van) or trailer with a Gross Vehicle Weight Rating of 12,000 pounds or less or any cargo van or moving van with a Gross Vehicle Weight Rating of 18,000 pounds or less, not owned by or furnished or available for the regular use of you or any family member while in the custody of or being operated by you or any family member; or
- b. Any auto or trailer you do not own while used as a temporary substitute for your covered auto which is out of normal use because of its:
 - (1) breakdown;
 - (2) repair;
 - (3) servicing;
 - (4) loss; or
 - (5) destruction.

2. "Non-owned auto" does not include any vehicle which has been operated or rented by or in the possession of you or any family member for 30 or more consecutive days. This does not apply to a temporary substitute vehicle authorized by us.

D. "Camper body" means a body equipped as sleeping or living quarters which is designed to be mounted on a pickup.

TRANSPORTATION EXPENSES

A. Subject to the limitations described in paragraphs B. and C, below, we will pay:

1. Temporary transportation expenses incurred by you in the event of the total theft of your covered auto or a non-owned auto. We will pay for such expenses only if the Declarations indicate that Comprehensive Coverage is provided for that auto. We will pay only expenses incurred during the period:
 - a. beginning 48 hours after the theft; and
 - b. ending when your covered auto or the non-owned auto is returned to use or we pay for its loss.
2. Indirect loss expenses for which you become legally responsible in the event of a loss to a non-owned auto. We will pay only expenses beginning when the non-owned auto is withdrawn from use for more than 24 hours. We will pay for indirect loss expenses if the loss is caused by:
 - a. a comprehensive loss only if the Declarations indicate that Comprehensive Coverage is provided for any your covered auto.
 - b. collision only if the Declarations indicate that Collision Coverage is provided for any your covered auto.

B. For the expenses described in paragraphs A.1. and A.2. we will pay the greater of the following, without application of a deductible:

1. Up to \$20 per day, to a maximum of \$600; or
2. The limit for Loss of Use, if any, shown in the Declarations.

C. Our payment for the expenses described in paragraphs A.1. and A.2. will be limited to that period of time reasonably required to repair or replace the your covered auto or the non-owned auto.

EXCLUSIONS

We will not pay for:

1. Loss to your covered auto or any non-owned auto which occurs while it is being used as a public or livery conveyance. This exclusion (1.) does not apply to a share-the-expense car pool.
2. Loss to your covered auto or any non-owned auto while employed in the pickup or delivery of newspapers or magazines, food or any products for the purpose of compensation. This exclusion does not apply to delivery that is incidental to an insured's business.

3. Damage or loss due and confined to:

- a. wear and tear;
- b. freezing;
- c. mechanical or electrical breakdown or failure; or
- d. road damage to tires.

This exclusion (3.) does not apply if the damage results from the total theft of **your covered auto** or any **non-owned auto**.

4. Damage or loss arising out of neglect. Neglect means your failure to adequately maintain **your covered auto** or **non-owned auto** after the loss.

With respect to water under Comprehensive Coverage, there is no coverage for:

- a. moisture, condensation, humidity, or vapor;
- b. water intrusion around or through panels, surfaces and seals; or
- c. water that collects in spaces or ventilation systems; or
- d. fungi, dry rot or bacteria;

resulting from neglect.

5. Loss due to or as a consequence of:

- a. discharge of any nuclear weapon (even if accidental);
- b. war (declared or undeclared);
- c. civil war;
- d. insurrection; or
- e. rebellion or revolution.

6. Loss from or as a consequence of the following, whether controlled or uncontrolled or however caused:

- a. nuclear reaction;
- b. radiation; or
- c. radioactive contamination.

7. Loss to:

- a. any electronic equipment designed for the production or reproduction of sound, pictures, audio, visual or data or that receives or transmits sound, pictures or data signals.

b. This exclusion (7.) does not apply to:

- (1) equipment designed for the reproduction of sound or transmission of sound, pictures, audio, visual or data signals and accessories used with such equipment, provided:

(a) the electronic equipment is permanently installed by the original vehicle manufacturer or manufacturer's dealership in **your covered auto** or any **non-owned auto**; or

(b) the electronic equipment is:

- i. removable from a housing unit which is permanently installed by the original vehicle manufacturer or manufacturer's dealership in the auto;
- ii. designed to be solely operated by use of the power from the auto's electrical system; and
- iii. in or upon **your covered auto** or any **non-owned auto**;

at the time of loss.

(c) any equipment installed through our Teensurance™ program.

However, we will pay only up to a total of \$500 or the actual cash value of **your covered auto** or any **non-owned auto**, whichever is less, for all such equipment that is not installed by the original vehicle manufacturer or manufacturer's dealership.

(2) any other electronic equipment that is:

- (a) necessary for the normal operation of the auto or the monitoring of the auto's operating systems;
- (b) an integral part of the same unit housing any electronic equipment described in 7.a. and permanently installed by the original vehicle manufacturer or manufacturer's dealership in **your covered auto** or any **non-owned auto**.

8. Loss to:

- a. tapes, records, discs, or other media used with such equipment described in exclusion (7.); or
- b. any other accessories, not permanently installed used with such equipment described in exclusion (7.).

9. Loss to **your covered auto** or any **non-owned auto** due to destruction or confiscation by governmental or civil authorities because you or any **family member**:

- a. engaged in illegal activities; or
- b. failed to comply with Environmental Protection Agency or Department of Transportation standards.

This exclusion (9.) does not apply to the interests of Loss Payees in **your covered auto**.

10. Loss to a **camper body**, motorhome or trailer you own which is not shown in the Declarations. This exclusion (10.) does not apply to a **camper body**, motorhome or trailer you:

- a. acquire during the policy period; and
- b. ask us to insure within 14 days after you become the owner.

11. Loss to any **non-owned auto** when used by you or any **family member** without the express or implied permission of the owner or other person having lawful possession, or using a vehicle beyond the scope of the permission granted.

12. Loss to equipment, whether operational or not, whose design may be used for the detection or location of law enforcement equipment.

13. Loss to any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in the **business** of:

- a. selling;
- b. repairing;
- c. servicing;
- d. storing; or
- e. parking;

vehicles designed for use on public highways. This includes road testing and delivery.

14. Loss to any **non-owned auto** being maintained or used by any person while employed or otherwise engaged in any **business** not described in exclusion 2. and 13. This exclusion (14.) does not apply to the maintenance or use by you or any **family member** of a **non-owned auto** which is a private passenger auto or trailer.

15. Loss to **your covered auto** or any **non-owned auto** while it is:

- a. operating on a surface designed or used for racing. This does not apply to an organized and controlled event that is not a speed, performance, stunt or demolition event;
- b. participating in a high performance driving or racing instruction course or school; or
- c. preparing for, practicing for, used in, or competing in any prearranged or organized:
 - (1) race activity; or
 - (2) speed, performance, stunt, or demolition contest or exhibition.

16. Loss to, or loss of use of, a **non-owned auto** rented by:

- a. you; or
- b. any **family member**;

if a rental vehicle company is precluded from recovering such loss or loss of use, from you or that family member, pursuant to the provisions of any applicable rental agreement or state law.

17. Loss to **your covered auto** or any **non-owned auto**, arising out of the actual, alleged or threatened presence, growth, proliferation or spread of **fungi**, dry rot or bacteria.
18. Loss to **your covered auto**, **non-owned auto**, or **trailer**, for **diminution in value**.
19. Loss in excess of \$500 per claim or the actual cash value of **your covered auto** or any **non-owned auto**, whichever is less, for any furnishings or equipment that were not installed by the original vehicle manufacturer or manufacturer's dealership which mechanically or structurally changes your vehicle and results in increase in performance or change in appearance, including but not limited to:
 - a. custom murals, paintings or other decals or graphics;
 - b. custom wheels, tachometers, pressure and temperature gauges;
 - c. modified or custom engines and fuel systems, light bars, racing slicks and/or oversized tires, roll bars and lift kits, winches, utility boxes, and tool boxes; or
 - d. non-standard paint.

This exclusion does not apply to equipment installed to make a vehicle handicap accessible.

20. Loss arising out of the use of **your covered auto** while leased or rented to others.
21. Loss to **your covered auto** or a **non-owned auto** caused by an intentional act by you or a **family member**, or at the direction of you or a **family member**.

LIMIT OF LIABILITY

A. At our option, our limit of liability for loss will be the lowest of:

1. The actual cash value of the stolen or damaged property;
2.
 - a. The amount necessary to repair or replace the property;
 - b. Determination of the cost of repair or replacement will be based upon one of the following:
 - (1) the cost of repair or replacement agreed upon by you and us;
 - (2) a competitive bid approved by us; or
 - (3) an estimate written based upon the prevailing competitive price. You agree with us that we may include in the estimate parts furnished by the original vehicle manufacturer or parts from other sources including non-original equipment manufacturers. The prevailing competitive price means prices charged by a majority of the repair market in the area where the vehicle is to be repaired as determined by us; or
3. The limit of liability shown in the Declarations.

However, the most we will pay for loss to any **non-owned auto**, which is a **trailer**, is \$1,500.

- B. An adjustment for depreciation and physical condition may be made based upon the physical condition and wear and tear of the property or damaged part of the property at the time of the loss. This adjustment for physical condition includes but is not limited to, broken, cracked or missing parts, rust, dents, scrapes, gouges and paint condition. When replacing parts normally subject to repair or replacement during the useful life of the vehicle, we will not pay for the amount of any betterment.

PAYMENT OF LOSS

We may pay for loss in money or repair or replace the damaged or stolen property. We may, at our expense, return any stolen property to:

1. You; or
2. The address shown in this policy.

If we return stolen property we will pay for any damage resulting from the theft. We may keep all or part of the property at an agreed or appraised value.

If we pay for loss in money, our payment will include the applicable sales tax for the damaged or stolen property.

This insurance shall not directly or indirectly benefit any carrier or other bailee for hire.

OTHER SOURCES OF RECOVERY

If other sources of recovery also cover the loss, we will pay only our share of the loss. Our share is the proportion that our limit of liability bears to the total of all applicable limits. However, any insurance we provide with respect to a **non-owned auto** shall be excess over any other collectible source of recovery including, but not limited to:

1. Any coverage provided by the owner of the **non-owned auto**;
2. Any other applicable physical damage insurance;
3. Any other source of recovery applicable to the loss.

APPRAISAL

- A. If we and you do not agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will select a competent appraiser. The two appraisers will select an umpire. The appraisers will state separately the actual cash value and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the expenses of the appraisal and umpire equally.
- B. We do not waive any of our rights under this policy by agreeing to an appraisal.

PART E — DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- A. We must be notified promptly of how, when and where the accident or loss happened. Notice should also include the names and addresses of any injured persons and of any witnesses.
- B. A person seeking any coverage must:
1. Cooperate with us in the investigation, settlement or defense of any claim or suit.
 2. Promptly send us copies of any notices or legal papers received in connection with the accident or loss.
 3. Submit, as often as we reasonably require:
 - a. to physical examinations by physicians we select. We will pay for these exams.
 - b. to examination under oath and subscribe the same. We may examine any **insured** separately and apart from the presence of any other **insured**.
 4. Authorize us to obtain:
 - a. medical reports; and
 - b. other pertinent records.
 5. Submit a proof of loss, under oath if requested, when required by us.
- C. A person seeking Uninsured Motorists Coverage must also:
1. Report the accident to the police or other civil authority within twenty-four (24) hours or as soon as practicable if a hit-and-run driver is involved.
 2. Promptly send us copies of the legal papers if a suit is brought.
- D. A person seeking Coverage for Damage to Your Auto must also:
1. Take reasonable steps after loss to protect **your covered auto** or any **non-owned auto** and its equipment from further loss. We will pay reasonable expenses incurred to do this.
 2. Promptly notify the police if **your covered auto** or any **non-owned auto** is stolen.
 3. Permit us to inspect and appraise the damaged property before its repair or disposal.

PART F — GENERAL PROVISIONS**POLICY PERIOD AND TERRITORY**

- A. This policy applies only to accidents and losses which occur:
1. During the policy period as shown in the Declarations; and
 2. Within the policy territory.
- B. The policy period is the period stated in the Declarations. The policy may be renewed for successive policy periods if the required premium is paid and accepted by us on or before the expiration of the current policy period. The premium will be computed at our then current rate for coverage then offered.
- C. The policy territory is:
1. The United States of America, its territories or possessions;
 2. Puerto Rico; or
 3. Canada.

This policy also applies to loss to, or accidents involving, **your covered auto** while being transported between their ports.

BANKRUPTCY

Bankruptcy or insolvency of the **insured** shall not relieve us of any obligations under this policy.

CHANGES

- A. This policy, your Declarations page and endorsements issued by us to this policy contain all the agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us.
- B. The premium for your policy is based on information we have received from you or other sources. You agree to cooperate with us in determining if this information is correct and complete and you will notify us if it changes. If this information is incorrect, incomplete, or changes, we may adjust your premium during the policy term or take other appropriate action based upon the corrected, completed or changed information. Changes during the policy term that may result in a premium increase or decrease during policy term include, but are not limited to, changes in:
1. The number, type or use classification of insured vehicles;
 2. Operators using insured vehicles including newly licensed **family member** drivers and any household members that have licenses must be disclosed to us;
 3. The location where your vehicle is principally garaged;
 4. Customized equipment or parts

You also agree to disclose all licensed drivers residing in your household.

- C. If we make a change which broadens coverage under this edition of your policy without additional premium charge, that change will automatically apply to your policy as of the date we implement the change in your state. This paragraph (C.) does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:
1. A subsequent edition of your policy; or
 2. An Amendatory Endorsement.
- D. Additional or return premium of \$3.00 or less resulting from policy changes will be waived.

PAYMENT OF PREMIUM

If your initial premium payment is by check, draft or any remittance other than cash, coverage under this policy is conditioned upon the check, draft or remittance being honored upon presentment to the bank or other financial institution. If the check, draft or remittance is not honored upon presentment, this policy may, at our option, be deemed void from its inception. This means that we will not be liable under this policy for any claims or damages which would otherwise be covered if the check, draft, or remittance had been honored upon presentment.

FRAUD

This policy was issued in reliance upon the information provided on your application. We may void this policy if you or an **insured** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or any time during the policy period.

We may void this policy or deny coverage for an accident or loss if you or an **insured** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

We may void this policy or deny coverage for fraud or material misrepresentation even after the occurrence of an accident or loss. This means we will not be liable for any claims or damages which would otherwise be covered. If we make a payment, we may request that you reimburse us. If so requested, you must reimburse us for any payments we may have already made.

However, we will provide coverage to such **insured** for damages sustained by any person who has not made fraudulent statements or engaged in fraudulent conduct if such damages result from an accident which is otherwise covered under this policy.

LEGAL ACTION AGAINST US

- A. No legal action may be brought against us until there has been full compliance with all the terms of this policy. In addition, under Part A, no legal action may be brought against us until:
 - 1. We agree in writing that the **insured** has a legal obligation to pay damages; or
 - 2. The amount of that obligation has been finally determined by judgment after trial.
- B. No person or organization has any right under this policy to bring us into any action to determine the legal liability of an **Insured**.

OUR RIGHT TO RECOVER PAYMENT

- A. If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another person, entity or organization we shall be subrogated to that right. That person shall:
 - 1. Do whatever is necessary to enable us to exercise our rights; and
 - 2. Do nothing after loss to prejudice them.

However, our rights in this paragraph (A.) do not apply under Part D, against any person using **your covered auto** with your express or implied permission or other person having lawful possession and is not using a vehicle beyond the scope of the permission granted.

- B. If we make a payment under this policy and the person to or for whom payment is made recovers damages from another, that person shall:
 - 1. Hold in trust for us the proceeds of the recovery; and
 - 2. Reimburse us to the extent of our payment.
- C. This provision does not apply to Medical Payments Coverage or Uninsured Motorists Coverage, or Underinsured Motorists Coverage.

TERMINATION

- A. **Cancellation.** This policy may be canceled during the policy period as follows:
 - 1. The named insured shown in the Declarations may cancel by:
 - a. returning this policy to us; or
 - b. giving us advance written or verbal notice of the date cancellation is to take effect. We may waive the requirement the notice be in writing by confirming the date and time of cancellation to you in writing.
 - 2. We may cancel by mailing notice to the named insured shown in the Declarations at the address shown in this policy at least 15 days prior to the date cancellation is to take effect. However, if this policy is canceled within the first 60 days, and is not a renewal or continuation policy, the cancellation will become effective only on or after the 61st day of the policy period. However, if this policy is canceled for nonpayment of premium, the cancellation will become effective only on or after the 31st day of the policy period.
 - 3. After this policy has been in effect for more than 90 days, or if this is a renewal or continuation policy, we will cancel only:
 - a. for nonpayment of premium; or

- b. if your driver's license or that of:
 - (1) any driver who lives with you; or
 - (2) any driver who customarily uses **your covered auto**;
 has been suspended or revoked. This must have occurred:
 - (1) during the policy period; or
 - (2) if this is a renewal or continuation policy, during the policy period or the 90 days immediately preceding the last anniversary of the original effective date.
- B. **Nonrenewal.** If we decide not to renew this policy, we will mail notice to the named insured shown in the Declarations at the address shown in this policy. Notice will be mailed at least 15 days before the end of the policy period. Subject to this notice requirement, if the policy period is:
 - 1. Less than 6 months, we will have the right not to renew or continue this policy every 6 months, beginning 6 months after its original effective date.
 - 2. 6 months or longer, but less than one year, we will have the right not to renew or continue this policy at the end of the policy period.
 - 3. 1 year or longer, we will have the right not to renew or continue this policy at each anniversary of its original effective date.
- C. **Automatic Termination.** If we offer to renew and you or your representative do not accept, this policy will automatically terminate at the end of the current policy period. Failure to pay the required renewal premium when due shall mean that you have not accepted our offer.
- D. **Other Termination Provisions.**
 - 1. If the law in effect in your state at the time this policy is issued or renewed:
 - a. requires a longer notice period;
 - b. requires a special form of or procedure for giving notice; or
 - c. modifies any of the stated termination reasons;
 we will comply with those requirements.
 - 2. We may deliver any notice instead of mailing it. Proof of mailing of any notice shall be sufficient proof of notice.
 - 3. If this policy is canceled, you may be entitled to a premium refund. If so, we will send you the refund. The premium refund, if any, will be computed according to our manuals. However, making or offering to make the refund is not a condition of cancellation.
 - 4. The effective date of cancellation stated in the notice shall become the end of the policy period.

TRANSFER OF YOUR INTEREST IN THIS POLICY

- A. Your rights and duties under this policy may not be assigned without our written consent. However, if a named insured shown in the Declarations dies, coverage will be provided for:
 - 1. The surviving spouse, civil partner or **domestic partner** if resident in the same household at the time of death. Coverage applies to the spouse, civil partner or **domestic partner** as if a named insured shown in the Declarations; and
 - 2. The legal representative of the deceased person as if a named insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use **your covered auto**.
- B. Coverage will only be provided until the end of the policy period.

TWO OR MORE AUTOS INSURED; TWO OR MORE AUTO POLICIES

If this policy insures two or more autos or if any other auto insurance policy issued to you by us applies to the same accident, the maximum limit of our liability shall not exceed the highest limit applicable to any one auto. In no event shall the limit of liability of two or more motor vehicles or two or more policies be added together, combined, or stacked to determine the limit of insurance coverage available to you or any insured.

- 1. This provision does not apply to Uninsured Motorists Coverage and Underinsured Motorists Coverage.

2. No one will be entitled to receive duplicate payments for the same elements of loss under Uninsured Motorists Coverage and Underinsured Motorists Coverage.

LOSS PAYABLE CLAUSE

As to the interest of the loss payee, this policy will remain in effect from the inception date and until ten days after proof of mailing that the cancellation notice has been mailed to the loss payee. When we pay the loss payee we shall, to the extent of payment, have the loss payee's rights of recovery.

Where fraud, misrepresentation, material omission, or intentional damage has been committed by or at the direction of any **insured**, or where the loss is otherwise not covered under the terms of the policy, the loss payee or lienholder's interest will not be protected.

STORAGE COSTS

If you give us your consent, we may move the damaged property, at our expense, to reduce storage costs during the claims process. If you do not give us your consent, we will pay only the storage costs which would have resulted if we had moved the damaged property.

NAMED DRIVER EXCLUSION

If there is an excluded driver under this policy, then we will not provide coverage for any claim arising from an accident or loss involving a motor vehicle being operated by that excluded person. This includes any claim for damages made against you or any **family member** or any other person or organization that is vicariously liable for an accident arising out of the operation of a motor vehicle by the excluded driver.

ADDITIONAL COVERAGES

AGREEMENT: WE WILL PROVIDE THE INSURANCE DESCRIBED IN EACH OF THE FOLLOWING ADDITIONAL COVERAGES ONLY IF INDICATED IN THE DECLARATIONS.

UNDERINSURED MOTORISTS COVERAGE

INSURING AGREEMENT

- A. We will pay damages which an **insured** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of:

1. **Bodily injury** sustained by that **insured** and caused by an accident; and
2. **Property damage** caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the **underinsured motor vehicle**.

We will pay under this coverage only after the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.

- B. "**Insured**" as used in this coverage means:

1. You or any **family member**.
2. Any **Rated Driver** shown on the Declarations other than you or a **family member**.
3. Any other person **occupying your covered auto**.
4. Any person for damages that person is entitled to recover because of **bodily injury** to which this coverage applies sustained by a person described in 1. or 2. above.

- C. "**Property damage**" as used in this coverage means physical injury to or destruction of **your covered auto**. However, **property damage** does not include damage to property owned by the **insured** while contained in **your covered auto**.

- D. "**Underinsured motor vehicle**" means a land motor vehicle or trailer of any type to which a liability bond or policy applies at the time of the accident in limits equal to or greater than the minimum limit for liability specified by the South Carolina Financial Responsibility Act, but the limits of that bond or policy are not enough to pay the full amount the **insured** is legally entitled to recover as damages.

However, "**underinsured motor vehicle**" does not include any vehicle or equipment:

1. Operated on rails or crawler treads.
2. Designed mainly for use off public roads while not upon public roads.

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3. While located for use as a residence or premises.

EXCLUSIONS

- A. We do not provide Underinsured Motorists Coverage for **bodily injury** or **property damage** sustained by any **insured**:
 1. While **occupying**, or when struck by, any motor vehicle owned by you, any **family member** or any other rated driver shown on the Declarations which is not insured for this coverage under this policy. This includes a trailer of any type used with that vehicle.
 2. While **occupying your covered auto** when it is being used as a public or livery conveyance. This exclusion (A.2.) does not apply to a share-the-expense car pool.
 3. While using any vehicle while employed in the pickup or delivery of newspapers or magazines, food or any products for the purpose of compensation. This exclusion does not apply to delivery that is incidental to an **insured's business**.
 4. While using a vehicle without the express or implied permission of the owner or other person having lawful possession, or using a vehicle beyond the scope of the permission granted. However, this exclusion does not apply to you, any **family member** or any other rated driver shown on the Declarations using **your covered auto**.
 5. For loss to **your covered auto, non-owned auto or trailer for diminution in value**.
- B. This coverage shall not apply directly or indirectly to benefit:
 1. Any insurer or self-insurer under any of the following or similar law:
 - a. Workers compensation law, or
 - b. Disability benefits law.
 2. Any insurer of property.

LIMIT OF LIABILITY

- A. If **bodily injury** is sustained in an accident by any **insured** while **occupying your covered auto**, or if **your covered auto** sustains **property damage** in an accident:
 1. Our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in that accident is the sum of the limits of liability shown in the Declarations for "each person" for Bodily Injury Liability Underinsured Motorists Coverage.
 2. Subject to this limit for "each person," our maximum limit of liability for all damages arising out of **bodily injury** sustained in that accident is the sum of the limits of liability shown in the Declarations for "each accident" for Bodily Injury Liability Underinsured Motorists Coverage.
 3. Subject to the maximum limit of liability set forth in paragraphs 1. and 2. above:
 - a. The most we will pay for **bodily injury** sustained in that accident by an **insured** other than you, any **family member** or any other rated driver shown on the Declarations is that **insured's** pro rata share of the "each person" or "each accident" limit shown in the Declarations for Bodily Injury Liability Underinsured Motorists Coverage applicable to the vehicle that **insured** was **occupying** at the time of the accident; and
 - b. You, any **family member** or any other rated driver shown on the Declarations who sustains **bodily injury** in that accident will also be entitled to a pro rata share of the "each person" or "each accident" limit described in paragraph a. above.

A person's pro rata share shall be the proportion that that person's **bodily injury** damages bears to the total of all **bodily injury** damages sustained by all **insureds**.
 4. Our maximum limit of liability for all **property damage** resulting from that accident is the sum of the limits of liability shown in the Declarations for "each accident" for Property Damage Liability Underinsured Motorists Coverage.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

B. If **bodily injury** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while not **occupying** any auto:

1. Our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in that accident is the sum of the limits of liability shown in the Declarations for "each person" for Bodily Injury Liability Underinsured Motorists Coverage.
2. Subject to this limit for "each person," our maximum limit of liability for all damages arising out of **bodily injury** sustained in that accident is the sum of the limits of liability shown in the Declarations for "each accident" for Bodily Injury Liability Underinsured Motorists Coverage.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Declarations; or
4. Vehicles involved in the accident.

C. If **bodily injury** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while **occupying** a vehicle not owned by you, any **family member** or any other rated driver shown on the Declarations:

1. Our maximum limit of liability for all damages, including damages for care and loss of services (including loss of consortium and wrongful death), arising out of **bodily injury** sustained by any one person in that accident is the highest "each person" limit of liability shown in the Declarations for Bodily Injury Liability Underinsured Motorists coverage applicable to any one of **your covered autos**.
2. Subject to this limit for each person, our maximum limit of liability for all damages arising out of **bodily injury** sustained in that accident is the highest "each accident" limit of liability shown in the Declarations for Bodily Injury Liability Underinsured Motorists Coverage applicable to any one of **your covered autos**; and

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;
3. Vehicles or premiums shown in the Schedule or in the Declarations; or
4. Vehicles involved in the accident.

If the Declarations indicates Combined Single Limit (CSL) applies for Underinsured Motorists Coverage, then paragraphs A., B., C. and D. of the Limit Of Liability Provision above are replaced by A., B., C. and D. as follows:

A. If **bodily injury** is sustained in an accident by any **insured** while **occupying your covered auto**, or if **your covered auto** sustains **property damage** in an accident, our maximum limit of liability for all damages resulting from that accident is the sum of the limits of liability for Underinsured Motorists Coverage shown in the Declarations applicable to each vehicle.

Subject to the maximum limit of liability for all damages:

1. The most we will pay for **bodily injury** sustained in such accident by an **insured** other than you, any **family member** or any other rated driver shown on the Declarations is that **insured's** pro rata share of the limit shown in the Declarations for this coverage applicable to the vehicle that the **insured** was **occupying** at the time of the accident.
2. You, any **family member** or any other rated driver shown on the Declarations who sustains **bodily injury** or **property damage** in such accident will also be entitled to a pro rata share of the limit described in Paragraph 1. above.

A person's pro rata share shall be the proportion that that person's damages bears to the total damages sustained by all **insureds**.

The maximum limit of liability is the most we will pay regardless of the number of:

1. **Insureds**;
2. Claims made;

3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- B. If **bodily injury** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while not **occupying** any auto, our maximum limit of liability for all damages resulting from that accident is the sum of the limits of liability for Underinsured Motorists Coverage shown in the Declarations applicable to each vehicle.
- The maximum limit of liability is the most we will pay regardless of the number of:
1. **Insureds**;
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- C. If **bodily injury** is sustained in an accident by you, any **family member** or any other rated driver shown on the Declarations while **occupying** a vehicle not owned by you, any **family member** nor any other rated driver shown on the Declarations, our maximum limit of liability for all damages resulting from that accident will be the highest limit of liability shown in the Declarations for this coverage applicable to any one of **your covered autos**. This is the most we will pay regardless of the number of:
1. **Insureds**;
 2. Claims made;
 3. Vehicles or premiums shown in the Declarations; or
 4. Vehicles involved in the accident.
- D. Any amounts otherwise payable for damages which the **insured** is legally entitled to recover from the owner or operator of an **underinsured motor vehicle** because of **bodily injury** or **property damage** caused by an accident shall be reduced by all sums:
1. Paid because of the **bodily injury** or **property damage** by or on behalf of persons or organizations who may be legally responsible. This includes all sums paid under Part A of this policy;
 2. Paid because of the **property damage** under Part D of the policy or any similar coverage under any other policy; and
 3. Paid or payable because of the **bodily injury** under any of the following or similar law:
 - a. Workers compensation law; or
 - b. Disability benefits law.
- E. Any payment under this coverage will reduce any amount that person is entitled to recover for the same damages under Part A of this policy.
- F. No one will be entitled to receive duplicate payments for the same elements of loss.
- G. A vehicle and attached **trailer** are considered one vehicle. Therefore the limits of liability will not be increased for an accident involving a vehicle which has an attached **trailer**.

OTHER INSURANCE

- A. If an **insured** sustains **bodily injury** while:
1. **Occupying** a vehicle:
 - a. not owned by that person, including any vehicle while used as a temporary substitute for **your covered auto**; or
 - b. owned by you, any **family member** or any other rated driver shown on the Declarations which is not insured for this coverage under this policy; or
 2. **Not occupying** any vehicle;

the following priorities of recovery apply:

FIRST PRIORITY The policy affording Underinsured Motorists Coverage to the vehicle the **insured** was **occupying** at the time of the accident.

1. If there is no applicable insurance available under the first priority, the maximum recovery under all policies in the second priority shall not exceed the highest applicable limit for any one vehicle under any one policy.
2. If there is applicable insurance available under the first priority:
 - a. The limit of liability applicable to the vehicle the insured was occupying, under the policy in the first priority, shall first be exhausted; and
 - b. The maximum recovery in the second priority shall not exceed the highest limit for any one vehicle under anyone policy in the second priority.
3. We will pay only our share of the loss, not to exceed our share of the maximum recovery. Our share is the proportion that our limit of liability bears to the total of all applicable limits in the same level of priority.

B. With respect to **property damage**, this insurance shall apply only after the limits of any other collectible insurance applicable to the damaged property have been exhausted.

ADDITIONAL DUTIES

Any person seeking Underinsured Motorists Coverage under this policy must also promptly send us copies of the legal papers if a suit is brought.

CONFORMITY TO STATUTE

This coverage is intended to be in full conformity with the South Carolina Insurance Laws. If any provision of this endorsement conflicts with that law, it is changed to comply with the law.

ROADSIDE ASSISTANCE COVERAGE CALL 1-877-ROAD 101 (1-877-762-3101)

"Your covered auto" as used in this coverage means a private passenger vehicle, motor home or trailer owned by you and for which a specific premium is shown on the Declarations for this coverage.

The following coverages apply to each vehicle for which this coverage is shown on the Policy Declarations:

1. Each time your covered auto or any non-owned auto is disabled due to mechanical or electrical break down we will pay reasonable and necessary expenses for the use of an authorized service provider to tow or flatbed your covered auto or non-owned auto up to 15 miles or to the nearest qualified place where necessary repairs can be made during regular business hours.
2. Each time your covered auto or any non-owned auto is disabled requiring:
 - a. Towing to dislodge the vehicle from its place of disablement within 100 feet of a public street or highway; or
 - b. Labor, including change of tire, at the place of its breakdown; or
 - c. Delivery of fuel, oil, water or other fluids (we do not pay the costs of these items); or
 - d. Key lock-out services;we will cover up to one (1) hour of labor for the use of an authorized service provider for service at the place of disablement.
3. For policies with a 6 month policy term, coverage is limited to no more than two occurrences per vehicle plus an additional two occurrences per policy in a 6 month policy period for both coverages 1. and 2., above.
4. For policies with an annual policy term, coverage is limited to no more than four occurrences per vehicle plus an additional four occurrences per policy in a 12 month policy period for both coverages 1. and 2. above.

Authorized service provider means a service provider contracted by us providing, at no charge to you, roadside assistance as described and limited above.

When service is provided by other than an authorized service provider, we will reimburse you only for reasonable charges as determined by us.

No deductible applies to this coverage.

LOSS OF USE COVERAGE

The provisions and exclusions that apply to Part D — Coverage for Damage to Your Auto also apply to this coverage except as changed below:

When there is a loss to any vehicle described in the Declarations for which a specific premium charge indicates that Loss of Use Coverage is afforded, we will reimburse you for expenses you incur to rent a substitute vehicle.

This coverage applies only if:

1. The vehicle is withdrawn from use for more than 24 hours;
2. The loss is caused by **collision**, or is covered by the Comprehensive Coverage of this policy; and
3. The loss exceeds the appropriate **collision** or **comprehensive** deductible applying to the vehicle.

However, this coverage does not apply to losses caused by **collision** if Collision Coverage does not apply to the vehicle.

Our payment will be limited to that period of time reasonably required to repair or replace the vehicle. We will pay up to the amount per day and the maximum shown for Loss of Use in the Declarations.

No deductible applies to this coverage.

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**CLASSIC CAR ENDORSEMENT
RESTRICTED USE**

**IMPORTANT
PLEASE READ CAREFULLY**

(This endorsement is a part of your automobile insurance policy)

Restricted Use Classic Car premiums are highly discounted, and are based on the automobile's age, its very limited use and other characteristics, according to all of the following restrictions:

1. Not under 10 years old, without prior authorization from us.
2. Not driven more than 2,500 miles per year.
3. Not used, except infrequently, for purposes other than exhibitions, collections, club activities, parades or other functions of public interest. Such activities or functions do not include any activities or functions excluded in items 4. or 5. of this provision.
4. Not driven to or from work or school, or in a business.
5. Not driven in races, rallies, gymkhanas or in similar activities, or in any kind of speed or timed contest.
6. Not altered or modified, that is, no hot rods, street rods, "funny" cars, customized show cars or similar vehicles, without prior authorization from us.

Automobiles meeting the above criteria typically will be in the following or similar categories:

1. Cars in storage (not driven or driven infrequently).
2. Cars being restored or renovated.

3. Classic, "vintage," special interest and "collectible" cars.
4. Replica cars.
5. Cars primarily used in parades, exhibits and similar activities.

With respect to any auto insured as a Classic Car and rated for Restricted Use:

The Limit of Liability provision under Part D — Coverage for Damage to Your Auto is replaced by the following:

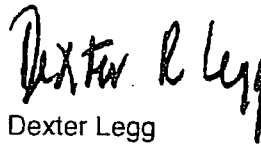
LIMIT OF LIABILITY.

- A. Our limit of liability for a partial loss will be the lesser of the:
 1. Actual cash value of the stolen or damaged property; or
 2. Amount necessary to repair or replace the property; or
 3. Maximum limit of liability shown in the Declarations.
- B. Our limit of liability for a total loss will be the amount shown for each scheduled classic car, which is agreed to be the value of your covered auto.
- C. Any depreciation of the value of the auto due to unavailability of any part of the auto does not constitute loss.

This policy has been signed by our President and Secretary.



Paul Condren
President



Dexter Legg
Vice President and Secretary

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STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

RICHARD W. WILSON,
PLAINTIFF,

SUMMONS

VS.

2012-CP-01-306
(JURY TRIAL DEMANDED)

LAURA B. WILLIS and
JESSE A. DANTICE, individually,
and as agents and/or brokers
for Southern Risk Insurance
Company, Travelers Casualty
Insurance Company of America,
Allied Property and Casualty
Insurance Company, Peerless
Insurance Company, Montgomery
Mutual Insurance Company,
Safeco Insurance Company of
America, and Foremost Insurance
Company,
SOUTHERN RISK INSURANCE
COMPANY, TRAVELERS
CASUALTY INSURANCE
COMPANY OF AMERICA,
ALLIED PROPERTY AND
CASUALTY INSURANCE
COMPANY, PEERLESS
INSURANCE COMPANY,
MONTGOMERY MUTUAL
INSURANCE COMPANY,
SAFECO INSURANCE
COMPANY OF AMERICA,
AND FOREMOST INSURANCE
COMPANY,

DEFENDANTS.

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

EMILY Y. MCHAMMAN
CLERK OF COURT

2012 NOV -1 PM 4:03

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this
action of which a copy is herewith served upon you and to serve a copy of your Answer

on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

HITE & STONE

BY: 

THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
October 26, 2012

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

RICHARD W. WILSON,

PLAINTIFF,

VS.

LAURA B. WILLIS and
JESSE A. DANTICE, individually,
and as agents and/or brokers
for Southern Risk Insurance
Company, Travelers Casualty
Insurance Company of America,
Allied Property and Casualty
Insurance Company, Peerless
Insurance Company, Montgomery
Mutual Insurance Company,
Safeco Insurance Company of
America, and Foremost Insurance
Company,
SOUTHERN RISK INSURANCE
COMPANY, TRAVELERS
CASUALTY INSURANCE
COMPANY OF AMERICA,
ALLIED PROPERTY AND
CASUALTY INSURANCE
COMPANY, PEERLESS
INSURANCE COMPANY,
MONTGOMERY MUTUAL
INSURANCE COMPANY,
SAFECO INSURANCE
COMPANY OF AMERICA,
AND FOREMOST INSURANCE
COMPANY,

DEFENDANTS.

COMPLAINT

2012-CP-01- 306
(JURY TRIAL DEMANDED)

TRUE COPY
BY *Emily Y. McMahian*
ABBEVILLE COUNTY CLERK OF COURT

EMILY Y. MCMAHIAN
CLERK OF COURT

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STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

TRUE COPY
BY *Emily Y. McMahian*
ABBEVILLE COUNTY CLERK OF COURT

The Plaintiff complaining of the Defendants herein would respectfully show unto
this Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Greenwood, State of South Carolina, and at the time mentioned herein was the owner and operator of Richard W. Wilson Insurance Agency in Abbeville, South Carolina.

2. That the Defendant, Laura B. Willis, is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker, Defendant Jesse A. Dantice, as well as Defendant Southern Risk Insurance, Defendant Travelers Casualty Insurance Company, Defendant Allied Property and Casualty Insurance Company, Defendant Peerless Insurance Company, Defendant Montgomery Mutual Insurance Company, Defendant Safeco Insurance Company of America, and Defendant Foremost Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a citizen and resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of all other Defendants.

4. That Defendant Southern Risk Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Travelers Casualty Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time

mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

6. That Defendant Allied Property and Casualty Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

7. That Defendant Peerless Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

8. That Defendant Montgomery Mutual Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

9. That Defendant Safeco Insurance Company of America is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

10. That Defendant Foremost Insurance Company is a corporation organized

and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

11. That the Defendants Jesse A. Dantice, as well as all corporate Defendants at all times have a legal duty to fully investigate and do full background research on any prospective insurance agent and/or employee and more particularly Defendant Laura B. Willis. That further said Defendants have a legal duty to properly train and supervise Defendant Laura B. Willis' work and computer submissions, both before and especially after she was fined, publicly reprimanded, and placed on probation for dishonesty, by the South Carolina Insurance Commission in October 2011.

12. That beginning in the year 2008, Defendant Jesse A. Dantice, a licensed insurance broker, opened an office in Abbeville, South Carolina and placed Defendant Laura B. Willis in said office as his duly authorized and acting licensed agent in charge. That Defendant, Jesse A. Dantice, advertised publicly on his website that his company is an *"800 pound Gorilla: a seemingly unbeatable presence always to be reckoned with, whose experience, influence, and skill threatens to defeat competitors with little effort."* Unfortunately for the Plaintiff, Defendant Jesse Dantice's claims of domination of his competition in the insurance business in Abbeville County, South Carolina, appear to be true, but the Plaintiff is informed and believes this domination of the competition was not accomplished through fair or legal means.

13. That the Plaintiff is a business competitor of the Defendants, Laura B. Willis and Jesse A. Dantice, and all corporate Defendants in Abbeville, South Carolina and his insurance business was effectively destroyed by the Defendants' illegal and

immoral business practices and tactics. That among the many illegal and improper tactics used by the Defendants to corner the retail insurance market in Abbeville County, South Carolina and destroy all competition, including the Plaintiff, the Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis with the express or implied permission of the other Defendants committed the following acts:

- a. repeatedly changed insurance applications filled out by customers, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition;
- b. repeatedly used her own personal driver's license number and social security number for new policy submissions;
- c. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- d. took cash payments from the general public and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
- e. forged documents to confirm non-existent insurance coverage;
- f. issued bogus, and non-existent insurance policies to the general public;
- g. pretended insurance policies were in force when a loss to a customer occurred;
- h. unfairly adjusted claims made against the bogus insurance policies;
- i. when insurance customers of Defendant, Laura B. Willis questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that

everything was fine even though the customer's lienholder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered and should have been discovered and stopped by the Defendants through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers. That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly. The tactics of the Defendants as set forth above effectively and illegally lowered premiums for the general public so that legitimate insurance agents like the Plaintiff could not compete and lost many existing and new insurance customers.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

14. That the Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

15. That South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

16. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. These misrepresentations have an impact on the general public and this conduct is capable of repetition and has in fact been repeated numerous times.

17. That as a direct and proximate result of Defendants' unlawful business

practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, lost profits, lost retirement benefits, damage to his business reputation, severe emotional distress and aggravation causing the Plaintiff serious health problems and will continue to suffer such damages in the future.

18. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, loss profits, personal injury damages, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
CIVIL CONSPIRACY

19. That the allegations of the First Cause of Action are incorporated herein by reference.

20. That the Defendants individually and/or through their authorized and acting agent and/or servant worked together and coordinated their efforts with a common design and plan to put the Plaintiff and other licensed insurance agents in Abbeville County out of business and in the process make huge sums of money for the Defendants.

21. That the Plaintiff is informed and believe that he is entitled to actual and punitive damages for the Defendants' civil conspiracy to destroy his insurance business.

FOR A THIRD CAUSE OF ACTION
TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS.

22. That the allegations of the First and Second Causes of Action are incorporated herein by reference.

23. That the Defendants were fully aware that the Plaintiff had existing insurance contracts with his existing customers and repeatedly and intentionally procured

the breach and/or termination of those contracts by using false statements and illegal and improper acts with no legal justification for doing so, resulting in the virtual destruction of the Plaintiff's business and loss of business profits.

24. That the Plaintiff is informed and believes that he is entitled to actual and punitive damages against the Defendants for the willful, wanton, and intentional violation of his existing contractual rights with his former customers as well as prospective new customers.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

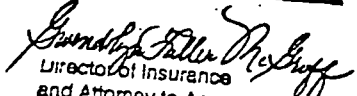
BY:



THOMAS E. HITE, JR.
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ABBEVILLE, SC 29620
(864) 366-5400 TELEPHONE
(864) 366-2638 FACSIMILE
Email: tommyhite@hotmail.com
ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
OCTOBER 26, 2012

Summons and complaint of
within entitled cause received at
this office and service accepted
in accordance with law
this 16 day of March


Linda H. Miller
Director of Insurance
and Attorney to Accept Service
Columbia, SC

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF ABBEVILLE)

ROBERT W. SPIRES)

PLAINTIFF,)

VS.)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Company and)
Montgomery Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Company and Montgomery)
Insurance Company, SOUTHERN)
RISK INSURANCE COMPANY,)
and MONTGOMERY)
INSURANCE COMPANY,)

DEFENDANTS.)

SUMMONS

2012-CP-01-342
(JURY TRIAL DEMANDED)

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

EMILY Y MCMAHAN
CLERK OF COURT

2012 DEC 13 PM 4:11

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY:


THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA

NOVEMBER 28, 2012

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF ABBEVILLE)

ROBERT W. SPIRES,)

PLAINTIFF,)

VS.)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Company and)
Montgomery Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Company and Montgomery)
Insurance Company, SOUTHERN)
RISK INSURANCE COMPANY,)
and MONTGOMERY)
INSURANCE COMPANY,)

DEFENDANTS.)

COMPLAINT

2012-CP-01-342
(JURY TRIAL DEMANDED)

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

EMILY Y MCMAHAN
CLERK OF COURT

2012 DEC 13 PM 4:11

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

The Plaintiff complaining of the Defendants herein would respectfully show unto this Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Abbeville, State of South Carolina, and at the time mentioned herein was the owner of 2000 Chevrolet Camaro and a 2008 Harley Davidson Motorcycle.
2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant Southern Risk Insurance, and Defendant, Montgomery Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant South Risk Insurance Company and Defendant Montgomery Insurance Company.

4. That Defendant Southern Risk Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Montgomery Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

6. That the Defendants Jesse A. Dantice, Southern Risk Insurance Company and Montgomery Insurance Company at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to the properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

7. That on or before September 29, 2012, the Plaintiff contacted Defendant Laura B. Willis concerning purchasing liability insurance for his 2000 Camaro and his 2008 Harley Davidson motorcycle and was assured that the policies she offered were the least expensive and with the most coverage available in the insurance market. That the Plaintiff paid the requested

premiums in full for both policies and was assured by Defendant Laura B. Willis that both vehicles were fully covered. That the Plaintiff unfortunately learned, after his 2008 Harley Davidson motorcycle was stolen, that he did not have insurance coverage on the motorcycle even though Defendant Laura B. Willis pretended that he had coverage and further pretended to adjust his claim. That likewise on the 2000 Camaro the Plaintiff was notified on or about September 26, 2012 by the S.C. Department of Motor Vehicles that his license and registration had been cancelled for allowing his liability insurance coverage to lapse even though he had paid for his insurance and had been assured that he had liability insurance by Defendant Laura B. Willis. That as a result of the suspension of his driving privileges the Plaintiff had to pay a substantial reinstatement fee to get his driver's license and registration back.

8. That the Plaintiff is informed and believes that many illegal and improper tactics were used by the Defendants to take advantage of members of the general public, and specifically this Plaintiff, for the purpose of making greater profits. The Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis with the express or implied permission of the other Defendants committed the following acts:

- a. repeatedly changed insurance applications filled out by customers, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition;
- b. repeatedly used her own personal driver's license number and social security number for new policy submissions;
- c. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- d. took cash payments from the general public and gave no receipts making it

difficult for customers to prove that they had in fact paid their insurance premiums;

- e. forged documents to confirm non-existent insurance coverage;
- f. issued bogus, and non-existent insurance policies to the general public;
- g. pretended insurance policies were in force when a loss to a customer occurred;
- h. unfairly adjusted claims made against the bogus insurance policies;
- i. when insurance customers of Defendant, Laura B. Willis questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lienholder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered and should have been discovered and stopped by the Defendants through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers. That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly. The tactics of the Defendants as set forth above effectively and illegally lowered premiums for the general public so that legitimate insurance agents like the Plaintiff could not compete and lost many existing and new insurance customers.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

9. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

10. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

11. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

12. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff have suffered significant damages, including, but not limited to, paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

13. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
CONVERSION

14. That the allegations of the First Cause of Action are incorporated herein by reference.

15. That the Defendants individually and/or through their authorized and acting agent

and/or servant as set forth above received the Plaintiff's insurance premiums and converted the same to their own use and benefit.

16. That the Plaintiff is informed and believe that she is entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY: 

THOMAS E. HITE, JR.
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ATTORNEY FOR THE PLAINTIFF.

ABBEVILLE, SOUTH CAROLINA
NOVEMBER 28, 2012

Summons and complaint of
within entitled cause received at
this office and service accepted
in accordance with law
this 2 day of Jan 243

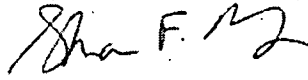
Raymond W. Famer
Director of Insurance
and Attorney to Accept Service
Columbia, SC

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
GREENWOOD DIVISION

First National Insurance Company of America,	)	Civil Action No. 8:12-CV-3124-GRA
	)	
	)	
Plaintiff,	)	
	)	<u>STIPULATION OF DISMISSAL</u>
vs.	)	
	)	
Robert Wayne Gary, Cynthia Gary, and Laurie Wilson Williams,	)	
	)	
Defendants/Third Party Plaintiffs,	)	
	)	
vs.	)	
	)	
Laura B. Willis, individually and as agent and/or broker for Southern Risk Insurance Services, LLC, First National Insurance Company of America, Safeco Insurance Company, Montgomery Insurance Company, Jesse A. Dantice, individually and as agent and/or broker for Southern Risk Insurance Services, LLC, and Southern Risk Insurance Services, LLC,	)	
	)	
Third Party Defendants.	)	
	)	

Pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), the parties which have entered an appearance in this matter – Robert Wayne Gary, Cynthia Gary, Laurie Wilson Williams, First National Insurance Company of America, Safeco Insurance Company, and Montgomery Insurance Company—hereby stipulate to the dismissal of this action in its entirety without prejudice, including all claims, counterclaims, cross-claims and third-party claims.

TURNER PADGET GRAHAM & LANEY P.A.



By: _____

Shannon F. Bobertz
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P.O. Box 1473
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(803) 227-4203

Attorneys for First National Insurance Company of America,
Safeco Insurance Company, and Montgomery Insurance
Company

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
GREENWOOD DIVISION

First National Insurance Company of America,	)	Civil Action No. 8:12-CV-3124-GRA
	)	
	)	
Plaintiff,	)	
	)	<u>STIPULATION OF DISMISSAL</u>
vs.	)	
	)	
Robert Wayne Gary, Cynthia Gary, and Laurie Wilson Williams,	)	
	)	
Defendants/Third Party Plaintiffs,	)	
	)	
vs.	)	
	)	
Laura B. Willis, individually and as agent and/or broker for Southern Risk Insurance Services, LLC, First National Insurance Company of America, Safeco Insurance Company, Montgomery Insurance Company, Jesse A. Dantice, individually and as agent and/or broker for Southern Risk Insurance Services, LLC, and Southern Risk Insurance Services, LLC,	)	
	)	
Third Party Defendants.	)	

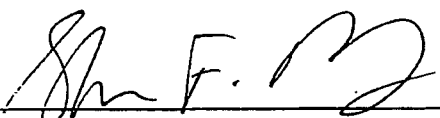
Pursuant to Fed. R. Civ. P. 41(a)(1)(A)(ii), the parties which have entered an appearance in this matter – Robert Wayne Gary, Cynthia Gary, Laurie Wilson Williams, First National Insurance Company of America, Safeco Insurance Company, and Montgomery Insurance Company—hereby stipulate to the dismissal of this action in its entirety without prejudice, including all claims, counterclaims, cross-claims and third-party claims.

WE SO STIPULATE:

[Signatures Next Three Pages]

TURNER PADGET GRAHAM & LANEY P.A.

By: _____



Shannon F. Bobertz

Federal Bar No. 9399

Email: sbobertz@turnerpadget.com

P.O. Box 1473

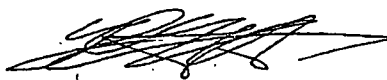
Columbia, SC 29202

(803) 227-4203

Attorneys for First National Insurance Company of America,
Safeco Insurance Company, and Montgomery Insurance
Company

HITE AND STONE

By:



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MCDONALD PATRICK POSTON
HEMPHILL & ROPER, LLC

By: 

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414 Main Street (29646)
P.O. Box 1547
Greenwood, SC 29648
(864) 229-2511

Attorneys for Defendant/Third Party Plaintiff
Laurie Wilson Williams

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

BENJAMIN FRANKLIN)
WOFFORD, JR., and)
REBECCA HAMMOND)
WOFFORD,)

PLAINTIFFS,)

VS.)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services LLC and)
Safeco Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services LLC, and Safeco)
Insurance Company,)

and)

SOUTHERN RISK INSURANCE)
SERVICES, LLC, and SAFECO)
INSURANCE COMPANY,)

DEFENDANTS.)

SUMMONS

2012-CP-01-045
(JURY TRIAL DEMANDED)

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
JUL 11 2012
CLERK OF COURT

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY:


THOMAS E. HITE, JR.

P. O. BOX 805

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EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFFS

ABBEVILLE, SOUTH CAROLINA

2-12, 2013

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

BENJAMIN FRANKLIN)
WOFFORD, JR., and)
REBECCA HAMMOND)
WOFFORD,)

PLAINTIFFS,)

VS.)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services LLC and)
Safeco Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services LLC, and Safeco)
Insurance Company,)

and)

SOUTHERN RISK INSURANCE)
SERVICES, LLC, and SAFECO)
INSURANCE COMPANY,)

DEFENDANTS.)

COMPLAINT

2012-CP-01- 045
(JURY TRIAL DEMANDED)

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
JUL 11 2012
CLERK OF COURT

The Plaintiff complaining of the Defendants herein would respectfully show unto this
Honorable Court:

1. That the Plaintiffs are citizens and residents of the County of Spartanburg, State of South Carolina, and at the time mentioned herein was the owner of real property located in Spartanburg County, South Carolina.
2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent

and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant, Southern Risk Insurance Services LLC, and Defendant, Safeco Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant, Southern Risk Insurance Services LLC, and Defendant, Safeco Insurance Company.

4. That Defendant Southern Risk Insurance Services LLC is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

5. That Defendant Safeco Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

6. That Defendants Jesse A. Dantice, Southern Risk Insurance Services LLC, Safeco Ins. Co, at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

FOR A FIRST CAUSE OF ACTION
BREACH OF CONTRACT

7. That on or about April 26, 2012, the Plaintiffs contacted their insurance agent,

Defendant Laura B. Willis, concerning storm/hail damage to the roof of their rental home and garage located at 15475 Hwy. 221, Enoree, S.C. The Plaintiffs believed this home to be covered by Landlord Protection Insurance, which was previously purchased with all premiums paid from Defendant Safeco Insurance Company Policy Number OF2160066.

8. That Defendant Safeco Ins. Co. allegedly adjusted the claim and initially agreed in writing on June 26, 2012, to only pay for damage to the garage roof in the amount of \$864.51. That when the Plaintiffs protested to the adjuster the denial of the home roof claim, Defendant Safeco's adjuster, Arrington Taylor, agreed to cover the claim for the home in the amount of Seven Thousand Two Hundred Dollars. That up to the date of this complaint the Defendant Safeco Insurance never issued payment on the roof claim and Defendant Laura Willis told the Plaintiffs to go ahead and pay for the claim themselves and she would get them reimbursed. That when the Defendant Safeco Ins. Co. never paid the claim the Plaintiffs contacted Defendant Jesse A. Dantice and asked for his help in getting their claim paid. Defendant Jesse A. Dantice asked the Plaintiffs to give him the name and number of the Safeco adjuster, telling them he was not familiar with that individual, but did nothing to assist the Plaintiffs telling them he couldn't help them. That the Plaintiffs later learned that they could not trust what Defendant Laura Willis was telling them and are informed and believe that if they did have insurance with Defendant Safeco Ins. Company their contract was breached and they are entitled to actual damages.

FOR THE SECOND CAUSE OF ACTION
(BAD FAITH)

9. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

10. That the Defendants without just cause and in bad faith, refused to pay the insurance claim of the Plaintiffs, by committing the following acts:

- a. Denying the claim without a reasonable basis;
- b. Denying the claim without conducting a thorough, complete, and unbiased investigation;
- c. Denying the claim while making untrue and misleading statements;

11. That the Defendant is informed and believes that due to the Plaintiff's acts and omissions as set forth above in the handling of her claim she is entitled to judgment for actual and punitive damages against the Plaintiff for bad faith refusal to pay her claim.

FOR A THIRD DEFENSE CAUSE OF ACTION
(STATUTORY CAUSE OF ACTION)

12. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

13. That this cause of action is brought pursuant to Section 38-59-40 of the Code of Laws of South Carolina 1976, as amended.

14. That the Defendants have breached the insurance contract existing between the parties by failing and refusing to pay Defendant's claim within ninety days after demand has been made.

15. That the Plaintiff is entitled to all benefits due under the insurance contract, plus attorney's fees.

FOR A FOURTH CAUSE OF ACTION
(VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*)

16. Plaintiffs incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

17. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

18. That Defendants by and through their acting agent and/or servant Laura Willis have made numerous misrepresentations to Plaintiffs and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

19. That the Plaintiffs are informed and believe that among the many illegal and improper tactics used by the Defendants to corner the retail insurance market in Abbeville County, South Carolina and destroy all competition, the Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, with the express or implied permission of the other Defendants committed the following acts:

- a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law which prohibits discrimination;
- d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
- f. took cash payments and/or debits from bank accounts from insurance clients and

- converted the cash to her own use and benefit;
- g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
 - h. issued bogus, and non-existent insurance policies to the general public;
 - i. pretended insurance policies were in force when a loss to a customer occurred;
 - j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;
 - k. when insurance customers of Defendant, Laura B. Willis, questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs, which reveal fraud and/or misconduct of agents and/or customers.

20. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiffs have suffered significant damages, including, but not limited to, potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

21. That the Plaintiffs are informed and believe that they are entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A FIFTH CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

22. Plaintiffs incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

23. That the Plaintiffs are informed and believes that pursuant to § 14-1-50 they are entitled to pursue his Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

24. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

25. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

FOR A SIXTH CAUSE OF ACTION
CONVERSION

26. Plaintiffs incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

22. That the Defendants individually and/or through their authorized and acting agent and/or servant as set forth above received the Plaintiffs' insurance premiums and converted the same to their own use and benefit without providing the Plaintiffs the insurance they believed they were purchasing.

23. That the Plaintiffs are informed and believe that they are entitled to actual and punitive damages for the Defendants' unauthorized conversion of their money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

24. That the allegations of the First, Second and Third Causes of action are incorporated herein by reference.

25. That the Defendant, Laura Willis, acting within the scope of her employment, and acting as agents and/or servants of the other Defendants made numerous false representations to the Plaintiffs. That these representations were material to their insurance and contractual dealings. That the Defendant, Laura Willis, either knew of the falsity or recklessly disregarded whether the statements were true or false. That Defendant, Laura Willis, intended that her false statements would be acted on by the Plaintiffs. That the Plaintiffs had no knowledge that the multiple representations made by Defendant, Laura Willis, were false and had the right to rely on the multiple representations. That the Plaintiffs suffered significant damages as a result of these fraudulent statements including by not limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

26. That the Plaintiffs are informed and believe that they are entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to them by the Defendants.

WHEREFORE, the Plaintiffs prays for judgment against the Defendants for actual damages, trebled damages, attorneys fees, and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY:


THOMAS E. HITE, JR.
100 EAST PICKENS STREET
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ATTORNEY FOR THE PLAINTIFFS

ABBEVILLE, SOUTH CAROLINA
2-12, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

RICHARD W. WILSON,)
PLAINTIFF,)

SUMMONS

VS.)

2012-CP-01-306
(JURY TRIAL DEMANDED)

LAURA B. WILLIS and)
JESSE A. DANTICE, individually,)
and as agents and/or brokers)
for Southern Risk Insurance)
Services LLC, Travelers Casualty)
Insurance Company of America,)
Allied Property and Casualty)
Insurance Company, Peerless)
Insurance Company, Montgomery)
Mutual Insurance Company,)
Safeco Insurance Company of)
America, and Foremost Insurance)
Company,)
SOUTHERN RISK INSURANCE)
SERVICES, LLC, TRAVELERS)
CASUALTY INSURANCE)
COMPANY OF AMERICA,)
ALLIED PROPERTY AND)
CASUALTY INSURANCE)
COMPANY, PEERLESS)
INSURANCE COMPANY,)
MONTGOMERY MUTUAL)
INSURANCE COMPANY,)
SAFECO INSURANCE)
COMPANY OF AMERICA,)
AND FOREMOST INSURANCE)
COMPANY,)

DEFENDANTS.)

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2012 OCT 13 PM 0:51
EMILY Y. MCNEIL
CLERK OF COURT

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action
of which a copy is herewith served upon you and to serve a copy of your Answer on the

subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

HITE & STONE

BY:


THOMAS E. HITE, JR.
P. O. BOX 805
ABBEVILLE, SC 29620
(864) 459-5400 TELEPHONE
(864) 459-2638 FACSIMILE
EMAIL: tommyhite@hotmail.com
ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
February 12, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

RICHARD W. WILSON,)
PLAINTIFF,)

AMENDED
COMPLAINT

VS.)

2012-CP-01- 306
(JURY TRIAL DEMANDED)

LAURA B. WILLIS and)
JESSE A. DANTICE, individually,)
and as agents and/or brokers)
for Southern Risk Insurance)
Services LLC, Travelers Casualty)
Insurance Company of America,)
Allied Property and Casualty)
Insurance Company, Peerless)
Insurance Company, Montgomery)
Mutual Insurance Company,)
Safeco Insurance Company of)
America, and Foremost Insurance)
Company;)
SOUTHERN RISK INSURANCE)
SERVICES, LLC, TRAVELERS)
CASUALTY INSURANCE)
COMPANY OF AMERICA,)
ALLIED PROPERTY AND)
CASUALTY INSURANCE)
COMPANY, PEERLESS)
INSURANCE COMPANY,)
MONTGOMERY MUTUAL)
INSURANCE COMPANY,)
SAFECO INSURANCE)
COMPANY OF AMERICA,)
AND FOREMOST INSURANCE)
COMPANY,)

DEFENDANTS.)

EMILY Y. MCCLANAHAN
CLERK OF COURT

2012 FEB 13 PM 9:21

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

TRUE COPY

BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

The Plaintiff complaining of the Defendants herein would respectfully show unto this
Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Greenwood, State of South Carolina, and at the time mentioned herein was the owner and operator of Richard W. Wilson Insurance Agency in Abbeville, South Carolina.

2. That the Defendant, Laura B. Willis, is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker, Defendant Jesse A. Dantice, as well as Defendant Southern Risk Insurance Services, LLC, Defendant Travelers Casualty Insurance Company, Defendant Allied Property and Casualty Insurance Company, Defendant Peerless Insurance Company, Defendant Montgomery Mutual Insurance Company, Defendant Safeco Insurance Company of America, and Defendant Foremost Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a citizen and resident of the County of Anderson, State of South Carolina and at the times mentioned herein was a licensed insurance broker and operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of all other Defendants.

4. That Defendant Southern Risk Insurance Services, LLC, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Travelers Casualty Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized

agents and servants sold insurance policies to the general public.

6. That Defendant Allied Property and Casualty Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

7. That Defendant Peerless Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

8. That Defendant Montgomery Mutual Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

9. That Defendant Safeco Insurance Company of America is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

10. That Defendant Foremost Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

11. That the Defendants Jesse A. Dantice, as well as all corporate Defendants at all times have a legal duty to fully investigate and do full background research on any prospective

insurance agent and/or employee and more particularly Defendant Laura B. Willis. That further said Defendants have a legal duty to properly train and supervise Defendant Laura B. Willis' work and computer submissions, both before and especially after she was fined, publicly reprimanded, and placed on probation for dishonesty, by the South Carolina Insurance Commission in October 2011.

12. That beginning in the year 2008, Defendant Jesse A. Dantice, a licensed insurance broker, opened an office in Abbeville, South Carolina and placed Defendant Laura B. Willis in said office as his duly authorized and acting licensed agent in charge. That Defendant, Jesse A. Dantice, advertised publicly on his website that his company is an *"800 pound Gorilla: a seemingly unbeatable presence always to be reckoned with, whose experience, influence, and skill threatens to defeat competitors with little effort."* Unfortunately for the Plaintiff, Defendant Jesse Dantice's claims of domination of his competition in the insurance business in Abbeville County, South Carolina, appear to be true, but the Plaintiff is informed and believes this domination of the competition was not accomplished through fair or legal means.

13. That the Plaintiff is a business competitor of the Defendants, Laura B. Willis and Jesse A. Dantice, and all corporate Defendants in Abbeville, South Carolina and his insurance business was effectively destroyed by the Defendants' illegal, unfair, and immoral business practices and tactics. That among the many illegal and improper tactics used by the Defendants to corner the retail insurance market in Abbeville County, South Carolina and destroy all competition, including the Plaintiff, the Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, within the scope of her employment and with the express or implied permission of the other Defendants committed the following acts:

- a. repeatedly forged insurance documents which were supposed to be signed by the

- insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
 - c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law which prohibits discrimination;
 - d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
 - e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
 - f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;
 - g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
 - h. issued bogus, and non-existent insurance policies to the general public;
 - i. pretended insurance policies were in force when a loss to a customer occurred;
 - j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;
 - k. when insurance customers of Defendant, Laura B. Willis questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance

agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers.

14. That the Plaintiff is informed and believes that the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly giving the Defendants a reason to investigate her activity but to do so might have slowed the rapid growth of the Defendant's insurance business and profits. The tactics of the Defendants as set forth above, which went on for years, effectively and illegally lowered premiums for the general public so that legitimate and responsible insurance agents, like the Plaintiff, could not compete and lost many existing and prospective new insurance customers.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

15. That the Plaintiff incorporates by reference, as if fully set forth herein, each and ever allegation set forth in the preceding paragraphs.

16. That the Plaintiff is informed and believes that none of the activities of the Defendants, as set forth above, are allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

17. That South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

18. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. These misrepresentations have an impact on the general public and this conduct is capable of repetition and has in fact been repeated numerous times.

19. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, lost profits, lost retirement benefits, damage to his business reputation, severe emotional distress and aggravation causing the Plaintiff serious health problems and will continue to suffer such damages in the future.

20. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, loss profits, personal injury damages, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES/UNFAIR COMPETITION

21. That the allegations of the First Cause of Action are incorporated herein by reference.

22. That the Plaintiff is informed and believes that pursuant to § 14-1-50 he is entitled to pursue his Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

23. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business

advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

24. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, lost profits, lost retirement benefits, damage to his business reputation, severe emotional distress and aggravation causing the Plaintiff serious health problems and will continue to suffer such damages in the future.

25. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, loss profits, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CIVIL CONSPIRACY

26. That the allegations of the First and Second Causes of Action are incorporated herein by reference.

27. That the Defendants, individually and/or through their authorized and acting agent and/or servant, separate and apart from the improper and illegal activities alleged above, conspired together and worked together and coordinated their efforts with a common design and plan to restrain trade by putting the Plaintiff and other licensed insurance agents in Abbeville County out of business and in the process make huge sums of money for the Defendants.

28. That the Defendants, individually and/or through their authorized and acting agent and/or servant, separate, apart from the improper and illegal activities alleged above, mutually agreed to ignore and/or disregard the improper and illegal activities of Defendant, Laura Willis, after she was put on probation by the S. C. Department of Insurance in October 2011. This portion of the conspiracy allowed the activities of Defendant Laura Willis to continue unabated

and do even more harm to the Plaintiff's business.

29. That the Plaintiff is informed and believe that he is entitled to actual and punitive damages for the Defendants' civil conspiracies to restrain trade and destroy his legitimate insurance business.

FOR A FOURTH CAUSE OF ACTION
TORTIOUS INTERFERENCE WITH EXISTING CONTRACTUAL RELATIONS
AND FUTURE CONTRACTUAL RELATIONS

30. That the allegations of the First, Second and Third Causes of Action are incorporated herein by reference.

31. That the Defendants were fully aware that the Plaintiff had existing insurance contracts with his existing customers and repeatedly and intentionally procured the breach and/or termination of those contracts by using false statements and illegal and improper acts with no legal justification for doing so, resulting in the virtual destruction of the Plaintiff's business and loss of business profits.

32. That the Defendants were fully aware that the Plaintiff was unable to compete with their illegal and improper activities in the operation of their insurance business, as set forth above, and as a result new and/or prospective insurance customers were effectively restrained and/or prevented from entering into new insurance contractual relations with the Plaintiff.

33. That the Plaintiff is informed and believes that he is entitled to actual and punitive damages against the Defendants for the willful, wanton, and intentional violation of his existing and future contractual rights with his former customers as well as his prospective new customers.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY: 

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ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
February 12, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

PRESCOTT DARREN BOSLER,)

PLAINTIFF,)

VS.)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC, First)
National Insurance Company of)
America, and Safeco Insurance)
Company, JESSE A. DANTICE,)
individually and as broker/agent)
for Southern Risk Insurance)
Services, LLC, First National)
Insurance Company of America,)
and Safeco Insurance Company,)
SOUTHERN RISK INSURANCE)
SERVICES, LLC, FIRST)
NATIONAL INSURANCE)
COMPANY OF AMERICA,)
and SAFECO INSURANCE)
COMPANY,)

DEFENDANTS.)

SUMMONS

2013-CP-01-044
(JURY TRIAL DEMANDED)

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

EMILY HOGAN
CLERK OF COURT

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2013 JUL 15 09 16

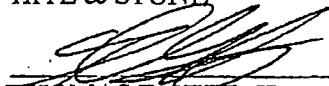
TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY:


THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA

February 2, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

PRESCOTT DARREN BOSLER,)
PLAINTIFF,)

VS.)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC, First)
National Insurance Company of)
America, and Safeco Insurance)
Company, JESSE A. DANTICE,)
individually and as broker/agent)
for Southern Risk Insurance)
Services, LLC, First National)
Insurance Company of America,)
and Safeco Insurance Company,)
SOUTHERN RISK INSURANCE)
SERVICES, LLC, FIRST)
NATIONAL INSURANCE)
COMPANY OF AMERICA,)
and SAFECO INSURANCE)
COMPANY,)

DEFENDANTS.)

IN THE COURT OF COMMON PLEAS

COMPLAINT

2013-CP-01-044
(JURY TRIAL DEMANDED)

EMILY Y. HOGAN
CLERK OF COURT

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
JUN 12 2013

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

The Plaintiff complaining of the Defendants herein would respectfully show unto this Honorable Court:

1. That the Plaintiff is a citizens and resident of the County of Abbeville, State of South Carolina, and at the time mentioned herein were the owners of four trucks which were insured by the Defendants through Policy Number F2536987.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker

Defendant Jesse A. Dantice, Defendant, Southern Risk Insurance Services LLC , Defendant, First National Insurance Company of America, and Defendant Safeco Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant South Risk Insurance Services, LLC, Defendant, First National Insurance Company of America, and Defendant, Safeco Insurance Company.

4. That Defendant, Southern Risk Insurance Company LLC, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant, First National Insurance Company of America, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

6. That Defendant, Safeco Insurance Company, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

7. That the Defendants Jesse A. Dantice, Southern Risk Insurance Company LLC, and First National Insurance Company of America, and Safeco Insurance Company at all times haa a legal duty to fully investigate any prospective insurance agent and/or employee as well as

to the properly train and supervise Defendant, Laura B. Willis, both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

8. The Plaintiff was assured that the policy offered by Defendants Laura Willis and/or Jesse Dantice were the least expensive and with the most coverage available in the insurance market. The Plaintiff paid the requested premiums for the policy covering his four trucks and was assured by Defendant Laura B. Willis and/or Jesse Dantice that all vehicles were fully covered

9. That on or about October 23, 2011, the Plaintiff was notified in writing by the Defendants that there was a change in the above referenced policy which would result in an increased premium and this change would be explained on the next billing statement. This letter also advised the Plaintiff that there was a balance due on the account which would come due approximately two months into the future. Finally, this letter advised the Plaintiff: **"THIS IS NOT A BILL.** When money is due, you will receive a bill in a separate mailing."

10. That the Plaintiff is informed and believes that pursuant to contract of insurance with the Defendants, that once his policy is in full force and effect he was not required to pay an further premium to maintain his coverage, unless and until, he is billed by the Defendants.

11. That the Defendants never sent the Plaintiff a bill for any additional premium owed nor did they provide any notice whatsoever, either orally or in writing, that his policy was cancelled. That the first notice he received concerning his liability insurance came on January 2, 2013, in four letters from the S.C. Department of Motor Vehicles, stating that he and his wife were operating four uninsured vehicles and their license and registrations had been cancelled for allowing their liability insurance to lapse. That as a result of the suspension of Plaintiff and his

wife's driving privileges, he had to pay a substantial reinstatement fee to get their driver's license and registrations back. That further as a direct result of the Defendant's conduct the Plaintiff was required to pay a greatly increased premium to insure his four trucks because he had received a negative risk rating by the insurance industry due to his the lapsed coverage which was not his fault.

12. That the Plaintiffs are informed and believe that many illegal and improper tactics were used by the Defendants to take advantage of members of the general public, and specifically this Plaintiff, for the purpose of making greater profits. The Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis and/or Jesse Dantice, with the express or implied permission of the other Defendants, committed the following acts:

- a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law which prohibits discrimination;
- d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;

- f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;
- g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
- h. issued bogus, and non-existent insurance policies to the general public;
- i. pretended insurance policies were in force when a loss to a customer occurred;
- j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;
- k. when insurance customers of Defendant, Laura B. Willis questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers. That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

9. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

10. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

11. That the Plaintiff is informed and believes that none of the activities of the Defendants, as set forth above, are allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

12. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

13. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff have suffered significant damages, including, but not limited to, paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

14. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

15. That the allegations of the First Cause of Action are incorporated herein by reference.

16. That the Plaintiff is informed and believes that pursuant to § 14-1-50 he is entitled to pursue his Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

17. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

18. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to: paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

25. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, loss profits, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CONVERSION

26. That the allegations of the First Cause of Action are incorporated herein by reference.

27. That the Defendants individually and/or through their authorized and acting agent and/or servant as set forth above received the Plaintiff's insurance premiums and converted the

same to their own use and benefit.

28. That the Plaintiff is informed and believe that she is entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

29. That the allegations of the First, Second and Third Causes of action are incorporated herein by reference.

30. That the Defendant, Laura Willis, acting within the scope of her employment, and acting as agents and/or servants of the other Defendants made numerous false representations to the Plaintiff. That these representations were material to their insurance and contractual dealings. That the Defendant, Laura Willis, either knew of the falsity or recklessly disregarded whether the statements were true or false. That Defendant, Laura Willis, intended that her false statements would be acted on by the Plaintiff. That the Plaintiff had no knowledge that the multiple representations made by Defendant, Laura Willis, were false and he had the right to rely on the multiple representations. That the Plaintiffs suffered significant damages as a result of these fraudulent statements including by not limited to: paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

26. That the Plaintiffs are informed and believe that they are entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to them by the Defendants.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other

and further relief as the Court deems just and proper.

HITE & STONE

BY: 

THOMAS E. HITE, JR.
100 EAST PICKENS STREET
P. O. BOX 805
ABBEVILLE, SC 29620
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ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
February 12, 2013

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF ABBEVILLE)

Robert Wayne Gary and)
Cynthia Gary,)

PLAINTIFFS,)

VS.)

Laura B. Willis, individually,)
and as agent for Southern Risk)
Insurance Services LLC. and)
First National Insurance Company)
of America, Montgomery)
Insurance Company, and Safeco)
Insurance Company,)

and)

Jesse A. Dantice, individually and)
as broker/agent for Southern)
Risk Insurance Services LLC.,)
First National Insurance,)
Company of America,)
Montgomery Insurance Company)
and Safeco Insurance Company,)

and)

First National Insurance)
Company of America,)
Montgomery Insurance Company)
and Safeco Insurance Company,)

DEFENDANTS.)

SUMMONS

JURY TRIAL DEMANDED

2013-CP-01- 66

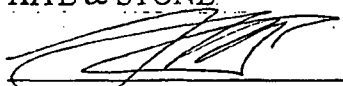
TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this
action of which a copy is herewith served upon you and to serve a copy of your Answer on
the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South

Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

HITE & STONE

BY:


THOMAS E. HITE, JR.
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ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
2/20, 2013

FILED
STATE OF SOUTH CAROLINA
ABBEVILLE COUNTY

TRUE COPY


EMILY J. McMAHON
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
)
COUNTY OF ABBEVILLE)

Robert Wayne Gary and)
Cynthia Gary,)
)

COMPLAINT

VS.)

JURY TRIAL DEMANDED

Laura B. Willis, individually,)
and as agent for Southern Risk)
Insurance Services LLC. and)
First National Insurance Company)
of America, Montgomery)
Insurance Company, and Safeco)
Insurance Company,)
)

2013-CP-01-66

and)
)

Jesse A. Dantice, individually and)
as broker/agent for Southern)
Risk Insurance Services LLC.,)
First National Insurance,)
Company of America,)
Montgomery Insurance Company)
and Safeco Insurance Company,)
)

and)
)

First National Insurance)
Company of America,)
Montgomery Insurance Company)
and Safeco Insurance Company,)
)

DEFENDANTS.)
)

Plaintiffs, Robert Wayne Gary and Cynthia Gary (hereinafter Gary's) complaining of
the Defendants herein would respectfully show unto the Court.

1. That the Plaintiffs are citizens and residents of the County of McCormick, State of
South Carolina, and at the time mentioned herein was the owner of automobiles as hereinafter

described.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant, Southern Risk Insurance Services LLC, Defendant, First National Insurance Company of America, Defendant Montgomery Insurance Company and Defendant Safeco Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant, First National Insurance Company of America, Defendant Montgomery Insurance Company and Defendant Safeco Insurance Company.

4. That Defendant Southern Risk Insurance Services LLC is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

5. That Defendant First National Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

6. That Defendant Montgomery Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein

maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

7. That Defendant Safeco Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

8. That Defendants Jesse A. Dantice, Southern Risk Insurance Services LLC, First National Insurance Company, Montgomery Insurance Company and Safeco Ins. Co, at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to the properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

FOR A FIRST CAUSE OF ACTION
(BREACH OF CONTRACT)
(PLAINTIFF BOUND LIABILITY INSURANCE COVERAGE)

9. That all prior allegations of the complaint are incorporated herein by reference.

10. That the Gary's had a right to rely on written letters which they received from Montgomery Insurance Company and Safeco Insurance Company, prior to the expiration of their Peerless Insurance automobile policy, indicating that their automobiles would continue to be covered under the Liberty Mutual Group and that "they were not required to take any action."

11. That the Gary's had to hire an attorney to defend a claim for personal injury from a third party and are subjected to potential judgment which would attach to their personal assets and are informed and believe that they are entitled to damages for the breach of contract by Defendant's Montgomery Insurance Company and Safeco Insurance Company.

FOR A SECOND CAUSE OF ACTION
(BREACH OF CONTRACT)
(PLAINTIFF'S AGENT BOUND LIABILITY COVERAGE)

12. That the allegations of the First Cause of Action are incorporated herein by reference.

13. That in addition to the written representations referred to above in the First Cause of Action, the Plaintiff's insurance agent, Laura Willis, personally assured the Gary's that they continued to be covered with liability insurance and would receive a bill for that coverage at a later date. That the Gary's are informed and believe that Laura Willis, as the Plaintiff's duly authorized and acting agent, can legally bind the Plaintiff to provide coverage to the Gary's in this case.

14. That when requested by the Plaintiff's agent, Laura Willis, the Gary's paid for their insurance coverage with a check made payable to Safeco in the amount of One Thousand Ninety-Four and 00/110 Dollars (\$1,094.00) dated August 10, 2012. This check was not back dated because there was absolutely no fraud or misrepresentation of any type on their part because they had always been assured that their liability coverage was in force and effect by the Defendants.

15. That the Gary's had to hire an attorney to defend a claim for personal injury from a third party and are subjected to potential judgment which would attach to their personal assets and are informed and believe that they are entitled to damages for the breach of contract by Defendant's Montgomery Insurance Company and Safeco Insurance Company.

FOR A THIRD CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

16. That the allegations of the First and Second Causes of Action are incorporated herein by reference.

17. That the Defendant, First National Insurance Company of America, Defendant Jesse A. Dantice, Defendant, Southern Risk Insurance Services LLC, Defendant, Montgomery Insurance Company and Defendant, Safeco Insurance Company at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

18. That before the expiration of their Peerless Insurance automobile liability the Gary's were contacted in writing by Defendants Montgomery Insurance Company and Safeco Insurance Company assuring them that their policy would be replaced and there was nothing that the Gary's needed to do. That Defendant Laura B. Willis assured the Gary's at all times that their liability insurance automobile policy was in full force and effect and all they needed to do was pay the premium when asked to do so. That the Gary's paid their premium as requested and now their liability coverage has been denied by the Defendants and they are being accused of illegal and/or fraudulent acts by the Defendants.

19. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

20. That Defendants by and through their acting agents and/or servant have made numerous misrepresentations to Plaintiffs and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

21. That the Gary's are informed and believe that among the many illegal and improper tactics used by the Defendants to corner the retail insurance market in Abbeville County, South Carolina and destroy all competition, the Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, with the express or implied permission of the other Defendants committed the following acts:

a. repeatedly forged insurance documents, which were supposed to be signed by the insured including, but not limited to, insurance applications;

b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts, which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;

c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law, which prohibits discrimination;

d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;

e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;

f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;

g. forged insurance documents to fraudulently confirm non-existent insurance coverage;

h. issued bogus, and non-existent insurance policies to the general public;

i. pretended insurance policies were in force when a loss to a customer occurred;

j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;

k. when insurance customers of Defendant, Laura B. Willis, questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs, which reveal fraud and/or misconduct of agents and/or customers. That the sheer volume of new insurance business generated by Defendant Laura B. Willis, in such a short amount of time, should have put the Defendants on notice that something was being done improperly in the Abbeville office of Southern Risk Insurance Company.

22. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiffs have suffered significant damages, including, but not limited to, exposure to a potential liability suit and/or possible potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

23. That the Plaintiffs are informed and believe that they are entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees

and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A FOURTH CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

24. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

25. That the Plaintiffs are informed and believes that pursuant to § 14-1-50 they are entitled to pursue his Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

26. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

27. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiffs have suffered significant damages, including, but not limited to, potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

FOR A FIFTH CAUSE OF ACTION
CONVERSION

28. Plaintiffs incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

29. That the Defendants individually and/or through their authorized and acting agent

and/or servant as set forth above received the Plaintiffs' insurance premiums and converted the same to their own use and benefit without providing the Plaintiffs the insurance they believed they were purchasing.

30. That the Plaintiffs are informed and believe that they are entitled to actual and punitive damages for the Defendants' unauthorized conversion of their money.

FOR A SIXTH CAUSE OF ACTION
FRAUD

31. Plaintiffs incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

32. That the Defendant, Laura Willis, acting within the scope of her employment, and acting as agents and/or servants of the other Defendants made numerous false representations to the Plaintiffs. That these representations were material to their insurance and contractual dealings. That the Defendant, Laura Willis, either knew of the falsity or recklessly disregarded whether the statements were true or false. That Defendant, Laura Willis, intended that her false statements would be acted on by the Plaintiffs. That the Plaintiffs had no knowledge that the multiple representations made by Defendant, Laura Willis, were false and had the right to rely on the multiple representations. That the Plaintiffs suffered significant damages as a result of these fraudulent statements including by not limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

33. That the Plaintiffs are informed and believe that they are entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to

them by the Defendants.

WHEREFORE, the Gary's pray for judgment against the Defendants for actual damages, trebled damages, punitive damages and attorneys fees to be determined by a jury and for such other and further relief as the Court deems just and proper.

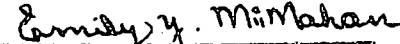
HITE & STONE

BY:


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(864) 366-2638 FACSIMILE
Email: tommyhite@hotmail.com
ATTORNEY FOR THE PLAINTIFFS
ROBERT WAYNE GARY AND
CYNTHIA GARY

ABBEVILLE, SOUTH CAROLINA
FEBRUARY 21, 2013

FILED
STATE OF SOUTH CAROLINA
CLERK OF COURT

TRUE COPY
BY 
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

CRYSTAL SPIRES WILEY,)
PLAINTIFF,)

SUMMONS

VS.)

2012-CP-01-343
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC and)
Montgomery Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services, LLC and Montgomery)
Insurance Company, SOUTHERN)
RISK INSURANCE SERVICES,)
LLC,) and MONTGOMERY)
INSURANCE COMPANY,)
DEFENDANTS.)

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY:


THOMAS E. HITE, JR.

100 EAST PICKENS STREET

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 366-5400 TELEPHONE

(864) 366-2638 FACSIMILE

Email: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA

February 21, 2013

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABERDEEN

TRUE COPY

By Emily Y. Mims
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

CRYSTAL SPIRES WILEY,)
)
PLAINTIFF,)

SECOND AMENDED COMPLAINT

VS.)

2012-CP-01-343

(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC and)
Montgomery Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services, LLC and Montgomery)
Insurance Company, SOUTHERN)
RISK INSURANCE SERVICES,)
LLC,) and MONTGOMERY)
INSURANCE COMPANY,)
)
DEFENDANTS.)

The Plaintiff complaining of the Defendants herein would respectfully show unto this
Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Abbeville, State of South Carolina, and at the time mentioned herein was the owner of a home located on Hwy 71 in Abbeville County with no mortgage lien.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant Southern Risk Insurance Services, LLC, and Defendant, Montgomery Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant Southern Risk Insurance Services, LLC and Defendant Montgomery Insurance Company.

4. That Defendant Southern Risk Insurance Services, LLC is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Montgomery Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

6. That the Defendants Jesse A. Dantice, Southern Risk Insurance Services, LLC and Montgomery Insurance Company at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as properly train and supervise Defendant, Laura B. Willis, both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

7. That on or before September 29, 2012, the Plaintiff and/or her father Robert Spires, contacted Defendant, Laura B. Willis, concerning purchasing homeowners insurance for her home and was assured that the policies she offered were the least expensive and with the most coverage available in the insurance market. That the Plaintiff paid the requested premiums in full for the homeowner's policy and was assured by Defendant Laura B. Willis that said coverage was in full

force and effect. That the Plaintiff unfortunately learned that she did not have insurance coverage on her home and that the coverage had in fact lapsed for an extended period of time which left her equity in her home at risk.

8. That the Plaintiff is informed and believes that many illegal and improper tactics were used by the Defendants to take advantage of members of the general public, and specifically this Plaintiff, for the purpose of making greater profits. The Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis with the express or implied permission of the other Defendants committed the following acts:

- a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law which prohibits discrimination;
- d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
- f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;

- g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
- h. issued bogus, and non-existent insurance policies to the general public;
- i. pretended insurance policies were in force when a loss to a customer occurred;
- j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;
- k. when insurance customers of Defendant, Laura B. Willis, questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered and should have been discovered and stopped by the Defendants through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers. That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly. The tactics of the Defendants as set forth above effectively and illegally lowered premiums for the general public all in restraint of trade.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

9. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

10. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

11. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

12. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, the Plaintiff has suffered significant damages, including, but not limited to, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

13. That the Plaintiff is informed and believes that she is entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

14. That the allegations of the First Cause of Action are incorporated herein by reference.

15. That the Plaintiff is informed and believes that pursuant to § 14-1-50 she is entitled to pursue her Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

16. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

17. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, the Plaintiff has suffered significant damages, including, but not limited to: damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

18. That the Plaintiff is informed and believes that she is entitled to actual damages including, restitution, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CONVERSION

19. That the allegations of the First and Second Causes of action are incorporated herein by reference.

20. That the Defendants individually and/or through their authorized and acting agent and/or servant as set forth above received the Plaintiff's insurance premiums and converted the same to their own use and benefit.

21. That the Plaintiff is informed and believe that she is entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

22. That the allegations of the First, Second and Third Causes of action are incorporated herein by reference.

23. That the Defendant, Laura Willis, acting within the scope of her employment, and acting as agents and/or servants of the other Defendants made numerous false representations to the Plaintiff. That these representations were material to their insurance and contractual dealings. That the Defendant, Laura Willis, either knew of the falsity or recklessly disregarded whether the statements were true or false. That Defendant, Laura Willis, intended that her false statements would be acted on by the Plaintiff. That the Plaintiffs had no knowledge that the multiple representations made by Defendant, Laura Willis, were false and had the right to rely on the multiple representations. That the Plaintiff has suffered significant damages as a result of these fraudulent statements including but not limited to: damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

24. That the Plaintiff is informed and believes that she is entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to them by the Defendants.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY: 

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ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
February 21st, 2013

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

TRUE COPY
B. Emily Y. McMahon
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

LEWIS S. WILLIAMS,)
)
PLAINTIFF,)

SUMMONS

VS.)

2012-CP-01-340
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services LLC, and)
Peerless Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services LLC, Peerless Insurance)
Company, SOUTHERN RISK)
INSURANCE SERVICES LLC,)
AND PEERLESS INSURANCE)
COMPANY,)

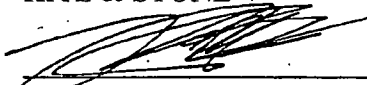
DEFENDANTS.)

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

SIGNATURE PAGE TO FOLLOW.

HITE & STONE

BY: 

THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

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EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA

February 21, 2013

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

EMILY J. McMAHAN
CLERK OF COURT

TRUE COPY

B. & M. McMahon
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

LEWIS S. WILLIAMS,)
PLAINTIFF,)

SECOND AMENDED COMPLAINT

VS.)

2012-CP-01-340
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services LLC, and)
Peerless Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services LLC, Peerless Insurance)
Company, SOUTHERN RISK)
INSURANCE SERVICES LLC,)
AND PEERLESS INSURANCE)
COMPANY,)
DEFENDANTS.)

The Plaintiff complaining of the Defendants herein would respectfully show unto this
Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Abbeville, State of South Carolina, and at the time mentioned herein was the owner of a 2003 Ford Truck. That the Plaintiff is disabled and suffers from a serious health condition which the Defendant Laura Willis was fully aware of.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant Southern Risk Insurance Services LLC, and Defendant

Peerless Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant South Risk Insurance Services, LLC and Defendant, and Defendant, Peerless Insurance Company.

4. That Defendant Southern Risk Insurance Services, LLC is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Peerless Insurance Company, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

6. That the Defendants Jesse A. Dantice, Southern Risk Insurance Services, LLC and Peerless Insurance Company at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to the properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

7. That on or before August 2011, the Plaintiff contacted Defendant Laura B. Willis concerning purchasing liability insurance for his 2003 Ford Truck and homeowners insurance for

his home. The Plaintiff was assured that the policies offered by Defendant Laura Willis was the least expensive and with the most coverage available in the insurance market. That the Plaintiff paid the requested premiums for his policy by monthly bank draft and was assured by Defendant Laura B. Willis at all times that his truck and home were fully covered. That the Plaintiff unfortunately learned, after the Defendants' office in Abbeville, S.C. was closed, that he had been driving an uninsured motor vehicle for several months in direct violation of South Carolina law. That Defendant Willis pretended that he did have liability and homeowner's coverage and further prepared documentation, which was submitted to the Plaintiff which confirmed the deception. That as a result of having no liability coverage the Plaintiff's license and registration were could have been suspended and to get his driver's license and registration back. That the Plaintiff was forced to seek the help of another local insurance agent and emotional stress and humiliation of this matter has had a negative impact on the Plaintiff's health.

8. That the Plaintiff is informed and believe that many illegal and improper tactics were used by the Defendants to take advantage of members of the general public, and specifically this Plaintiff, for the purpose of making greater profits. The Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, with the express or implied permission of the other Defendants, committed the following acts:

- a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security

number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law which prohibits discrimination;

- d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
- f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;
- g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
- h. issued bogus, and non-existent insurance policies to the general public;
- i. pretended insurance policies were in force when a loss to a customer occurred;
- j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;
- k. when insurance customers of Defendant, Laura B. Willis, questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered and should have been discovered and stopped

by the Defendants through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers. That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly. The tactics of the Defendants as set forth above effectively and illegally lowered premiums for the general public all in restraint of trade.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

9. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

10. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

11. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

12. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

13. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

14. That the allegations of the First Cause of Action are incorporated herein by reference.

15. That the Plaintiff is informed and believes that pursuant to § 14-1-50 he is entitled to pursue his Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

16. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

17. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to: paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

18. That the Plaintiff is informed and believes that he is entitled to actual damages including, restitution, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CONVERSION

19. That the allegations of the First Cause of Action are incorporated herein by reference.

20. That the Defendants individually and/or through their authorized and acting agent and/or servant as set forth above received the Plaintiff's insurance premiums and converted the same to their own use and benefit.

21. That the Plaintiff is informed and believe that he is entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

22. That the allegations of the First, Second and Third Causes of action are incorporated herein by reference.

23. That the Defendant, Laura Willis, acting within the scope of her employment, and acting as agents and/or servants of the other Defendants made numerous false representations to the Plaintiff. That these representations were material to their insurance and contractual dealings. That the Defendant, Laura Willis, either knew of the falsity or recklessly disregarded whether the statements were true or false. That Defendant, Laura Willis, intended that her false statements would be acted on by the Plaintiff. That the Plaintiff had no knowledge that the multiple representations made by Defendant, Laura Willis, were false and he had the right to rely on the multiple representations. That the Plaintiff suffered significant damages as a result of these fraudulent statements including by not limited to: paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the

purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

24. That the Plaintiff is informed and believes that he is entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to them by the Defendants.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY: 

THOMAS E. HITE, JR.
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ABBEVILLE, SC 29620
(864) 366-5400 TELEPHONE
(864) 366-2638 FACSIMILE
Email: tommyhite@hotmail.com
ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
February 21st, 2013

TRUE COPY

BY 
ABBEVILLE COUNTY CLERK OF COURT

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
EMILY M. MINAHAN
CLERK OF COURT
FEB 21 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JOHNNY CALHOUN,)
and SALLIE CALHOUN,)
PLAINTIFFS,)

SUMMONS

VS.)

2012-CP-01-341
(JURY TRIAL DEMANDED)

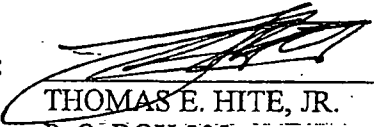
LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC,)
First National Insurance)
Company of America, Peerless)
Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Services, LLC)
Company and First National)
Insurance Company of America,)
Peerless Insurance Company,)
SOUTHERN RISK INSURANCE)
SERVICES, LLC, FIRST)
NATIONAL INSURANCE)
COMPANY OF AMERICA)
AND PEERLESS INSURANCE)
COMPANY,)
DEFENDANTS.)

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to

the Court for relief demanded in the Complaint.

HITE & STONE

BY: 

THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFFS

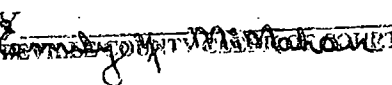
ABBEVILLE, SOUTH CAROLINA

2/21, 2013

FILED
STATE OF SOUTH CAROLINA
COUNTY OF Aiken

TRUE COPY

BY


ABBEVILLE, SOUTH CAROLINA

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JOHNNY CALHOUN,)
and SALLIE CALHOUN,)
)
PLAINTIFFS,)

SECOND AMENDED COMPLAINT

VS.)

2012-CP-01-341
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC,)
First National Insurance)
Company of America, Peerless)
Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Services, LLC)
Company and First National)
Insurance Company of America,)
Peerless Insurance Company,)
SOUTHERN RISK INSURANCE)
SERVICES, LLC, FIRST)
NATIONAL INSURANCE)
COMPANY OF AMERICA)
AND PEERLESS INSURANCE)
COMPANY,)
)
DEFENDANTS.)

The Plaintiff complaining of the Defendants herein would respectfully show unto this
Honorable Court:

1. That the Plaintiffs are citizens and resident of the County of Abbeville, State of
South Carolina, and at the time mentioned herein were the owners of four automobiles: 1999
Lincoln, 2001 Dodge, 2000 Mitsubishi, and 1991 Ford as well as a home located at 1820 Old
Landfill Road, Iva, S.C.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant Southern Risk Insurance Services, LLC, Defendant, First National Insurance Company of America, and Defendant Peerless Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant Southern Risk Insurance Services, LLC and Defendant, First National Insurance Company of America, and Defendant, Peerless Insurance Company.

4. That Defendant Southern Risk Insurance Services, LLC, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant First National Insurance Company of America, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

6. That Defendant Peerless Insurance Company, is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

7. That the Defendants Jesse A. Dantice, Southern Risk Insurance Company and Montgomery Insurance Company at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

8. That on or before May 20, 2011, the Plaintiff contacted Defendant Laura B. Willis concerning purchasing liability insurance for their four automobiles: 1999 Lincoln, 2001 Dodge, 2000 Mitsubishi, and 1991 Ford as well as homeowner's insurance for their home located at 1820 Old Landfill Road, Iva, S.C. The Plaintiffs were assured that the policies offered by Defendant Laura Willis were the least expensive and with the most coverage available in the insurance market. That the Plaintiffs paid the requested premiums for both policies and was assured by Defendant Laura B. Willis that all vehicles as well as their home were fully covered. That the Plaintiff unfortunately learned, after a lightning strike which damaged their well pump, that they did not have insurance coverage on their home even though Defendant Willis pretended that they had coverage and further pretended to adjust their claim. That likewise the Plaintiffs were notified on or about September 26, 2012 by the S.C. Department of Motor Vehicles that Plaintiff Sallie Calhoun's license and registration had been cancelled for allowing their liability insurance coverage to lapse even though they had paid for their insurance and had been assured that they had liability insurance by Defendant, Laura B. Willis. That as a result of the suspension of Plaintiff, Sallie Calhoun's driving privileges she had to pay a substantial reinstatement fee to get her driver's license and registration back.

9. That the Plaintiffs are informed and believe that many illegal and improper tactics were used by the Defendants to take advantage of members of the general public, and specifically these Plaintiffs, for the purpose of making greater profits. The Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, with the express or implied permission of the other Defendants, committed the following acts:

That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly. The tactics of the Defendants as set forth above effectively and illegally lowered premiums for the general public and effectively restrained trade.

- a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law which prohibits discrimination;
- d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
- f. took cash payments and/or debits from bank accounts from insurance clients

and converted the cash to her own use and benefit;

- g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
- h. issued bogus, and non-existent insurance policies to the general public;
- i. pretended insurance policies were in force when a loss to a customer occurred;
- j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;
- k. when insurance customers of Defendant, Laura B. Willis, questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lienholder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs, which reveal fraud and/or misconduct of agents and/or customers.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

- 10. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.
- 11. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises. That the

Plaintiffs are informed and believe that none of the activities of the Defendants, as set forth above, are allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

12. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiffs and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

13. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiffs have suffered significant damages, including, but not limited to, paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

14. That the Plaintiffs are informed and believe that they are entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

15. That the allegations of the First Cause of Action are incorporated herein by reference.

16. That the Plaintiffs are informed and believes that pursuant to § 14-1-50 they are entitled to pursue their Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

17. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

18. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiffs have suffered significant damages, including, but not limited to: paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

19. That the Plaintiffs are informed and believe that they are entitled to actual damages including, restitution, loss profits, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CONVERSION

20. That the allegations of the First Cause of Action are incorporated herein by reference.

21. That the Defendants individually and/or through their authorized and acting agent and/or servant as set forth above received the Plaintiffs' insurance premiums and converted the same to their own use and benefit.

22. That the Plaintiffs are informed and believe that they are entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

23. That the allegations of the First, Second and Third Causes of action are incorporated herein by reference.

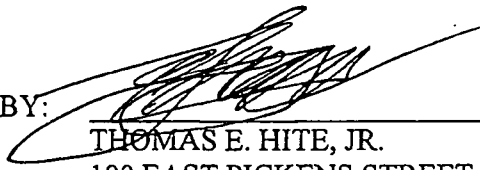
24. That the Defendant, Laura Willis, acting within the scope of her employment, and acting as agents and/or servants of the other Defendants made numerous false representations to the Plaintiffs. That these representations were material to their insurance and contractual dealings. That the Defendant, Laura Willis, either knew of the falsity or recklessly disregarded whether the statements were true or false. That Defendant, Laura Willis, intended that her false statements would be acted on by the Plaintiffs. That the Plaintiffs had no knowledge that the multiple representations made by Defendant, Laura Willis, were false and he had the right to rely on the multiple representations. That the Plaintiffs suffered significant damages as a result of these fraudulent statements including by not limited to: paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

25. That the Plaintiffs are informed and believe that they are entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to them by the Defendants.

WHEREFORE, the Plaintiffs prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY: 

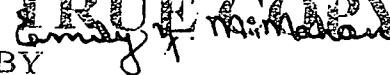
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Email: tommyhite@hotmail.com
ATTORNEY FOR THE PLAINTIFFS

ABBEVILLE, SOUTH CAROLINA
2/21/, 2013

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

EMILY J. HOSKINS
CLERK OF COURT

2013 FEB 21 PM 4:07

TRUE COPY

BY
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JANIE WILTSHIRE,
PLAINTIFF,

SUMMONS

VS.

2013-CP-01-073
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,
and as agent for Southern Risk
Insurance Services LLC and
Safeco Insurance Company,
JESSE A. DANTICE, individually
and as broker/agent for
Southern Risk Insurance
Services LLC, and Safeco
Insurance Company,

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

and

SOUTHERN RISK INSURANCE
SERVICES, LLC, and SAFECO
INSURANCE COMPANY,

DEFENDANTS.

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY:


THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 366-5400 TELEPHONE

(864) 366-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFFS

ABBEVILLE, SOUTH CAROLINA

February 21, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JANIE WILTSHIRE,
PLAINTIFF,

COMPLAINT

VS.

2013-CP-01-073
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,
and as agent for Southern Risk
Insurance Services LLC and
Safeco Insurance Company,
JESSE A. DANTICE, individually
and as broker/agent for
Southern Risk Insurance
Services LLC, and Safeco
Insurance Company,

TRUE COPY
Deputy Clerk of Court
ABBEVILLE COUNTY CLERK OF COURT

and
SOUTHERN RISK INSURANCE
SERVICES, LLC, and SAFECO
INSURANCE COMPANY,
DEFENDANTS.

FILED
STATE OF SOUTH CAROLINA
COURT OF COMMON PLEAS
ABBEVILLE COUNTY

The Plaintiff complaining of the Defendants herein would respectfully show unto this
Honorable Court:

1. That the Plaintiff is a citizen and resident of Edisto Island, County of Colleton,
State of South Carolina, and at the time mentioned herein was the owner of real property located
in Greenwood County, South Carolina.
2. That the Defendant, Laura B. Willis is a citizen and resident of the County of
Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance
agent and operated an insurance business under the direct supervision of her partner/broker.
Defendant, Jesse A. Dantice, Defendant, Southern Risk Insurance Services LLC, and Defendant,

Safeco Insurance Company.

3. That the Defendant, Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant, Southern Risk Insurance Services LLC, and Defendant, Safeco Insurance Company.

4. That Defendant, Southern Risk Insurance Services LLC is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

5. That Defendant, Safeco Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its' authorized agents and servants sold insurance policies to the general public.

6. That Defendants, Jesse A. Dantice, Southern Risk Insurance Services LLC, Safeco Ins. Co, at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to the properly train and supervise Defendant, Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

7. That prior to 2012, Plaintiff purchased through Defendant, Laura Willis and paid all premiums due for automobile insurance with Defendant, Safeco on her 2003 BMW automobile. That although Plaintiff never received a policy, she was assured by the Defendant, Laura Willis that her car was fully covered. That Plaintiff never filled out or signed an

insurance application for the Defendants and made all premium payments directly to Defendant, Laura Willis as instructed. That on or about February 22, 2012, the BMW had serious mechanical problems related to water coming through the sunroof. That Plaintiff's car was taken to Century BMW in Greenville, S.C. and Plaintiff waited for Defendant, Safeco to pay her loss claim. That Defendant, Safeco provided a rental car to the Plaintiff and Safeco but transferred her claim from adjuster to adjuster and did nothing to resolve the claim for approximately four months with the Plaintiff and the car dealer employees repeatedly demanding that something be done. Plaintiff's car went to dealership for repairs on February 22, 2012 and was finally repaired on June 12, 2012. That a representative from Defendant, Safeco ultimately admitted to Plaintiff that the claim had been mishandled and paid her claim in the amount of \$6,458.00. Plaintiff assumes that Safeco paid the loaner/rental car bill for approximately four months because she was never billed for the same. . Plaintiff paid no deductible for the repairs and once the repairs were completed her car was delivered to her at her home in Colleton County, South Carolina. That the Plaintiff is informed and believes that she never had a Safeco policy in force at the time of her loss and that Defendant Safeco paid her claim so that she and the general public would not discover the illegal and improper activities being perpetrated on the public by all of the Defendants. That Plaintiff later learned that Defendant, Laura Willis used her own business email address, (lw@sorisk.com), which was under the Defendant, Southern Risk business umbrella for all correspondence to the Plaintiff from the Defendant, Safeco, to further keep Plaintiff in the dark about the activities of the Defendants relative to her policies. That when Plaintiff questioned the alarming activities of Defendant Laura Willis, Defendant Jesse Dantice, personally assured Plaintiff that Defendant, Laura Willis was an "upstanding employee" of his even though he knew she was on probation for many improper and/or illegal acts in his insurance

business in Abbeville, S.C.

FOR A FIRST CAUSE OF ACTION
BREACH OF CONTRACT

8. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

9. That in 2010 the Plaintiff purchased wind, hail, flood and homeowner's insurance from Defendant, Laura Willis for her Greenwood County real property at 107 Overbrook Drive. That the Plaintiff paid all premiums due and was assured by Defendant Laura Willis that at all times her policy was in full force and effect even though she never got a policy. That Plaintiff had phone conversation in April 2012 with Defendant Laura Willis regarding insurance on the property and informed Defendant Laura Willis that there were tenants living in the home. That on August 3, 2012 Plaintiff notified Defendant, Laura Willis that her roof on her home had been severely damaged by a hailstorm. That the Plaintiff got no response from any of the Defendants and on August 10, 2012 she sent, by email, a photograph to Defendant, Laura Willis showing the damaged roof and asked again for help. That Defendant, Jesse Dantice informed the Plaintiff that she had no coverage for this hail loss but then miraculously in September of 2012, Plaintiff's policy was apparently unilaterally reinstated by the Defendants but with a beginning date subsequent to her loss claim. Defendants have steadfastly refused to contact Plaintiff and even discuss her roof damage claim. That there was no invoice to the Plaintiff from the Defendants for the reinstated policy until February 18, 2013 and that invoice was for a policy date that was subsequent to the Plaintiff's roof damage. That the Plaintiff has no choice but to pay for the costs of her roof repairs herself even though she paid Defendants for insurance coverage which was supposed to cover this particular loss.

10. That payments for a wind and hail, flood and homeowner policies were sent

directly to Defendant Laura Willis and the Plaintiff never received a policy at any time to the present date.

11. That the Plaintiff is informed and believes that she is entitled to judgment against the Defendants for breach of contract.

FOR THE SECOND CAUSE OF ACTION
(BAD FAITH)

12. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

13. That the Defendants without just cause and in bad faith, refused to pay the insurance claim of the Plaintiff, by committing the following acts:

- a. Denying the claim without a reasonable basis;
- b. Denying the claim without conducting a thorough, complete, and unbiased investigation;
- c. Denying the claim while making untrue and misleading statements;

14. That the Plaintiff is informed and believes that due to the Defendant's acts and omissions as set forth above in the handling of her claim she is entitled to judgment for actual and punitive damages against the Plaintiff for bad faith refusal to pay her claim.

FOR A THIRD DEFENSE CAUSE OF ACTION
(STATUTORY CAUSE OF ACTION)

15. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

16. That this cause of action is brought pursuant to Section 38-59-40 of the Code of Laws of South Carolina 1976, as amended.

17. That the Defendants have breached the insurance contract existing between the

parties by failing and refusing to pay Plaintiff's claim within ninety days after demand has been made.

18. That the Plaintiff is entitled to all benefits due under the insurance contract, plus attorney's fees.

FOR A FOURTH CAUSE OF ACTION
(VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*)

19. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

20. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

21. That Defendants by and through their acting agent and/or servant Laura Willis have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

22. That the Plaintiff is informed and believes that among the many illegal and improper tactics used by the Defendants to corner the retail insurance market in Abbeville County, South Carolina and destroy all competition, the Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, with the express or implied permission of the other Defendants committed the following acts:

- a. repeatedly forged insurance documents, which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts, which would have resulted in higher rates to gain an

- unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law, which prohibits discrimination;
 - d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
 - e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
 - f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;
 - g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
 - h. issued bogus, and non-existent insurance policies to the general public;
 - i. pretended insurance policies were in force when a loss to a customer occurred;
 - j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;
 - k. when insurance customers of Defendant, Laura B. Willis, questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state

government agencies were telling the customers that they had no coverage;

1. paid insurance premiums for third parties who would solicit business for the Defendants;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision and/or auditing of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers.

23. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

24. That the Plaintiff is informed and believe that she is entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A FIFTH CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

25. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

26. That the Plaintiff is informed and believes that pursuant to § 14-1-50 she is entitled to pursue his Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

27. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

28. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

FOR A SIXTH CAUSE OF ACTION
CONVERSION

29. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

30. That the Defendants individually and/or through their authorized and acting agent and/or servant, as set forth above, received the Plaintiff's insurance premiums and converted the same to their own use and benefit without providing the Plaintiff the insurance she believed she was purchasing.

31. That the Plaintiff is informed and believe that she is entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

32. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

33. That the Defendants, Laura Willis, Jesse Dantice, and agents and servants of Defendant Safeco acting within the scope of their employment, and acting as agents and/or servants of the other Defendants made numerous false representations to the Plaintiff. That these representations were material to their insurance and contractual dealings. That the Defendants Weither knew of the falsity or recklessly disregarded whether the statements were true or false. That Defendants intended that their false statements would be acted on by the Plaintiff. That the Plaintiff had no knowledge that the multiple representations made by Defendants were false and had the right to rely on the multiple representations. That the Plaintiff suffered significant damages as a result of these fraudulent statements including by not limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

34. That the Plaintiff is informed and believes that she is entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to them by the Defendants.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages, attorneys fees, and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY:



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ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
February 27, 2013

Rec'd 3/20/2013
00350/01679

STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
COUNTY OF ABBEVILLE) EIGHTH JUDICIAL CIRCUIT

Richard W. Wilson,) Civil Action No. 2012-CP-01-00306

Plaintiff,)

vs.)

Laura B. Willis and Jesse A. Dantice,)
individually and as agents and/or)
brokers for Southern Risk Insurance)
Company, Travelers Casualty Insurance)
Company of America, Allied Property)
& Casualty Insurance Company,)
Peerless Insurance Company,)
Montgomery Mutual Insurance)
Company, Safeco Insurance Company)
of America, and Foremost Insurance)
Company, Southern Risk Insurance)
Company, Travelers Casualty Insurance)
Company of America, Allied Property)
& Casualty Insurance Company,)
Peerless Insurance Company,)
Montgomery Mutual Insurance)
Company, Safeco Insurance Company)
of America, and Foremost Insurance)
Company,)

Defendants.)

**ANSWER OF
DEFENDANTS MONTGOMERY
MUTUAL INSURANCE COMPANY,
SAFECO INSURANCE COMPANY
OF AMERICA AND PEERLESS
INSURANCE COMPANY TO THE
AMENDED COMPLAINT**

JURY TRIAL REQUESTED

FILED
STATE OF SOUTH CAROLINA
CLERK OF ABBEVILLE
MAR 21 11:00 AM '13

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

The Defendants, Montgomery Mutual Insurance Company, Safeco Insurance Company of America and Peerless Insurance Company (collectively referred to herein as "Defendants"), by and through their undersigned counsel, hereby respond to the Plaintiff's Complaint as follows:

GENERAL DENIAL

Each and every allegation of the Complaint is expressly denied unless specifically admitted, qualified, or explained herein.

FOR A FIRST DEFENSE

1. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 1, and, therefore, deny those allegations.

2. Responding to paragraph 2, Defendants admit, upon information and belief, that Defendant Laura B. Willis ("Defendant Willis"), is a citizen and resident of Abbeville County, South Carolina, and was a licensed insurance agent who operated an insurance business. Defendants deny that Defendant Willis operated under their direct supervision. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in paragraph 2, and, therefore, deny those allegations.

3. Responding to paragraph 3, Defendants admit, upon information and belief, that Defendant Jesse A. Dantice ("Defendant Dantice") is a citizen and resident of Anderson County, South Carolina, and operates an insurance business in Abbeville County, South Carolina. Defendants deny that Defendant Dantice operated under their direct supervision. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in paragraph 3, and, therefore, deny those allegations.

4. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 4, and, therefore, deny those allegations.

5. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 5, and, therefore, deny those allegations.

6. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 6, and, therefore, deny those allegations.

7. Responding to paragraph 7, the Defendants admit that Peerless Insurance Company is an entity organized and existing under the laws of a state of the United States and that, at the time mentioned in the Complaint, it provided insurance policies to members of the general public. The remaining allegations in paragraph 7 are denied.

8. Responding to paragraph 8, the Defendants admit that Montgomery Mutual Insurance Company is an entity organized and existing under the laws of a state of the United States and that, at the time mentioned in the Complaint, it was involved with the administration of certain insurance policies insuring members of the general public. The remaining allegations in paragraph 8 are denied.

9. Responding to paragraph 9, the Defendants admit that Safeco Insurance Company of America is an entity organized and existing under the laws of a state of the United States and that, at the time mentioned in the Complaint, it provided

insurance policies to members of the general public. . The remaining allegations in paragraph 9 are denied.

10. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 10, and, therefore, deny those allegations.

11. Paragraph 11 of the Complaint improperly states legal conclusions, and, as such, requires no response. To the extent that a response is required, Defendant deny the allegations in paragraph 11.

12. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations in paragraph 12, and, therefore, deny those allegations, with the exception that the website appears to contain the italicized phrase set forth.

13. Responding to paragraph 13, and all of its subparts, Defendants deny that Defendant Willis was their "authorized and acting agent and/or servant" and that she was acting with "the express or implied permission" of the Defendants with regard to the acts alleged. The Defendants are without knowledge or information sufficient to form a belief as to the truth or falsity of the remaining allegations in paragraph 13, and, therefore, deny those allegations.

14. Defendants deny the allegations of paragraph 14.

FOR A FIRST DEFENSE TO THE FIRST CAUSE OF ACTION

15. Responding to paragraph 15, the Defendants reallege and incorporate by reference herein their responses to the allegations in the preceding

paragraphs of the Complaint to the extent not inconsistent herewith, as if fully stated herein.

16. Responding to paragraph 16, Defendants state that all of the alleged activities are regulated by the South Carolina Department of Insurance and exempt from the coverage of the South Carolina Unfair Trade Practices Act under S.C. Code Ann. § 39-5-40(c). Defendants otherwise deny the allegations of paragraph 16

17. Responding to paragraph 17 Defendants crave reference to the SCUTPA and deny any allegations inconsistent therewith.

18. Defendants deny the allegations in paragraph 18.

19. Defendants deny the allegations in paragraph 19.

20. Defendants deny the allegations in paragraph 20.

FOR A FIRST DEFENSE TO THE SECOND CAUSE OF ACTION

21. Responding to paragraph 21, the Defendants reallege and incorporate by reference herein their responses to the allegations in the preceding paragraphs of the Complaint to the extent not inconsistent herewith, as if fully stated herein.

22. Defendants deny the allegations of paragraph 22.

23. Defendants deny the allegations of paragraph 23.

24. Defendants deny the allegations of paragraph 24

25. Defendants deny the allegations of paragraph 25.

FOR A FIRST DEFENSE TO THE THIRD CAUSE OF ACTION

26. Responding to paragraph 26, the Defendants reallege and incorporate by reference herein their responses to the allegations in the preceding

paragraphs of the Complaint to the extent not inconsistent herewith, as if fully stated herein.

27. Defendants deny the allegations in paragraph 27.

28. Defendants deny the allegations in paragraph 28.

29. Defendants deny the allegations in paragraph 29.

FOR A FIRST DEFENSE TO THE FOURTH CAUSE OF ACTION

30. Responding to paragraph 30, the Defendants reallege and incorporate by reference herein their responses to the allegations in the preceding paragraphs of the Complaint to the extent not inconsistent herewith, as if fully stated herein.

31. Defendants deny the allegations in paragraph 31.

32. Defendants deny the allegations in paragraph 32.

33. Defendants deny the allegations in paragraph 33.

FOR A FIRST DEFENSE TO THE PRAYER FOR RELIEF

34. Responding to Plaintiff's Prayer for Relief, the Defendants deny all allegations contained therein and deny that Plaintiff is entitled to the relief requested or any relief whatsoever.

FOR A SECOND DEFENSE
(Failure to State a Claim)

35. The Defendants would show that Plaintiff has failed to state a claim upon which relief can be granted against the Defendants, and some or all of the claims in Plaintiff's Complaint should, therefore, be dismissed pursuant to S.C.R.Civ.P. 12(b)(6).

FOR A THIRD DEFENSE
(Economic Loss Rule)

The Defendants would show that Plaintiff's tort claims are barred by the economic loss rule.

FOR A FOURTH DEFENSE
(Failure to Mitigate Damages)

36. The Defendants would show that Plaintiff has failed to take all reasonable measures to mitigate his alleged damages.

FOR A FIFTH DEFENSE
(Waiver and Estoppel)

37. The Defendants would show that some or all of Plaintiff's claims are barred by the doctrines of waiver and/or estoppel.

FOR A SIXTH DEFENSE
(Exception from UTPA)

38. The Defendants would show that, pursuant to S.C. Code Ann. § 39-5-40(c), the alleged conduct is exempt from the provisions of South Carolina Unfair Trade Practices Act.

FOR AN SEVENTH DEFENSE
(Intervening Actions of Third Party)

39. The Defendants would show that any injury or damage suffered by Plaintiff, if any, was due to or caused by or occasioned by the intervening actions or omissions of a third party or parties for whom the Defendants are not responsible and therefore, Plaintiff's claims should be barred or reduced accordingly.

FOR A EIGHTH DEFENSE
(Laches/Statute of Limitations)

40. The Defendants would show that the claims asserted in Plaintiff's Complaint are barred by the doctrine of laches or any applicable statute of limitations.

FOR A NINTH DEFENSE

(Scope of Agency)

41. The Defendants would show that any actions taken by any alleged agent of the Defendants which caused any injury to Plaintiff, which is expressly denied, were taken while said alleged agent or agents were acting outside the scope of any alleged agency relationship, and, therefore, the Defendants are not responsible.

FOR AN TENTH DEFENSE

(Terms and Conditions of Insurance Policies)

42. The Defendants would incorporate by reference all terms and conditions of any insurance policies between Plaintiff and any policy holders who allegedly terminated or cancelled their policies with Plaintiff as a result of the conduct alleged in the Complaint

FOR A ELEVENTH DEFENSE

(Set-Off)

43. The Defendants assert that they are entitled to a set-off based on any recovery by Plaintiff from any of the other Defendants.

FOR A TWELTH DEFENSE

(Failure to Properly Allege Special Damages)

44. The Defendants would show that Plaintiff has failed to allege his special damages with the specificity required by Rule 9(g), SCRPC

FOR A THIRTEENTH DEFENSE
(Unconstitutionality of Punitive Damages)

45. The Defendants would show that an award of punitive damages would violate the Fifth, Sixth, and Fourteenth Amendments of the United States Constitution and Article I, Section 3 of the South Carolina Constitution in that:

- a. the judiciary's ability to correct a punitive damages award only upon a finding of passion, prejudice, or caprice is inconsistent with due process guarantees;
- b. any award of punitive damages serving a compensatory function is inconsistent with due process guarantees;
- c. any award of punitive damages based upon the wealth of the Defendants violates due process guarantees;
- d. the jury's unfettered power to award punitive damages in any amount it chooses is wholly devoid of meaningful standards and is inconsistent with due process guarantees;
- e. an excessive award of punitive damages violates the due process guarantees of the Defendants;
- f. an award of punitive damages that is neither reasonable nor proportionate to the alleged wrong committed is irrational, arbitrary, furthers no legitimate purpose, and is an unconstitutional deprivation of the property of the Defendants;
- g. an award of punitive damages that is grossly disproportionate to any compensatory damages awarded violates the Defendants' due process guarantees;
- h. an award of punitive damages based solely on vicarious liability or the doctrine of respondeat superior is violative of due process guarantees;
- i. due to the lack of standards for determining punitive damages, the Defendants lack fair notice of the punishment to which they could be subjected;

- j. even if it could be argued that the standard governing the imposition of punitive damages exists, the standard is void for vagueness;
- k. an award of punitive damages that does not comport with the three guideposts articulated in *State Farm Mutual Automobile Insurance Company v. Campbell* fails to satisfy constitutional due process guarantees; and
- l. the Plaintiff's claim for punitive damages violates the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution and Article I, Section 3 of the South Carolina Constitution in that the amount of punitive damages is based upon the wealth of the Defendants.

46. To the extent Plaintiff asserts or has a claim for punitive damages, and the same is expressly denied, Plaintiff's claim is subject to any and all standards and limitations regarding the determination and/or enforceability of punitive damage awards contained in the decisions of BMW of No. America v. Gore, 517 U.S. 559 (1996), Cooper Industries, Inc. v. Leatherman Tool Group, Inc., 532 U.S. 424 (2001), State Farm Mut. Auto. Ins. Co. v. Campbell, 538 U.S. 408 (2003), Safeco Ins. Co. of Am. v. Burr, 551 U.S. 47 (2007) and Philip Morris USA v. Williams, 549 U.S. 346 (2007) and South Carolina case law and statutory provisions.

**FOR A FOURTEENTH DEFENSE
(Limitation on Punitive Damages)**

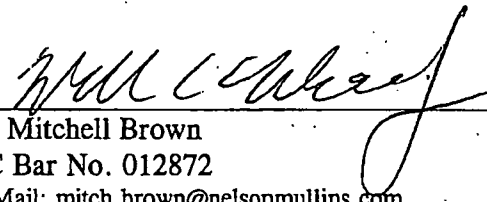
47. To the extent Plaintiff is entitled to and is awarded punitive damages, and Defendants deny that Plaintiff is entitled to or should be awarded any such damages, such damages are limited as provided by S.C. Code Ann. § 15-32-530.

Reservation

48. The Defendants reserve the right to assert any and all other defenses to Plaintiff's Complaint, both factual and legal, as may be justified by information subsequently obtained.

WHEREFORE, having fully answered Plaintiff's Complaint, the Defendants pray that the Complaint be dismissed, with prejudice, and for such other and further relief as the Court may deem just and proper.

NELSON MULLINS RILEY & SCARBOROUGH LLP

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Attorneys for Montgomery Mutual Insurance
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Peerless Insurance Company

Columbia, South Carolina

3/15

, 2013

STATE OF SOUTH CAROLINA)

COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT

Robert Wayne Gary and Cynthia
Gary,

Plaintiffs,

vs.

Laura B. Willis, individually, and as
agent for Southern Risk Insurance
Services LLC, and First National
Insurance Company of America,
Montgomery Insurance Company, and
Safeco Insurance Company,

and

Jesse A. Dantice, individually and as
broker/agent for Southern Risk
Insurance Services LLC, First National
Insurance Company of America,
Montgomery Insurance Company, and
Safeco Insurance Company,

and

First National Insurance Company of
America, Montgomery Insurance
Company, Safeco Insurance
Company, Peerless Insurance
Company, and Laurie Wilson-
Williams.

Defendants.

Civil Action No. 2013-CP-01-66

SUMMONS

Jury Trial Requested

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

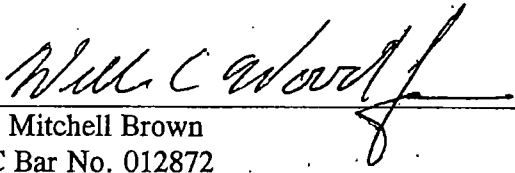
Filed APR 15 A.D. 2013
at 8:38 o'clock P.M.
[Signature]
Clerk of Court

TO: Defendant Laurie Wilson-Williams:

YOU ARE HEREBY SUMMONED and required to answer the Crossclaims herein, a
copy of which is herewith served upon you and to serve a copy of your answer to the

Crossclaims upon the subscriber, at the address shown below, within thirty (30) days of service hereof, exclusive of the day of such service, and if you fail to answer the complaint, judgment by default will be rendered against you for the relief demanded in the Crossclaims.

NELSON MULLINS RILEY & SCARBOROUGH LLP

By: 
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Attorneys for First National Insurance Company,
Montgomery Mutual Insurance Company,
Safeco Insurance Company of America, and
Peerless Insurance Company

Columbia, South Carolina

April 12, 2013

STATE OF SOUTH CAROLINA

COUNTY OF ABBEVILLE

IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT

Robert Wayne Gary and Cynthia
Gary,

Plaintiffs,

vs.

Laura B. Willis, individually, and as
agent for Southern Risk Insurance
Services LLC, and First National
Insurance Company of America,
Montgomery Insurance Company, and
Safeco Insurance Company,

and

Jesse A. Dantice, individually and as
broker/agent for Southern Risk
Insurance Services LLC, First National
Insurance Company of America,
Montgomery Insurance Company, and
Safeco Insurance Company,

and

First National Insurance Company of
America, Montgomery Insurance
Company, Safeco Insurance
Company, Peerless Insurance
Company, and Laurie Wilson-
Williams.

Defendants.

Civil Action No. 2013-CP-01-66

ANSWER, COUNTERCLAIM, AND CROSS
CLAIM OF FIRST NATIONAL INSURANCE
COMPANY, MONTGOMERY MUTUAL
INSURANCE COMPANY, SAFECO
INSURANCE COMPANY OF AMERICA, AND
PEERLESS INSURANCE COMPANY

Jury Trial Requested

STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
Filed APR. 15 A.D. 2013
8:38 o'clock AM
[Signature]
Clerk of Court

TRUE COPY
BY [Signature]
ABBEVILLE COUNTY CLERK OF COURT

First National Insurance Company of America ("First National"), Montgomery
Mutual Insurance Company ("Montgomery"), incorrectly identified in the complaint as
Montgomery Insurance Company, Safeco Insurance Company of America ("Safeco"),

incorrectly identified as Safeco Insurance Company, and Peerless Insurance Company ("Peerless") answer the complaint of Plaintiffs, counterclaim, and cross claim against Laurie Wilson-Williams as follows. First National, Montgomery, Safeco, and Peerless deny every allegation of the complaint unless it is specifically and expressly admitted below.

FOR A FIRST DEFENSE

1. First National, Montgomery, Safeco, and Peerless are without information or knowledge sufficient to admit or deny the truth of the allegations in paragraph 1 and deny them on that basis.

2. First National, Montgomery, Safeco, and Peerless admit, on information and belief, that Willis is a resident of Abbeville County. First National, Montgomery, Safeco, and Peerless admit that Willis was, at one time, a licensed insurance agent with a variety of insurance companies. First National, Montgomery, Safeco, and Peerless admit, on information and belief, that Willis operated her business in affiliation with Dantice and Southern Risk. First National, Montgomery, Safeco, and Peerless deny all remaining allegations of paragraph 2.

3. First National, Montgomery, Safeco, and Peerless admit, upon information and belief, that Dantice is a resident of Anderson County. First National, Montgomery, Safeco, and Peerless admit, on information and belief, that Dantice operated his business, Southern Risk, in affiliation with Willis and that it operated an office in Abbeville County and sold policies of insurance from that office. First National, Montgomery, Safeco, and Peerless deny any remaining allegations of paragraph 3.

4. First National, Montgomery, Safeco, and Peerless deny that Southern Risk is a corporation. It is identified through the South Carolina Secretary of State as a limited liability company. First National, Montgomery, Safeco, and Peerless admit, upon information and belief, that Southern Risk operated an office in Abbeville County and sold policies of insurance from that office. First National, Montgomery, Safeco, and Peerless deny any remaining allegations of paragraph 4.

5. First National, Montgomery, Safeco, and Peerless admit that First National is a corporation organized under the laws of a state of the United States. They deny the remaining allegations of paragraph 5.

6. First National, Montgomery, Safeco, and Peerless admit that Montgomery is a corporation organized under the laws of a state of the United States. They deny the remaining allegations of paragraph 6.

7. First National, Montgomery, Safeco, and Peerless admit that Safeco is a corporation organized under the laws of a state of the United States. They deny the remaining allegations of paragraph 7.

8. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 8 as stated as they pertain to them. First National, Montgomery, Safeco, and Peerless are without knowledge or information sufficient to form a belief as to the truth of the allegations pertaining to others and deny them on that basis.

As to the First Cause of Action for Alleged Breach of Contract

9. First National, Montgomery, Safeco, and Peerless incorporate by reference their responses to paragraphs 1-8 of the complaint into this paragraph as their response to paragraph 9.

10. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 10.

11. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 11.

As to the Second Cause of Action for Alleged Breach of Contract

12. First National, Montgomery, Safeco, and Peerless incorporate by reference their responses to paragraphs 1-11 of the complaint into this paragraph as their response to paragraph 12.

13. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 13.

14. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 14.

15. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 15.

As to the Third Cause of Action for Alleged Violations of the SCUPTA

16. First National, Montgomery, Safeco, and Peerless incorporate by reference their responses to paragraphs 1-15 of complaint into this paragraph as their response to paragraph 16.

17. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 17.

18. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 18.

19. First National, Montgomery, Safeco, and Peerless respond that the text of the South Carolina Unfair Trade Practices Act ("SCUPTA") sets forth the elements and requirements necessary to maintain a cause of action pursuant to that act and the limitations on such actions. First National, Montgomery, Safeco, and Peerless deny all allegations of paragraph 19 that are inconsistent with or an incomplete statement of the elements, requirements, and limitations under the Act.

20. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 20.

21. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 21, including each subpart.

22. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 22.

23. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 23.

As to the Fourth Cause of Action for Alleged Common-Law Unfair Trade Practices

24. First National, Montgomery, Safeco, and Peerless incorporate by reference their responses to paragraphs 1-23 of the complaint into this paragraph as their response to paragraph 24.

25. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 25.

26. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 26.

27. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 27.

As to the Third Cause of Action for Alleged Conversion

28. First National, Montgomery, Safeco, and Peerless incorporate by reference their responses to paragraphs 1-27 of the complaint, as their response to paragraph 28.

29. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 29.

30. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 30.

As to the Sixth Cause of Action for Alleged Fraud

31. First National, Montgomery, Safeco, and Peerless incorporate by reference their responses to paragraphs 1-30 of the complaint, above, into this paragraph as their response to paragraph 31.

32. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 32.

33. First National, Montgomery, Safeco, and Peerless deny the allegations of paragraph 33.

34. First National, Montgomery, Safeco, and Peerless deny that Plaintiffs are entitled to any of the relief requested in the prayer for relief against them.

FOR A SECOND DEFENSE
(Failure to State a Claim)

35. Plaintiffs' complaint fails to state a claim for relief against First National, Montgomery, Safeco, and Peerless

FOR A THIRD DEFENSE
(Statutory Bar)

36. Plaintiffs' third cause of action is barred by S.C. Code Ann. § 39-5-40(c).

FOR A FOURTH DEFENSE
(Comparative Fault)

37. Plaintiffs' claims are barred by the comparative negligence/recklessness of Plaintiffs which was the proximate cause of any claimed injuries on their part, and was greater in proportion than any alleged wrongdoing of First National, Montgomery, Safeco, or Peerless, all of which is denied.

FOR A FIFTH DEFENSE
(Intervening Actions of Third Party)

38. First National, Montgomery, Safeco, and Peerless would show that any injury or damage suffered by Plaintiffs, if any, was due to or caused by or occasioned by the intervening actions or omissions of a third party or parties for whom First National, Montgomery, Safeco, and Peerless is not responsible and therefore, Plaintiffs' claims should be barred or reduced accordingly.

FOR A SIXTH DEFENSE
(Scope of Agency)

39. First National, Montgomery, Safeco, and Peerless would show that any actions taken by any alleged agent of the Defendants which caused any injury to

Plaintiffs, which is expressly denied, were taken while said alleged agent or agents were acting outside the scope of any alleged agency relationship, and, therefore, First National, Montgomery, Safeco, and Peerless are not responsible.

**FOR A SEVENTH DEFENSE
(Set-Off)**

40. First National, Montgomery, Safeco, and Peerless assert that they are entitled to a set-off based on any recovery by Plaintiffs from any of the other Defendants.

**FOR A EIGHTH DEFENSE
(Failure to Properly Allege Special Damages)**

41. First National, Montgomery, Safeco, and Peerless would show that Plaintiffs have failed to allege special damages with the specificity required by Rule 9(g), SCRPC

**FOR A NINTH DEFENSE
(Unconstitutionality of Punitive Damages)**

42. First National, Montgomery, Safeco, and Peerless would show that an award of punitive damages would violate the Fifth, Sixth, and Fourteenth Amendments of the United States Constitution and Article I, Section 3 of the South Carolina Constitution in that:

a. the judiciary's ability to correct a punitive damages award only upon a finding of passion, prejudice, or caprice is inconsistent with due process guarantees;

b. any award of punitive damages serving a compensatory function is inconsistent with due process guarantees;

c. any award of punitive damages based upon the wealth of the Defendants violates due process guarantees;

d. the jury's unfettered power to award punitive damages in any amount it chooses is wholly devoid of meaningful standards and is inconsistent with due process guarantees;

e. an excessive award of punitive damages violates the due process guarantees of the Defendants;

f. an award of punitive damages that is neither reasonable nor proportionate to the alleged wrong committed is irrational, arbitrary, furthers no legitimate purpose, and is an unconstitutional deprivation of the property of the Defendants;

g. an award of punitive damages that is grossly disproportionate to any compensatory damages awarded violates the Defendants' due process guarantees;

h. an award of punitive damages based solely on vicarious liability or the doctrine of respondeat superior is violative of due process guarantees;

i. due to the lack of standards for determining punitive damages, the Defendants lack fair notice of the punishment to which they could be subjected;

j. even if it could be argued that the standard governing the imposition of punitive damages exists, the standard is void for vagueness;

k. an award of punitive damages that does not comport with the three guideposts articulated in *State Farm Mutual Automobile Insurance Company v. Campbell* fails to satisfy constitutional due process guarantees; and

l. the Plaintiff's claim for punitive damages violates the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution and Article I, Section 3 of the South Carolina Constitution in that the amount of punitive damages is based upon the wealth of the Defendants.

43. To the extent Plaintiffs assert or have a claim for punitive damages, and the same is expressly denied, Plaintiffs' claim is subject to any and all standards and limitations regarding the determination and/or enforceability of punitive damage awards contained in the decisions of BMW of No. America v. Gore, 517 U.S. 559 (1996), Cooper Industries, Inc. v. Leatherman Tool Group, Inc., 532 U.S. 424 (2001), State

Farm Mut. Auto. Ins. Co. v. Campbell, 538 U.S. 408 (2003), Safeco Ins. Co. of Am. v. Burr, 551 U.S. 47 (2007) and Philip Morris USA v. Williams, 549 U.S. 346 (2007) and South Carolina case law and statutory provisions.

**FOR A TENTH DEFENSE
(Limitation on Punitive Damages)**

44. To the extent Plaintiffs are entitled to and are awarded punitive damages, and First National, Montgomery, Safeco, and Peerless deny that Plaintiffs are entitled to or should be awarded any such damages, such damages are limited as provided by S.C. Code Ann. § 15-32-530.

**FOR AN ELEVENTH DEFENSE
AND COUNTERCLAIM AGAINST PLAINTIFFS
AND CROSSCLAIM AGAINST DEFENDANT WILSON-WILLIAMS
(Declaratory Judgment Action)**

45. This matter is a declaratory judgment action pursuant to the South Carolina Uniform Declaratory Judgment Act, S.C. Code Ann. §15-53-10, *et. seq.* in that an actual and justiciable controversy exists between the parties to this action with reference to the existence or non-existence of rights, duties, obligations and benefits under various contracts of insurance.

Jurisdiction

46. First National is an insurance company organized and existing under the laws of one of the states of the United States of America and at all times relevant to this action was and is licensed to sell policies of insurance in the State of South Carolina and is an interested party herein by way of a former insurance relationship with defendants, Robert Wayne Gary and Cynthia Gary (hereafter collectively "the Garys").

47. Peerless is an insurance company organized and existing under the laws of one of the states of the United States of America and at all times relevant to this action was and is licensed to sell policies of insurance in the State of South Carolina and is an interested party herein by way of a former insurance relationship with the Garys and an insurance relationship with Wilson-Williams.

48. Safeco is an insurance company organized and existing under the laws of one of the states of the United States of America and at all times relevant to this action was and is licensed to sell policies of insurance in the State of South Carolina and is an interested party herein.

49. Montgomery is an insurance company organized and existing under the laws of one of the states of the United States of America and at all times relevant to this action was and is licensed to sell policies of insurance in the State of South Carolina and is an interested party herein.

50. Robert Wayne Gary is a resident and citizen of McCormick County and is an interested party to this action in that he is a former party to a contract of insurance with First National and Peerless.

51. Cynthia Gary is a resident and citizen of McCormick County and is an interested party to this action in that she is a former party to a contract of insurance with First National and Peerless and because she is alleged to have been involved in an automobile accident with defendant, Laurie Wilson-Williams.

52. Laurie Wilson-Williams is a resident and citizen of McCormick County and is an interested party to this action in that she is alleged to have been involved in an

automobile accident with defendant Cynthia Gary and coverage is in dispute for that accident and is a party to a contract of insurance with Peerless.

53. Southern Risk Insurance Services, LLC (hereafter "SRIS") is a limited liability corporation organized and existing pursuant to the laws of the state of South Carolina with its principal place of business in Anderson County, state of South Carolina and is an interested party to this action based on its insurance relationship with the Garys and Wilson-Williams.

54. Laura B. Willis (hereafter "Willis"), upon information and belief, is a resident and citizen of Abbeville County, state of South Carolina and at all times relevant to this action was an employee of SRIS and is an interested party based on her involvement with the Garys and Wilson-Williams.

55. Jesse A. Dantice (hereafter "Dantice"), upon information and belief, is a resident and citizen of Anderson County, state of South Carolina and at all times relevant to this action was an owner or employee of SRIS and is an interested party based on his company's involvement with the Garys and Wilson-Williams as their insurance broker.

56. The Court has personal and subject matter jurisdiction over the parties and the issues raised in this action.

57. Venue is proper in Abbeville County pursuant to S.C. Code Ann. § 15-7-30 as one or more of the individual defendants resides in Abbeville County.

Factual Background

58. The Garys were parties to an insurance contract with Peerless with effective coverage dates of June 19, 2011 through June 19, 2012, provided premium payments were made when due.

59. The Peerless policy was policy number PLPW634837 ("Peerless Policy") with policy limits of \$50,000 per person and \$100,000 occurrence for liability coverage. A copy of the declarations pages of the Peerless Policy is attached as Exhibit 1. The terms of the Peerless Policy are incorporated herein by reference.

60. The Garys were required to pay quarterly premiums.

61. On February 21, 2012, Peerless sent the Garys a bill for \$763.50, which was the final installment payment for their Peerless policy. Payment was due March 19, 2012. A copy of the notice is attached as Exhibit 2 and incorporated by reference.

62. The Garys did not pay the premium billed and due by March 19, 2012.

63. On April 9, 2012, Peerless sent to the Garys, at their address on file with the company, a notice that the Peerless Policy was being cancelled for non-payment of premium. The notice provided that the effective date of cancellation was May 4, 2012. A copy of the Notice of Cancellation and proof of mailing is attached hereto, labeled as Exhibit 3 and fully incorporated herein by reference.

64. On May 15, 2012, Peerless sent a further notice that the Peerless policy had been cancelled for non-payment of premium and a bill for the coverage provided under the Peerless policy through the effective date of cancellation on May 4, 2012. A copy of this notice is attached as Exhibit 4 and fully incorporated herein by reference.

65. After the first notice was mailed and up to the time of the effective date of cancellation stated in the notice, neither the Garys nor anyone acting on their behalf, paid the premium due for the Peerless Policy.

66. The Peerless Policy was cancelled effective May 4, 2012.

67. No effort was made by any party herein to reinstate the Peerless Policy.

68. On or about July 26, 2012, Cynthia Gary was involved in an automobile collision with a pedestrian, Laurie Wilson-Williams, allegedly resulting in injuries.

69. Upon information and belief, on or about August 8, 2012, Mr. Gary went to SRIS and met with Willis to obtain new car insurance.

70. Upon information and belief, an accident report, South Carolina form FR-10, was given by the Garys to Willis of SRIS in August 2012, at or around the time of the issuance of the First National policy.

71. On or about August 10, 2012, a check in the amount of \$1,094 for payment was given by the Garys to Willis of SRIS for the purpose of purchasing automobile insurance from First National.

72. The newly purchased First National automobile insurance was to have an effective policy date of August 10, 2012, the date of payment, through August 10, 2013, provided premiums were paid as required during the policy period.

73. An insurance binder was issued but contained the incorrect policy period effective dates, incorrectly listing those dates as July 10, 2012 through July 10, 2013.

74. The accurate and correct dates for the policy period are August 10, 2012 through August 10, 2013, provided premiums are paid in full on the due dates throughout the policy period.

75. Letters were mailed to the Garys as well as many other insureds of Peerless. The purpose of the letters was to inform persons that policies issued by Peerless, which was part of a group of insurance companies operating under the trade name of "Montgomery Insurance," would, if in effect and renewed, be renewed or reissued in a different, but affiliated, insurance company operating under the trade name of "Safeco Insurance." Copies of the letters are attached as Exhibits 5 and 6 and fully incorporate herein by reference.

76. The letters created no rights or obligations.

77. Neither Montgomery nor Safeco, as specific insurance companies within the group of companies operating under the trade names of "Montgomery Insurance" or "Safeco Insurance," ever issued a policy of insurance to the Garys providing automobile insurance coverage on the date of the accident, July 26, 2012.

78. Neither the Garys nor anyone acting on their behalf ever paid premiums to Safeco or Montgomery for issuance of a policy of automobile insurance by Safeco or Montgomery with an effective policy period that included the date of the accident, July 26, 2012.

79. At the time of the accident on July 26, 2012, Wilson-Williams had a policy of insurance with Peerless, policy number PLP W841911 ("Wilson-Williams Policy"), with liability and uninsured motorist coverage limits of \$25,000 for bodily injury to one person. A copy is attached as Exhibit 7 and incorporated herein by reference. The policy did not provide underinsured motorist coverage.

80. Wilson-Williams rejected underinsured motorist coverage under the Policy.

81. Upon information and belief, Wilson-Williams has not filed suit against the Garys or, if filed, such suit has not been tendered to First National, Montgomery, Safeco, or Peerless for a defense. Wilson-Williams has not obtained a judgment against the Garys for any injuries allegedly sustained in the accident of July 26, 2012.

82. A dispute exists regarding the existence or non-existence of contracts of insurance or coverage in connection with the underlying accident as well as liability for the underlying accident.

First Cause of Action
(Declaration: General Rights and Obligations of Parties)

83. First National, Montgomery, Safeco, and Peerless reallege all prior allegations of paragraphs 45-82, above, as part of this cause of action.

84. First National, Montgomery, Safeco, and Peerless generally request that the Court issue a declaration as to the rights and obligations of the parties hereto with reference to the existence and/or non-existence of contracts of insurance or coverage referenced herein and made part and parcel of this action.

Second Cause of Action
(Declaration: Peerless Policy Cancellation May 4, 2012)

85. First National, Montgomery, Safeco, and Peerless reallege all prior allegations of paragraphs 45-84, above, as part of this cause of action.

86. The policy of insurance between the Garys and Peerless for the policy year of June 19, 2011, through June 19, 2012, lapsed and was cancelled effective May 4, 2012, due to failure to make payment due.

87. First National, Montgomery, Safeco, and Peerless are informed and believe that they are entitled to a declaration by the Court that the Peerless Policy was

cancelled and without force and effect as of May 4, 2012, and no rights and/or obligations exist for any event taking place after May 4, 2012.

Third Cause of Action
(Declaration: No Safeco or Montgomery Policy)

88. First National, Montgomery, Safeco, and Peerless reallege all prior allegations of paragraphs 45-87, above, into this cause of action.

89. A letter was sent to the Garys indicating that when any existing policies issued by Peerless were renewed, the renewal policy would be issued by an affiliated insurance company operating under the trade name of "Safeco Insurance."

90. The letter did not create any rights or obligations on the part of any party to this action.

91. First National, Montgomery, Safeco, and Peerless are informed and believe that they are entitled to a declaration that the letter created no rights or obligations in any party to this action.

Fourth Cause of Action
(Declaration: First National Policy Not Effective Until August 10, 2012)

92. First National, Montgomery, Safeco, and Peerless reallege all prior allegations of paragraphs 45-91, above, in this cause of action.

93. On or about August 10, 2012, the Garys contacted Willis of SRIS for the purpose of purchasing automobile insurance.

94. As part of the application process, inquiry was made regarding automobile accidents in the past three (3) years.

95. The application did not identify the July 26, 2012 automobile accident.

96. On or about August 10, 2012, the Garys made payment to their broker, SRIS, with a check in the amount of \$1,094.00 for the purchase of a policy of automobile insurance to begin upon the date of payment.

97. The effective policy period for the policy purchased on August 10, 2012, was August 10, 2012, through August 10, 2013, provided premiums were paid when due.

98. The policy for which the premium was paid on August 10, 2012, had liability coverage limits of \$100,000 each person and \$300,000 each occurrence.

99. On August 14, 2012, Willis, on behalf of the Garys, raised the liability limits to \$250,000 each person and \$500,000 each occurrence for an additional premium.

100. The policy lapsed and was cancelled due to non-payment prior to the completion of the policy period.

101. First National, Montgomery, Safeco, and Peerless are informed and believe that they are entitled a declaration that the First National policy issued to the Garys did not take effect until August 10, 2012, and had a policy period of August 10, 2012, though the earlier of August 10, 2013, or the date on which it lapsed and was cancelled due to non-payment and that no rights or obligations exist under the First National policy for events, occurrences, accidents, claims or other incidents taking place outside of the policy period of August 10, 2012, through the earlier of August 10, 2013, or the cancellation date.

Fifth Cause of Action

(Declaration: No duty of Defense or Indemnity for July 26, 2012 Auto Accident)

102. First National, Montgomery, Safeco, and Peerless reallege all prior allegations of paragraphs 45-101, above, as part of this cause of action.

103. First National, Montgomery, Safeco, and Peerless would show that the policies referenced in this lawsuit either lapsed or were cancelled due to non-payment prior to the automobile accident of July 26, 2012, were never issued to the Garys and/or did not have a policy period until after the automobile accident.

104. First National, Montgomery, Safeco, and Peerless are informed and believe that they are entitled to a declaration by the Court that no duty of defense or indemnity is owed to the Garys by First National, Montgomery, Safeco, or Peerless in connection with the alleged auto accident between Cynthia Gary and Laurie Wilson-Williams, because no insurance was in effect at the time of the accident.

Sixth Cause of Action

(Declaration: Against Public Policy to "Insure" Known Losses)

105. First National, Montgomery, Safeco, and Peerless reallege all prior allegations of paragraphs 45-104, above, as part of this cause of action.

106. At the time the Garys' application for auto insurance was submitted by Willis to First National for consideration, the July 26, 2012, accident had occurred, was known to the parties involved in the accident, and Willis, their broker, and, therefore, was not a contingent or unforeseen circumstance.

107. South Carolina public policy specifies that insurance consists only of a contract to indemnify another or pay a specified amount upon determinable contingencies.

108. First National, Montgomery, Safeco, and Peerless are entitled to a declaration that any policy of insurance issued by any of them to the Garys on the basis of any application submitted for the Garys by Willis, their broker, on their behalf subsequent to the accident of July 26, 2012, that purports to insure that accident, a known loss, is void and unenforceable as a known loss or non-fortuitous circumstance.

FOR A TWELFTH DEFENSE.
AND CROSS CLAIM AGAINST DEFENDANT WILSON-WILLIAMS ONLY
(Declaration: No Underinsured Motorist Coverage – Wilson-Williams Only)

109. First National, Montgomery, Safeco, and Peerless reallege all prior allegations of paragraphs 45-87, above, as part of this cross claim against defendant Wilson-Williams.

110. At the time of the July 26, 2012, accident, Wilson-Williams' policy of automobile insurance with Peerless did not include underinsured motorist coverage on any vehicles insured under that policy.

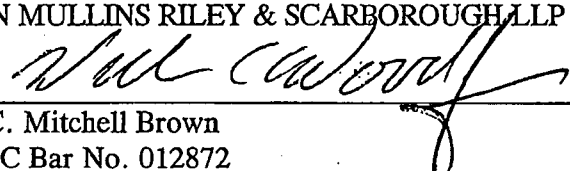
111. Wilson-Williams rejected optional underinsured motorist coverage after receiving a meaningful offer of such coverage in either written or oral form or both.

112. Peerless is entitled to a declaration that Wilson-Williams has no underinsured motorist coverage for the accident of July 26, 2012, or alternatively, that if Wilson-Williams is entitled to underinsured motorist coverage under her policy with Peerless, such coverage has a limit of \$25,000.00 per person for bodily injury and is subject to the terms, conditions, limitations, and exclusions of the policy and South Carolina law.

WHEREFORE, having fully set forth all allegations and requested declarations, plaintiffs pray as follows:

- (a) For a declaration setting forth the rights and obligations of the parties to this action;
- (b) For a declaration that the Peerless policy was cancelled on May 4, 2012 and no rights and/or obligations exist for any event taking place after May 4, 2012, under that policy;
- (c) For a declaration that no Safeco or Montgomery policy was ever issued and no party to this action has any rights against Safeco or Montgomery;
- (d) For a declaration that the First National Policy was not issued until August 10, 2012; that the policy period of the First National Policy is August 10, 2012 through the earlier of August 10, 2013 or cancellation due to non-payment; and that no rights or obligations exist under the First National policy for events, occurrences, accidents, claims or other taking place outside of the policy period of August 10, 2012 through the earlier of August 10, 2013 or cancellation date;
- (e) For a declaration that First National, Montgomery, Safeco, and Peerless have no duty to defend or indemnify the Garys for any claim arising out of the automobile accident between Cynthia Gary and Laurie Wilson-Williams taking place on July 26, 2012.
- (f) For a declaration that Wilson-Williams has no underinsured motorist coverage for the accident of July 26, 2012, or alternatively, that if Wilson-Williams is entitled to underinsured motorist coverage under her policy with Peerless, the coverage limited is a maximum of \$25,000.00 subject to the terms, conditions, limitations, and exclusions of the policy and South Carolina law.
- (g) For the costs of this action; and
- (h) For any other and further relief the Court deems just and proper.

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Attorneys for First National Insurance Company,
Montgomery Mutual Insurance Company,
Safeco Insurance Company of America, and
Peerless Insurance Company

April 12, 2013

Exhibit 1

Policy Number: PLP W634837		Prior Policy: PLP W634837	
Policy Period: 06/19/2011 To: 06/19/2012 12:01 am Standard Time at the Mailing Address of the Named Insured			
Coverage Is Provided In PEERLESS INSURANCE COMPANY			
Billing Type: DIRECT BILL - QUARTERLY			
Named Insured and Mailing Address:		Agent:	
ROBERT WAYNE GARY CYNTHIA GARY 2507 LONG CANE RD TROY SC 29848-3636		SOUTHERN RISK INSURANCE 511 W GREENWOOD ST ABBEVILLE SC 29620-2540	
		Agent Code: 4910185 Agent Phone: (864)-366-3667	

PERSONAL PROTECTOR® PACKAGE DECLARATIONS

-----PREMIUM SUMMARY-----

THIS IS NOT A BILL. YOU WILL RECEIVE A SEPARATE BILL FOR THIS TRANSACTION.

Reason for Transaction	RENEWAL	Base Coverage Premium	\$	3,428.00
Transaction Effective Date	06/19/2011	Additional Coverage Premium		
Premium For This Transaction	\$ 3,034.00	Credits and Debits		
		Personal Protector Credit	\$	-394.00
		Total Policy Premium	\$	3,034.00

-----BASE COVERAGES AND PREMIUMS-----

This policy consists of the following coverage parts:

Coverage	Effective Date	Expiration Date	Basic Premium	Personal Protector Credit	Package Premium
Homeowners	06/19/2011	06/19/2012	\$ 1,039.00	\$ -156.00	\$ 883.00
Personal Auto	06/19/2011	06/19/2012	\$ 2,389.00	\$ -238.00	\$ 2,151.00
Total Premiums			\$ 3,428.00	\$ -394.00	\$ 3,034.00

THIS IS NOT A BILL. YOU WILL BE BILLED SEPARATELY. At your request, your account has been placed on a Direct Bill payment schedule which is based on QUARTERLY installments. Please do not send payment now. You will be receiving a separate invoice statement(s) based on the payment schedule that you selected.

Thank you for selecting us to service your insurance needs!

Date Issued: 06/03/2011

PLP (07/96)

INSURED COPY

06/19/2011

PLPW63483702

0406

MPXFPN 00013226 Page 5

MPXFPN 00013226 Page 5

ROA_0230

APPENDIX 00238

Forming a part of

Policy Number: PLP W634837

Coverage Is Provided In PEERLESS INSURANCE COMPANY

Named Insured:

 ROBERT WAYNE GARY
 CYNTHIA GARY

Agent:

SOUTHERN RISK INSURANCE

Agent Code: 4910185

Agent Phone: (864)-366-3667

HOMEOWNERS COVERAGE

PREMIUM SUMMARY

Reason for Transaction	RENEWAL	Base Coverage Premium	\$	1,267.00
Transaction Effective Date	06/19/2011	Additional Coverage Premium	\$	0.00
Premium For This Transaction	\$ 883.00	Credits and Debits	\$	-384.00
		Total Coverage Premium	\$	883.00

BASE COVERAGES AND PREMIUMS

Insurance is provided where a premium entry is shown for the coverage.

Location		Limit of Liability	Premium
001	SECTION I Coverage A - Dwelling	\$ 198,000	\$ 1,268.00
	Coverage B - Other Structures	\$ 19,800	INCLUDED
	Coverage C - Personal Property	\$ 96,600	\$ -1.00
	Coverage D - Loss of Use	\$ 39,600	INCLUDED
	SECTION II Coverage E - Personal Liability (each occurrence)	\$ 100,000	INCLUDED
	Aggregate Sublimit - Fungi, Wet Or Dry Rot, Or Bacteria	\$ 0	
	Coverage F - Medical Payments (each person)	\$ 1,000	INCLUDED

ADDITIONAL COVERAGES

FUNGI, WET OR DRY ROT, OR BACTERIA - SECTION I \$ 5,000 INCLUDED

Deductible amount - SECTION I - \$ 500. In case of loss under SECTION I, we cover only that part of the loss over the deductible stated.

CREDITS AND DEBITS

Location	Title	Premium
001	CREDIT FOR PROTECTIVE DEVICES	\$ -127.00
001	DEDUCTIBLE ADJUSTMENT	\$ -101.00
001	PERSONAL PROTECTOR CREDIT	\$ -156.00

RATING INFORMATION

Location	Territory	No. of Family	Premium Group	Year Built	Feet to Hydrant	Prot Class
001	41	1	134	1985	0000	05 40
Location	Primary Residence	Automatic Value-up at Renewal	Construction			
001	Y	Y	BRICK VENEER			
Location	Year Roof Renv.	Year Electr. Renv.	Year Plumb. Renv.	Year Heat Syst. Renv.		
001	2008	1985	1985	1985		

HO (07/96)

INSURED COPY

06/19/2011

PLPW63483702

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MPXFPPN 00013228 Page 7

ROA_0232

APPENDIX 00240

HOMEOWNERS COVERAGE (continued)

RATING INFORMATION

Location County
001 GREENWOOD

DESCRIPTION OF ADDITIONAL COVERAGES, CREDITS AND DEBITS

PREMISES ALARM SYSTEM CREDIT
PERCENTAGE IS 10.

FORMS AND ENDORSEMENTS

Your insurance is comprised of the following forms:

Form No.	Ed. Date	Form No.	Ed. Date	Form No.	Ed. Date
HO0003	0491	81-3ED	0198	HO0496	0491
80-1SC	0299	80-27B	0302	HO0432	0502
HO0416	0491				

Date Issued: 06/03/2011

HO (07/96)

INSURED COPY

06/19/2011

PLPW63483702

0406

PGDM560D J23421

MPXFPPN 00013229 Page 8

ROA_0233

APPENDIX 00241

Forming a part of

Policy Number: PLP W634837

Coverage Is Provided In PEERLESS INSURANCE COMPANY

Named Insured:

 ROBERT WAYNE GARY
 CYNTHIA GARY

Agent:

SOUTHERN RISK INSURANCE

Agent Code: 4910185

Agent Phone: (864)-366-3667

PERSONAL AUTO COVERAGE

PREMIUM SUMMARY

Reason for Transaction	RENEWAL	Base Coverage Premium	\$	2,403.00
Transaction Effective Date	06/19/2011	Additional Coverage Premium	\$	0.00
Premium For This Transaction	\$ 2,151.00	Credits and Debits	\$	-252.00
		Total Coverage Premium	\$	2,151.00

VEHICLES COVERED

Veh	Yr	Make	Model	Vehicle ID Number	Sym	Type	St Amt	C/New
001	1988	CHEV	K1500	1GCDK14K4JZ277261				
002	2002	GMC	YUKON	1GKEK13ZX2R291240	13			
003	2005	CHEV	SILVERADO	1GCHK29U05E126903	16			
004	1967	CHEV	CAMERO	123377N203673			\$ 12,000	
005	1985	FORD	MOTORHOME	1FDKE30L3FHA36650	00			

BASE COVERAGES AND PREMIUMS

Insurance is provided where a premium entry is shown for the coverage.

LIABILITY COVERAGES		Limits of Liability	Premium	VEH 001	VEH 002	VEH 003
Bodily Injury	\$	50,000 Each Person and				
	\$	100,000 Each Accident	\$ 109.00	\$ 109.00	\$ 109.00	
Property Damage	\$	25,000 Each Accident	\$ 69.00	\$ 69.00	\$ 69.00	
Medical Payments	\$	1,000 Each Person	\$ 18.00	\$ 18.00	\$ 18.00	
Uninsured Motorist Bodily Injury	\$	25,000 Each Person and				
	\$	50,000 Each Accident	\$ 25.00	\$ 25.00	\$ 25.00	
Underinsured Motorist Bodily Injury	\$	25,000 Each Person and				
	\$	50,000 Each Accident	\$ 63.00	\$ 63.00	\$ 63.00	
Uninsured Motorist Property Damage	\$	25,000 Each Accident	\$ 14.00	\$ 14.00	\$ 14.00	
Underinsured Motorist Property Damage	\$	25,000 Each Accident	\$ 14.00	\$ 14.00	\$ 14.00	

PHYSICAL DAMAGE COVERAGES		Limits of Liability	Premium	VEH 001	VEH 002	VEH 003
Other Than Collision		ACV With Full Coverage Glass			\$ 88.00	\$ 133.00
	VEH 001	VEH 002	VEH 003			
Less Deductible of:		\$ 500	\$ 500			
Collision		Actual Cash Value			\$ 162.00	\$ 232.00
	VEH 001	VEH 002	VEH 003			
Less Deductible of:		\$ 500	\$ 500			

PA (07/96)

06/19/2011

PLPW63483702

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MPXFPPN 00013230 Page 9

ROA_0234

APPENDIX 00242

PERSONAL AUTO COVERAGE (continued)

BASE COVERAGES AND PREMIUMS

PHYSICAL DAMAGE COVERAGES	Limits of Liability	Premium
		Vehicle(s) continued from previous page
Towing and Labor		\$ 6.00 \$ 6.00

	VEH 001	VEH 002	VEH 003
Limit per Disablement:	\$ 50	\$ 50	

LIABILITY COVERAGES	Limits of Liability	Premium	VEH 004	VEH 005
Bodily Injury	\$ 50,000 Each Person and \$ 100,000 Each Accident	\$ 109.00	\$ 107.00	
Property Damage	\$ 25,000 Each Accident	\$ 69.00	\$ 69.00	
Medical Payments	\$ 1,000 Each Person	\$ 18.00	\$ 18.00	
Uninsured Motorist Bodily Injury	\$ 25,000 Each Person and \$ 50,000 Each Accident	\$ 25.00	\$ 13.00	
Underinsured Motorist Bodily Injury	\$ 25,000 Each Person and \$ 50,000 Each Accident	\$ 63.00	\$ 32.00	
Uninsured Motorist Property Damage	\$ 25,000 Each Accident	\$ 14.00	\$ 7.00	
Underinsured Motorist Property Damage	\$ 25,000 Each Accident	\$ 14.00	\$ 7.00	

PHYSICAL DAMAGE COVERAGES	Limits of Liability	Premium	VEH 004	VEH 005
Other Than Collision	ACV With Full Coverage Glass	\$ 80.00		
Less Deductible of:	VEH 004 \$ 500			
Collision	Actual Cash Value	\$ 195.00		
Less Deductible of:	VEH 004 \$ 500			

CREDITS AND DEBITS

Veh Title	Premium
001 PASSIVE RESTRAINT DISCOUNT	\$ -4.00
001 PERSONAL PROTECTOR CREDIT	\$ -30.00
002 PASSIVE RESTRAINT DISCOUNT	\$ -5.00
002 PERSONAL PROTECTOR CREDIT	\$ -56.00
003 PASSIVE RESTRAINT DISCOUNT	\$ -5.00
003 PERSONAL PROTECTOR CREDIT	\$ -67.00
004 PERSONAL PROTECTOR CREDIT	\$ -59.00
005 PERSONAL PROTECTOR CREDIT	\$ -26.00

VEHICLE PREMIUM SUMMARY

Veh	Base Premium	Additional Coverages	Credits and Debits	Total Premium
001	\$ 312.00	\$ 0.00	\$ -34.00	\$ 278.00
002	\$ 568.00	\$ 0.00	\$ -61.00	\$ 507.00
003	\$ 683.00	\$ 0.00	\$ -72.00	\$ 611.00
004	\$ 587.00	\$ 0.00	\$ -59.00	\$ 528.00
005	\$ 253.00	\$ 0.00	\$ -26.00	\$ 227.00
Total Coverage Premium				\$ 2,151.00

DRIVER INFORMATION

GS = Good Student Discount		DT = Driver Training Discount
Veh Driver	License Number	St Op DOB M/F M/S GS DT
001 01 ROBERT WAYNE GARY	001601441	SC P 08/15/1948 M M N N

PA (07/96)

06/19/2011

PLPW63483702

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INSURED COPY

PGDM560D J23421

MPXFPPN

00013231 Page 10

ROA_0235

APPENDIX 00243

PREMIUM NOTICE

ACCOUNT NUMBER: PLPW634837



Agent: TELEPHONE (864)-366-3667

SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620 2540

Account of:

ROBERT WAYNE GARY
CYNTHIA GARY
2507 LONG CANE RD
TROY SC 29848 3636

Notice issued to:

ROBERT WAYNE GARY
CYNTHIA GARY
2507 LONG CANE RD
TROY SC 29848 3636

Insurer:

PEERLESS INSURANCE COMPANY
62 MAPLE AVENUE
KEENE NH 03431

WWW.MONTGOMERY-INS.COM

SEE REVERSE SIDE FOR INFORMATION ON: FUTURE PAYMENT SCHEDULE, SERVICE FEES, 24-HOUR STATUS
HOTLINE, ADDRESS CHANGE REQUESTS AND OTHER IMPORTANT
NOTICES.

Co: 10 Loan Number: Agent: 4910185 Payment Plan: QUARTERLY Invoice Date: 02/21/2012

Policy Number	Trans. Date	Description of Transactions	Charges/ Credits	Policy Balance	Minimum Due
PLP W634837		INSTALLMENT AMOUNT	758.50	758.50	758.50
		SERVICE CHARGE	5.00		5.00

Payment Due Date: 03/19/2012 Account Balance: \$ 763.50 Minimum Amount Due: \$ 763.50

Policy Type: PERSONAL PROTECTOR Future Payment Schedule: Please See Reverse

Please detach at perforation, retain the top portion for your records and return the bottom portion with your check or money order.

Account of: ROBERT WAYNE GARY
CYNTHIA GARY

Co: 10

Invoice Date: 02/21/2012

You may pay the minimum amount due or the total account balance.

Payment Due Date	Account Number
03/19/2012	PLPW634837

Account Balance	Minimum Due
\$ 763.50	\$ 763.50

* Please make your check or money order payable to: PEERLESS INSURANCE COMPANY

* IMPORTANT: Please write your account number on your check or money order - never send cash!

* If your address has changed, please notify your agent, place an X on the black line below and fill out the reverse side.

PLP W63483702109 000076350 000076350 6 5

Thank you for selecting us to service your insurance needs!

C/O MONTGOMERY INSURANCE
PO BOX 703
KEENE NH 03431-0703

BL-01 (07/96)

PLPW634837 021

MPICPBN 00000438 Page 2

ROA_0236

APPENDIX 00244

Exhibit 3

NOTICE OF CANCELLATION
OF POLICY

POLICY NO PLPW634837 ISSUED AT KEENE NH

CANCELLATION TO TAKE EFFECT AT 12:01 AM 05/04/12 DATE OF NOTICE 04/09/12

PEERLESS INSURANCE CO.
62 MAPLE AVENUE
KEENE, NH 03431

MINIMUM PREMIUM DUE \$773.50
TOTAL POLICY BALANCE \$773.50

POLICY NO PLPW634837
SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620

POLICY ISSUED TO-
ROBERT WAYNE GARY
CYNTHIA GARY
2507 LONG CANE RD
TROY SC 29848

SEQUENCE 448

PCCN/SC

NOTICE OF POLICY CANCELLATION FOR NON-PAYMENT OF PREMIUM.

YOU ARE HEREBY NOTIFIED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ABOVE MENTIONED POLICY AND THE LAW THAT YOUR INSURANCE WILL CEASE AT AND FROM THE HOUR AND DATE MENTIONED ABOVE.

PREMIUM ADJUSTMENT WILL BE MADE AS SOON AS PRACTICABLE AFTER CANCELLATION BECOMES EFFECTIVE.

TO KEEP YOUR POLICY IN FORCE PLEASE MAIL US A COPY OF THIS NOTICE TOGETHER WITH YOUR CHECK OR MONEY ORDER FOR THE MINIMUM PREMIUM DUE BY THE EFFECTIVE DATE OF CANCELLATION.

SEE THE "IMPORTANT NOTICES" SECTION BELOW FOR OTHER INFORMATION THAT MAY APPLY TO CANCELLATIONS AND NONRENEWALS.

IMPORTANT NOTICES

ADDITIONAL INFORMATION REGARDING THE REASON(S) FOR CANCELLATION/NONRENEWAL: YOU ARE HEREBY NOTIFIED IN ACCORDANCE WITH THE LAW THAT, UPON OUR RECEIPT OF A WRITTEN REQUEST FROM YOU, THE INSURED, WITHIN 90 BUSINESS DAYS FROM THE DATE OF THE MAILING OF THIS NOTICE, YOU WILL BE PROVIDED WITH THE FOLLOWING INFORMATION IN WRITING IF IT WAS NOT PROVIDED ABOVE: THE REASON(S) FOR THE CANCELLATION/NONRENEWAL, THE SPECIFIC ITEMS OF INFORMATION THAT SUPPORT THE REASON(S) GIVEN FOR THIS DECISION, AND/OR THE IDENTITY OF THE SOURCE OF THAT INFORMATION. PLEASE SEND YOUR WRITTEN REQUEST TO: PERSONAL LINES UNDERWRITING -MONTGOMERY INSURANCE, 9450 SEWARD ROAD, FAIRFIELD, OH 45014.

IMPORTANT NOTICE: WITHIN 30 DAYS OF THIS NOTICE, YOU OR YOUR ATTORNEY MAY REQUEST IN WRITING THAT THE DIRECTOR REVIEW THIS ACTION TO DETERMINE WHETHER THE INSURER HAS COMPLIED WITH SOUTH CAROLINA LAWS IN CANCELLING OR NONRENEWING YOUR POLICY. IF THIS INSURER HAS FAILED TO COMPLY WITH THE CANCELLATION OF NONRENEWAL LAWS, THE DIRECTOR MAY REQUIRE THAT YOUR POLICY BE REINSTATED. HOWEVER, THE DIRECTOR IS PROHIBITED FROM MAKING UNDERWRITING JUDGEMENTS. IF THIS INSURER HAS COMPLIED WITH THE CANCELLATION OR NONRENEWAL LAWS, THE DIRECTOR DOES NOT HAVE THE AUTHORITY TO OVERTURN THIS ACTION.

CONTINUED ON PAGE TWO

PAGE TWO

AUTOMOBILE REPLACEMENT INSURANCE: YOU MAY BE ELIGIBLE TO PURCHASE OTHER INSURANCE COVERAGE THROUGH YOUR EXISTING AGENT, ANOTHER INSURER, OR THROUGH THE ASSOCIATED AUTO INSURERS PLAN. FOR MORE INFORMATION REGARDING AUTOMOBILE INSURANCE SHOPPING AND AVAILABILITY YOU MAY OBTAIN AN AUTOMOBILE INSURANCE BUYER'S GUIDE BY CONTACTING THE SOUTH CAROLINA INSURANCE DEPARTMENT, P.O.BOX 100105, COLUMBIA, SOUTH CAROLINA 29202-3105, TELEPHONE (803) 737-6160 OR TOLL FREE: (800) 768-3467- FAX: (803) 737-6205
REPLACEMENT INSURANCE INFORMATION: FOR INFORMATION ON REPLACEMENT INSURANCE PLEASE CONTACT YOUR AGENT OR BROKER.

AGENT- SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620

4910185

AUTHORIZED REPRESENTATIVE

NOTICE OF CANCELLATION
OF POLICY

POLICY NO PLPW634837 ISSUED AT KEENE NH

CANCELLATION TO TAKE EFFECT AT 12:01 AM 05/04/12 DATE OF NOTICE 04/09/12

PEERLESS INSURANCE CO.
62 MAPLE AVENUE
KEENE, NH 03431

MINIMUM PREMIUM DUE \$773.50
TOTAL POLICY BALANCE \$773.50

POLICY NO PLPW634837
ROBERT WAYNE GARY
CYNTHIA GARY
2507 LONG CANE RD
TROY SC 29848

POLICY ISSUED TO-
ROBERT WAYNE GARY
CYNTHIA GARY
2507 LONG CANE RD
TROY SC 29848

SEQUENCE 449

PCCN/SC

NOTICE OF POLICY CANCELLATION FOR NON-PAYMENT OF PREMIUM.

YOU ARE HEREBY NOTIFIED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ABOVE MENTIONED POLICY AND THE LAW THAT YOUR INSURANCE WILL CEASE AT AND FROM THE HOUR AND DATE MENTIONED ABOVE.

PREMIUM ADJUSTMENT WILL BE MADE AS SOON AS PRACTICABLE AFTER CANCELLATION BECOMES EFFECTIVE.

TO KEEP YOUR POLICY IN FORCE PLEASE MAIL US A COPY OF THIS NOTICE TOGETHER WITH YOUR CHECK OR MONEY ORDER FOR THE MINIMUM PREMIUM DUE BY THE EFFECTIVE DATE OF CANCELLATION.

SEE THE "IMPORTANT NOTICES" SECTION BELOW FOR OTHER INFORMATION THAT MAY APPLY TO CANCELLATIONS AND NONRENEWALS.

IMPORTANT NOTICES

ADDITIONAL INFORMATION REGARDING THE REASON(S) FOR CANCELLATION/NONRENEWAL: YOU ARE HEREBY NOTIFIED IN ACCORDANCE WITH THE LAW THAT, UPON OUR RECEIPT OF A WRITTEN REQUEST FROM YOU, THE INSURED, WITHIN 90 BUSINESS DAYS FROM THE DATE OF THE MAILING OF THIS NOTICE, YOU WILL BE PROVIDED WITH THE FOLLOWING INFORMATION IN WRITING IF IT WAS NOT PROVIDED ABOVE: THE REASON(S) FOR THE CANCELLATION/NONRENEWAL, THE SPECIFIC ITEMS OF INFORMATION THAT SUPPORT THE REASON(S) GIVEN FOR THIS DECISION, AND/OR THE IDENTITY OF THE SOURCE OF THAT INFORMATION. PLEASE SEND YOUR WRITTEN REQUEST TO: PERSONAL LINES UNDERWRITING -MONTGOMERY INSURANCE, 9450 SEWARD ROAD, FAIRFIELD, OH 45014.

IMPORTANT NOTICE: WITHIN 30 DAYS OF THIS NOTICE, YOU OR YOUR ATTORNEY MAY REQUEST IN WRITING THAT THE DIRECTOR REVIEW THIS ACTION TO DETERMINE WHETHER THE INSURER HAS COMPLIED WITH SOUTH CAROLINA LAWS IN CANCELLING OR NONRENEWING YOUR POLICY. IF THIS INSURER HAS FAILED TO COMPLY WITH THE CANCELLATION OF NONRENEWAL LAWS, THE DIRECTOR MAY REQUIRE THAT YOUR POLICY BE REINSTATED. HOWEVER, THE DIRECTOR IS PROHIBITED FROM MAKING UNDERWRITING JUDGEMENTS. IF THIS INSURER HAS COMPLIED WITH THE CANCELLATION OR NONRENEWAL LAWS, THE DIRECTOR DOES NOT HAVE THE AUTHORITY TO OVERTURN THIS ACTION.

CONTINUED ON PAGE TWO

PAGE TWO

AUTOMOBILE REPLACEMENT INSURANCE: YOU MAY BE ELIGIBLE TO PURCHASE OTHER INSURANCE COVERAGE THROUGH YOUR EXISTING AGENT, ANOTHER INSURER, OR THROUGH THE ASSOCIATED AUTO INSURERS PLAN. FOR MORE INFORMATION REGARDING AUTOMOBILE INSURANCE SHOPPING AND AVAILABILITY YOU MAY OBTAIN AN AUTOMOBILE INSURANCE BUYER'S GUIDE BY CONTACTING THE SOUTH CAROLINA INSURANCE DEPARTMENT, P.O. BOX 100105, COLUMBIA, SOUTH CAROLINA 29202-3105, TELEPHONE (803) 737-6160 OR TOLL FREE: (800) 768-3467- FAX: (803) 737-6205
REPLACEMENT INSURANCE INFORMATION: FOR INFORMATION ON REPLACEMENT INSURANCE PLEASE CONTACT YOUR AGENT OR BROKER.

AGENT- SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620

4910185

AUTHORIZED REPRESENTATIVE

CERTIFICATION OF MAILING

I HEREBY CERTIFY THAT I PERSONALLY MAILED IN THE U.S. POST OFFICE, AT THE PLACE AND TIME STAMPED HEREON, A NOTICE OF CANCELLATION OR NONRENEWAL TO THE INSURED NAMED BELOW AND AT SAID TIME RECEIVED FROM THE U.S. POSTAL SERVICE THIS RECEIPT.

SIGNED THIS _____ DAY OF **APR 10 2012** 20____

SIGNATURE _____ **LEIGHTON PAULSEN**

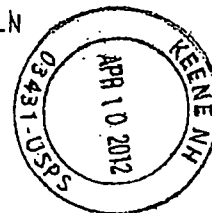
POS 3877 CERTIFICATE OF MAILING APRIL 09, 2012
MODIFIED APPROVED CO. FORM

PEERLESS INSURANCE CO.,
62 MAPLE AVENUE
KEENE, NH 03431

ITEM	POLICY	NAME OF ADDRESSEE, STREET, POST OFFICE ADDRESS	FEE
418	PLPW735343	ROGER HINES PO BOX 1151	VICKI HINES ROSEBORO NC 28382
421	PLPW858364	INFINITY FINANCIAL SERVICES MINNEAPOLIS MN 55439	PO BOX 390888
422	PLPW858364	BILL ROSE 220 S SPENCE AVE	LYNNE ROSE GOLDSBORO NC 27534
425	PLPW912366	COUNTRYWIDE HOMES FORT WORTH TX 76161	PO BOX 961206
426	PLPW912366	REBECCA SADRI CORNELIUS NC 28031	20905 LAGOONA DR
432	PLP4720685	IAN C GREENE 5303 RUNNING MEAD RD	REBECCA R GREENE PLEASANT GARDEN NC 27313
435	HP3W677689	DAVID HANCOCK HARRISBURG NC 28075	4037 CENTER PLACE DR
441	PLPW431488	BB&T CHARLOTTE NC 28258	PO BOX 580048
442	PLPW431488	BANK OF AMERICA NA ATLANTA GA 30353	PO BOX 538625
443	PLPW431488	DEBRA MCALISTER EASLEY SC 29641	PO BOX 261
446	PLPW713836	STEPHEN MCKINNEY COLUMBIA SC 29223	99-A WINTERBERRY LN
449	PLPW634837	ROBERT WAYNE GARY 2507 LONG CANE RD	CYNTHIA GARY TROY SC 29848

TOTAL TOTAL
SENT: 12 RECEIVED: _____

POST OFFICE OFFICIAL



PREMIUM NOTICE

ACCOUNT NUMBER: PLPW634837



Agent: TELEPHONE (864)-366-3667

SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620 2540

Account of:

ROBERT WAYNE GARY
CYNTHIA GARY
2507 LONG CANE RD
TROY SC 29848 3636

Notice issued to:

ROBERT WAYNE GARY
CYNTHIA GARY
2507 LONG CANE RD
TROY SC 29848 3636

Insurer:

PEERLESS INSURANCE COMPANY
62 MAPLE AVENUE
KEENE NH 03431

WWW.MONTGOMERY-INS.COM

SEE REVERSE SIDE FOR INFORMATION ON: FUTURE PAYMENT SCHEDULE, SERVICE FEES, 24-HOUR STATUS
HOTLINE, ADDRESS CHANGE REQUESTS AND OTHER IMPORTANT
NOTICES.

Co: 10 Loan Number:

Agent: 4910185

Payment Plan: QUARTERLY

Invoice Date: 05/15/2012

Policy Number	Trans. Date	Description of Transactions	Charges/ Credits	Policy Balance	Minimum Due
PLP W634837	05/14/2012	DIRECT BILL CANCELLATION MEMO THE PERSONAL PROTECTOR PRO-RATA CANCELLATION EFFECTIVE 05/04/2012 PRIOR BALANCE DUE CANCELLATION PRIOR PAYMENTS	 3,037.00 -387.00 -2,273.50	 376.50	 376.50

Payment Due Date: UPON RECEIPT Account Balance: \$ 376.50 Minimum Amount Due: \$ 376.50

Policy Type: PERSONAL PROTECTOR

Future Payment Schedule: Please See Reverse

Please detach at perforation, retain the top portion for your records and return the bottom portion with your check or money order.

Account of: ROBERT WAYNE GARY
CYNTHIA GARY

Co: 10

Invoice Date: 05/15/2012

You may pay the minimum amount due or the total account balance.

Payment Due Date	Account Number
UPON RECEIPT	PLPW634837

Account Balance	Minimum Due
\$ 376.50	\$ 376.50

- * Please make your check or money order payable to: PEERLESS INSURANCE COMPANY
- * IMPORTANT: Please write your account number on your check or money order - never send cash!
- * If your address has changed, please notify your agent, place an X on the black line below and fill out the reverse side.

PLP W63483702109 000037650 000037650 0 5

Thank you for selecting us to service your Insurance needs!

C/O MONTGOMERY INSURANCE
PO BOX 703
KEENE NH 03431-0703

BL-01 (07/96)

PLPW634837 021

KEENEM 00000050 Page 2

ROA_0241

APPENDIX 00249

Exhibit 5

Same quality coverage and service, new name:
Your policy is moving to the Safeco InsuranceTM brand.

DEAR ROBERT WAYNE GARY,

When you receive your personal insurance policy renewal in the next several weeks, you'll notice that your policy is now under the Safeco Insurance brand. We're confident that Safeco's focus on the needs of individuals and families will be an immense benefit to you.

Like Montgomery InsuranceTM, Safeco Insurance is now part of Liberty Mutual Group. As a result, personal insurance policies like yours will now carry the Safeco[®] brand. Montgomery Insurance business insurance policies will continue to carry the Montgomery Insurance brand.

We'll take care of you

You're not required to take any action. You'll continue to work with your current agency and experience the quality, local service and insurance products you've come to expect – including Safeco's 24/7 claims service – all of it still backed by the financial strength of Liberty Mutual Group.

And nobody works more closely with your local independent agent than Safeco.

What's next?

You'll receive your policy renewal package in the coming weeks. Included in the package:

- Your new policy and policy number
- Details of coverages, limits and premiums
- Vehicle insurance ID cards, for auto insurance customers

If you have questions, please contact your independent agent.

Sincerely,



Cecil Booher
Regional General Manager
Safeco Insurance



Michael Plavnick
President
Montgomery Insurance

Thank you

We thank you for allowing Montgomery Insurance and, soon, Safeco Insurance, to serve your personal insurance needs. As a fellow member of the Liberty Mutual Group, Safeco is committed to high-quality products and services.

Safeco InsuranceTM

Exhibit 6



00001711-0007
ROBERT WAYNE GARY
2507 LONG CANE RD
TROY, SC 29848-3636



DEAR ROBERT WAYNE GARY,

When you receive your personal insurance policy renewal in the next several weeks, you'll notice that your policy is now under the Safeco Insurance™ brand. We're confident that Safeco's focus on the needs of individuals and families will be an immense benefit to you.

Like Montgomery Insurance™, Safeco Insurance is now part of Liberty Mutual Group. As a result, personal insurance policies like yours will now carry the Safeco® brand. Montgomery Insurance business insurance policies will continue to carry the Montgomery Insurance brand.

We'll take care of you

You're not required to take any action. You'll continue to work with your current agency and experience the quality, local service and insurance products you've come to expect, all of it still backed by the financial strength of Liberty Mutual Group.

And nobody works more closely with your local independent agent than Safeco.

What's next?

A reminder of this upcoming change will arrive prior to your renewal. Next, you'll receive your policy renewal package. Included in the package:

- Your new policy and policy number
- Details of coverages, limits and premiums
- Vehicle insurance ID cards, for auto insurance customers

Thank you

We thank you for allowing Montgomery Insurance and, soon, Safeco Insurance, to serve your personal insurance needs. As a fellow member of the Liberty Mutual Group, Safeco is committed to high-quality products and services.

If you have questions, please contact your independent agent.

Sincerely,

Michael Plavnick
President, Montgomery Insurance

Cecil Booher
Regional General Manager, Safeco Insurance

Now introducing...



Exhibit 7



Coverage is provided in:
PEERLESS INSURANCE COMPANY

This policy has been prepared for:

**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

Agent Name and Address:

**SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540**

Agent Code: **4910185**

Agent's Phone Number: **(864)-366-3667**

Your insurance policy is enclosed. Please place it with your important papers.

Thank you for selecting us to service your insurance needs!

*** PLEASE SEE VEHICLE ID CARDS ENCLOSED ***

Policy Number: PLP W841911		Prior Policy: PLP W841911	
Policy Period: 01/03/2012 To: 01/03/2013 12:01 am Standard Time at the Mailing Address of the Named Insured			
Coverage Is Provided In PEERLESS INSURANCE COMPANY			
Billing Type: ELEC. DED. - MONTHLY			
Named Insured and Mailing Address:		Agent:	
LAURIE WILLIAMS FRANCES EVANS 2884 LONG CANE RD ABBEVILLE SC 29620-9205		SOUTHERN RISK INSURANCE 511 W GREENWOOD ST ABBEVILLE SC 29620-2540	
		Agent Code: 4910185 Agent Phone: (864)-366-3667	

PERSONAL PROTECTOR® PACKAGE DECLARATIONS

PREMIUM SUMMARY			
Reason for Transaction	RENEWAL	Base Coverage Premium	\$ 1,023.00
Transaction Effective Date	01/03/2012	Additional Coverage Premium	
Premium For This Transaction	\$ 904.00	Credits and Debits	
		Personal Protector Credit	\$ -119.00
		Total Policy Premium	\$ 904.00

BASE COVERAGES AND PREMIUMS

This policy consists of the following coverage parts:

Coverage	Effective Date	Expiration Date	Basic Premium	Personal Protector Credit	Package Premium
Homeowners	01/03/2012	01/03/2013	\$ 309.00	\$ -46.00	\$ 263.00
Personal Auto	01/03/2012	01/03/2013	\$ 714.00	\$ -73.00	\$ 641.00
Total Premiums			\$ 1,023.00	\$ -119.00	\$ 904.00

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction..

Date Issued: 11/16/2011

PLP (07/96)

INSURED COPY

01/03/2012 PLPW84191101

1611

PGDM560D J14734

MPXFPPN 00004112 Page 5

ROA_0249

APPENDIX 00257

Forming a part of

Policy Number: PLP W841911

Coverage is Provided In PEERLESS INSURANCE COMPANY

Named Insured:

 LAURIE WILLIAMS
 FRANCES EVANS

Agent:

SOUTHERN RISK INSURANCE

Agent Code: 4910185

Agent Phone: (864)-366-3667

HOMEOWNERS COVERAGE

PREMIUM SUMMARY

Reason for Transaction	RENEWAL	Base Coverage Premium	\$	336.00
Transaction Effective Date	01/03/2012	Additional Coverage Premium	\$	34.00
Premium For This Transaction	\$ 263.00	Credits and Debits	\$	-107.00
		Total Coverage Premium	\$	263.00

BASE COVERAGES AND PREMIUMS

Insurance is provided where a premium entry is shown for the coverage.

Location		Limit of Liability	Premium
001	SECTION I Coverage A - Dwelling	\$ 112,000	\$ 336.00
	Coverage B - Other Structures	\$ 11,200	INCLUDED
	Coverage C - Personal Property	\$ 84,000	INCLUDED
	Coverage D - Loss of Use	\$ 22,400	INCLUDED
	SECTION II Coverage E - Personal Liability (each occurrence)	\$ 100,000	INCLUDED
	Aggregate Sublimit - Fungi, Wet Or Dry Rot, Or Bacteria	\$ 0	
	Coverage F - Medical Payments (each person)	\$ 1,000	INCLUDED

ADDITIONAL COVERAGES

PERSONAL PROPERTY REPLACEMENT COST	\$	34.00
FUNGI, WET OR DRY ROT, OR BACTERIA - SECTION I	\$ 5,000	INCLUDED
Deductible amount - SECTION I - \$ 500. In case of loss under SECTION I, we cover only that part of the loss over the deductible stated.		

CREDITS AND DEBITS

Location	Title	Premium
001	CREDIT FOR PROTECTIVE DEVICES	\$ -34.00
001	DEDUCTIBLE ADJUSTMENT	\$ -27.00
001	PERSONAL PROTECTOR CREDIT	\$ -46.00

RATING INFORMATION

Location	Territory	No. of Family	Premium Group	Year Built	Feet to Hydrant	Prot Class
001	41	1	135	1970	0000	06 07
Location	Primary Residence	Automatic Value-up at Renewal		Construction		
001	Y	Y		FRAME		
Location	Year Roof Renv.	Year Electr. Renv.	Year Plumb. Renv.	Year Heat Syst. Renv.		
001	2005	1999	1999	1998		

HO (07/96)

INSURED COPY

01/03/2012

PLPW84191101

1611

PGDM560D J14734

MPXFPPN 00004114 Page 7

ROA_0251

APPENDIX 00259

HOMEOWNERS COVERAGE (continued)

RATING INFORMATION

Location County
001 ABBEVILLE

DESCRIPTION OF ADDITIONAL COVERAGES, CREDITS AND DEBITS

PREMISES ALARM SYSTEM CREDIT
PERCENTAGE IS 10.

FORMS AND ENDORSEMENTS

Your insurance is comprised of the following forms:

Form No.	Ed. Date	Form No.	Ed. Date	Form No.	Ed. Date
HO0003	0491	81-3ED	0198	HO0496	0491
80-1SC	0299	80-27B	0302	HO0432	0502
HO0416	0491	HO0490	0491		

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 11/16/2011

HO (07/96)

INSURED COPY

01/03/2012

PLPW84191101

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MPXFPPN 00004115 Page 8

ROA_0252

APPENDIX 00260

Forming a part of

Policy Number: PLP W841911	
Coverage Is Provided In PEERLESS INSURANCE COMPANY	
Named Insured: LAURIE WILLIAMS FRANCES EVANS	Agent: SOUTHERN RISK INSURANCE Agent Code: 4910185 Agent Phone: (864)-366-3667

PERSONAL AUTO COVERAGE

PREMIUM SUMMARY

Reason for Transaction	RENEWAL	Base Coverage Premium	\$ 723.00
Transaction Effective Date	01/03/2012	Additional Coverage Premium	\$ 0.00
Premium For This Transaction	\$ 641.00	Credits and Debits	\$ -82.00
		Total Coverage Premium	\$ 641.00

VEHICLES COVERED

Veh	Yr	Make	Model	Vehicle ID Number	Sym	Type	St Amt	C/New
001	2006	HOND	PILOT	5FNYF28416B047956	10			
002	1999	FORD	F150	1FTZF1729XNB17754	05			

BASE COVERAGES AND PREMIUMS

Insurance is provided where a premium entry is shown for the coverage.

LIABILITY COVERAGES	Limits of Liability	Premium	VEH 001	VEH 002
Bodily Injury	\$ 25,000 Each Person and \$ 50,000 Each Accident	\$ 83.00	\$ 77.00	
Property Damage	\$ 25,000 Each Accident	\$ 59.00	\$ 55.00	
Medical Payments	\$ 1,000 Each Person	\$ 15.00	\$ 14.00	
Uninsured Motorist Bodily Injury	\$ 25,000 Each Person and \$ 50,000 Each Accident	\$ 25.00	\$ 25.00	
Uninsured Motorist Property Damage	\$ 25,000 Each Accident	\$ 14.00	\$ 14.00	

PHYSICAL DAMAGE COVERAGES	Limits of Liability	Premium	VEH 001	VEH 002
Other Than Collision	ACV With Full Coverage Glass	\$ 68.00	\$ 32.00	
Less Deductible of:	VEH 001 \$ 500 VEH 002 \$ 500			
Collision	Actual Cash Value	\$ 149.00	\$ 72.00	
Less Deductible of:	VEH 001 \$ 500 VEH 002 \$ 500			
Towing and Labor		\$ 6.00	\$ 6.00	
Limit per Disablement:	VEH 001 \$ 50 VEH 002 \$ 50			
Optional Limits	\$ 30 Per Day and			
Transportation Expenses	\$ 900 Maximum	\$ 9.00		

CREDITS AND DEBITS

Veh Title	Premium
001 PASSIVE RESTRAINT DISCOUNT	\$ -5.00

PA (07/96)

01/03/2012

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ROA_0253

APPENDIX 00261

PERSONAL AUTO COVERAGE (continued)

CREDITS AND DEBITS

Veh	Title	Premium
001	PERSONAL PROTECTOR CREDIT	\$ -43.00
002	PASSIVE RESTRAINT DISCOUNT	\$ -4.00
002	PERSONAL PROTECTOR CREDIT	\$ -30.00

VEHICLE PREMIUM SUMMARY

Veh	Base Premium	Additional Coverages	Credits and Debits	Total Premium
001	\$ 428.00	\$ 0.00	\$ -48.00	\$ 380.00
002	\$ 295.00	\$ 0.00	\$ -34.00	\$ 261.00
Total Coverage Premium				\$ 641.00

DRIVER INFORMATION

GS = Good Student Discount

DT = Driver Training Discount

Veh	Driver	License Number	St	Op	DOB	M/F	M/S	GS	DT
001	01 LAURIE WILLIAMS	004438555	SC	P	11/22/1976	F	D	N	N
002	02 FRANCES EVANS	004918447	SC	P	03/15/1958	M	S	N	N

RATING INFORMATION

Veh	Class	Use	Miles	Days	St	Territory	Multi-Car
001	887120 14	PLEASURE		5	SC	086	Y
002	885120 14	PLEASURE		5	SC	086	Y
Veh	County						
001	ABBEVILLE						
002	ABBEVILLE						

ADDITIONAL INTERESTS

AMERICAN HONDA FINANCE CORP
PO BOX 997524
SACRAMENTO CA 95899-7524

Applies To:

Veh	Interest	Loan Number
001	LOSS PAYEE	

FORMS AND ENDORSEMENTS

Your insurance is comprised of the following forms:

Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date
ALL	PP0303	0486	ALL	PP0465	0106	001	PP0302	0698
ALL	PP0001	0698	ALL	PP0178	0107	ALL	90-701	0695
ALL	91-5	0406	ALL	PP1301	1299	ALL	PP0305	0886

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 11/16/2011

IMPORTANT NOTICE CONCERNING OUR INSURANCE INFORMATION PRACTICES

PROTECTING YOUR RIGHT TO PRIVACY: You have a right to privacy, and we are concerned about protecting this right. For that reason, we are providing you with this Insurance Information Practices Notice in accordance with the law. Although we encourage you to read this entire notice, here is a summary of the information contained in this notice as respects our obligations and your privacy rights:

- We must inform you of our information-gathering practices.
- You may have access to recorded personal information that we may have.
- You have a right to correct, amend or delete recorded personal information.
- You have a right to know the reason for an adverse underwriting decision.
- We have limited rights to disclose personal information about you.

WHAT KIND OF INFORMATION IS COLLECTED ABOUT YOU: In order to evaluate people or property for insurance properly, we need to collect certain information. As our customer, we believe you should know about our information practices.

You are the primary source of our information. The application which you complete with your agent generally tells us what we need to know. In the event that additional information is needed to complete your application, we will attempt to obtain this by contacting you through your agent.

For automobile insurance, we order motor vehicle records which contain information about accidents and violations. We may also order a consumer information report (also known as a credit report) from an independent insurance support organization or consumer reporting agency (such as Experian, Trans Union or Equifax). The information contained in these reports would relate to your driving record, use of the automobile and other similar details.

On insurance for homes, boats, recreational vehicles and other personal property, we may order a similar consumer information report to determine the condition of the property and the accuracy of the information you furnished on your application. These reports frequently include a photograph of the property to be insured.

We may review your credit report or obtain or use a credit-based insurance company score based on the information contained in the credit report. We may use a third party in connection with the development of your credit-based insurance score.

HOW TO OBTAIN YOUR CREDIT REPORTS AND, IF NECESSARY, CORRECT THEM: Equifax, Experian and Trans Union maintain their own credit information files. You can request copies of your credit reports from any or all of those bureaus by contacting them directly at:

Equifax: 800-685-1111

Experian: 888-397-3742

Trans Union: 800-888-4213

We recommend that you review the information in your credit reports closely and, if you find any errors on a bureau's report, contact the bureau to have the information corrected.

WHO HAS ACCESS TO INFORMATION ABOUT YOU: We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. Under the law, we may share information about you contained in our files only with certain persons or organizations without your prior authorization. The types of persons or organizations with whom we may share this information include those who perform a business function for us: for example, businesses that help us with data processing; another insurance company; a reinsurance company; agent or consumer reporting agency; and medical professional (to inform the individual of a medical problem). We may also share information for the purpose of conducting scientific research, marketing a product or service, the marketing of an insurance service or product by an affiliate, determining eligibility for benefits or payments under a policy, responding to requests by regulatory authorities or for other purposes permitted by law.

For the purposes of this notice, the terms "we", "us" and "our" refer to the Company providing your insurance shown as "Coverage Is Provided In" on your Declarations.

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We may disclose all of the information we collect as described in this section to companies that provide marketing services on our behalf, or as part of a joint marketing agreement with other financial institutions, or to providers of products and services which are subject to appropriate confidentiality agreements.

Upon your request, we will provide you with a more complete description of the circumstances under which personal information may be disclosed without your prior authorization.

HOW WE PROTECT INFORMATION. We maintain physical, electronic, and procedural safeguards to protect your non-public personal information. These safeguards comply with applicable laws. We retain your information as long as required by law or regulation. The only employees or agents who have access to your information are those who must have it to provide products or services to you. We do not sell your information to mass marketing or telemarketing companies.

HOW YOU CAN FIND OUT WHAT INFORMATION WE HAVE ABOUT YOU: Upon written request to us, you have a right to either see a copy in person (or obtain a copy from us by mail) of whatever recorded personal information we have about you in our files. You must properly identify yourself when making this written request by supplying us with your full name, address and policy number, if applicable. We will, within thirty (30) business days from the date we receive your request, allow you to see and copy this information in person or send you a copy of the information if it is reasonably locatable and retrievable by us.

We will also tell you the identity, if known, of those persons to whom we have disclosed this personal information within the two years prior to your request. If the identity of such persons is not known, we will tell you the names of the persons to whom we normally disclose such information.

We are not required to give you access to certain kinds of information. This type of information is generally collected when we evaluate a claim under an insurance policy or when the possibility of a lawsuit exists.

You have a right to make a written request of us to correct, amend or delete any recorded personal information about you in our possession. If you make such a written request, we will, within thirty (30) business days from the date we receive it, correct, amend or delete the portion of the recorded personal information that you dispute; or notify you of our refusal to do so, the reasons for refusal and your right to file a supplementary statement disagreeing with our refusal.

If we agree to correct, amend or delete the recorded personal information in our possession about you, we will notify you in writing. We will furnish the correction, amendment or deletion to any person you specifically designate who may have, within the preceding two years, received the information from us. The correction, amendment or deletion will also be furnished to any insurance support organization which systematically receives such information with the information that has been corrected, amended or deleted.

If we refuse to correct, amend or delete the recorded personal information according to your request, you have the right to file a concise statement setting forth what you think is the correct, relevant, or fair information, and the reasons why you disagree with our refusal to correct, amend or delete the information. If you file either statement, we will file the statement with the disputed information so that anybody reviewing the disputed information will be made aware of your statement and have access to it. We will also, in any subsequent disclosure of the disputed information, clearly identify the matters in dispute and provide your statement along with the information being disclosed. We will also furnish your statement to any persons or insurance support organization to whom we previously provided the personal information in dispute.

QUESTIONS REGARDING OUR PRIVACY PROCEDURES: Should you have any questions about our procedures or information contained in your file, please contact your insurance agent or us.

Thank you for selecting us to service your insurance needs!

For the purposes of this notice, the terms "we", "us" and "our" refer to the Company providing your insurance shown as "Coverage Is Provided In" on your Declarations.

ST-PL-358 (08/06)

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GOOD NEWS – Your Auto Policy Includes Enhanced Coverage For NO Added Charge!

The following coverage summary only provides brief coverage descriptions. The summary is not an insurance contract. Coverage varies from policy to policy and state to state. It is also subject to change. For that reason, please review your policy and its endorsements for a complete description of coverage and limits that apply in your state.

Some of the coverage summarized below does not apply to certain policies. Portions of the summary refer to coverage provided by an available optional endorsement. If your policy Declarations page displays the referenced optional coverage endorsement number, then the optional coverage summarized applies to your policy. If, however, the optional coverage endorsement number is not shown on your policy Declarations page, then the optional coverage summarized for that optional coverage endorsement does not apply to your policy.

Please contact your independent insurance agent if you have any questions regarding your coverage or, if your policy does not already include it, for more information about the available optional coverage (Ultra Plus Endorsement Form 91-10SC).

PERSONAL AUTO POLICY PROPERTY OR LIABILITY COVERAGE	LIMITS SHOWN BELOW ARE TOTAL POLICY LIMITS	
	Included No Added Charge Coverage Personal Auto Special Provisions Endorsement 91-5	Available Added Charge Optional Coverage Ultra Plus Endorsement 91-10SC
Facilities or Equipment (<i>trailer/camper bodies or motor homes</i>)	Not included	\$2,000
Increased Towing Expense (<i>only applies if towing option purchased</i>)	Not included	\$50
Lockout Assistance/Key Replacement	Not included	\$25
Loan/Lease "Gap Coverage" (<i>pays balance of loan or lease if your auto is a total loss</i>)	Not included	Included
Immediate First Aid to Others (<i>necessary due to an accident involving a covered auto</i>)	\$5,000	\$10,000
Extra Death Benefit	\$1,000	\$2,000
Personal Clothing and Baggage	\$300	\$600
Emergency Travel Expense (<i>to help an insured reach a destination – If a covered auto is stolen or disabled by a covered loss</i>)	\$50	\$100
Increased Medical Payments (<i>policy limit doubled (subject to a \$10,000 Maximum Increase) if seat belts are worn by all occupants</i>)	Included	Included
Supplemental Death Benefits (<i>unused medical payments apply as a death benefit</i>)	Included	Included
Tapes, Records, Disks or Other Media	\$500	\$1,000
Nonowned Trailer Damage	\$2,500	\$5,000
Bail Bonds (<i>required due to an accident</i>)	\$500	\$1,000
Rental Reimbursement (<i>if a covered auto is stolen or disabled by a covered loss</i>)	\$900 (\$30 a day)	\$1,200 (\$40 a day)
Loss of Earnings (<i>trial/hearing related</i>)	\$250 a day	\$300 a day
Newly Acquired Vehicle (<i>number of days to report it to the company</i>)	45 days	45 days

Telephone	Permanently Installed	Deductible applies	Deductible waived
	Removable from Permanently Installed Housing	Not included	\$1,000 Deductible waived
Collision Deductible (If the accident is not your fault and the at-fault driver is identified)		Deductible applies	Deductible waived
Other Than Collision	Total Losses	Deductible applies	Deductible waived
	Auto Safety Glass Breakage	Deductible applies	Deductible waived
Collision and Other Than Collision Deductibles (If 2 or more covered autos are damaged by one incident and both coverages apply)	Collision Deductibles	Only one Collision deductible applies (the highest)	Only one Collision or Other Than Collision deductible applies (the highest of the otherwise applicable deductible)
	Other Than Collision Deductibles	All deductibles apply	

Thank you for selecting us to service your insurance needs!

IMPORTANT POLICYHOLDER NOTICE CONCERNING YOUR HOMEOWNERS OR DWELLING FIRE RENEWAL

CAUTION: THIS NOTICE DOES NOT PROVIDE ANY COVERAGE; NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR POLICY DECLARATIONS FOR COMPLETE INFORMATION ABOUT THE COVERAGE THAT APPLIES. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Dear Policyholder:

This notice is to advise you that we no longer offer Property Coverage deductibles of less than \$250. If you currently maintain a Property Coverage deductible of \$250 or more, this policyholder notice does not apply to you.

If you maintained a Property Coverage deductible of less than \$250, your renewal policy has been issued with a \$250 Property Coverage deductible. As a result, you will now be responsible for a greater portion of each covered Property loss. Therefore, this deductible revision represents a slight reduction in coverage. Your prior premium reflected a deductible adjustment surcharge because you maintained a deductible option that was less than \$250. A deductible adjustment surcharge will not apply to your renewal policy premium.

If you have any questions regarding this policyholder notice, or if you would like information regarding our deductible options, please contact your independent agent.

IMPORTANT NOTICE CONCERNING YOUR AUTO INSURANCE

FINANCIAL RESPONSIBILITY LAWS

There are financial responsibility laws in effect in many states which require that a minimum limit of liability protection be maintained on vehicles that are owned and/or operated in the state. Several jurisdictions require that proof of financial responsibility be presented when requested by law enforcement officers. The penalties for failure to provide this proof or for owning or operating an uninsured vehicle vary by state and can subject you to a summons, fine, loss of license and registration, or a combination of charges.

In order to make it easier for you to comply with the laws of your state or those in which you may be traveling, we have enclosed **Auto Insurance Identification Card(s)** with your policy. You will find one Identification card for each auto insured by the policy. This card is your proof of financial responsibility. We recommend that you keep one card in your auto or on your person, so that it is available when you need proof of insurance.

Your new **Auto Insurance Identification Card** is only valid during the period of time that your auto insurance policy remains in force. Because of the financial responsibility requirements and possible penalties, it is very important for you to maintain continuous insurance coverage on your autos. We are pleased that you have chosen our company for that valuable protection.

Some states require that we provide the insured with two ID cards per auto insured under the policy. If you have received two ID cards, the second ID card is for you to present to the Department of Motor Vehicles as required when registering your car. It should be kept in a safe place at home until it is needed. If you should lose the card, notify your agent.

Please contact your agent if you have any questions regarding your Personal Auto Policy.

Thank you for selecting us to service your insurance needs!

IMPORTANT INFORMATION CONCERNING IDENTITY THEFT AND OUR OPTIONAL IDENTITY FRAUD EXPENSE COVERAGE

IDENTITY FRAUD EXPENSE PROTECTION

Protect yourself with our Identity Fraud Expense Coverage Endorsement.

We are pleased to inform you of an optional Identity Fraud Expense Coverage Endorsement that is available for attachment to your homeowners policy. When you purchase the optional endorsement, it provides up to \$15,000 in coverage to reimburse you for expenses made necessary to restore your credit history, if you become a victim of identity fraud.

Subject to the endorsement provisions, coverage is provided for the following:

- Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- Actual loss of earnings (but not loss of other income) resulting from time taken off work to complete fraud affidavits, meet with or talk to law enforcement agencies, credit agencies and/or legal counsel, up to a maximum payment of \$500 per week for a maximum period of up to four weeks.
- Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- Attorney fees, incurred with our prior consent, for:
 - Defending lawsuits brought against an insured by merchants, financial institutions or their collection agencies;
 - Removing of any criminal or civil judgments wrongly entered against an insured; and
 - Challenging the accuracy or completeness of any information in a consumer credit report.
- Reasonable charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual identity fraud.

Please contact your independent agent for details and more information about our valuable optional Identity Fraud Expense Coverage Endorsement.

Special Note: Our optional Identity Fraud Expense Coverage Endorsement is available with a limit of liability up to \$15,000 per occurrence for covered reimbursable expenses. The coverage is subject to a \$250 per occurrence deductible and certain provisions and exclusions. Loss or expenses not described in the coverage endorsement are not covered. The information contained in this brochure is a brief description only. It is not an insurance contract. Coverages may vary slightly depending upon state approval of coverage. Coverage may be subject to future changes. For these reasons, please consult your agent and the appropriate policies for a full description of coverage and program eligibility.

Please see the reverse side of this policyholder notice to learn more about identity theft and what you can do to protect yourself.

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APPENDIX 00270

IDENTITY THEFT – HOW TO PROTECT YOURSELF

The Federal Trade Commission (FTC) warns that identity theft (also referred to as identity fraud) is now the number one complaint received from consumers. In fact, nationwide, there are hundreds of thousands of identity theft victims each year. The FTC also notes that despite our best protection efforts, skilled identity thieves use a variety of low and hi-tech methods to gain access to our personal information. Below are several methods identified by the FTC as common ways thieves can obtain and illegally use personal information.

Identity thieves can get your personal information by...

- Stealing your wallet containing your identification, credit and bank cards.
- Stealing your mail – including your bank and credit card statements and pre-approved credit offers.
- Completing a "change of address form" to divert your mail to another location.
- Rummaging through your trash or the trash of a business for personal data.
- Fraudulently obtaining your credit report by posing as your landlord or employer.
- Obtaining your business or personnel records from your place of employment.
- Accessing your personal information from an internet transaction.
- Buying your personal information from an "inside" source such as a store employee.

Once identity thieves get your personal information, they use it to...

- Obtain new credit cards in your name.
- Change your credit card mailing addresses and then run-up charges before you realize there is a problem.
- Establish phone and wireless service in your name.
- File for bankruptcy under your name to avoid paying debts incurred.
- Counterfeit checks or debit cards, and drain your bank accounts.
- Buy autos or merchandise by taking out loans in your name.

Identity theft impacts victims both financially and emotionally...

- Because it's costly – on average, victims spend up to 175 hours and over \$800 in out-of-pocket expenses (not including lost earnings) to clear their names.
- Due to the frustration and anxiety of the criminal act and the invasion of their personal privacy.
- When they feel they are considered guilty until their innocence is proven.
- Since they often feel an emotional need to both investigate the crime and catch the thieves.

To reduce your chances of being victimized by identity theft...

- Never provide strangers with social security numbers, mother's maiden name or financial account numbers.
- Guard your mail from theft, know when bills are supposed to arrive and check on them if they are late.
- Secure credit cards, bank and telephone account passwords.
- Replace cards showing your social security number with copies without it.
- Carry only needed credit or identification cards.
- Before discarding, shred anything containing information others could use as identification (e.g., charge receipts, credit applications, insurance forms, physician statements, financial information of any type, etc.).
- Add **Identity Fraud Expense Coverage** to your homeowners policy (see page 1 for specifics).

What you should do if you become a victim of identity theft...

- Contact your creditors as soon as possible to notify them about the identity theft. You can do so by obtaining a copy of the FTC's standard **Identity Theft Affidavit** to complete and provide to your creditors. Obtain a copy of the FTC affidavit from this web site: www.consumer.gov/idtheft or by calling the FTC Hotline toll-free at 1-877-IDTHEFT (438-4338).
- Call the following major credit-reporting bureau fraud lines and have fraud alerts placed on your accounts.
Equifax: 1-800-525-6285 Experian: 1-888-397-3742 TransUnion: 1-800-620-7289
- Report the theft to the police and, for advice about personal insurance, contact your independent insurance agent.

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IMPORTANT POLICYHOLDER NOTICE CONCERNING YOUR HOMEOWNERS WINDSTORM OR HAIL PREMIUM

Dear Policyholder:

The State of South Carolina requires that we advise you about the percentage of premium charged on your Homeowners Policy for the peril of Windstorm or Hail. If your Homeowners Policy maintains form HO 00 03 (04/91), please refer to item #1 below. If your Homeowners Policy maintains form HO 00 04 (04/91) or HO 00 06 (04/91), please refer to item #2 below.

1. **Homeowners 3 – Special Form HO 00 03 (04/91):** If you maintain form HO 00 03, the premium charged on your Homeowners Policy for the peril of Windstorm or Hail is shown in Table A below.

Table A (HO 00 03)

Peril of Windstorm or Hail Percentage of Total Premium (By Territory) <i>(Refer to Your Policy Declarations for the applicable Homeowners Policy Territory)</i>			
Territory	Percentage of Total Homeowners Policy Premium	Territory	Percentage of Total Homeowners Policy Premium
03	0%	33, 40, 41, 42	12.3%
30, 31, 32, 37, 38, 39, 43, 44	20.5%	35, 36	53.9%

2. **Homeowners 4 – Contents Broad Form HO 00 04 (04/91) or Homeowners 6 – Unit-Owners Form HO 00 06 (04/91):** If you maintain either form HO 00 04 or HO 00 06, the premium charged on your Homeowners Policy for the peril of Windstorm or Hail is shown in Table B below.

Table B (HO 00 04 or HO 00 06)

Peril of Windstorm or Hail Percentage of Total Premium (By Territory) <i>(Refer to Your Policy Declarations for the applicable Homeowners Policy Territory)</i>			
Territory	Percentage of Total Homeowners Policy Premium	Territory	Percentage of Total Homeowners Policy Premium
03	0%	33, 40, 41, 42	1.2%
30, 31, 32, 37, 38, 39, 43, 44	2.1%	35, 36	21.6%

The percentages shown in the above tables represent state averages by territory. Your actual policy percentage for the peril of windstorm or hail may reflect a higher or lower percentage dependent upon whether your policy contains a windstorm or hail deductible, windstorm or hail exclusion or other windstorm or hail provision within your policy which may impact your Homeowners policy premium.

If you have any questions regarding this policyholder notice, please contact your independent agent.

Thank you for selecting us to service your insurance needs!

THIS NOTICE DOES NOT PROVIDE ANY COVERAGE; NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR POLICY DECLARATIONS FOR COMPLETE INFORMATION ABOUT THE COVERAGE THAT APPLIES. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

IMPORTANT INFORMATION ABOUT DRIVING OUTSIDE OF THE UNITED STATES AND PROOF OF AUTO INSURANCE

THIS NOTICE DOES NOT PROVIDE ANY COVERAGE; NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR POLICY DECLARATIONS FOR COMPLETE INFORMATION ABOUT THE COVERAGE THAT APPLIES. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Dear Policyholder: This notice provides you with important information about territory provisions included in your policy. Your Personal Auto Policy provides coverage for accidents or losses that occur within the policy period shown on the Declarations and within the policy territory. The policy territory is defined as the United States of America, its possessions (such as the American Samoa, Guam and the U.S. Virgin Islands), Puerto Rico or Canada. While that is the case, in locations outside of the United States, authorities may not accept the Auto Identification Card we provided to you with your policy as proof that you have insurance. For example, Canada recommends non-resident operators to carry a special Identification Card. For this reason, before you drive outside of the United States, be sure that you:

- Familiarize yourself with the motor vehicle laws in the countries or territories you plan to drive in; and
- Obtain a "Canada Non-Resident Inter-Province Motor Vehicle Liability Insurance Card" from your independent insurance agent when driving in Canada.

In addition, because your Personal Auto Policy's territory definition does not include Mexico, if you plan to drive in Mexico, contact your independent insurance agent to purchase Mexican Auto Insurance. Under Mexican laws, auto accidents are not just civil offenses. They are considered criminal offenses and, therefore, the consequences of driving uninsured can be severe.

If you have any questions about this notice or the territory provisions of your Personal Auto Policy, please contact your independent insurance agent. Your agent can answer your questions and, to the extent possible, ensure your coverage meets your insurance needs.

Thank you for selecting us to service your insurance needs!

IMPORTANT NOTICE CONCERNING ADEQUATE INSURANCE TO VALUE

As is the case with most consumer products and services, the cost to build, replace or repair dwellings increases every year. Some of the increased costs are simply due to general cost of living inflation. For that reason, it is vitally important for you to review your policy dwelling coverage and other limits annually to assure you maintain adequate insurance to value.

To assist you in maintaining adequate insurance to value, the dwelling coverage limit on renewal policies is automatically increased by the application of a "value-up factor". The value-up factor is based upon construction cost index information provided by Marshall & Swift/Boeckh, a construction cost consulting firm that is an expert in the field.

While an automatic value-up factor is applied at renewal to assist you in maintaining adequate insurance to value, the application of the factor is not a guarantee that your dwelling is adequately insured. For example: the value-up factor may be applied to an inaccurate base dwelling coverage limit – because the limit was either too low or too high. For that reason, if you have not done so within the past few years, consult with your independent insurance agent for advice regarding the maintenance of adequate insurance to value.

Thank you for selecting us to service your insurance needs!

IMPORTANT POLICYHOLDER NOTICE CONCERNING THE PROPERTY INSURANCE LOSS REGISTER

If a claim is filed on the insured property, information on the claim may be given to the Property Insurance Loss Register (PILR) for use by insurance companies in investigating the legitimacy of that claim as well as other claims for loss on the property. Information which will be given to PILR may include the insureds name, age and sex, current and previous addresses, loss location, insurance policy information, cause of loss, type of property, and identification of others who have an interest in the property or who are involved in the claimed loss.

Such information may be collected by an insurer or an adjuster by questioning you, your spouse, others who have an interest in the property, those who are involved in the claimed loss, and fire department personnel. Information on you will be given by PILR to insurance companies which subscribe to its service for use in investigating other claimed losses.

On request, PILR will tell you whether it has information on you. It will let you see and copy such information (in person or by mail) or give you the nature and substance of such information by telephone. PILR may charge a reasonable fee for copies of information provided.

If you think information on you is incomplete or inaccurate, you may request PILR to make corrections. PILR will then investigate and:

1. give your correction to subscribers who previously received such information; or
2. inform you that it refuses to make your correction and give you its reason.

If PILR refuses to make your correction, you can have a statement of the reasons for your disagreement placed in PILR; and all subscribers who received or will receive information on you will also receive a copy of the statement. Information on your claim will normally be stored by PILR for five (5) years.

Inquires to PILR should be addressed:

**Property Insurance Loss Register
PO Box 2641
Jersey City, NJ 07310**

Telephone: 201-469-2000

Thank you for selecting us to service your insurance needs!

IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING PRACTICES

Dear Valued Policyholder: This insert provides you with important information about our policy billing practices that may affect you. Please review it carefully and contact your agent if you have any questions.

Premium Notice: We will mail you a policy Premium Notice separately. The Premium Notice will provide you with specifics regarding your agent, the account and policy billed, the billing company, payment plan, policy number, transaction dates, description of transactions, charges/credits, policy amount balance, minimum amount, and payment due date. This insert explains fees that may apply to and be shown on your Premium Notice.

Available Premium Payment Plans:

- **Annual Payment Plan:** When this plan applies, you have elected to pay the entire premium amount balance shown on your Premium Notice in full. No installment billing fee applies when the Annual Payment Plan applies.
- **Installment Payment Plan:** When this plan applies, you have elected to pay your policy premium in installments (e.g.: quarterly or monthly installments). As noted below, an installment fee applies when the Installment Payment Plan applies.

The Premium Payment Plan that applies to your policy is shown on the top of your Premium Notice. It is also shown on your Policy Declarations. Please contact your agent if you want to change your Payment Plan election.

Installment Payment Plan Fee: If you elected to pay your premiums in installments using the Installment Premium Payment Plan, an installment billing fee applies to each installment bill. The installment billing charge will not apply, however, if you pay the entire balance due when you receive the bill for the first installment.

Dishonored Payment Fee: Your financial institution may refuse to honor the premium payment withdrawal request you submit to us due to insufficient funds in your account or for some other reason. If that is the case, and your premium payment withdrawal request is returned to us dishonored, a payment return fee will apply.

Late Payment Fee: If we do not receive the minimum amount due on or before the date or time the payment is due, as indicated on your Premium Notice, you will receive a policy cancellation notice effective at a future date that will also reflect a late payment fee charge. Issuance of the cancellation notice due to non-payment of a scheduled installment(s) may result in the billing and collection of all or part of any outstanding premiums due for the policy period.

Schedule of Fees

Type of Fee		Fee Amount
Installment Payment Plan	Personal Lines ANYPAY*	\$0.00
	Personal Lines Policies	\$5.00
	Commercial Lines Policies	\$5.00
Dishonored Payment		\$25.00
Late Payment		\$10.00

* For more information on our Personal Lines ANYPAY program (Electronic Payment Option), refer to the attached A787802 ANYPAY Program policyholder notice and enrollment worksheet.

Once again, please contact your agent if you have any questions about the above billing practice information.

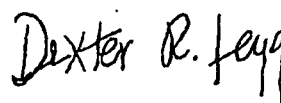
Thank you for selecting us to service your insurance needs.

The term Company, as used below, means the company that has issued the policy to which this witness statement is attached. The Company is identified on your Declarations in the area titled "Coverage is provided in".

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested on its behalf by its President and Secretary at Boston, Massachusetts, and countersigned on the Declarations by a duly authorized representative of that Company. In a state where a countersignature is not required, no policy shall be deemed invalid due to the absence of a countersignature.



President



Secretary

SOUTH CAROLINA AUTO INSURANCE IDENTIFICATION CARD

THIS POLICY MEETS THE MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS
FOR SOUTH CAROLINA

Name and Address of Insured:

**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

POLICY NUMBER: **PLP W841911**

AGENTS CODE: **4910185**

EFFECTIVE DATE: **01/03/2012**

EXPIRATION DATE: **01/03/2013**

VEHICLE DESCRIPTION:

YEAR MAKE/MODEL
2006 HOND PILOT

VEHICLE IDENTIFICATION NUMBER
5FN9YF28416B047956

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION
PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.

PL-IDC-SC (06/07)

SOUTH CAROLINA AUTO INSURANCE IDENTIFICATION CARD

THIS POLICY MEETS THE MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS
FOR SOUTH CAROLINA

Name and Address of Insured:

**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

POLICY NUMBER: **PLP W841911**

AGENTS CODE: **4910185**

EFFECTIVE DATE: **01/03/2012**

EXPIRATION DATE: **01/03/2013**

VEHICLE DESCRIPTION:

YEAR MAKE/MODEL
1999 FORD F150

VEHICLE IDENTIFICATION NUMBER
1FTZF1729XNB17754

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION
PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.

PL-IDC-SC (06/07)

IMPORTANT NOTICE:

Carry the above identification card in your vehicle at all times. In some states, the card is required to register a vehicle, obtain new tags, inspect a vehicle or serve as evidence of insurance for law enforcement authorities. Please report any new or replacement vehicle to the Company immediately, and you will be provided with a new identification card for that vehicle. In such cases, the old identification card will no longer be valid and should be discarded.

IN CASE OF AN AUTOMOBILE ACCIDENT:

1. Report all accidents to your agent or the Company immediately.
2. Obtain the following information:
 - a. Name and address of each owner, operator, injured party and witness
 - b. Description of the vehicles involved (including the make/model and license numbers).
 - c. For each vehicle involved, the name of the insurance companies and policy numbers.
3. Notify local police and/or state authorities as prescribed by law.
4. If the accident occurs within a reasonable distance from your home, and your vehicle has to be towed, have it taken directly to the repairer of your choice. Otherwise, secure the name and address of the location to which your vehicle was towed.

KEEP YOUR IDENTIFICATION CARD AND THE ABOVE INFORMATION IN YOUR VEHICLE. WITH THE CARD, YOU WILL HAVE YOUR POLICY NUMBER CLOSE AT HAND. YOU WILL ALSO HAVE VALUABLE INFORMATION TO ASSIST YOU IN CASE OF A CLAIM. IN SOME STATES, THE LAW REQUIRES AN IDENTIFICATION CARD TO BE PRESENTED AS PROOF OF INSURANCE IN CASE OF AN ACCIDENT OR VIOLATION.

PLPW84191101SCPLPR112



COVERAGE PROVIDED BY:

PEERLESS INSURANCE COMPANY

6281 Tri-Ridge Blvd.

Loveland, OH 45140

Phone: (877) 783-3410

Fraud Hotline – (877) 528-0461

ANYTIME™ 24-Hour Claim Service: (800) 561-0178

COVERAGE PROVIDED BY:

PEERLESS INSURANCE COMPANY

6281 Tri-Ridge Blvd.

Loveland, OH 45140

Phone: (877) 783-3410

Fraud Hotline – (877) 528-0461

ANYTIME™ 24-Hour Claim Service: (800) 561-0178

Montgomery Insurance
9450 Seward Road
Fairfield, OH 45014-5456

00212

2100001PLPW84191101SCPLPA213

LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205



INSURED COPY

01/03/2012

PLPW84191101

2301

PGDM560D J22942

MPXHPPN 00001700 Page 1

ROA_0273

APPENDIX 00281



Coverage is provided in:
PEERLESS INSURANCE COMPANY

This policy has been prepared for:
**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

Agent Name and Address:

**SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540**

Agent Code: 4910185

Agent's Phone Number: (864)-366-3667

Your Insurance policy is enclosed. Please place it with your important papers.

Thank you for selecting us to service your insurance needs!

*** PLEASE SEE VEHICLE ID CARDS ENCLOSED ***

CHANGE VEHICLE AND LOSS PAYEE

Policy Number: PLP W841911		Prior Policy: PLP W841911	
Policy Period: 01/03/2012 To: 01/03/2013 12:01 am Standard Time at the Mailing Address of the Named Insured			
Coverage Is Provided In PEERLESS INSURANCE COMPANY			
Billing Type: ELEC. DED. - MONTHLY			
Named Insured and Mailing Address: LAURIE WILLIAMS FRANCES EVANS 2884 LONG CANE RD ABBEVILLE SC 29620-9205		Agent: SOUTHERN RISK INSURANCE 511 W GREENWOOD ST ABBEVILLE SC 29620-2540 Agent Code: 4910185 Agent Phone: (864)-366-3667	

PERSONAL PROTECTOR® PACKAGE DECLARATIONS
PREMIUM SUMMARY

Reason for Transaction	POLICY CHANGE 01	Base Coverage Premium	\$	1,158.00
Transaction Effective Date	01/24/2012	Additional Coverage Premium		
Premium For This Transaction	\$ 115.00	Credits and Debits		
		Personal Protector Credit	\$	-132.00
		Total Policy Premium	\$	1,026.00

BASE COVERAGES AND PREMIUMS

This policy consists of the following coverage parts:

Coverage	Effective Date	Expiration Date	Basic Premium	Personal Protector Credit	Package Premium
Homeowners	01/03/2012	01/03/2013	\$ 309.00	\$ -46.00	\$ 263.00
Personal Auto	01/03/2012	01/03/2013	\$ 849.00	\$ -86.00	\$ 763.00
Total Premiums			\$ 1,158.00	\$ -132.00	\$ 1,026.00

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 01/23/2012

PLP (07/96)

INSURED COPY

01/03/2012

PLPW84191101

2301

PGDM560D J22942

MPXHPPN 00001703 Page .5

ROA_0276

APPENDIX 00284

CHANGE VEHICLE AND LOSS PAYEE

Forming a part of

Policy Number: PLP W841911	
Coverage Is Provided In PEERLESS INSURANCE COMPANY	
Named Insured: LAURIE WILLIAMS FRANCES EVANS	Agent: SOUTHERN RISK INSURANCE Agent Code: 4910185 Agent Phone: (864)-366-3667

PERSONAL AUTO COVERAGE
PREMIUM SUMMARY

Reason for Transaction	POLICY CHANGE 01	Base Coverage Premium	\$	858.00
Transaction Effective Date	01/24/2012	Additional Coverage Premium	\$	0.00
Premium For This Transaction	\$ 115.00	Credits and Debits	\$	-95.00
		Total Coverage Premium	\$	763.00

VEHICLES COVERED

Veh	Yr	Make	Model	Vehicle ID Number	Sym	Type	St Amt	C/New
001	2012	KIA	SORENTO	5XYKT3A63CG289751	13			
002	1999	FORD	F150	1FTZF1729XNB17754	05			

BASE COVERAGES AND PREMIUMS

Insurance is provided where a premium entry is shown for the coverage.

LIABILITY COVERAGES		Limits of Liability	Premium	
			VEH 001	VEH 002
Bodily Injury	\$	25,000 Each Person and		
	\$	50,000 Each Accident	\$ 83.00	\$ 77.00
Property Damage	\$	25,000 Each Accident	\$ 59.00	\$ 55.00
Medical Payments	\$	1,000 Each Person	\$ 15.00	\$ 14.00
Uninsured Motorist Bodily Injury	\$	25,000 Each Person and		
	\$	50,000 Each Accident	\$ 25.00	\$ 25.00
Uninsured Motorist Property Damage	\$	25,000 Each Accident	\$ 14.00	\$ 14.00

PHYSICAL DAMAGE COVERAGES		Limits of Liability	Premium	
			VEH 001	VEH 002
Other Than Collision		ACV With Full Coverage Glass	\$ 120.00	\$ 32.00
Less Deductible of:	VEH 001 \$ 500	VEH 002 \$ 500		
Collision		Actual Cash Value	\$ 232.00	\$ 72.00
Less Deductible of:	VEH 001 \$ 500	VEH 002 \$ 500		
Towing and Labor			\$ 6.00	\$ 6.00
Limit per Disablement:	VEH 001 \$ 50	VEH 002 \$ 50		
Optional Limits		30 Per Day and		
Transportation Expenses	\$	900 Maximum	\$ 9.00	

CREDITS AND DEBITS

Veh	Title	Premium
001	PASSIVE RESTRAINT DISCOUNT	\$ -5.00

PA (07/96)

01/03/2012

PLPW84191101

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INSURED COPY

PGDM560D J22942

MPXHPPN 00001705 Page 7

ROA_0278

APPENDIX 00286

PERSONAL AUTO COVERAGE (continued)

CREDITS AND DEBITS

Veh	Title	Premium
001	PERSONAL PROTECTOR CREDIT	\$ -56.00
002	PASSIVE RESTRAINT DISCOUNT	\$ -4.00
002	PERSONAL PROTECTOR CREDIT	\$ -30.00

VEHICLE PREMIUM SUMMARY

Veh	Base Premium	Additional Coverages	Credits and Debits	Total Premium
001	\$ 563.00	\$ 0.00	\$ -61.00	\$ 502.00
002	\$ 295.00	\$ 0.00	\$ -34.00	\$ 261.00
Total Coverage Premium				\$ 763.00

DRIVER INFORMATION

GS = Good Student Discount

DT = Driver Training Discount

Veh	Driver	License Number	St	Op	DOB	M/F	M/S	GS	DT
001	01 LAURIE WILLIAMS	004438555	SC	P	11/22/1976	F	D	N	N
002	02 FRANCES EVANS	004918447	SC	P	03/15/1958	M	S	N	N

RATING INFORMATION

Veh	Class	Use	Miles	Days	St	Territory	Multi-Car
001	887120 14	PLEASURE		5	SC	086	Y
002	885120 14	PLEASURE		5	SC	086	Y
Veh	County						
001	ABBEVILLE						
002	ABBEVILLE						

FORMS AND ENDORSEMENTS

Your Insurance is comprised of the following forms:

Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date
ALL	PP0303	0486	ALL	PP0465	0106	001	PP0302	0698
ALL	PP0001	0698	ALL	PP0178	0107	ALL	90-701	0695
ALL	91-5	0406	ALL	PP1301	1299			

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 01/23/2012

SOUTH CAROLINA AUTO INSURANCE IDENTIFICATION CARD



THIS POLICY MEETS THE MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS
FOR SOUTH CAROLINA

Name and Address of Insured:

**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

POLICY NUMBER: PLP W841911

AGENTS CODE: 4910185

EFFECTIVE DATE: 01/24/2012

EXPIRATION DATE: 01/03/2013

VEHICLE DESCRIPTION:

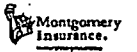
YEAR MAKE/MODEL
2012 KIA SORENTO

VEHICLE IDENTIFICATION NUMBER
5XYKT3A63CG289751

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION
PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.

PL-IDC-SC (06/07)

SOUTH CAROLINA AUTO INSURANCE IDENTIFICATION CARD



THIS POLICY MEETS THE MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS
FOR SOUTH CAROLINA

Name and Address of Insured:

**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

POLICY NUMBER: PLP W841911

AGENTS CODE: 4910185

EFFECTIVE DATE: 01/24/2012

EXPIRATION DATE: 01/03/2013

VEHICLE DESCRIPTION:

YEAR MAKE/MODEL

XXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

VEHICLE IDENTIFICATION NUMBER

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION
PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.

PL-IDC-SC (06/07)

IMPORTANT NOTICE:

Carry the above Identification card in your vehicle at all times. In some states, the card is required to register a vehicle, obtain new tags, inspect a vehicle or serve as evidence of insurance for law enforcement authorities. Please report any new or replacement vehicle to the Company immediately, and you will be provided with a new Identification card for that vehicle. In such cases, the old Identification card will no longer be valid and should be discarded.

IN CASE OF AN AUTOMOBILE ACCIDENT:

1. Report all accidents to your agent or the Company immediately.
2. Obtain the following information:
 - a. Name and address of each owner, operator, injured party and witness
 - b. Description of the vehicles involved (including the make/model and license numbers).
 - c. For each vehicle involved, the name of the insurance companies and policy numbers.
3. Notify local police and/or state authorities as prescribed by law.
4. If the accident occurs within a reasonable distance from your home, and your vehicle has to be towed, have it taken directly to the repairer of your choice. Otherwise, secure the name and address of the location to which your vehicle was towed.

KEEP YOUR IDENTIFICATION CARD AND THE ABOVE INFORMATION IN YOUR VEHICLE. WITH THE CARD, YOU WILL HAVE YOUR POLICY NUMBER CLOSE AT HAND. YOU WILL ALSO HAVE VALUABLE INFORMATION TO ASSIST YOU IN CASE OF A CLAIM. IN SOME STATES, THE LAW REQUIRES AN IDENTIFICATION CARD TO BE PRESENTED AS PROOF OF INSURANCE IN CASE OF AN ACCIDENT OR VIOLATION.

PLPW84191101SCPLPA060



COVERAGE PROVIDED BY:

PEERLESS INSURANCE COMPANY

6281 Tri-Ridge Blvd.

Loveland, OH 45140

Phone: (877) 783-3410

Fraud Hotline – (877) 528-0461

ANYTIME™ 24-Hour Claim Service: (800) 561-0178

COVERAGE PROVIDED BY:

PEERLESS INSURANCE COMPANY

6281 Tri-Ridge Blvd.

Loveland, OH 45140

Phone: (877) 783-3410

Fraud Hotline – (877) 528-0461

ANYTIME™ 24-Hour Claim Service: (800) 561-0178

Montgomery Insurance
9450 Seward Road
Fairfield, OH 45014-5456

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LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205



INSURED COPY

01/03/2012

PLPW84191101

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PGDM560D J22345

MPXHPPN 00001045 Page 1

ROA_0282

APPENDIX 00290



Coverage is provided in:
PEERLESS INSURANCE COMPANY

This policy has been prepared for:
**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

Agent Name and Address:

**SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540**

Agent Code: **4910185**

Agent's Phone Number: **(864)-366-3667**

Your insurance policy is enclosed. Please place it with your important papers.

Thank you for selecting us to service your insurance needs!

*** PLEASE SEE VEHICLE ID CARDS ENCLOSED ***

ADD DRIVER

Policy Number: PLP W841911		Prior Policy: PLP W841911	
Policy Period: 01/03/2012 To: 01/03/2013 12:01 am Standard Time at the Mailing Address of the Named Insured			
Coverage Is Provided In PEERLESS INSURANCE COMPANY			
Billing Type: ELEC. DED. - MONTHLY			
Named Insured and Mailing Address: LAURIE WILLIAMS FRANCES EVANS 2884 LONG CANE RD ABBEVILLE SC 29620-9205		Agent: SOUTHERN RISK INSURANCE 511 W GREENWOOD ST ABBEVILLE SC 29620-2540 Agent Code: 4910185 Agent Phone: (864)-366-3667	

PERSONAL PROTECTOR® PACKAGE DECLARATIONS
-----PREMIUM SUMMARY-----

Reason for Transaction	POLICY CHANGE 02	Base Coverage Premium	\$	1,456.00
Transaction Effective Date	05/31/2012	Additional Coverage Premium		
Premium For This Transaction	\$ 160.00	Credits and Debits		
		Personal Protector Credit	\$	-161.00
		Total Policy Premium	\$	1,295.00

-----BASE COVERAGES AND PREMIUMS-----

This policy consists of the following coverage parts:

Coverage	Effective Date	Expiration Date	Basic Premium	Personal Protector Credit	Package Premium
Homeowners	01/03/2012	01/03/2013	\$ 309.00	\$ -46.00	\$ 263.00
Personal Auto	01/03/2012	01/03/2013	\$ 1,147.00	\$ -115.00	\$ 1,032.00
Total Premiums			\$ 1,456.00	\$ -161.00	\$ 1,295.00

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 06/05/2012

PLP (07/96)

INSURED COPY

01/03/2012

PLPW84191101

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PGDM560D J22345

MPXHPPN 00001048 Page 5

ROA_0285

APPENDIX 00293

ADD DRIVER

Forming a part of.

Policy Number: PLP W841911	
Coverage Is Provided In PEERLESS INSURANCE COMPANY	
Named Insured: LAURIE WILLIAMS FRANCES EVANS	Agent: SOUTHERN RISK INSURANCE Agent Code: 4910185 Agent Phone: (864)-366-3667

PERSONAL AUTO COVERAGE
-----PREMIUM SUMMARY-----

Reason for Transaction	POLICY CHANGE 02	Base Coverage Premium	\$ 1,161.00
Transaction Effective Date	05/31/2012	Additional Coverage Premium	\$ 0.00
Premium For This Transaction	\$ 160.00	Credits and Debits	\$ -129.00
		Total Coverage Premium	\$ 1,032.00

-----VEHICLES COVERED-----

Veh	Yr	Make	Model	Vehicle ID Number	Sym	Type	St Amt	C/New
001	2012	KIA	SORENTO	5XYKT3A63CG289751	13			
002	1999	FORD	F150	1FTZF1729XNB17754	05			

-----BASE COVERAGES AND PREMIUMS-----

Insurance is provided where a premium entry is shown for the coverage.

LIABILITY COVERAGES	Limits of Liability	Premium	VEH 001	VEH 002
Bodily Injury	\$ 25,000 Each Person and \$ 50,000 Each Accident	\$ 83.00	\$ 171.00	
Property Damage	\$ 25,000 Each Accident	\$ 59.00	\$ 121.00	
Medical Payments	\$ 1,000 Each Person	\$ 15.00	\$ 31.00	
Uninsured Motorist Bodily Injury	\$ 25,000 Each Person and \$ 50,000 Each Accident	\$ 25.00	\$ 25.00	
Uninsured Motorist Property Damage	\$ 25,000 Each Accident	\$ 14.00	\$ 14.00	

PHYSICAL DAMAGE COVERAGES	Limits of Liability	Premium	VEH 001	VEH 002
Other Than Collision	ACV With Full Coverage Glass	\$ 120.00	\$ 70.00	
Less Deductible of:	VEH 001 \$ 500 VEH 002 \$ 500			
Collision	Actual Cash Value	\$ 232.00	\$ 160.00	
Less Deductible of:	VEH 001 \$ 500 VEH 002 \$ 500			
Towing and Labor		\$ 6.00	\$ 6.00	
Limit per Disablement:	VEH 001 \$ 50 VEH 002 \$ 50			
Optional Limits	\$ 30 Per Day and			
Transportation Expenses	\$ 900 Maximum	\$ 9.00		

-----CREDITS AND DEBITS-----

Veh Title	Premium
001 PASSIVE RESTRAINT DISCOUNT	\$ -5.00

PA (07/96)

01/03/2012

PLPW84191101

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INSURED COPY

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MPXHPPN

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Page 7

ROA_0287
APPENDIX 00295

PERSONAL AUTO COVERAGE (continued)

CREDITS AND DEBITS

Veh	Title	Premium
001	PERSONAL PROTECTOR CREDIT	\$ -56.00
002	PASSIVE RESTRAINT DISCOUNT	\$ -9.00
002	PERSONAL PROTECTOR CREDIT	\$ -59.00

VEHICLE PREMIUM SUMMARY

Veh	Base Premium	Additional Coverages	Credits and Debits	Total Premium
001	\$ 563.00	\$ 0.00	\$ -61.00	\$ 502.00
002	\$ 598.00	\$ 0.00	\$ -68.00	\$ 530.00
Total Coverage Premium				\$ 1,032.00

DRIVER INFORMATION

GS = Good Student Discount

DT = Driver Training Discount

Veh	Driver	License Number	St	Op	DOB	M/F	M/S	GS	DT
001	01 LAURIE WILLIAMS	004438555	SC	P	11/22/1976	F	D	N	N
002	02 FRANCES EVANS	004918447	SC	P	03/15/1958	M	S	N	N
002	03 TRENTON WILSON	102552641	SC	O	11/08/1995	M	S	N	Y

RATING INFORMATION

Veh	Class	Use	Miles	Days	St	Territory	Multi-Car
001	887120 14	PLEASURE		5	SC	086	Y
002	846020 14	PLEASURE		5	SC	086	Y
Veh	County						
001	ABBEVILLE						
002	ABBEVILLE						

FORMS AND ENDORSEMENTS

Your insurance is comprised of the following forms:

Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date
ALL	PP0303	0486	ALL	PP0465	0106	001	PP0302	0698
ALL	PP0001	0698	ALL	PP0178	0107	ALL	90-701	0695
ALL	91-5	0406	ALL	PP1301	1299			

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 06/05/2012

0100001PLPW84191101SCPLPA140



Montgomery Insurance
9450 Seward Road
Fairfield, OH 45014-5456

00139

INSURED COPY

01/03/2012

PLPW84191101

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MPXFPPN 00003671 Page

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ROA_0289

LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205

INSURED COPY

Montgomery Insurance
9450 Seward Road
Fairfield, OH 45014-5456

ROA_0290

TO:

LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205



Coverage is provided in:
PEERLESS INSURANCE COMPANY

This policy has been prepared for:
**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

Agent Name and Address:

**SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540**

Agent Code: **4910185**

Agent's Phone Number: **(864)-366-3667**

Your insurance policy is enclosed. Please place it with your important papers.

Thank you for selecting us to service your insurance needs!

*** PLEASE SEE VEHICLE ID CARDS ENCLOSED ***

ADD VEHICLE

Policy Number: PLP W841911		Prior Policy: PLP W841911	
Policy Period: 01/03/2012 To: 01/03/2013 12:01 am Standard Time at the Mailing Address of the Named Insured			
Coverage Is Provided In PEERLESS INSURANCE COMPANY			
Billing Type: ELEC. DED. - MONTHLY			
Named Insured and Mailing Address: LAURIE WILLIAMS FRANCES EVANS 2884 LONG CANE RD ABBEVILLE SC 29620-9205		Agent: SOUTHERN RISK INSURANCE 511 W GREENWOOD ST ABBEVILLE SC 29620-2540 Agent Code: 4910185 Agent Phone: (864)-366-3667	

PERSONAL PROTECTOR® PACKAGE DECLARATIONS
PREMIUM SUMMARY

Reason for Transaction	POLICY CHANGE 03	Base Coverage Premium	\$	2,249.00
Transaction Effective Date	07/16/2012	Additional Coverage Premium		
Premium For This Transaction	\$ 332.00	Credits and Debits		
		Personal Protector Credit	\$	-240.00
		Total Policy Premium	\$	2,009.00

BASE COVERAGES AND PREMIUMS

This policy consists of the following coverage parts:

Coverage	Effective Date	Expiration Date	Basic Premium	Personal Protector Credit	Package Premium
Homeowners	01/03/2012	01/03/2013	\$ 309.00	\$ -46.00	\$ 263.00
Personal Auto	01/03/2012	01/03/2013	\$ 1,940.00	\$ -194.00	\$ 1,746.00
Total Premiums			\$ 2,249.00	\$ -240.00	\$ 2,009.00

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 07/16/2012

PLP (07/96)

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01/03/2012

PLPW84191101

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MPXFPPN 00003674 Page 5

ROA_0293

APPENDIX 00301

ADD VEHICLE

Forming a part of

Policy Number: PLP W841911	
Coverage Is Provided In PEERLESS INSURANCE COMPANY	
Named Insured: LAURIE WILLIAMS FRANCES EVANS	Agent: SOUTHERN RISK INSURANCE Agent Code: 4910185 Agent Phone: (864)-366-3667

PERSONAL AUTO COVERAGE
PREMIUM SUMMARY

Reason for Transaction	POLICY CHANGE 03	Base Coverage Premium	\$	1,965.00
Transaction Effective Date	07/16/2012	Additional Coverage Premium	\$	0.00
Premium For This Transaction	\$ 332.00	Credits and Debits	\$	-219.00
		Total Coverage Premium	\$	1,746.00

VEHICLES COVERED

Veh	Yr	Make	Model	Vehicle ID Number	Sym	Type	St Amt	C/New
001	2012	KIA	SORENTO	5XYKT3A63CG289751	13			
002	1999	FORD	F150	1FTZF1729XNB17754	05			
003	1997	TYTA	TACOMA	4TAWM72N2VZ226152	15			

BASE COVERAGES AND PREMIUMS

Insurance is provided where a premium entry is shown for the coverage.

LIABILITY COVERAGES		Limits of Liability	Premium		
			VEH 001	VEH 002	VEH 003
Bodily Injury	\$	25,000 Each Person and			
	\$	50,000 Each Accident	\$ 83.00	\$ 314.00	\$ 74.00
Property Damage	\$	25,000 Each Accident	\$ 59.00	\$ 222.00	\$ 53.00
Medical Payments	\$	1,000 Each Person	\$ 15.00	\$ 57.00	\$ 13.00
Uninsured Motorist Bodily Injury	\$	25,000 Each Person and			
	\$	50,000 Each Accident	\$ 25.00	\$ 25.00	\$ 25.00
Uninsured Motorist Property Damage	\$	25,000 Each Accident	\$ 14.00	\$ 14.00	\$ 14.00

PHYSICAL DAMAGE COVERAGES		Limits of Liability	Premium		
			VEH 001	VEH 002	VEH 003
Other Than Collision		ACV With Full Coverage Glass	\$ 120.00	\$ 128.00	\$ 61.00
Less Deductible of:	VEH 001	VEH 002	VEH 003		
	\$ 500	\$ 500	\$ 500		
Collision		Actual Cash Value	\$ 232.00	\$ 294.00	\$ 96.00
Less Deductible of:	VEH 001	VEH 002	VEH 003		
	\$ 500	\$ 500	\$ 500		
Towing and Labor			\$ 6.00	\$ 6.00	\$ 6.00
Limit per Disablement:	VEH 001	VEH 002	VEH 003		
	\$ 50	\$ 50	\$ 50		
Optional Limits		30 Per Day and			
Transportation Expenses		900 Maximum	\$ 9.00		

PA (07/96)

01/03/2012

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APPENDIX 00303

PERSONAL AUTO COVERAGE (continued)

CREDITS AND DEBITS

Veh	Title	Premium
001	PASSIVE RESTRAINT DISCOUNT	\$ -5.00
001	PERSONAL PROTECTOR CREDIT	\$ -56.00
002	PASSIVE RESTRAINT DISCOUNT	\$ -17.00
002	PERSONAL PROTECTOR CREDIT	\$ -104.00
003	PASSIVE RESTRAINT DISCOUNT	\$ -3.00
003	PERSONAL PROTECTOR CREDIT	\$ -34.00

VEHICLE PREMIUM SUMMARY

Veh	Base Premium	Additional Coverages	Credits and Debits	Total Premium
001	\$ 563.00	\$ 0.00	\$ -61.00	\$ 502.00
002	\$ 1,060.00	\$ 0.00	\$ -121.00	\$ 939.00
003	\$ 342.00	\$ 0.00	\$ -37.00	\$ 305.00
Total Coverage Premium				\$ 1,746.00

DRIVER INFORMATION

GS = Good Student Discount

DT = Driver Training Discount

Veh	Driver	License Number	St	Op	DOB	M/F	M/S	GS	DT
001	01 LAURIE WILLIAMS	004438555	SC	P	11/22/1976	F	D	N	N
003	02 FRANCES EVANS	004918447	SC	P	03/15/1958	M	S	N	N
002	03 TRENTON WILSON	102552641	SC	P	11/08/1995	M	S	N	Y

RATING INFORMATION

Veh	Class	Use	Miles	Days	St	Territory	Multi-Car
001	887125 14	PLEASURE		5	SC	086	Y
002	866020 14	PLEASURE		5	SC	086	Y
003	885125 13	PLEASURE		5	SC	086	Y
Veh	County						
001	ABBEVILLE						
002	ABBEVILLE						
003	ABBEVILLE						

FORMS AND ENDORSEMENTS

Your insurance is comprised of the following forms:

Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date
ALL	* PP0303	0486	ALL	* PP0465	0106	001	PP0302	0698
ALL	PP0001	0698	ALL	PP0178	0107	ALL	90-701	0695
ALL	91-5	0406	ALL	PP1301	1299			

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 07/16/2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UNINSURED MOTORISTS COVERAGE – SOUTH CAROLINA

SCHEDULE

Coverage is provided where a premium and a limit of liability are shown for the coverage.

Uninsured Motorists Coverage	Limit Of Liability	Premium		
		Auto 1	Auto 2	Auto 3
Bodily Injury Liability	\$ _____ each person			
	\$ _____ each accident			
Property Damage Liability	\$ _____ each accident	\$	\$	\$

I. Part C – Uninsured Motorists Coverage

Part C is replaced by the following:

INSURING AGREEMENT

We will pay damages which an "insured" is legally entitled to recover from the owner or operator of an "uninsured motor vehicle" because of:

1. "Bodily injury" sustained by an "insured" and caused by an accident; and
2. "Property damage" caused by an accident.

The owner's or operator's liability for these damages must arise out of the ownership, maintenance or use of the "uninsured motor vehicle".

"Insured" as used in this endorsement means:

1. You or any "family member".
2. Any other person "occupying" "your covered auto".
3. Any person for damages that person is entitled to recover because of "bodily injury" to which this coverage applies sustained by a person described in Paragraph 1. or 2. above.

"Property damage" as used in this endorsement means injury to or destruction of the property of an "insured".

"Uninsured motor vehicle" means a land motor vehicle or trailer of any type:

1. To which neither:
 - a. A liability bond or policy; nor
 - b. Cash or securities deposited with the State Treasurer;applies at the time of the accident.
2. To which a liability bond or policy applies at the time of the accident. In this case its limit for liability must be less than the minimum limits specified by the South Carolina Financial Responsibility Act.
3. Which is a hit-and-run vehicle whose operator or owner cannot be identified and which hits or which causes an accident resulting in "bodily injury" or "property damage" without hitting:
 - a. You or any "family member";
 - b. A vehicle which you or any "family member" are "occupying";
 - c. "Your covered auto"; or
 - d. Any of your property.

If there is no physical contact with the hit-and-run vehicle the facts of the accident must be corroborated by an affidavit attesting to the truth of the facts of the accident signed by any eyewitness other than the owner or operator of the vehicle which you or any "family member" were "occupying" at the time of the accident.

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APPENDIX 00305

4. To which a liability bond or policy applies at the time of the accident but the bonding or insuring company:
 - a. Successfully denies coverage;
 - b. Is or becomes insolvent;
 - c. Is in delinquency proceedings, suspension or receivership; or
 - d. Is proven unable to respond to a judgment.
5. For which the owner has not qualified as a self-insurer in accordance with the applicable provisions of the South Carolina Insurance Laws.

However, "uninsured motor vehicle" does not include any vehicle or equipment:

1. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer which is or becomes insolvent.
2. Owned by any governmental unit or agency unless a cause of action against that governmental unit or agency is barred by the Tort Claims Act, South Carolina Laws 1986, Ratification No. 514, Subsection 15-78-60, or by other applicable statute.
3. Operated on rails or crawler treads.
4. Designed mainly for use off public roads while not on public roads.

EXCLUSIONS

- A. We do not provide Uninsured Motorists Coverage for "property damage" or "bodily injury" sustained by any "insured":
 1. If that "insured" or the legal representative settles the "bodily injury" claim and such settlement prejudices our right to recover payment.
 2. While "occupying" "your covered auto" when it is being used as a public or livery conveyance. This Exclusion (A.2.) does not apply to a share-the-expense car pool.
 3. Using a vehicle without a reasonable belief that that "insured" is entitled to do so. This Exclusion (A.3.) does not apply to a "family member" using "your covered auto" which is owned by you.
 4. For the first \$200 of the amount of "property damage" to the property of each "insured" as the result of any one accident.
- B. This coverage shall not apply directly or indirectly to benefit:
 1. Any insurer or self-insurer under any of the following or similar law:
 - a. Workers' compensation law; or
 - b. Disability benefits law.
 2. Any insurer of property.

LIMIT OF LIABILITY

- A. If "bodily injury" or "property damage" is sustained in an accident by you or any "family member" while "occupying" "your covered auto":
 1. Our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in that accident is the sum of the limits of liability shown in the Schedule or in the Declarations for each person for Bodily Injury Liability Uninsured Motorists Coverage.
 2. Subject to this limit for each person, our maximum limit of liability for all damages arising out of "bodily injury" sustained in that accident is the sum of the limits of liability shown in the Schedule or in the Declarations for each accident for Bodily Injury Liability Uninsured Motorists Coverage.
 3. Our maximum limit of liability for all "property damage" resulting from that accident is the sum of the limits of liability shown in the Schedule or in the Declarations for each accident for Property Damage Liability Uninsured Motorists Coverage.

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Subject to the maximum limit of liability set forth in Paragraph 1., 2. or 3. above:

1. The most we will pay for "bodily injury" or "property damage" sustained in that accident by an "insured" other than you or any "family member" is that "insured's" pro rata share of the each person or each accident limit shown in the Schedule or in the Declarations for this coverage applicable to the vehicle that "insured" was "occupying" at the time of the accident; and
2. You or any "family member" who sustains "bodily injury" or "property damage" in that accident will also be entitled to a pro rata share of the each person or each accident limit described in Paragraph 1. above.

A person's pro rata share shall be the proportion that that person's damages bears to the total damages sustained by all "Insureds".

The maximum limit of liability is the most we will pay regardless of the number of:

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Schedule or in the Declarations; or
 4. Vehicles involved in the accident.
- B. If "bodily injury" or "property damage" is sustained in an accident by you or any "family member" while not "occupying" any auto:
1. Our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in that accident is the sum of the limits of liability shown in the Schedule or in the Declarations for each person for Bodily Injury Liability Uninsured Motorists Coverage.
 2. Subject to this limit for each person, our maximum limit of liability for all damages arising out of "bodily injury" sustained in that accident is the sum of the limits of liability shown in the Schedule or in the Declarations for each accident for Bodily Injury Liability Uninsured Motorists Coverage.
 3. Our maximum limit of liability for all "property damage" resulting from that accident is the sum of the limits of liability shown in the Schedule or in the Declarations for each accident for Property Damage Liability Uninsured Motorists Coverage.

The maximum limit of liability is the most we will pay regardless of the number of:

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Schedule or in the Declarations; or
 4. Vehicles involved in the accident.
- C. If "bodily injury" or "property damage" is sustained in an accident by you or any "family member" while "occupying" a vehicle not owned by you or any "family member":
1. Our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in that accident is the highest each person limit of liability shown in the Schedule or in the Declarations for Bodily Injury Liability Uninsured Motorists Coverage applicable to any one of "your covered autos";
 2. Subject to this limit for each person, our maximum limit of liability for all damages arising out of "bodily injury" sustained in that accident is the highest each accident limit of liability shown in the Schedule or in the Declarations for Bodily Injury Liability Uninsured Motorists Coverage applicable to any one of "your covered autos"; and
 3. Our maximum limit of liability for all "property damage" resulting from that accident is the highest each accident limit of liability shown in the Schedule or in the Declarations for Property Damage Liability Uninsured Motorists Coverage applicable to any one of "your covered autos".

The maximum limit of liability is the most we will pay regardless of the number of:

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Schedule or in the Declarations; or
 4. Vehicles involved in the accident.
- D. If "bodily injury" or "property damage" is sustained by an "insured" other than you or any "family member" in an accident in which neither you nor any "family member" sustained "bodily injury" or "property damage":
1. Our maximum limit of liability for all damages, including damages for care, loss of services or death, arising out of "bodily injury" sustained by any one person in that accident will be the each person limit of liability shown in the Schedule or in the Declarations for Bodily Injury Liability Uninsured Motorists Coverage applicable to the vehicle that "insured" was "occupying" at the time of that accident.
 2. Subject to this limit for each person, our maximum limit of liability for all damages arising out of "bodily injury" sustained in that accident is the each accident limit of liability shown in the Schedule or in the Declarations for Bodily Injury Liability Uninsured Motorists Coverage applicable to the vehicle that "insured" was "occupying" at the time of the accident.
 3. Our maximum limit of liability for all "property damage" resulting from that accident is the each accident limit of liability shown in the Schedule or in the Declarations for Property Damage Liability Uninsured Motorists Coverage applicable to the vehicle that "insured" was "occupying" at the time of the accident.

The maximum limit of liability is the most we will pay regardless of the number of:

1. "Insureds";
 2. Claims made;
 3. Vehicles or premiums shown in the Schedule or in the Declarations; or
 4. Vehicles involved in the accident.
- E. No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and:
1. Part A or Part B of this policy;
 2. Any Underinsured Motorists Coverage provided by this policy; or
 3. Part D of this policy or any similar coverage under any other policy.
- F. We will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or on behalf of persons or organizations who may be legally responsible.

OTHER INSURANCE

- A. If an "insured" sustains "bodily injury" while:
1. "Occupying" a vehicle:
 - a. Not owned by that person, including any vehicle while used as a temporary substitute for "your covered auto"; or
 - b. Owned by you or any "family member" which is not insured for this coverage under this policy; or
 2. Not "occupying" any vehicle;
- the following priorities of recovery apply:

First Priority	The policy affording Uninsured Motorists Coverage to the vehicle the "insured" was "occupying" at the time of the accident.
Second Priority	Any policy affording Uninsured Motorists Coverage to the "insured" as a named insured or "family member".

1. If there is no applicable insurance available under the first priority, the maximum recovery under all policies in the second priority shall not exceed the highest applicable limit for any one vehicle under any one policy.
2. If there is applicable insurance available under the first priority:
 - a. The limit of liability applicable to the vehicle the "insured" was "occupying", under the policy in the first priority, shall first be exhausted; and
 - b. The maximum recovery in the second priority shall not exceed the highest limit for any one vehicle under any one policy in the second priority.
3. We will pay only our share of the loss, not to exceed our share of the maximum recovery. Our share is the proportion that our limit of liability bears to the total of all applicable limits in the same level of priority.

B. With respect to "property damage", this insurance shall apply only after the limits of any other collectible insurance applicable to the damaged property have been exhausted.

II. Part F – General Provisions

Part F is amended as follows with respect to Uninsured Motorists Coverage:

A. The Our Right To Recover Payment Provision is replaced by the following:

OUR RIGHT TO RECOVER PAYMENT

1. If we make payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right to the extent of such payment that does not exceed the minimum limits specified by the South Carolina Motor Vehicle Financial Responsibility Act. That person shall do:
 - a. Whatever is necessary to enable us to exercise our rights; and
 - b. Nothing after loss to prejudice them.
2. If an "insured" has prosecuted to judgment any suit against any person responsible, we will be entitled to an assignment of the judgment to the extent of payment under this insurance that does not exceed the minimum limits specified by the South Carolina Motor Vehicle Financial Responsibility Act.
3. We will pay our proportionate part of any reasonable costs and expenses incurred for any recovery, including reasonable attorneys' fees. However, we reserve the right to retain an attorney of our choice to pursue a claim instead of reasonable attorneys' fees.
4. If an "insured" making a claim for "property damage" under this insurance is also entitled to insurance or other compensation for the "property damage", we will not be obligated to pay a claim until the "insured" has assigned us the rights to the compensation, to the extent of payment under this insurance that does not exceed the minimum limits specified by the South Carolina Motor Vehicle Financial Responsibility Act.

B. The following is added to the Two Or More Auto Policies Provision:

TWO OR MORE AUTO POLICIES

1. This provision does not apply to Uninsured Motorists Coverage.
2. No one will be entitled to receive duplicate payments for the same elements of loss under Uninsured Motorists Coverage.

C. The following provision is added:

CONFORMITY TO STATUTE

This endorsement is intended to be in full conformity with the South Carolina Insurance Laws. If any provision of this endorsement conflicts with that law, it is changed to comply with the law.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.

TOWING AND LABOR COSTS COVERAGE

SCHEDULE

Description of Your Covered Auto	Limit of Towing and Labor Costs Coverage	Premium
	\$	\$
	\$	\$
	\$	\$

We will pay towing and labor costs incurred each time "your covered auto" or any "non-owned auto" is disabled, up to the amount shown in the Schedule or in the Declarations as applicable to that vehicle. If a "non-owned auto" is disabled, we will provide the broadest towing and labor costs coverage applicable to any "your covered auto" shown in the Schedule or in the Declarations. We will only pay for labor performed at the place of disablement.

This endorsement must be attached to the Change Endorsement when issued after the policy is written.

SOUTH CAROLINA AUTO INSURANCE IDENTIFICATION CARD

THIS POLICY MEETS THE MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS
FOR SOUTH CAROLINA

Name and Address of Insured:

**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

POLICY NUMBER: PLP W841911

AGENTS CODE: 4910185

EFFECTIVE DATE: 07/16/2012

EXPIRATION DATE: 01/03/2013

VEHICLE DESCRIPTION:

YEAR MAKE/MODEL
1997 TYTA TACOMA

VEHICLE IDENTIFICATION NUMBER
4TAWM72N2VZ226152

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION
PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.

PL-IDC-SC (06/07)

SOUTH CAROLINA AUTO INSURANCE IDENTIFICATION CARD

THIS POLICY MEETS THE MINIMUM FINANCIAL RESPONSIBILITY REQUIREMENTS
FOR SOUTH CAROLINA

Name and Address of Insured:

**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

POLICY NUMBER: PLP W841911

AGENTS CODE: 4910185

EFFECTIVE DATE: 07/16/2012

EXPIRATION DATE: 01/03/2013

VEHICLE DESCRIPTION:

YEAR MAKE/MODEL

XXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

VEHICLE IDENTIFICATION NUMBER

THIS CARD SHOULD BE KEPT IN YOUR VEHICLE FOR INSURANCE IDENTIFICATION
PURPOSES AND TO PRESENT TO A LAW ENFORCEMENT OFFICER UPON DEMAND.

PL-IDC-SC (06/07)

IMPORTANT NOTICE:

Carry the above Identification card in your vehicle at all times. In some states, the card is required to register a vehicle, obtain new tags, inspect a vehicle or serve as evidence of insurance for law enforcement authorities. Please report any new or replacement vehicle to the Company immediately, and you will be provided with a new Identification card for that vehicle. In such cases, the old identification card will no longer be valid and should be discarded.

IN CASE OF AN AUTOMOBILE ACCIDENT:

1. Report all accidents to your agent or the Company immediately.
2. Obtain the following information:
 - a. Name and address of each owner, operator, injured party and witness
 - b. Description of the vehicles involved (including the make/model and license numbers).
 - c. For each vehicle involved, the name of the insurance companies and policy numbers.
3. Notify local police and/or state authorities as prescribed by law.
4. If the accident occurs within a reasonable distance from your home, and your vehicle has to be towed, have it taken directly to the repairer of your choice. Otherwise, secure the name and address of the location to which your vehicle was towed.

KEEP YOUR IDENTIFICATION CARD AND THE ABOVE INFORMATION IN YOUR VEHICLE. WITH THE CARD, YOU WILL HAVE YOUR POLICY NUMBER CLOSE AT HAND. YOU WILL ALSO HAVE VALUABLE INFORMATION TO ASSIST YOU IN CASE OF A CLAIM. IN SOME STATES, THE LAW REQUIRES AN IDENTIFICATION CARD TO BE PRESENTED AS PROOF OF INSURANCE IN CASE OF AN ACCIDENT OR VIOLATION.

PLPW84191101SCPLPA102

COVERAGE PROVIDED BY:

PEERLESS INSURANCE COMPANY

6281 Tri-Ridge Blvd.
Loveland, OH 45140
Phone: (877) 783-3410
Fraud Hotline – (877) 528-0461
ANYTIME™ 24-Hour Claim Service: (800) 561-0178

COVERAGE PROVIDED BY:

PEERLESS INSURANCE COMPANY

6281 Tri-Ridge Blvd.
Loveland, OH 45140
Phone: (877) 783-3410
Fraud Hotline – (877) 528-0461
ANYTIME™ 24-Hour Claim Service: (800) 561-0178

Montgomery Insurance
9450 Seward Road
Fairfield, OH 45014-5456

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0100000PLPW84191101SCPLPA143

LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205



INSURED COPY



Coverage is provided in:
PEERLESS INSURANCE COMPANY

This policy has been prepared for:
**LAURIE WILLIAMS
FRANCES EVANS
2884 LONG CANE RD
ABBEVILLE SC 29620-9205**

Agent Name and Address:

**SOUTHERN RISK INSURANCE
511 W GREENWOOD ST
ABBEVILLE SC 29620-2540**

Agent Code: **4910185**

Agent's Phone Number: **(864)-366-3667**

Your insurance policy is enclosed. Please place it with your important papers.

Thank you for selecting us to service your insurance needs!

* **PLEASE SEE VEHICLE ID CARDS ENCLOSED** *

DELETE VEHICLE

Policy Number: PLP W841911		Prior Policy: PLP W841911	
Policy Period: 01/03/2012 To: 01/03/2013 12:01 am Standard Time at the Mailing Address of the Named Insured			
Coverage Is Provided In PEERLESS INSURANCE COMPANY			
Billing Type: ELEC. DED. - MONTHLY			
Named Insured and Mailing Address:		Agent:	
LAURIE WILLIAMS FRANCES EVANS 2884 LONG CANE RD ABBEVILLE SC 29620-9205		SOUTHERN RISK INSURANCE 511 W GREENWOOD ST ABBEVILLE SC 29620-2540	
		Agent Code: 4910185 Agent Phone: (864)-366-3667	

PERSONAL PROTECTOR® PACKAGE DECLARATIONS
PREMIUM SUMMARY

Reason for Transaction	POLICY CHANGE 04	Base Coverage Premium	\$	1,561.00
Transaction Effective Date	07/16/2012	Additional Coverage Premium		
Premium For This Transaction	\$ -289.00	Credits and Debits		
		Personal Protector Credit	\$	-172.00
		Total Policy Premium	\$	1,389.00

BASE COVERAGES AND PREMIUMS

This policy consists of the following coverage parts:

Coverage	Effective Date	Expiration Date	Basic Premium	Personal Protector Credit	Package Premium
Homeowners	01/03/2012	01/03/2013	\$ 309.00	\$ -46.00	\$ 263.00
Personal Auto	01/03/2012	01/03/2013	\$ 1,252.00	\$ -126.00	\$ 1,126.00
Total Premiums			\$ 1,561.00	\$ -172.00	\$ 1,389.00

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 07/17/2012

PLP (07/96)

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01/03/2012 PLPW84191101

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MPXHPPN 00001139 Page 5

ROA_0310

APPENDIX 00318

DELETE VEHICLE

Forming a part of

Policy Number: PLP W841911	
Coverage Is Provided In PEERLESS INSURANCE COMPANY	
Named Insured: LAURIE WILLIAMS FRANCES EVANS	Agent: SOUTHERN RISK INSURANCE Agent Code: 4910185 Agent Phone: (864)-366-3667

PERSONAL AUTO COVERAGE
PREMIUM SUMMARY

Reason for Transaction	POLICY CHANGE 04	Base Coverage Premium	\$	1,263.00
Transaction Effective Date	.07/16/2012	Additional Coverage Premium	\$	0.00
Premium For This Transaction	\$ -289.00	Credits and Debits	\$	-137.00
				Total Coverage Premium
			\$	1,126.00

VEHICLES COVERED

Veh	Yr	Make	Model	Vehicle ID Number	Sym	Type	St Amt	C/New
001	2012	KIA	SORENTO	5XYKT3A63CG289751	13			
003	1997	TYTA	TACOMA	4TAWM72N2VZ226152	15			

BASE COVERAGES AND PREMIUMS

Insurance is provided where a premium entry is shown for the coverage.

LIABILITY COVERAGES	Limits of Liability	Premium	VEH 001	VEH 003
Bodily Injury	\$ 25,000 Each Person and			
	\$ 50,000 Each Accident	\$ 83.00	\$	163.00
Property Damage	\$ 25,000 Each Accident	\$ 59.00	\$	116.00
Medical Payments	\$ 1,000 Each Person	\$ 15.00	\$	29.00
Uninsured Motorist Bodily Injury	\$ 25,000 Each Person and			
	\$ 50,000 Each Accident	\$ 25.00	\$	25.00
Uninsured Motorist Property Damage	\$ 25,000 Each Accident	\$ 14.00	\$	14.00

PHYSICAL DAMAGE COVERAGES	Limits of Liability	Premium	VEH 001	VEH 003
Other Than Collision	ACV With Full Coverage Glass	\$ 120.00	\$	135.00
Less Deductible of:	VEH 001 \$ 500 VEH 003 \$ 500			
Collision	Actual Cash Value	\$ 232.00	\$	212.00
Less Deductible of:	VEH 001 \$ 500 VEH 003 \$ 500			
Towing and Labor		\$ 6.00	\$	6.00
Limit per Disablement:	VEH 001 \$ 50 VEH 003 \$ 50			
Optional Limits	\$ 30 Per Day and			
Transportation Expenses	\$ 900 Maximum	\$ 9.00		

CREDITS AND DEBITS

Veh Title	Premium
001 PASSIVE RESTRAINT DISCOUNT	\$ -5.00

PA(07/96)

01/03/2012

PLPW84191101

1707

INSURED COPY

PGDM560D J01818

MPXHPPN 00001141 Page 7

ROA_0312

APPENDIX 00320

PERSONAL AUTO COVERAGE (continued)

-----CREDITS AND DEBITS-----

Veh	Title	Premium
001	PERSONAL PROTECTOR CREDIT	\$ -56.00
003	PASSIVE RESTRAINT DISCOUNT	\$ -6.00
003	PERSONAL PROTECTOR CREDIT	\$ -70.00

-----VEHICLE PREMIUM SUMMARY-----

Veh.	Base Premium	Additional Coverages	Credits and Debits	Total Premium
001	\$ 563.00	\$ 0.00	\$ -61.00	\$ 502.00
003	\$ 700.00	\$ 0.00	\$ -76.00	\$ 624.00
Total Coverage Premium				\$ 1,126.00

-----DRIVER INFORMATION-----

GS = Good Student Discount

DT = Driver Training Discount

Veh	Driver	License Number	St	Op	DOB	M/F	M/S	GS	DT
001	01 LAURIE WILLIAMS	004438555	SC	P	11/22/1976	F	D	N	N
003	02 FRANCES EVANS	004918447	SC	P	03/15/1958	M	S	N	N
003	03 TRENTON WILSON	102552641	SC	O	11/08/1995	M	S	N	Y

-----RATING INFORMATION-----

Veh	Class	Use	Miles	Days	St	Territory	Multi-Car
001	887120 14	PLEASURE		5	SC	086	Y
003	846020 13	PLEASURE		5	SC	086	Y
Veh	County						
001	ABBEVILLE						
003	ABBEVILLE						

-----FORMS AND ENDORSEMENTS-----

Your Insurance is comprised of the following forms:

Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date	Veh	Form No.	Ed. Date
ALL	PP0303	0486	ALL	PP0465	0106	001	PP0302	0698
ALL	PP0001	0698	ALL	PP0178	0107	ALL	90-701	0695
ALL	91-5	0406	ALL	PP1301	1299			

THIS IS NOT A BILL. Your policy premium is paid through Electronic Deduction.

Date Issued: 07/17/2012

STATE OF SOUTH CAROLINA

COUNTY OF ABBEVILLE

MARSHA L. ANTONIAK, and MICHAEL J. ANTONIAK, JR.,

Plaintiff(s)

vs.

LAURA B. WILLIS, individually, and as agent for Southern Risk Insurance Services LLC, Peerless Insurance Company, Safeco Insurance Company, and Allied Insurance Company, JESSE A. DANTICE, individually and as broker/agent for Southern Risk Insurance Services LLC, Peerless Insurance Company, Safeco Insurance Company, and Allied Insurance Company, and SOUTHERN RISK INSURANCE SERVICES LLC, PEERLESS INSURANCE COMPANY, SAFECO INSURANCE CO. AND ALLIED INSURANCE COMPANY,

Defendant(s)

Submitted By: Thomas E. Hite, Jr.
Address: P.O. Box 805, Abbeville, SC 29620

IN THE COURT OF COMMON PLEAS

CIVIL ACTION COVERSHEET

2013-CP - 01- 123

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

SC Bar #: 2531
Telephone #: 864.366.5400
Fax #: 864.366.2638
Other:
E-mail: tommyhite@hotmail.com

NOTE: The coversheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for the use of the Clerk of Court for the purpose of docketing. It must be filled out completely, signed, and dated. A copy of this coversheet must be served on the defendant(s) along with the Summons and Complaint.

DOCKETING INFORMATION (Check all that apply)

**If Action is Judgment/Settlement do not complete*

- ☒ JURY TRIAL demanded in complaint. ☐ NON-JURY TRIAL demanded in complaint.
☐ This case is subject to ARBITRATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is subject to MEDIATION pursuant to the Court Annexed Alternative Dispute Resolution Rules.
☐ This case is exempt from ADR. (Proof of ADR/Exemption Attached)

NATURE OF ACTION (Check One Box Below)

Contracts	Torts - Professional Malpractice	Torts - Personal Injury	Real Property
☐ Constructions (100)	☐ Dental Malpractice (200)	☐ Assault/Slander/Libel (300)	☐ Claim & Delivery (400)
☐ Debt Collection (110)	☐ Legal Malpractice (210)	☐ Conversion (310)	☐ Condemnation (410)
☐ Employment (120)	☐ Medical Malpractice (220)	☐ Motor Vehicle Accident (320)	☐ Foreclosure (420)
☐ General (130)	Previous Notice of Intent Case #	☐ Premises Liability (330)	☐ Mechanic's Lien (430)
☐ Breach of Contract (140)	20 -CP- -	☐ Products Liability (340)	☐ Partition (440)
☐ Other (199)	☐ Notice/ File Med Mal (230)	☐ Personal Injury (350)	☐ Possession (450)
	☐ Other (299)	☐ Wrongful Death (360)	☐ Building Code Violation (460)
		☐ Other (399)	☐ Other (499)
Inmate Petitions	Administrative Law/Relief	Judgments/Settlements	Appeals
☐ PCR (500)	☐ Reinstate Drv. License (800)	☐ Death Settlement (700)	☐ Arbitration (900)
☐ Mandamus (520)	☐ Judicial Review (810)	☐ Foreign Judgment (710)	☐ Magistrate-Civil (910)
☐ Habeas Corpus (530)	☐ Relief (820)	☐ Magistrate's Judgment (720)	☐ Magistrate-Criminal (920)
☐ Other (599)	☐ Permanent Injunction (830)	☐ Minor Settlement (730)	☐ Municipal (930)
	☐ Forfeiture-Petition (840)	☐ Transcript Judgment (740)	☐ Probate Court (940)
	☐ Forfeiture-Consent Order (850)	☐ Lis Pendens (750)	☐ SCDOT (950)
	☐ Other (899)	☐ Transfer of Structured Settlement Payment Rights Application (760)	☐ Worker's Comp (960)
			☐ Zoning Board (970)
			☐ Public Service Comm. (990)

TRUE COPY
BY Shandal Boag
ABBEVILLE COUNTY CLERK OF COURT

ROA_0314

APPENDIX 00322

Special/Complex /Other		
☐ Environmental (600)	☐ Pharmaceuticals (630)	☐ Confession of Judgment (770)
☐ Automobile Arb. (610)	☒ Unfair Trade Practices (640)	☐ Petition for Workers Compensation Settlement Approval (780)
☐ Medical (620)	☐ Out-of State Depositions (650)	☐ Other (799)
☐ Other (699)	☐ Motion to Quash Subpoena in an Out-of-County Action (660)	☐ Employment Security Comm (991)
	☐ Sexual Predator (510)	☐ Other (999)

Submitting Party Signature: _____

Date: April 16, 2013

Note: Frivolous civil proceedings may be subject to sanctions pursuant to SCRCF, Rule 11, and the South Carolina Frivolous Civil Proceedings Sanctions Act, S.C. Code Ann. §15-36-10 et. seq.

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

MARSHA L. ANTONIAK, and)
MICHAEL J. ANTONIAK, JR.,)
PLAINTIFFS,)

SUMMONS

VS.)

2013-CP-01-123
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services LLC,)
Peerless Insurance Company,)
Safeco Insurance Company, and)
Allied Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services LLC, Peerless Insurance)
Company, Safeco Insurance)
Company, and Allied Insurance)
Company,)

and)

SOUTHERN RISK INSURANCE)
SERVICES LLC, PEERLESS)
INSURANCE COMPANY,)
SAFECO INSURANCE CO.)
AND ALLIED INSURANCE)
COMPANY,)
DEFENDANTS.)

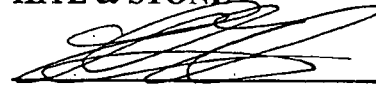
TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this
action of which a copy is herewith served upon you and to serve a copy of your Answer on
the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South
Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service;

and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

HITE & STONE

BY:


THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFFS

ABBEVILLE, SOUTH CAROLINA

April 18, 2013

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

APR 18 2013

EMILY HARRIS
CLERK OF COURT

TRUE COPY

BY Shanda Baggs
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

MARSHA L. ANTONIAK, and)
MICHAEL J. ANTONIAK, JR.,)
)
PLAINTIFFS,)

COMPLAINT

VS.)

2013-CP-01- 123
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services LLC,)
Peerless Insurance Company,)
Safeco Insurance Company, and)
Allied Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Insurance)
Services LLC, Peerless Insurance)
Company, Safeco Insurance)
Company, and Allied Insurance)
Company,)

and)

SOUTHERN RISK INSURANCE)
SERVICES LLC, PEERLESS)
INSURANCE COMPANY,)
SAFECO INSURANCE CO.)
AND ALLIED INSURANCE)
COMPANY,)
DEFENDANTS.)

The Plaintiffs complaining of the Defendants herein would respectfully show unto this
Honorable Court.

1. That the Plaintiffs are citizens and residents of the City and County of Abbeville,
State of South Carolina, and at the time mentioned herein were the owners of real property
located at 304 Wilewood Road, Abbeville, South Carolina.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant Southern Risk Insurance Services LLC, and Defendants Peerless Insurance Company, Safeco Insurance Company and Allied Insurance Company.

3. That the Defendant Jesse A. Dantice, is on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated an insurance business in Abbeville County, South Carolina, wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant Southern Risk Insurance Services LLC and Defendants Peerless Insurance Company, Safeco Insurance Company and Allied Insurance Company.

4. That Defendant Southern Risk Insurance Services LLC is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Peerless Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

6. That Defendant Safeco Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the time mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

7. That Defendant Allied Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

8. That the Defendants Jesse A. Dantice, Southern Risk Insurance Services LLC and Peerless Insurance Company, Safeco Insurance Company and Allied Insurance Company at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded, and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

9. That the Plaintiffs were the victims of many illegal and improper tactics used by the Defendants to corner the retail insurance market in Abbeville County, South Carolina and destroy all competition. The Plaintiffs are informed and believe that the Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, within the scope of her employment and with the express or implied permission of the other Defendants committed the following acts against the Plaintiffs and other members of the general public:

a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;

b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;

c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in

violation of S.C. law which prohibits discrimination;

d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;

e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;

f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;

g. forged insurance documents to fraudulently confirm nonexistent insurance coverage;

h. issued bogus and nonexistent insurance policies to the general public;

i. pretended insurance policies were in force when a loss to a customer occurred;

j. fraudulently and unfairly adjusted loss claims made against the real and/or bogus insurance policies;

k. when insurance customers of Defendant, Laura B. Willis, questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lienholder and/or state government agencies were telling the customers that they had no coverage;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision of Defendant Laura B. Willis' activities as well as through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers.

10. That the Plaintiffs are informed and believe that the sheer volume of new insurance business generated by Defendant Laura B. Willis, in such a short amount of time, should have put the Defendants on notice that something was being done improperly, giving the Defendants a reason to investigate her activity, but to do so might have slowed the rapid growth of the Defendants' insurance business and profits. The tactics of the Defendants as set forth above, which went on for years, effectively and illegally lowered premiums for the general public so that legitimate and responsible insurance agents could not compete.

11. That on or about February 2009, the Plaintiffs contacted Defendant Laura B. Willis concerning purchasing homeowner's insurance policy for their real property located in Abbeville, South Carolina, as well as automobile liability policies and were assured that the policies were the least expensive and with the most coverage available in the insurance market.

12. That the Plaintiffs paid the requested premiums through bank draft in full for their policies and that the Plaintiffs and their mortgage lien holder were assured at all times by Defendant, Laura B. Willis that the policies were in full force and effect. The Plaintiffs learned, however, that no policies were ever issued and/or that their policies had lapsed and their mortgage lender had to obtain insurance to protect the lien on their home, ultimately substantially increasing their premiums.

13. That the Plaintiffs are informed and believe that there were times during their business relationship with Defendants Laura Willis and Jesse Dantice that they were grossly overcharged for their insurance and may have had two overlapping insurance policies and may have in fact paid for policies that never existed. That on occasion the Defendants acknowledged in writing the errors and omissions committed by Defendant Laura Willis and/or Jesse Dantice and attempted to reimburse the Plaintiffs for what was taken from them.

14. That when the Plaintiffs obtained their insurance files from Defendant Jesse Dantice, they learned that their insurance application contained a forged signature of one of the Plaintiffs in violation of South Carolina law.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

15. Plaintiffs incorporate by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

16. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

17. That the Plaintiffs are informed and believe that none of the activities of the Defendants, as set forth above, are allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

18. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiffs and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

19. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiffs have suffered significant damages, including, but not limited to, potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

20. That the Plaintiffs are informed and believe that they are entitled to actual damages including, restitution, disgorgement, treble damages, injunctive relief, attorneys' fees

and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON LAW UNFAIR TRADE PRACTICES

21. That the allegations of the First Cause of Action are incorporated herein by reference.

22. That the Plaintiffs are informed and believe that pursuant to S.C. Code Ann. § 14-1-50 they are entitled to pursue their Common Law remedies for the willful, wanton, and illegal activities of the Defendants.

23. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

24. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiffs have suffered significant damages, including, but not limited to, potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

FOR A THIRD CAUSE OF ACTION
CONVERSION

25. That the allegations of the First and Second Causes of Action are incorporated herein by reference.

26. That the Defendants individually and/or through their authorized and acting agent

and/or servant as set forth above received the Plaintiffs' insurance premiums and converted the same to their own use and benefit without providing the Plaintiffs the insurance they believed they were purchasing.

27. That the Plaintiffs are informed and believe that they are entitled to actual and punitive damages for the Defendants' unauthorized conversion of their money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

28. That the allegations of the First, Second and Third Causes of Action are incorporated herein by reference.

29. That the Defendant Laura Willis, acting within the scope of her employment and acting as agent and/or servant of each of the other Defendants, made numerous false representations to the Plaintiffs.

30. That these representations were material to Plaintiffs' insurance and contractual dealings.

31. That the Defendant Laura Willis either knew of the falsity or recklessly disregarded whether the statements were true or false.

32. That Defendant Laura Willis intended that her false statements would be acted on by the Plaintiffs.

33. That the Plaintiffs had no knowledge that the multiple representations made by Defendant Laura Willis were false, and Plaintiffs had the right to rely on the multiple representations.

34. That the Plaintiffs suffered significant damages as a result of these fraudulent statements including but not limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid

for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

35. That the Plaintiffs are informed and believe that they are entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to them by the Defendants.

FOR A FIFTH CAUSE OF ACTION
NEGLIGENT MISREPRESENTATION

36. That the allegations of the First, Second, Third and Fourth Causes of Action are incorporated herein by reference.

37. That the Defendant Laura Willis, acting within the scope of her employment and acting as agent and/or servant of each of the other Defendants, made numerous false representations to the Plaintiffs.

38. That the Defendant Laura Willis, acting within the scope of her employment and as agent and/or servant of each of the other Defendants had a pecuniary interest in making the false representations and that Defendant Willis and each of the other Defendants made considerable profits as a result of such representations to the Plaintiffs.

39. That the Defendant Laura Willis and each of the other Defendants owed a duty of care to the Plaintiffs to communicate truthful information as part of their business relationship with the Plaintiffs and subject to the insurance contracts issued by the Defendants.

40. That Defendant Laura Willis and each of the other Defendants breached their duty of care to the Plaintiffs by disseminating false information, authoring fraudulent and false insurance documents, accepting and converting cash payments instead of paying premiums, issuing bogus policies, and forging at least one signature.

41. That the Plaintiffs relied on the representations made by Defendant Laura Willis,

as agent of the other Defendants, and sustained damages as a result of such reliance to include but not be limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation, and will continue to suffer such damages in the future.

42. That the Plaintiffs are informed and believe that they are entitled to judgment against the Defendants for actual and punitive damages for the negligent misrepresentations made to them by the Defendants.

WHEREFORE, the Plaintiffs pray for judgment against the Defendants for actual damages, trebled damages, attorneys' fees, and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY: 

THOMAS E. HITE, JR.
100 EAST PICKENS STREET
P. O. BOX 805
ABBEVILLE, SC 29620
(864) 366-5400 TELEPHONE
(864) 366-2638 FACSIMILE
Email: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFFS

ABBEVILLE, SOUTH CAROLINA

April 10, 2013

TRUE COPY
BY Shanda Boop
ABBEVILLE COUNTY CLERK OF COURT

EMILY V. HOGAN
CLERK OF COURT

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

2013 APR 10 PM 2:24

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
COUNTY OF ABBEVILLE)

EUGENE P. LAWTON, JR.,)
PLAINTIFF,)

SUMMONS

VS.)

2013-CP-01-124
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC, and)
Peerless Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Services, LLC)
and Peerless Insurance Company,)

and)

SOUTHERN RISK INSURANCE)
SERVICES, LLC, AND)
PEERLESS INSURANCE)
COMPANY,)

DEFENDANTS.)

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

SIGNATURE PAGE TO FOLLOW

HITE & STONE

BY: 

THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA

APRIL 10, 2013

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
APR 10 2013
EMILY J. BOGGS
CLERK OF COURT

TRUE COPY

BY Shandal Boggs
ABBEVILLE COUNTY CLERK OF COURT

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

EUGENE P. LAWTON, JR.,)
)
PLAINTIFF,)

COMPLAINT

VS.)

2013-CP-01-124
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC, and)
Peerless Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Services, LLC)
and Peerless Insurance Company,)
)
and)

SOUTHERN RISK INSURANCE)
SERVICES, LLC, AND)
PEERLESS INSURANCE)
COMPANY,)
)
DEFENDANTS.)

The Plaintiff complaining of the Defendants herein would respectfully show unto this Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Abbeville, State of South Carolina, and at the times mentioned herein was the owner of two automobiles, a 2001 Chrysler and a 2006 Dodge, and was also the owner of a home located at 433 McGill Road, Iva, South Carolina.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina, and at the times mentioned herein was a licensed insurance

agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant Southern Risk Insurance Services, LLC, and Defendant Peerless Insurance Company.

3. That the Defendant Jesse A. Dantice is, on information and belief, a resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated an insurance business in Abbeville County, South Carolina wherein his agent/employee Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant Southern Risk Insurance Services, LLC, and Defendant Peerless Insurance Company.

4. That Defendant Southern Risk Insurance Services, LLC is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail insurance office in Abbeville County, South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Peerless Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail insurance office in Abbeville County, South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

6. That the Defendants Jesse A. Dantice, Southern Risk Insurance Company and Peerless Insurance Company at all times had a legal duty to fully investigate any prospective insurance agent and/or employee as well as to properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

7. That on or before February 9, 2010, the Plaintiff contacted Defendant Laura B. Willis concerning purchasing liability insurance for his automobiles, a 2001 Chrysler and a 2006

Dodge, as well as homeowner's insurance for his home located at 433 McGill Road, Iva, S.C. The Plaintiff was assured that the policies offered by Defendant Laura Willis were the least expensive and with the most coverage available in the insurance market. That the Plaintiff paid the requested premiums through automatic bank draft for both his automobile and homeowner policies (Peerless Policy Number: PLP W570499) and was assured by Defendant Laura B. Willis that all vehicles as well as his home were fully covered.

8. That on or about February 9, 2013, Plaintiff was notified by the S.C. Department of Motor Vehicles that Plaintiff's license and registration had been cancelled for allowing his automobile liability insurance coverage to lapse, even though he had paid for his insurance and had been assured that he had liability insurance by Defendant Laura B. Willis. That as a result of the suspension of Plaintiff's driving privileges and registration, he had to pay a substantial reinstatement fee to get his driver's license and registration back.

9 That the Plaintiff is informed and believe that many illegal and improper tactics were used by the Defendants to take advantage of members of the general public, and specifically this Plaintiff, for the purpose of making greater profits. That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly. The tactics of the Defendants as set forth above effectively and illegally lowered premiums for the general public and effectively restrained trade. The Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, with the express or implied permission of the other Defendants, committed the following acts:

a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;

b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;

c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law which prohibits discrimination;

d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;

e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;

f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;

g. forged insurance documents to fraudulently confirm non-existent insurance coverage;

h. issued bogus and non-existent insurance policies to the general public;

i. pretended insurance policies were in force when a loss to a customer occurred;

j. fraudulently and unfairly adjusted loss claims made against the real and/or bogus insurance policies;

k. when insurance customers of Defendant Laura B. Willis questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage, they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lienholder and/or state government agencies were telling the customers that they had

no coverage.

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable, direct supervision of Defendant Laura B. Willis' activities as well as through auditing computer programs, which reveal fraud and/or misconduct of agents and/or customers.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

10. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

11. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises. That the Plaintiff is informed and believes that none of the activities of the Defendants, as set forth above, are allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

12. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public and this conduct is capable of repetition and in fact has been repeated numerous times.

13. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future

insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

14. That the Plaintiff is informed and believes that he is entitled to actual damages including restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON LAW UNFAIR TRADE PRACTICES

15. That the allegations of the First Cause of Action are incorporated herein by reference.

16. That the Plaintiff is informed and believes that pursuant to S.C. Code Ann. § 14-1-50 he is entitled to pursue his Common Law remedies for the willful, wanton, and illegal activities of the Defendants.

17. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct has been repeated numerous times over several years and is a restraint on lawful trade.

18. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to: paying a substantial reinstatement fee to the S.C. Department of Motor Vehicles, damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

19. That the Plaintiff is informed and believes that he is entitled to actual damages including, restitution, lost profits, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CONVERSION

20. That the allegations of the First and Second Cause of Action are incorporated herein by reference.

21. That the Defendants individually and/or through their authorized and acting agent and/or servant as set forth above received the Plaintiff's insurance premiums through an automatic bank draft and converted the same to their own use and benefit.

22. That the Plaintiff is informed and believe that he is entitled to actual and punitive damages for the Defendants' unauthorized conversion of his money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

23. That the allegations of the First, Second and Third Causes of action are incorporated herein by reference.

24. That the Defendant Laura Willis, acting within the scope of her employment and acting as agent and/or servant of each of the other Defendants, made numerous false representations to the Plaintiff.

25. That these representations were material to Plaintiff's insurance and contractual dealings.

26. That the Defendant Laura Willis either knew of the falsity or recklessly disregarded whether the statements were true or false.

27. That Defendant Laura Willis intended that her false statements would be acted on by the Plaintiff.

28. That the Plaintiff had no knowledge that the multiple representations made by Defendant Laura Willis were false, and Plaintiff had the right to rely on the multiple representations.

29. That the Plaintiff suffered significant damages as a result of these fraudulent statements including but not limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation, and will continue to suffer such damages in the future.

30. That the Plaintiff is informed and believe that he is entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to him by the Defendants.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY:



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ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
April 10, 2013

TRUE COPY
BY Shanda Beggs
ABBEVILLE COUNTY CLERK OF COURT

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

EMILY MORGAN
CLERK OF COURT

STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT

MARSHA L. ANTONIAK and
MICHAEL J. ANTONIAK, JR.,

Civil Action No. 2013-CP-01-123

Plaintiffs,

vs.

ANSWER OF PEERLESS
INSURANCE COMPANY AND
SAFECO INSURANCE COMPANY

LAURA B. WILLIS, individually, and
as agent for Southern Risk Insurance
Services LLC, Peerless Insurance
Company, Safeco Insurance Company,
and Allied Insurance Company; JESSE
A. DANTICE, individually and as
broker/agent for Southern Risk
Insurance Services, LLC, Peerless
Insurance Company, Safeco Insurance
Company, and Allied Insurance
Company and SOUTHERN RISK
INSURANCE SERVICES, LLC,
PEERLESS INSURANCE
COMPANY, and SAFECO
INSURANCE COMPANY, AND
ALLIED INSURANCE COMPANY.

Jury Trial Requested

Defendants.

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2013 MAY 30 AM 8:56
EMILY Y MCMAHAN
CLERK OF COURT

TRUE COPY

BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

Peerless Insurance Company ("Peerless") and Safeco Insurance Company of America ("Safeco"), incorrectly identified in the caption and complaint as Safeco Insurance Company, answer the complaint of Plaintiffs as follows. Peerless and Safeco deny every allegation of the complaint unless it is specifically and expressly admitted below.

FOR A FIRST DEFENSE

1. Peerless and Safeco are without information or knowledge sufficient to admit or deny the truth of the allegations in paragraph 1 and denies them on that basis.

2. Peerless and Safeco admit, on information and belief, that Willis is resident of Abbeville County. Peerless and Safeco admit that Willis was, at one time, a licensed insurance agent with a variety of insurance companies. Peerless and Safeco admit, on information and belief, that Willis operated her business in affiliation with Dantice and Southern Risk. Peerless and Safeco deny all remaining allegations of paragraph 2.

3. Peerless and Safeco admit, upon information and belief, that Dantice is a resident of Anderson County. Peerless and Safeco admit, on information and belief, that Dantice operated his business, Southern Risk, in affiliation with Willis and that it operated an office in Abbeville County and sold policies of insurance from that office. Peerless and Safeco deny any remaining allegations of paragraph 3.

4. Peerless and Safeco deny that Southern Risk is a corporation. It is identified through the South Carolina Secretary of State as a limited liability company. Peerless and Safeco admit, upon information and belief, that Southern Risk operated an office in Abbeville County and sold policies of insurance from that office. Peerless and Safeco deny any remaining allegations of paragraph 4.

5. Peerless and Safeco admit Peerless is a corporation organized under the laws of a state of the United States. They deny the remaining allegations of paragraph 5.

6. Peerless and Safeco admit Safeco is a corporation organized under the laws of a state of the United States. They deny the remaining allegations of paragraph

6.

7. Peerless and Safeco are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 7 and deny them on that basis.

8. Peerless and Safeco deny the allegations of paragraph 8 as stated as they pertain to them. Peerless and Safeco are without knowledge or information sufficient to form a belief as to the truth of the allegations pertaining to others and deny them on that basis.

9. Peerless and Safeco deny the allegations of paragraph 9, including all its subparts.

10. Peerless and Safeco deny the allegations of paragraph 10.

11. Peerless and Safeco are without information or knowledge sufficient to form a belief as to the allegations of paragraph 11 and deny them on that basis.

12. Peerless and Safeco are without information or knowledge sufficient to form a belief as to the allegations of paragraph 12 and deny them on that basis.

13. Peerless and Safeco are without information or knowledge sufficient to form a belief as to the allegations of paragraph 13 and deny them on that basis.

14. Peerless and Safeco are without information or knowledge sufficient to form a belief as to the allegations of paragraph 14 and deny them on that basis.

As to First Cause of Action for Alleged Violations of SCUPTA

15. Peerless and Safeco incorporate by reference their responses to paragraphs 1-14 of the complaint into this paragraph as their response to paragraph 15.

16. Peerless and Safeco respond that the text of the South Carolina Unfair Trade Practices Act ("SCUPTA") sets forth the elements and requirements necessary to maintain a cause of action pursuant to that act and the limitations upon such causes of action. Peerless and Safeco deny all allegations of paragraph 16 that are inconsistent with or an incomplete statement of the elements, requirements, or limitations under the Act.

17. Peerless and Safeco respond that the text of the South Carolina Unfair Trade Practices Act ("SCUPTA") sets forth the elements and requirements necessary to maintain a cause of action pursuant to that act and the limitations upon such causes of action. Peerless and Safeco deny all allegations of paragraph 17 that are inconsistent with or an incomplete statement of the elements, requirements, or limitations under the Act. All of the alleged activities are regulated by the South Carolina Department of Insurance and exempt from the coverage of the South Carolina Unfair Trade Practices Act under S.C. Code Ann. § 39-5-40(c).

18. Peerless and Safeco deny the allegations of paragraph 18.

19. Peerless and Safeco deny the allegations of paragraph 19.

20. Peerless and Safeco deny the allegations of paragraph 20.

**As to the Second Cause of Action for
Alleged Common Law Unfair Trade Practices**

21. Peerless and Safeco incorporate by reference their responses to paragraphs 1-20 of the complaint into this paragraph as their response to paragraph 21.

22. Peerless and Safeco deny the allegations of paragraph 22.

23. Peerless and Safeco deny the allegations of paragraph 23.

24. Peerless and Safeco deny the allegations of paragraph 24.

As to the Third Cause of Action for Alleged Conversion

25. Peerless and Safeco incorporate by reference their responses to paragraphs 1-24 of the complaint, above, as their response to paragraph 25.

26. Peerless and Safeco deny the allegations of paragraph 26.

27. Peerless and Safeco deny the allegations of paragraph 27.

As to the Fourth Cause of Action for Alleged Fraud

28. Peerless and Safeco incorporate by reference their responses in paragraphs 1-27, above, into this paragraph as their response to paragraph 28.

29. Peerless and Safeco deny the allegations of paragraph 29.

30. Peerless and Safeco are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 30 and deny them on that basis.

31. Peerless and Safeco are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 31 and deny them on that basis.

32. Peerless and Safeco are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 32 and deny them on that basis.

33. Peerless and Safeco are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 33 and deny them on that basis.

34. Peerless and Safeco deny the allegations of paragraph 34.

35. Peerless and Safeco deny the allegations of paragraph 35.

As to the Fifth Cause of Action for Alleged Negligent Misrepresentation

36. Peerless and Safeco incorporate by reference their responses to paragraphs 1-35 of the complaint, above, as their response to paragraph 36.

37. Peerless and Safeco deny the allegations of paragraph 37.

38. Peerless and Safeco deny the allegations of paragraph 38.

39. Peerless and Safeco admit only that duties owed by them to an insured are set forth in certain statutes, in case law, and in the contract of insurance between them and their insureds. Peerless and Safeco deny the allegations of paragraph 39 as to them to the extent they impose some different or greater duty. Peerless and Safeco are without information or knowledge sufficient to form a belief as to the truth of the allegations of paragraph 39 as they might pertain to others and denies them on that basis.

40. Peerless and Safeco deny the allegations of paragraph 40 to the extent they pertain to them. Peerless and Safeco are without information or knowledge

sufficient to form a belief as to the truth or falsity of the allegations of paragraph 40 as they might pertain to others and denies them on that basis.

41. Peerless and Safeco deny that Plaintiffs suffered any loss as a result of any act or omission of Peerless or Safeco or that Plaintiffs detrimentally relied on any representation by Peerless and Safeco. Peerless and Safeco are without information or knowledge sufficient to form a belief as to the truth of the allegations of paragraph 41 as they pertain to other defendants and any reliance Plaintiffs may have placed upon any act or omission of such other defendants and denies the allegations of paragraph 41 on that basis.

42. Peerless and Safeco deny the allegations of paragraph 42.

43. Peerless and Safeco deny that Plaintiffs are entitled to any of the relief requested in the prayer for relief against them.

FOR A SECOND DEFENSE
(Failure to State a Claim)

44. Plaintiffs' complaint fails to state a claim for relief against Peerless and Safeco.

FOR A THIRD DEFENSE
(Statutory Bar)

45. Plaintiffs' first cause of action is barred by S.C. Code Ann. § 39-5-40(c).

FOR A FOURTH DEFENSE
(Comparative Fault)

46. Plaintiffs' claims are barred by the comparative negligence/recklessness of Plaintiffs which was the proximate cause of any claimed injuries on their part, and

was greater in proportion than any alleged wrongdoing of Peerless and Safeco, all of which is denied.

FOR A FIFTH DEFENSE
(Intervening Actions of Third Party)

47. Peerless and Safeco would show that any injury or damage suffered by Plaintiffs, if any, was due to or caused by or occasioned by the intervening actions or omissions of a third party or parties for whom Peerless and Safeco is not responsible and therefore, Plaintiffs' claims should be barred or reduced accordingly.

FOR A SIXTH DEFENSE
(Scope of Agency)

48. Peerless and Safeco would show that any actions taken by any alleged agent of Peerless and Safeco which caused any injury to Plaintiffs, which is expressly denied, were taken while said alleged agent or agents were acting outside the scope of any alleged agency relationship, and, therefore, Peerless and Safeco are not responsible.

FOR A SEVENTH DEFENSE
(Set-Off)

49. Peerless and Safeco assert that they are entitled to a set-off based on any recovery by Plaintiffs from any of the other Defendants.

FOR A EIGHTH DEFENSE
(Failure to Properly Allege Special Damages)

50. Peerless and Safeco would show that Plaintiffs have failed to allege special damages with the specificity required by Rule 9(g), SCRCP

k. an award of punitive damages that does not comport with the three guideposts articulated in *State Farm Mutual Automobile Insurance Company v. Campbell* fails to satisfy constitutional due process guarantees; and

l. the Plaintiffs' claim for punitive damages violates the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution and Article I, Section 3 of the South Carolina Constitution in that the amount of punitive damages is based upon the wealth of the defendants.

52. To the extent Plaintiffs assert or have a claim for punitive damages, and the same is expressly denied, Plaintiffs' claim is subject to any and all standards and limitations regarding the determination and/or enforceability of punitive damage awards contained in the decisions of BMW of No. America v. Gore, 517 U.S. 559 (1996), Cooper Industries, Inc. v. Leatherman Tool Group, Inc., 532 U.S. 424 (2001), State Farm Mut. Auto. Ins. Co. v. Campbell, 538 U.S. 408 (2003), Safeco Ins. Co. of Am. v. Burr, 551 U.S. 47 (2007) and Philip Morris USA v. Williams, 549 U.S. 346 (2007) and South Carolina case law and statutory provisions.

FOR A TENTH DEFENSE
(Limitation on or Bar to Punitive Damages)

53. a) To the extent Plaintiffs are entitled to and are awarded punitive damages, and Peerless and Safeco deny that Plaintiffs are entitled to or should be awarded any such damages, such damages are limited as provided by S.C. Code Ann. § 15-32-530.

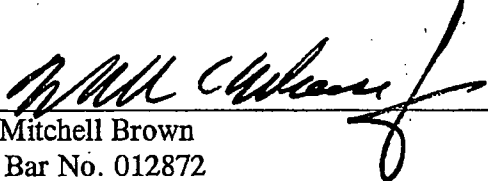
b) Plaintiffs' claim for punitive damages is barred as to Peerless and Safeco for failure to meet the requirements for imposition of such damages based on the actions of a purported agent as set forth in Restatement (Second) Torts § 909.

Reservation

54. Peerless and Safeco reserve the right to assert any and all other defenses to Plaintiffs' complaint, both factual and legal, as may be justified by information subsequently obtained.

Wherefore, having fully answered the complaint of Plaintiffs, Peerless and Safeco request that the Court dismiss the complaint with prejudice, that judgment be granted in their favor on all causes of action asserted by Plaintiffs, that they be awarded attorneys' fees and costs as may be allowed by law, and that the Court grant them such other and further relief as the Court deems just and proper.

NELSON MULLINS RILEY & SCARBOROUGH LLP

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Columbia, SC 29201

(803) 799-2000

Attorneys for Peerless Insurance Company and Safeco
Insurance Company of America

Columbia, South Carolina

5/28

, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

ANITA L. BELTON,
PLAINTIFF,

SUMMONS

VS.

2013-CP-01-220
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,
and as agent for Southern Risk
Insurance Services, LLC, and
Safeco Insurance Company,
JESSE A. DANTICE, individually
and as broker/agent for
Southern Risk Services, LLC
Safeco Insurance Company,
Peerless Insurance Company and
Montgomery Mutual Insurance
Company,

and

SOUTHERN RISK INSURANCE
SERVICES, LLC, SAFECO
INSURANCE COMPANY,
PEERLESS INSURANCE
COMPANY and MONTGOMERY
MUTUAL INSURANCE
COMPANY,

DEFENDANTS.

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2013 JUL 25 AM 10:17
EMILY Y MCMAHAN
CLERK OF COURT

TRUE COPY

BY 
ABBEVILLE COUNTY CLERK OF COURT

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service;

and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

HITE & STONE

BY:



THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

E-MAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

Abbeville, South Carolina

July 24, 2013

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

ANITA L. BELTON,)
)
PLAINTIFF,)

COMPLAINT

VS.)

2013-CP-01- 220
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC, and)
Safeco Insurance Company,)
JESSE A. DANTICE, individually)
and as broker/agent for)
Southern Risk Services, LLC)
Safeco Insurance Company,)
Peerless Insurance Company and)
Montgomery Mutual Insurance)
Company,)

and)

SOUTHERN RISK INSURANCE)
SERVICES, LLC, SAFECO)
INSURANCE COMPANY,)
PEERLESS INSURANCE)
COMPANY and MONTGOMERY)
MUTUAL INSURANCE)
COMPANY,)
DEFENDANTS.)

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2013 JUL 25 AM 10:17
EMILY Y MCMAHAN
CLERK OF COURT

TRUE COPY
BY *Emily Y McMahon*
ABBEVILLE COUNTY CLERK OF COURT

The Plaintiff complaining of these Defendants herein would respectfully show unto this Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Abbeville, State of South Carolina, and at the times mentioned herein was the owner of the following four automobiles: a 1996 Nissan Maxima, a 1997 Mercury Grand Marquis, a 1998 Oldsmobile Bravada, and a 2001 Hyundai Sonata.

2. That the Defendant Laura B. Willis is a citizen and resident of the County of Abbeville, State of South Carolina, and at the times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of her partner/broker Defendant Jesse A. Dantice, Defendant Southern Risk Insurance Services, LLC, and Defendant Safeco Insurance Company.

3. That the Defendant Jesse A. Dantice is; upon information and belief, a resident of the County of Anderson, State of South Carolina, and at the times mentioned herein operated an insurance business in the County of Abbeville, State of South Carolina, wherein his agent/employee Defendant Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendants Southern Risk Insurance Services, LLC, Defendant Safeco Insurance Company, Defendant Peerless Insurance Company and Defendant Montgomery Mutual Insurance Company.

4. That Defendant Southern Risk Insurance Services, LLC is a limited liability company organized and existing under the laws of the State of South Carolina, and at the times mentioned herein, maintained a retail insurance office in the County of Abbeville, State of South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Safeco Insurance Company is a corporation organized and existing under the laws of a state of the United States, and at the times mentioned herein, maintained a retail insurance office and conducted business in the County of Abbeville, State of South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

6. That Defendant Peerless Insurance Company is a corporation organized and existing under the laws of a state of the United States, and at the times mentioned herein, maintained a retail insurance office and conducted business in the County of Abbeville, State of

South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

7. That Defendant Montgomery Mutual Insurance Company is a corporation organized and existing under the laws of a state of the United States, and at the times mentioned herein, maintained a retail insurance office and conducted business in the County of Abbeville, State of South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

8. That the Defendants Jesse A. Dantice, Southern Risk Insurance Company, Safeco Insurance Company, Peerless Insurance Company and Montgomery Mutual Insurance Company at all times have a legal duty to fully investigate any prospective insurance agent and/or employee as well as to properly train and supervise Defendant Laura B. Willis both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Insurance Commission in October 2011.

9. That on or before April 19, 2011, the Plaintiff contacted Defendant Laura B. Willis concerning purchasing liability insurance for her above-referenced automobiles, as well as contents insurance for her home located at 606 Cambridge Street, Abbeville, South Carolina. The Plaintiff was assured that the policies offered by Defendant Laura Willis were the least expensive and with the most coverage available in the insurance market. That the Plaintiff paid the requested premium and was assured by Defendant Laura B. Willis that her vehicles were fully covered.

10. That on or about May 29, 2012, Plaintiff's daughter, Kei Nakeisha Belton, a permissive user of the 1996 Nissan Maxima, was involved in a motor vehicle collision with a third party.

11. That on or about May 30, 2012, Plaintiff reported the collision to Defendant Laura Willis by delivering to Defendant Willis the requisite South Carolina Insurance Verification Form (FR-10). Defendant Willis assured Plaintiff she would complete the form and take care of any damage caused by the accident, if claimed by the third party. Upon information and belief, the third party made a claim against her own liability insurance for repairs but never made claim for repairs against Plaintiff's insurance. If a claim for repairs were made against Plaintiff's insurance, Plaintiff was never made aware of such claim by any of the named Defendants.

12. That on or about November 20, 2012, Plaintiff was notified by the S.C. Department of Motor Vehicles that the Department did not receive a completed FR-10 from the May 29, 2012 date of accident and had not received any insurance information to verify that the Nissan Maxima involved in the accident was covered by liability insurance on the date thereof. That as a result, Plaintiff's license and registration had been suspended for allowing her automobile liability insurance coverage to lapse, such suspension occurring even though Plaintiff paid Defendant Willis for insurance and Defendant Willis assured Plaintiff that she had liability insurance. That as a result of the suspension of Plaintiff's driving privileges and registration, she had to pay a substantial reinstatement fee to get her driver's license and registration back and will have to pay for expensive SR-22 insurance for over three years.

13. That the Plaintiff is informed and believe that many illegal and improper tactics were used by the Defendants to take advantage of members of the general public, and specifically this Plaintiff, for the purpose of making greater profits. That the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly. The tactics of the Defendants as set forth above effectively and illegally lowered premiums for the general public

and effectively restrained trade. The Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, with the express or implied permission of the other Defendants, committed the following acts:

- a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of South Carolina law which prohibits discrimination;
- d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
- f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;
- g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
- h. issued bogus and non-existent insurance policies to the general public;
- i. pretended insurance policies were in force when a loss to a customer occurred;
- j. fraudulently and unfairly adjusted loss claims made against the real and/or bogus insurance policies; and
- k. when insurance customers of Defendant Laura B. Willis questioned whether or not they

had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage, they were emphatically discouraged from seeking other coverage, and through misrepresentation, blatant lies and deceit, were assured that everything was fine even though the customer's lienholder and/or state government agencies were telling the customers that they had no coverage.

All of which could have been discovered, and should have been discovered and stopped by the Defendants through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

14. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

15. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises. That the Plaintiff is informed and believes that none of the activities of the Defendants, as set forth above, are allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

16. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public, and this conduct is capable of repetition and in fact has been repeated numerous times.

17. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, paying a substantial reinstatement fee to the South Carolina Department of Motor Vehicles, suffering damage to her credit and damage to her standing in the insurance industry for the purpose of obtaining future insurance policies, losing money paid for insurance premiums to Defendant Willis when in fact no policy was ever issued or in force and suffering severe emotional distress and aggravation, both in the past and present and continuing, and will continue to suffer such damages in the future:

18. That the Plaintiff is informed and believes she is entitled to actual damages including restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

19. That the allegations of the First Cause of Action are incorporated herein by reference.

20. That the Plaintiff is informed and believes that pursuant to § 14-1-50, she is entitled to pursue her Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

21. That the Defendants, by and through their acting agent and/or servant, have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct has been repeated numerous times over several years and is a restraint on lawful trade.

22. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including but not limited to: paying a substantial reinstatement fee to the South Carolina Department of Motor Vehicles, suffering damage to her credit and damage to her standing in the insurance industry for the purpose of obtaining future insurance policies, losing money paid for insurance premiums to Defendant Willis when in fact no policy was ever issued or in force and suffering severe emotional distress and aggravation, both in the past and present and continuing, and will continue to suffer such damages in the future.

23. That the Plaintiff is informed and believes she is entitled to actual damages including restitution, loss profits, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CONVERSION.

24. That the allegations of the First and Second Causes of Action are incorporated herein by reference.

25. That the Defendants individually and/or through their authorized and acting agent and/or servant, as set forth above, received the Plaintiff's insurance premiums in cash and converted the same to their own use and benefit.

26. That the Defendants used Plaintiff's premium payments for some other use not authorized by Plaintiff and without her permission, thereby causing Plaintiff's insurance coverage to lapse.

27. That the Plaintiff is informed and believes she is entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

28. That the allegations of the First, Second and Third Causes of Action are incorporated herein by reference.

29. That the Defendant Laura Willis, acting within the scope of her employment and as agent and/or servant of each of the other Defendants, made numerous false representations to the Plaintiff.

30. That these representations were material to Plaintiff's insurance and contractual dealings.

31. That the Defendant Laura Willis either knew of the falsity or recklessly disregarded whether the statements were true or false.

32. That Defendant Laura Willis intended her false statements would be acted on by the Plaintiff.

33. That the Plaintiff had no knowledge that the multiple representations made by Defendant Laura Willis were false, and Plaintiff had the right to rely on the multiple representations.

34. That the Plaintiff suffered significant damages as a result of these fraudulent statements, including but not limited to: potentially damaged credit; damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

35. That the Plaintiff is informed and believes she is entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to her by the

Defendants.

FOR A FIFTH CAUSE OF ACTION
NEGLIGENT MISREPRESENTATION

36. That the allegations of the First, Second, Third, and Fourth Causes of Action are incorporated herein by reference.

37. That Defendant Laura Willis, acting within the scope of her employment and acting as agent and/or servant of each of the other Defendants, made numerous false representations to the Plaintiff regarding the existence of insurance coverage on Plaintiff's automobiles.

38. That Defendant Laura Willis, acting within the scope of her employment and as agent and/or servant of each of the other Defendants, had a pecuniary interest in making the false representations and that Defendant Willis and each of the other Defendants made considerable profits as a result of such representations to the Plaintiff.

39. That Defendant Laura Willis and each of the other Defendants owed a duty of care to the Plaintiffs to communicate truthful information as part of their business relationship with the Plaintiff and subject to the insurance contracts issued by the Defendants.

40. That Defendant Laura Willis and each of the other Defendants breached their duty of care to the Plaintiff by disseminating false information, authoring fraudulent and false insurance documents, accepting and converting cash payments instead of paying premiums, and issuing bogus policies.

41. That the Plaintiff relied on the representations made by Defendant Laura Willis as agent of the other Defendants, and sustained damages as a result of such reliance to include but not be limited to: potentially damaged credit, damaged standing in the insurance industry for the

purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation, and will continue to suffer such damages in the future.

42. That the Plaintiff is informed and believes she is entitled to judgment against the Defendants for actual and punitive damages for the negligent misrepresentations made to her by the Defendants.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY: 

THOMAS E. HITE, JR.
100 EAST PICKENS STREET
P. O. BOX 805
ABBEVILLE, SC 29620
(864) 366-5400 TELEPHONE
(864) 366-2638 FACSIMILE
Email: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

Abbeville, South Carolina

July 24, 2013

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JEANETTE NORMAN,)
)
PLAINTIFF,)

SUMMONS

VS.)

2013-CP-01- 221

LAURA B. WILLIS, individually,)
)
and as agent for Southern Risk)
Insurance Services, LLC,)
)
Montgomery Mutual Insurance)
Company, and Peerless Insurance)
Company; JESSE A. DANTICE,)
)
Individually and as broker/agent)
for Southern Risk Insurance)
Services, LLC, Montgomery)
)
Mutual Insurance Company, and)
)
Peerless Insurance Company;)
)
SOUTHERN RISK INSURANCE)
)
SERVICES, LLC; PEERLESS)
)
INSURANCE COMPANY; and)
)
MONTGOMERY MUTUAL)
)
INSURANCE COMPANY,)

DEFENDANTS.)

EMILY V MCMAHAN
CLERK OF COURT

2013 JUL 25 PM 2:37

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

TRUE COPY
BY *Emily V McMahon*
ABBEVILLE COUNTY CLERK OF COURT

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action of which a copy is herewith served upon you and to serve a copy of your Answer on the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service; and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

HITE & STONE

BY: 

THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFF

ABBEVILLE, SOUTH CAROLINA
JULY 25 2013

STATE OF SOUTH CAROLINA)
)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JEANETTE NORMAN,)
)
PLAINTIFF,)

COMPLAINT

VS.)

2013-CP-01-221
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, individually,)
and as agent for Southern Risk)
Insurance Services, LLC,)
Montgomery Mutual Insurance)
Company, and Peerless Insurance)
Company; JESSE A. DANTICE,)
Individually and as broker/agent)
for Southern Risk Insurance)
Services, LLC, Montgomery)
Mutual Insurance Company, and)
Peerless Insurance Company;)
SOUTHERN RISK INSURANCE)
SERVICES, LLC; PEERLESS)
INSURANCE COMPANY; and)
MONTGOMERY MUTUAL)
INSURANCE COMPANY,)

DEFENDANTS.)

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2013 JUL 25 PM 2:37
EMILY Y MCMAHAN
CLERK OF COURT

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

The Plaintiff Jeanette Norman ("Plaintiff"), complaining of the Defendants Laura B. Willis, Jesse Dantice, Southern Risk Insurance Services, LLC, Peerless Insurance Company, and Montgomery Mutual Insurance Company, brings this claim based on the allegations set forth below and would respectfully show unto this Honorable Court:

PARTIES, JURISDICTION AND VENUE

1. That the Plaintiff is a citizen and resident of the County of Abbeville, State of South Carolina, and at all times mentioned herein was the owner of real and personal property located in Abbeville County.
2. That the Defendant Laura B. Willis ("Defendant Willis") is a citizen and resident

of the County of Abbeville, State of South Carolina and at all times mentioned herein was a licensed insurance agent and operated an insurance business under the direct supervision of and as agent for Defendant Jesse A. Dantice, her partner/broker, Defendant Southern Risk Insurance Services LLC, Defendant Peerless Insurance Company and Defendant Montgomery Mutual Insurance Company.

3. That the Defendant Jesse A. Dantice ("Defendant Dantice") is, upon information and belief, a resident of the County of Anderson, State of South Carolina and at all times mentioned herein operated an insurance business in the County of Abbeville, State of South Carolina, among other locations, wherein his agent/employee Defendant Laura B. Willis sold insurance policies under his direct supervision as well as the direct supervision of Defendant Southern Risk Insurance Services, LLC, Defendant Peerless Insurance Company and Defendant Montgomery Mutual Insurance Company.

4. That Defendant Southern Risk Insurance Services, LLC ("Defendant Southern Risk") is a limited liability corporation organized and existing under the laws of the State of South Carolina, and at all times mentioned herein maintained a retail insurance office in the County of Abbeville, State of South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Peerless Insurance Company ("Defendant Peerless") is a corporation organized and existing under the laws of a state of the United States and at all times mentioned herein maintained a presence and conducted business in the County of Abbeville, State of South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

6. That Defendant Montgomery Mutual Insurance Company ("Defendant

Montgomery”) is a corporation organized and existing under the laws of the State of South Carolina, and at all times mentioned herein maintained a presence and conducted business in the County of Abbeville, State of South Carolina, wherein its authorized agents and servants sold insurance policies to the general public.

7. Jurisdiction and venue are proper in the County of Abbeville, State of South Carolina, pursuant to S.C. Code Ann. § 15-7-30.

FACTS

8. That at all times mentioned herein Defendants Dantice, Southern Risk, Peerless and Montgomery had a legal duty to fully investigate any prospective insurance agent and/or employee as well as to properly train and supervise agents and/or employees, including Defendant Willis. That these Defendants failed to adhere to this duty of investigation, training and supervision of Defendant Willis, both before and especially after she was fined, publicly reprimanded and placed on probation for dishonesty by the South Carolina Department of Insurance in October 2011.

9. That the Plaintiff was the victim of many illegal and improper tactics used by Defendants Willis, Dantice, Southern Risk, Peerless and Montgomery to corner the retail insurance market in the County of Abbeville, State of South Carolina, and destroy all competition.

10. That in or about September 2010, after a friend recommended Plaintiff see Defendant Willis for lower insurance rates, Plaintiff visited the Abbeville, South Carolina location of Defendant Southern Risk and sought to purchase a homeowner’s insurance policy for real property located in Calhoun Falls, South Carolina. Defendant Willis assured Plaintiff that she could provide the most coverage at the best rates, despite Plaintiff’s claims history, which

included a recent fire loss, and poor credit rating.

11. That Plaintiff met with Defendant Willis to complete an application for homeowner's insurance coverage. Defendant Willis asked for Plaintiff's social security number, but upon information and belief, another social security number was used on Plaintiff's application. Defendant Willis did not inquire as to Plaintiff's claim history during the application process. Plaintiff returned to Defendant Willis several days later to inform her of the previous fire loss and claim, but Defendant Willis told her not to worry about it if it did not show up during the application.

12. That Defendant Willis quoted homeowner's coverage for Plaintiff in the amount of \$936.00, and Plaintiff paid half of the amount on that same day with a check. Plaintiff had previously received quotes for homeowner's coverage from other local agents in town, ranging from \$1,800.00 to \$2,200.00. Plaintiff was impressed with the low premium offered by Defendant Willis and the Southern Risk agency.

13. That during the same visit in September 2010, Plaintiff discussed with Defendant Laura B. Willis the purchase of automobile insurance for her 2004 Cadillac Escalade, 1997 Ford Explorer and 1996 Honda Accord. That the Plaintiff sought full insurance coverage, including collision and comprehensive coverage, on the 2004 Cadillac Escalade because of an outstanding lien on this vehicle, and she sought only collision coverage on the 1997 Ford Explorer and 1996 Honda Accord. Plaintiff shared with Defendant Willis the quote for coverage Plaintiff obtained from another local agent with whom Plaintiff had previously done business, and Defendant Willis assured Plaintiff she could beat that agent's rates yet offer the same amount of coverage.

14. That Defendant Willis completed Plaintiff's application for insurance on the three automobiles while Plaintiff was present in the office of Defendant Southern Risk. During the

application process, Defendant Willis did not inquire as to Plaintiff's claims history or ask for the VIN numbers on Plaintiff's three vehicles. Plaintiff had driven the 1996 Honda Accord to Defendant Willis' office and could have provided at least the VIN number on that vehicle, but Defendant Willis led Plaintiff to believe such information was either not necessary or could be obtained from Defendant Willis' computer program. Upon information and belief, Defendant Willis entered her own driver's license number on Plaintiff's application even though Plaintiff had her driver's license with her in the office and could have submitted her license number for inclusion on the application. Defendant Willis took a payment from the Plaintiff for these three automobile policies.

15. That some time later, Plaintiff received by mail new automobile insurance identification cards and an insurance policy from Defendant Montgomery Mutual Insurance Company. The policy noted "Coverage is Provided in Peerless Insurance Company." The cards detailed the policy information for the 1997 Ford Explorer (Policy No. PLP W815141) and the Cadillac Escalade (Policy No. PLP W815141). However, the identification cards did not include the 2006 Honda and improperly identified the 2004 Cadillac Escalade as a 2000 Cadillac Escalade. Additionally, the cards listed improper VIN numbers on both the Explorer and Escalade. Shortly thereafter, Plaintiff received a letter from Coastal Federal Credit Union, the company that provided the financing on the Escalade, informing her that the Escalade was no longer insured and if she did not provide proof of insurance, the credit union would buy insurance on her behalf and increase her monthly payment amount in excess of \$300.00.

16. That upon information and belief, due to her lapse in insurance coverage, the Plaintiff has been forced to pay and will continue to pay in the future increased premium costs for automobile insurance. Additionally, upon information and belief, Plaintiff's credit rating has

been damaged in the insurance industry and Plaintiff will always be rated in a special risk category whenever attempting to purchase insurance now and in the future.

17. That the Plaintiff is informed and believes that Defendant Willis, as an authorized and acting agent and/or servant for Defendants Dantice, Southern, Peerless and Montgomery, acting within the scope of her employment and with the express or implied permission of the corporate Defendants and Defendant Dantice, committed the following acts against the Plaintiff and other members of the general public

a. repeatedly forged insurance documents which were supposed to be signed by the insured including, but not limited to, insurance applications;

b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;

c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of South Carolina law;

d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;

e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;

f. took cash payments and/or debits from bank accounts from insurance clients and converted the cash to her own use and benefit;

g. forged insurance documents to fraudulently confirm non-existent insurance coverage;

- h. issued bogus and non-existent insurance policies to the general public;
- i. pretended insurance policies were in force when a loss to a customer occurred;
- j. fraudulently and unfairly adjusted loss claims made against the real and/or bogus insurance policies;
- k. discouraged customers from seeking other coverage when such customers questioned the validity of their coverage or claims practices of the Defendants; and
- l. assured customers, through misrepresentation, blatant lies and deceit, that everything was fine even though the customer's lien holder and/or state and governmental agencies were telling the customers that they had no coverage.

All of which could have been discovered and should have been discovered and stopped by Defendants Dantice, Southern, Peerless and Montgomery through reasonable direct supervision of Defendant Willis' activities, as well as through auditing computer programs which reveal fraud and/or misconduct of agents and/or customers.

18. That the Plaintiff is informed and believes that the sheer volume of new insurance business generated by Defendant Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly giving the Defendants a reason to investigate the activity of Defendant Willis but to do so might have slowed the rapid growth of the Defendant's insurance business and profits, and therefore, no action was taken to Plaintiff's detriment.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

19. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

20. South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises. That the Plaintiff is informed and believes that none of the activities of the Defendants, as set forth above, are allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

21. That Defendants by and through their acting agent and/or servant have made numerous misrepresentations to Plaintiff and the general public. These misrepresentations have an impact on the general public, and this conduct is capable of repetition and in fact has been repeated numerous times.

22. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, suffering damage to her credit and damage to her standing in the insurance industry for the purpose of obtaining future insurance policies, losing money paid for insurance premiums to Defendant Willis when in fact no policy was ever issued or in force and suffering severe emotional distress and aggravation, both in the past and present and continuing, and will continue to suffer such damages in the future.

23. That the Plaintiff is informed and believes she is entitled to actual damages including restitution, disgorgement, treble damages, injunctive relief, attorneys' fees and costs,

and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES

24. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

25. That the Plaintiff is informed and believes that pursuant to § 14-1-50, she is entitled to pursue her Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

26. That the Defendants, by and through their acting agent and/or servant, have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct has been repeated numerous times over several years and is a restraint on lawful trade.

27. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including but not limited to: suffering damage to her credit and damage to her standing in the insurance industry for the purpose of obtaining future insurance policies, losing money paid for insurance premiums to Defendant Willis when in fact no policy was ever issued or in force and suffering severe emotional distress and aggravation, both in the past and present and continuing, and will continue to suffer such damages in the future.

28. That the Plaintiff is informed and believes she is entitled to actual damages including restitution, loss profits, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CONVERSION

29. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

30. That the Defendants individually and/or through their authorized and acting agents and/or servants, as set forth above, received the Plaintiff's insurance premiums in cash and converted the same to their own use and benefit.

31. That the Defendants used Plaintiff's premium payments for some other use not authorized by Plaintiff and without her permission, thereby causing Plaintiff's insurance coverage to lapse.

32. That the Plaintiff is informed and believes she is entitled to actual and punitive damages for the Defendants' unauthorized conversion of her money.

FOR A FOURTH CAUSE OF ACTION
FRAUD

33. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

34. That the Defendant Laura Willis, acting within the scope of her employment and as agent and/or servant of each of the other Defendants, made numerous false representations to the Plaintiff regarding her ability to obtain full and complete insurance coverage at substantially lower rates than those rates available by competitors in the local market.

35. That Defendant Willis, acting within the scope of her employment and as agent and/or servant of each of the other Defendants, further misrepresented facts regarding Plaintiff's personal identification and claims history in the application for insurance, such that the coverage obtained was fraudulent and invalid on its face.

36. That these representations were material to Plaintiff's insurance and contractual dealings.

37. That the Defendant Laura Willis either knew of the falsity or recklessly disregarded whether the statements were true or false.

38. That Defendant Laura Willis intended her false statements would be acted on by the Plaintiff; specifically Defendant Willis intended her misrepresentations would entice Plaintiff to obtain insurance coverage through Defendant Willis.

39. That the Plaintiff had no knowledge that the multiple representations made by Defendant Laura Willis were false, and Plaintiff had the right to rely on the multiple representations.

40. That the Plaintiff suffered significant damages as a result of these fraudulent statements, including but not limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation and will continue to suffer such damages in the future.

41. That the Plaintiff is informed and believes she is entitled to judgment against the Defendants for actual and punitive damages for the fraudulent statements made to her by the Defendants.

FOR A FIFTH CAUSE OF ACTION
NEGLIGENT MISREPRESENTATION

42. Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

43. That Defendant Laura Willis, acting within the scope of her employment and

acting as agent and/or servant of each of the other Defendants, made numerous false representations to the Plaintiff regarding the existence of insurance coverage on Plaintiff's automobiles.

44. That Defendant Laura Willis, acting within the scope of her employment and as agent and/or servant of each of the other Defendants, had a pecuniary interest in making the false representations and that Defendant Willis and each of the other Defendants made considerable profits as a result of such representations to the Plaintiff.

45. That Defendant Laura Willis and each of the other Defendants owed a duty of care to the Plaintiff to communicate truthful information as part of their business relationship with the Plaintiff and subject to the insurance contracts issued by the Defendants.

46. That Defendant Laura Willis and each of the other Defendants breached their duty of care to the Plaintiff by disseminating false information, authoring fraudulent and false insurance documents, accepting and converting cash payments instead of paying premiums, and issuing bogus policies.

47. That the Plaintiff relied on the representations made by Defendant Laura Willis as agent of the other Defendants, and sustained damages as a result of such reliance to include but not be limited to: potentially damaged credit, damaged standing in the insurance industry for the purpose of obtaining future insurance policies, actual lost money paid for insurance premiums, severe emotional distress and aggravation, and will continue to suffer such damages in the future.

48. That the Plaintiff is informed and believes she is entitled to judgment against the Defendants for actual and punitive damages for the negligent misrepresentations made to her by the Defendants.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual

damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY:



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ATTORNEYS FOR THE PLAINTIFF

Abbeville, South Carolina

July 25, 2013

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JAMES ROBERT SHIRLEY,
PLAINTIFF,

AMENDED SUMMONS

VS.

2013-CP-01-00094
(JURY TRIAL DEMANDED)

LAURA B. WILLIS, and
JESSE A. DANTICE, individually,
and as agents and/or brokers
for Southern Risk Insurance
Services, LLC, Travelers Casualty
Insurance Company of America,
Allied Property and Casualty
Insurance Company, Peerless
Insurance Company, Montgomery
Mutual Insurance Company, and
Safeco Insurance Company,

and

SOUTHERN RISK INSURANCE
SERVICES, LLC, TRAVELERS
CASUALTY INSURANCE
COMPANY OF AMERICA,
MONTGOMERY MUTUAL
INSURANCE COMPANY, and
SAFECO INSURANCE
COMPANY, PEERLESS
INSURANCE COMPANY,

DEFENDANTS.

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2013 AUG 23 PM 4:32
EMILY J. MCMAHAN
CLERK OF COURT

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

TO THE DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this
action of which a copy is herewith served upon you and to serve a copy of your Answer on
the subscribed at his office, 100 East Pickens Street, P. O. Box 805, Abbeville, South
Carolina, within thirty (30) days after the service hereof, exclusive of the day of such service;

and if you fail to answer the Complaint within the time aforesaid, the Plaintiff will apply to the Court for relief demanded in the Complaint.

HITE & STONE

BY: 

THOMAS E. HITE, JR.

P. O. BOX 805

ABBEVILLE, SC 29620

(864) 459-5400 TELEPHONE

(864) 459-2638 FACSIMILE

EMAIL: tommyhite@hotmail.com

ATTORNEY FOR THE PLAINTIFFS

ABBEVILLE, SOUTH CAROLINA
AUGUST 28, 2013.

STATE OF SOUTH CAROLINA)
COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS

JAMES ROBERT SHIRLEY,

PLAINTIFF,

VS.

LAURA B. WILLIS, and
JESSE A. DANTICE, individually,
and as agents and/or brokers,
for Southern Risk Insurance
Services, LLC, Travelers Casualty
Insurance Company of America,
Allied Property and Casualty
Insurance Company, Peerless
Insurance Company, Montgomery
Mutual Insurance Company, and
Safeco Insurance Company,

and

SOUTHERN RISK INSURANCE
SERVICES, LLC, TRAVELERS
CASUALTY INSURANCE
COMPANY OF AMERICA,
MONTGOMERY MUTUAL
INSURANCE COMPANY, and
SAFECO INSURANCE
COMPANY, PEERLESS
INSURANCE COMPANY,

DEFENDANTS.

AMENDED COMPLAINT

2013-CP-01-00094
(JURY TRIAL DEMANDED)

FILED
STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE
2013 AUG 23 PM 4:52
EMILY P. JOHNSON
CLERK OF COURT

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

The Plaintiff complaining of the Defendants herein would respectfully show unto this Honorable Court:

1. That the Plaintiff is a citizen and resident of the County of Abbeville, State of South Carolina, and at the time mentioned herein was the owner and operator of Ayers-Shirley Insurance

Agency in Abbeville, South Carolina where he has sold insurance to the general public since 1975.

2. That the Defendant, Laura B. Willis, is a citizen and resident of the County of Abbeville, State of South Carolina and at the times mentioned herein was a licensed insurance agent and operated an insurance business in Abbeville, S.C. known as the Southern Risk Insurance agency, under the direct supervision of her partner/broker, Defendant Jesse A. Dantice, as well as Defendant Southern Risk Insurance Services LLC, Defendant Travelers Casualty Insurance Company, Defendant Peerless Insurance Company, Defendant Montgomery Mutual Insurance Company, and Defendant Safeco Insurance Company of America.

3. That the Defendant Jesse A. Dantice, is on information and belief, a citizen and resident of the County of Anderson, State of South Carolina and at the times mentioned herein operated a insurance business in Abbeville County South Carolina wherein his agent/employee Laura B. Willis, sold insurance policies under his direct supervision as well as the direct supervision of all other Defendants.

4. That Defendant Southern Risk Insurance Services, LLC is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

5. That Defendant Travelers Casualty Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

6. That Defendant Peerless Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail

insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

7. That Defendant Montgomery Mutual Insurance Company is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

8. That Defendant Safeco Insurance Company of America is a corporation organized and existing under the laws of a state of the United States and at the times mentioned herein maintained a retail insurance office in Abbeville County, South Carolina wherein its authorized agents and servants sold insurance policies to the general public.

9. That the Defendants Jesse A. Dantice, as well as the corporate Defendants, at all times have a legal duty to fully investigate and do full background research on any prospective insurance agent and/or employee and more particularly Defendant Laura B. Willis. That further said Defendants have a legal duty to properly train and supervise Defendant, Laura B. Willis' work and computer submissions, both before and especially after she was fined, publicly reprimanded, and placed on probation for dishonesty, by the South Carolina Insurance Commission in October 2011.

10. That beginning in the year 2008, Defendant Jesse A. Dantice, a licensed insurance broker, opened an office in Abbeville, South Carolina and placed Defendant Laura B. Willis in said office as his duly authorized and acting licensed agent in charge. That Defendant, Jesse A. Dantice, advertised publicly on his website that his company is an *"800 pound Gorilla: a seemingly unbeatable presence always to be reckoned with, whose experience, influence, and skill threatens to defeat competitors with little effort."* Unfortunately for the Plaintiff, Defendant Jesse Dantice's claims of domination of his competition in the insurance business in Abbeville County, South

Carolina, appear to be true, but the Plaintiff is informed and believes this domination of the competition was not accomplished through fair or legal means.

11. That the Plaintiff is a business competitor of the Defendants Laura B. Willis and Jesse A. Dantice, in Abbeville, South Carolina and his insurance business was effectively destroyed by the Defendants' illegal, unfair, and immoral business practices and tactics. That among the many illegal and improper tactics used by the Defendants to corner the retail insurance market in Abbeville County, South Carolina and destroy all competition, including the Plaintiff, the Defendants' authorized and acting agent and/or servant Defendant Laura B. Willis, within the scope of her employment and with the express or implied permission of the other Defendants committed the following acts:

- a. repeatedly forged insurance documents, which were supposed to be signed by the insured including, but not limited to, insurance applications;
- b. repeatedly changed insurance applications, without the knowledge or permission of customers, to omit facts, which would have resulted in higher rates to gain an unfair advantage against her competition in the insurance business;
- c. repeatedly used her own personal driver's license number and social security number for new policy submissions to get a lower rate for some customers to unfairly compete in violation of S.C. law, which prohibits discrimination;
- d. quoted severely reduced premiums in violation of state insurance regulations to capture more insurance business and destroy competition;
- e. took cash payments from the insurance clients and gave no receipts making it difficult for customers to prove that they had in fact paid their insurance premiums;
- f. took cash payments and/or debits from bank accounts from insurance clients and

converted the cash to her own use and benefit;

- g. forged insurance documents to fraudulently confirm non-existent insurance coverage;
- h. issued bogus, and non-existent insurance policies to the general public;
- i. pretended insurance policies were in force when a loss to a customer occurred;
- j. fraudulently and unfairly adjusting loss claims made against the real and/or bogus insurance policies;

- k. when insurance customers of Defendant Laura B. Willis questioned whether or not they had insurance coverage and/or needed to go elsewhere to other insurance agents to obtain coverage they were emphatically discouraged from seeking other coverage and through misrepresentation, blatant lies and deceit were assured that everything was fine even though the customer's lien holder and/or state government agencies were telling the customers that they had no coverage; and

- l. filing false claims against her policyholder's policies (such as a towing claim) and then keeping the money when the claim is paid;

All of which could have been discovered, and should have been discovered and stopped by the Defendants, through reasonable direct supervision of Defendant Laura B. Willis' activities as well and through auditing computer programs, which reveal fraud and/or misconduct of agents and/or customers.

12: That the Plaintiff is informed and believes that the sheer volume of new insurance business generated by Defendant Laura B. Willis in such a short amount of time should have put the Defendants on notice that something was being done improperly giving the Defendants a reason to investigate her activity but to do so might have slowed the rapid growth of the Defendants' insurance business and profits. The tactics of the Defendants as set forth above, which went on for years,

effectively and illegally lowered premiums for the general public so that legitimate and responsible insurance agents, like the Plaintiff, could not compete and lost many existing and prospective new insurance customers.

FOR A FIRST CAUSE OF ACTION
VIOLATIONS OF THE
SOUTH CAROLINA UNFAIR TRADE PRACTICES ACT
S.C. CODE ANN § 39-5-10, *et seq.*

13. That the Plaintiff incorporates by reference, as if fully set forth herein, each and every allegation set forth in the preceding paragraphs.

14. That the Plaintiff is informed and believes that none of the activities of the Defendants, as set forth above, is allowed or authorized by any South Carolina regulatory agency or any other South Carolina statutes.

15. That South Carolina's Unfair Trade Practices Act (UTPA) creates a cause of action for those harmed by deceptive acts including "unfair or deceptive" acts or promises.

16. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. These misrepresentations have an impact on the general public and this conduct is capable of repetition and has in fact been repeated numerous times.

17. That as a direct and proximate result of Defendants' unlawful business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, lost profits, lost retirement benefits, damage to his business reputation, severe emotional distress and aggravation causing the Plaintiff serious health problems and will continue to suffer such damages in the future.

18. That the Plaintiff is informed and believe that he is entitled to actual damages including, restitution, loss profits, personal injury damages, disgorgement, treble damages, injunctive relief, attorneys' fees and costs, and all other relief allowed under South Carolina Unfair Trade Practices Act, S.C. Code Ann. § 39-5-10, *et seq.*

FOR A SECOND CAUSE OF ACTION
COMMON-LAW UNFAIR TRADE PRACTICES/UNFAIR COMPETITION

19. That the allegations of the First Cause of Action are incorporated herein by reference.

20. That the Plaintiff is informed and believes that pursuant to § 14-1-50 he is entitled to pursue his Common-Law remedies for the willful, wanton, and illegal activities of the Defendants.

21. That the Defendants by and through their acting agent and/or servant have made numerous misrepresentations to the general public and have gained an unfair and illegal business advantage in doing so. This unlawful conduct and has been repeated numerous times over several years and is a restraint on lawful trade.

22. That as a direct and proximate result of Defendants' unlawful and unfair trade and/or business practices, fraudulent acts, and false statements, Plaintiff has suffered significant damages, including, but not limited to, lost profits, lost retirement benefits, damage to his business reputation, severe emotional distress and aggravation causing the Plaintiff serious health problems and will continue to suffer such damages in the future.

23. That the Plaintiff is informed and believes that he is entitled to actual damages including, restitution, loss profits, personal injury damages, and disgorgement of wrongful profits received by the Defendants.

FOR A THIRD CAUSE OF ACTION
CIVIL CONSPIRACY

24. That the allegations of the First and Second Causes of Action are incorporated herein by reference.

25. That the Defendants, individually and/or through their authorized and acting agent and/or servant, separate and apart from the improper and illegal activities alleged above, conspired together and worked together and coordinated their efforts with a common design and plan to restrain trade by putting the Plaintiff and other licensed insurance agents in Abbeville County out of business and in the process make huge sums of money for the Defendants.

26. That the Defendants, individually and/or through their authorized and acting agent and/or servant, separate, apart from the improper and illegal activities alleged above, mutually agreed to ignore and/or disregard the improper and illegal activities of Defendant Laura Willis, after she was put on probation by the S. C. Department of Insurance in October 2011. This portion of the conspiracy allowed the activities of Defendant Laura Willis to continue unabated and do even more harm to the Plaintiff's business.

27. That the Plaintiff is informed and believe that he is entitled to actual and punitive damages for the Defendants' civil conspiracies to restrain trade and destroy his legitimate insurance business.

FOR A FOURTH CAUSE OF ACTION
TORTIOUS INTERFERENCE WITH EXISTING CONTRACTUAL RELATIONS
AND FUTURE CONTRACTUAL RELATIONS

28. That the allegations of the First, Second and Third Causes of Action are incorporated herein by reference.

29. That the Defendants were fully aware that the Plaintiff had existing insurance contracts with his existing customers and repeatedly and intentionally procured the breach and/or

termination of those contracts by using false statements and illegal and improper acts with no legal justification for doing so, resulting in the virtual destruction of the Plaintiff's business and loss of business profits.

30. That the Defendants were fully aware that the Plaintiff was unable to compete with their illegal and improper activities in the operation of their insurance business, as set forth above, and as a result new and/or prospective insurance customers were effectively restrained and/or prevented from entering into new insurance contractual relations with the Plaintiff.

31. That the Plaintiff is informed and believes that he is entitled to actual and punitive damages against the Defendants for the willful, wanton, and intentional violation of his existing and future contractual rights with his former customers as well as his prospective new customers.

WHEREFORE, the Plaintiff prays for judgment against the Defendants for actual damages, trebled damages and punitive damages to be determined by a jury and for such other and further relief as the Court deems just and proper.

HITE & STONE

BY:



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ABBEVILLE, SOUTH CAROLINA
August 20, 2013

STATE OF SOUTH CAROLINA)

COUNTY OF ABBEVILLE)

IN THE COURT OF COMMON PLEAS
EIGHTH JUDICIAL CIRCUIT

JEANETTE NORMAN,)

Plaintiff,)

vs.)

LAURA B. WILLIS, individually, and
as agent for Southern Risk Insurance
Services, LLC, Montgomery Mutual
Insurance Company, and Peerless
Insurance Company; JESSE A.
DANTICE, individually and as
broker/agent for Southern Risk
Insurance Services, LLC, Montgomery
Mutual Insurance Company, and
Peerless Insurance Company;
SOUTHERN RISK INSURANCE
SERVICES, LLC; PEERLESS
INSURANCE COMPANY; and
MONTGOMERY MUTUAL
INSURANCE COMPANY,

Defendants.)

Civil Action No. 2013-CP-01-221

Answer of Peerless Insurance Company
and Montgomery Mutual Insurance
Company

Jury Trial Requested

TRUE COPY
BY *[Signature]*
ABBEVILLE COUNTY CLERK OF COURT

EMILY Y. MCHAMMAN
CLERK OF COURT

2013 OCT 28 PM 4:03

STATE OF SOUTH CAROLINA
COUNTY OF ABBEVILLE

Peerless Insurance Company ("Peerless") and Montgomery Mutual Insurance
Company of America ("Montgomery") answer the complaint of Plaintiff as follows.

Peerless and Montgomery deny every allegation of the complaint unless it is specifically
and expressly admitted below.

FOR A FIRST DEFENSE

1. Peerless and Montgomery are without information or knowledge
sufficient to admit or deny the truth of the allegations in paragraph 1 and deny them on
that basis.

2. Peerless and Montgomery admit, on information and belief, that Willis is resident of Abbeville County. Peerless and Montgomery admit that Willis was, at one time, a licensed insurance agent with a variety of insurance companies. Peerless and Montgomery admit, on information and belief, that Willis operated her business in affiliation with Dantice and Southern Risk. Peerless and Montgomery deny all remaining allegations of paragraph 2.

3. Peerless and Montgomery admit, upon information and belief, that Dantice is a resident of Anderson County. Peerless and Montgomery admit, on information and belief, that Dantice operated his business, Southern Risk, in affiliation with Willis and that it operated an office in Abbeville County and sold policies of insurance from that office. Peerless and Montgomery deny any remaining allegations of paragraph 3.

4. Peerless and Montgomery admit, upon information and belief, that Southern Risk is a limited liability company and operated an office in Abbeville County and sold policies of insurance from that office. Peerless and Montgomery deny any remaining allegations of paragraph 4.

5. Peerless and Montgomery admit Peerless is a corporation organized under the laws of a state of the United States. They deny the remaining allegations of paragraph 5.

6. Peerless and Montgomery admit Montgomery is a corporation organized under the laws of a state of the United States. They deny the remaining allegations of paragraph 6.

7. Peerless and Montgomery admit the allegations of paragraph 7.

8. Peerless and Montgomery deny the allegations of paragraph 8 as stated as they pertain to them. Peerless and Montgomery are without knowledge or information sufficient to form a belief as to the truth of the allegations pertaining to others and deny them on that basis.

9. Peerless and Montgomery deny the allegations of paragraph 9.

10. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 10 and deny them on that basis.

11. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 11 and deny them on that basis.

12. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 12 and deny them on that basis.

13. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 13 and deny them on that basis.

14. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 14 and deny them on that basis.

15. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 15 and deny them on that basis.

16. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 16 and deny them on that basis.

17. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the allegations of paragraph 17 and deny them on that basis, including all subparts.

18. Peerless and Montgomery deny the allegations of paragraph 18.

As to First Cause of Action for Alleged Violations of SCUPTA

19. Peerless and Montgomery incorporate by reference their responses to paragraphs 1-18 of the complaint into this paragraph as their response to paragraph 19.

20. Peerless and Montgomery respond that the text of the South Carolina Unfair Trade Practices Act ("SCUPTA") sets forth the elements and requirements necessary to maintain a cause of action pursuant to that act and the limitations upon such causes of action. Peerless and Montgomery deny all allegations of paragraph 20 that are inconsistent with or an incomplete statement of the elements, requirements, or limitations under the Act. All of the alleged activities are regulated by the South Carolina Department of Insurance and exempt from the coverage of the South Carolina Unfair Trade Practices Act under S.C. Code Ann. § 39-5-40(c).

21. Peerless and Montgomery deny the allegations of paragraph 21.

22. Peerless and Montgomery deny the allegations of paragraph 22.

23. Peerless and Montgomery deny the allegations of paragraph 23.

**As to the Second Cause of Action for
Alleged Common Law Unfair Trade Practices**

24. Peerless and Montgomery incorporate by reference their responses to paragraphs 1-23 of the complaint into this paragraph as their response to paragraph 24.

25. Peerless and Montgomery deny the allegations of paragraph 25.

26. Peerless and Montgomery deny the allegations of paragraph 26.

27. Peerless and Montgomery deny the allegations of paragraph 27.

28. Peerless and Montgomery deny the allegations of paragraph 28.

As to the Third Cause of Action for Alleged Conversion

29. Peerless and Montgomery incorporate by reference their responses to paragraphs 1-28 of the complaint, above, as their response to paragraph 29.

30. Peerless and Montgomery deny the allegations of paragraph 30.

31. Peerless and Montgomery deny the allegations of paragraph 31.

32. Peerless and Montgomery deny the allegations of paragraph 32.

As to the Fourth Cause of Action for Alleged Fraud

33. Peerless and Montgomery incorporate by reference their responses in paragraphs 1-32, above, into this paragraph as their response to paragraph 33.

34. Peerless and Montgomery deny the allegations of paragraph 34.

35. Peerless and Montgomery deny the allegations of paragraph 35.

36. Peerless and Montgomery are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 36 and deny them on that basis.

37. Peerless and Montgomery are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 37 and deny them on that basis.

38. Peerless and Montgomery are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 38 and deny them on that basis.

39. Peerless and Montgomery are without knowledge or information sufficient to form a belief as to the truth or falsity of the allegations of paragraph 39 and deny them on that basis.

40. Peerless and Montgomery deny the allegations of paragraph 40.

41. Peerless and Montgomery deny the allegations of paragraph 41.

As to the Fifth Cause of Action for Alleged Negligent Misrepresentation

42. Peerless and Montgomery incorporate by reference their responses to paragraphs 1-41 of the complaint, above, as their response to paragraph 42.

43. Peerless and Montgomery deny the allegations of paragraph 43.

44. Peerless and Montgomery deny the allegations of paragraph 44.

45. Peerless and Montgomery admit only that duties owed by them to an insured are set forth in certain statutes, in case law, and in the contract of insurance between them and their insureds. Peerless and Montgomery deny the allegations of paragraph 45 as to them to the extent they impose some different or greater duty and deny that they breached any duty to Plaintiff. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the truth of the allegations of paragraph 45 as they might pertain to others and denies them on that basis.

46. Peerless and Montgomery admit only that duties owed by them to an insured are set forth in certain statutes, in case law, and in the contract of insurance between them and their insureds. Peerless and Montgomery deny the allegations of paragraph 46 as to them to the extent they impose some different or greater duty and deny that they breached any duty to Plaintiff. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the truth of the allegations of paragraph 46 as they might pertain to others and denies them on that basis.

47. Peerless and Montgomery deny the allegations of paragraph 47 to the extent they pertain to them. Peerless and Montgomery are without information or knowledge sufficient to form a belief as to the truth or falsity of the allegations of paragraph 47 as they might pertain to others and denies them on that basis.

48. Peerless and Montgomery deny the allegations of paragraph 48.

49. Peerless and Montgomery deny that Plaintiff is entitled to any of the relief requested in the prayer for relief against them.

FOR A SECOND DEFENSE
(Failure to State a Claim)

50. Plaintiff's complaint fails to state a claim for relief against Peerless and Montgomery.

FOR A THIRD DEFENSE
(Statutory Bar)

51. Plaintiff's first cause of action is barred by S.C. Code Ann. § 39-5-40(c).

FOR A FOURTH DEFENSE
(Comparative Fault)

52. Plaintiff's claims are barred by the comparative negligence/recklessness of Plaintiff which was the proximate cause of any claimed injuries on her part, and was greater in proportion than any alleged wrongdoing of Peerless and Montgomery, all of which is denied.

FOR A FIFTH DEFENSE
(Intervening Actions of Third Party)

53. Peerless and Montgomery would show that any injury or damage suffered by Plaintiff, if any, was due to or caused by or occasioned by the intervening actions or omissions of a third party or parties for whom Peerless and Montgomery are not responsible and therefore, Plaintiffs' claims should be barred or reduced accordingly.

FOR A SIXTH DEFENSE
(Scope of Agency)

54. Peerless and Montgomery would show that any actions taken by any alleged agent of Peerless and Montgomery which caused any injury to Plaintiff, which is expressly denied, were taken while said alleged agent or agents were acting outside the scope of any alleged agency relationship, and, therefore, Peerless and Montgomery are not responsible.

FOR A SEVENTH DEFENSE
(Set-Off)

55. Peerless and Montgomery assert that they are entitled to a set-off based on any recovery by Plaintiff from any of the other defendants.

FOR A EIGHTH DEFENSE
(Failure to Properly Allege Special Damages)

56. Peerless and Montgomery would show that Plaintiff has failed to allege special damages with the specificity required by Rule 9(g), SCRCF

FOR A NINTH DEFENSE
(Unconstitutionality of Punitive Damages)

57. Peerless and Montgomery would show that an award of punitive damages would violate the Fifth, Sixth, and Fourteenth Amendments of the United States Constitution and Article I, Section 3 of the South Carolina Constitution in that:

- a. the judiciary's ability to correct a punitive damages award only upon a finding of passion, prejudice, or caprice is inconsistent with due process guarantees;
- b. any award of punitive damages serving a compensatory function is inconsistent with due process guarantees;
- c. any award of punitive damages based upon the wealth of the defendant violates due process guarantees;
- d. the jury's unfettered power to award punitive damages in any amount it chooses is wholly devoid of meaningful standards and is inconsistent with due process guarantees;
- e. an excessive award of punitive damages violates the due process guarantees of defendants;
- f. an award of punitive damages that is neither reasonable nor proportionate to the alleged wrong committed is irrational, arbitrary, furthers no legitimate purpose, and is an unconstitutional deprivation of the property of the defendants;
- g. an award of punitive damages that is grossly disproportionate to any compensatory damages awarded violates the defendants' due process guarantees;
- h. an award of punitive damages based solely on vicarious liability or the doctrine of respondeat superior is violative of due process guarantees;

i. due to the lack of standards for determining punitive damages, the defendants lack fair notice of the punishment to which they could be subjected;

j. even if it could be argued that the standard governing the imposition of punitive damages exists, the standard is void for vagueness;

k. an award of punitive damages that does not comport with the three guideposts articulated in *State Farm Mutual Automobile Insurance Company v. Campbell* fails to satisfy constitutional due process guarantees; and

l. the Plaintiffs' claim for punitive damages violates the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution and Article I, Section 3 of the South Carolina Constitution in that the amount of punitive damages is based upon the wealth of the defendants.

58. To the extent Plaintiff asserts or has a claim for punitive damages, and the same is expressly denied, Plaintiff's claim is subject to any and all standards and limitations regarding the determination and/or enforceability of punitive damage awards contained in the decisions of BMW of No. America v. Gore, 517 U.S. 559 (1996), Cooper Industries, Inc. v. Leatherman Tool Group, Inc., 532 U.S. 424 (2001), State Farm Mut. Auto. Ins. Co. v. Campbell, 538 U.S. 408 (2003), Safeco Ins. Co. of Am. v. Burr, 551 U.S. 47 (2007) and Philip Morris USA v. Williams, 549 U.S. 346 (2007) and South Carolina case law and statutory provisions.

FOR A TENTH DEFENSE
(Standing)

59. Plaintiff lacks standing to assert claims of the general public or others.

FOR A ELEVENTH DEFENSE
(Limitation on or Bar to Punitive Damages)

60. a) To the extent Plaintiff is entitled to and is awarded punitive damages, and Peerless and Montgomery deny that Plaintiff is entitled to or should be awarded

any such damages, such damages are limited as provided by S.C. Code Ann. § 15-32-530.

b) Plaintiff's claim for punitive damages is barred as to Peerless and Montgomery for failure to meet the requirements for imposition of such damages based on the actions of a purported agent as set forth in Restatement (Second) Torts § 909.

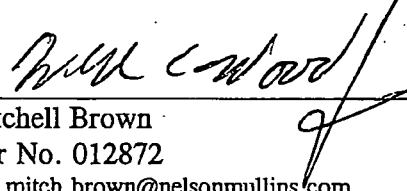
Reservation

61. Peerless and Montgomery reserve the right to assert any and all other defenses to Plaintiff's complaint, both factual and legal, as may be justified by information subsequently obtained.

Wherefore, having fully answered the complaint of Plaintiff, Peerless and Montgomery request that the Court dismiss the complaint with prejudice, that judgment be granted in their favor on all causes of action asserted by Plaintiff, that they be awarded attorneys' fees and costs as may be allowed by law, and that the Court grant them such other and further relief as the Court deems just and proper.

[Signatures Next Page]

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Attorneys for Peerless Insurance Company,
Montgomery Mutual Insurance Company

Columbia, South Carolina

October 7, 2013

1 STATE OF SOUTH CAROLINA) COURT OF COMMON PLEAS
2 Richard W. Wilson) 2012-CP-01-0306
3)
4 vs.) TRANSCRIPT RECORD
5 Laura B. Willis)
6 Defendant)
7)

7 January 21, 2014
8 Abbeville, South Carolina

9 B E F O R E: The Honorable Eugene Griffith, Judge

10
11 A P P E A R A N C E S:

12 Thomas E. Hite, Jr., Esquire
13 Attorney for the Plaintiff

14 William C. Wood, Esquire
15 Robert Calamari, Esquire
16 Attorney for the Defendant

17 Also: James Cox, III, Esquire
18 Lena Younts Meredith, Esquire
19 Jane Merrill, Esquire
20 Gene Marie Dickerson
21
22
23
24
25

I N D E X

(No Witnesses or Exhibits presented.)

Richard W. Wilson	2012-CP-01-0306
Lewis S. Williams	2012-CP-01-0340
Johnny Calhoun	2012-CP-01-0341
Robert Spires	2012-CP-01-0342
Crystal Spires Wiley	2012-CP-01-0343
Prescott Darren Bosler	2012-CP-01-0044
Benjamin Franklin Wolford	2012-CP-01-0045
Robert Wayne Gary	2012-CP-01-0066
Janie Wiltshire	2012-CP-01-0073
James Robert Shirley	2012-CP-01-0094
Marsha L. Antoniak	2012-CP-01-0123
Eugene P. Lawton	2012-CP-01-0124
Anita L. Belton	2012-CP-01-0220
Jeanette Norman	2012-CP-01-0221

Abbeville Hearing - January 21, 2014

P R O C E E D I N G S

1
2 THE COURT: Alright, are you ready to go?
3 Most of these motions are the same, a defense motion to
4 compel arbitration? Is somebody going to argue all of
5 them for the same defense?

6 MR. WOOD: What we're planning on doing, Your
7 Honor, there's 14 separate motions listed on the roster.
8 We're going to divide them into two groups. Two of the
9 cases involve claims that were brought by insurance
10 agencies. The remaining 12 involve cases that are
11 individual insured or individuals not agencies. We're
12 going to divide the argument up on that into those two
13 kind of groups and handle it that way. The arguments are
14 essentially the same especially within the two groups and
15 generally will cross all 14.

16 The two cases that are -- the agency cases
17 which are the Wilson cases are 12-CP-306 and the Shirley
18 which is 13-94. I will be addressing that. I'm Bill Wood
19 with the Nelson Mullins law firm in Columbia. We
20 represent the Liberty Mutual companies. In this case,
21 that's SafeCo Insurance, Montgomery Insurance, Peerless
22 Insurance and First National I believe is the other
23 company. There's a group of them and they're all related
24 companies all be it individuals. And Mr. Calamari will be
25 addressing the personal claim policies matters the other

Abbeville Hearing - January 21, 2014

1 12.

2 Going to the two -- the Wilson and Shirley
3 complaints are, Your Honor, virtually identical. There's
4 one less insurer I believe in the Shirley complaint and
5 there's one additional allegation in Paragraph 11.
6 There's a listing of alleged bad acts that were done by a
7 person, Laura Willis whose an agent over in Abbeville who
8 sold insurance. There's a list of bad acts and there's
9 one additional bad acts that is listed down there. It's
10 Paragraph 11, subparagraph L, but in all other respects,
11 the Wilson complaint and the Shirley complaint is the
12 same.

13 What we're seeking to do, Your Honor, is
14 compel arbitration in the case. All of these parties,
15 both in the two I'm talking about and the ones that
16 Mr. Calamari will be addressing know the folks involved
17 are signatores to the arbitration agreement.

18 We've submitted a brief, Your Honor, it's the
19 Pierson case and there's others from the South Carolina
20 Courts talking about compelling arbitration of
21 non-signatores and, Your Honor, when we're looking at
22 arbitration a couple of principles come to mind and this
23 is our Supreme Court here in South Carolina here in the
24 Sobinski Case, 553 SE2nd 110, 2001 case, they made it
25 clear there. I believe Mr. Hite cited to the Sobinski

Abbeville Hearing - January 21, 2014

1 case governs our standard and if there's in doubt, in this
2 case, doubt is resolved in favor of arbitration.

3 So looking at that I want to take this first
4 -- I also I will notice governed by FAA, Interstate
5 Commerce. All of these companies are outside South
6 Carolina Insurance Companies so we've got the Interstate.
7 It's not strictly a South Carolina arbitration act matter,
8 it's governed by Federal FAA also.

9 There's four causes of action asserted in the
10 complaints. There's South Carolina Unfair Trade Practices
11 Act, Common Law Unfair Trade Practices Act, the Civil
12 Conspiracy and a tortuous interference claim in everyone
13 of them. And key is for arbitration purposes looking back
14 at what it is, the factual basis for those four causes of
15 action and if you go back and look at that it's all about
16 the relationship between this agent and the company.

17 And what's alleged is Liberty had certain
18 duties and responsibilities to do things that would have
19 stopped this agent from doing what she allegedly did and
20 recalling off the top of my head there were some cases
21 where she misrepresented there had been coverage and
22 apparently credited some fake documents. Those are the
23 allegations. There's been limited discovery at this
24 point. No depositions have been taken at this point.
25 There's been some written discovery that's been sent to us

Abbeville Hearing - January 21, 2014

1 that we've responded to some. Some has been sent to other
2 parties. There's a lot of cases in this thing going on.
3 There's actually another one that's pending up in Anderson
4 County dealing with this arbitration clause also. Judge
5 Hayes will be hearing motions up here in a couple of weeks
6 on similar issues to what we're dealing with here.

7 All of them involve that and our argument,
8 Your Honor, on this arbitration is in order to establish
9 our duty -- what we've got is an agent that worked for a
10 company called Southern Risk. That's an independent
11 insurance agent out there. If you go and look at their
12 book of business and who they write for. They write for
13 numerous companies. That don't write just for Liberty
14 Mutual Insurance Company or its related affiliates. They
15 wrote for Traveler's apparently. I've seen Traveler's
16 sued in here. They wrote for Foremost Insurance. They
17 write for a whole bunch of companies.

18 Somebody comes in like any of the individuals
19 here who were seeking insurance, they would come in and
20 say I need a homeowner's policy and they would shop to the
21 appropriate place. They were not captive agents of our
22 company. They were independent agents. They got to chose
23 their means and methods and how they operated. Obviously
24 they had certain requirements when they would submit an
25 application to us when they chose to bring their insured

Abbeville Hearing - January 21, 2014

1 to us. There was limited app, but there was general
2 principle operations. And that's reflected, Your Honor,
3 in the agency agreement that's contained in this
4 arbitration clause that we're looking to enforce.

5 If you look in the agreements, and there's
6 two in there, Your Honor, and I'm going to address those
7 in a moment. We've attached a 2007 agreement and 2010
8 agreement and both of them, if you'll see at the very
9 beginning, when it talks about the authority of the
10 agency. It says agency and that's referring to Southern
11 Risk and that's the agency in which Laura Willis was a
12 subagent or -- I don't know if she'd be considered an
13 employee or independent agent -- that's an issue for them
14 to argue about. But as to us, we had a contract with the
15 agency and she worked within that agency.

16 Agency is an independent contractor without
17 exclusive territorial rights. They were competing with
18 everybody else in the area including, I believe,
19 Mr. Shirley one of the plaintiffs here who wrote policies
20 for Montgomery, I believe, was authorized for SafeCo, I
21 forget which, and has exclusive control of its time, the
22 conduct of the agency, its employees, self producers and
23 the selection of companies it will represent. They had a
24 lot of freedom there, Your Honor.

25 Moving on, as we've pointed out in Page 6 and

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1 7 in our brief which we've submitted. We attached a memo
2 in our motion. It was all combined together. The duties
3 that we're suing over if you'll look at the allegations in
4 the complaint and they're principally I believe in the
5 complaints at Paragraph 2 and 11 and that's in the Wilson
6 complaint and then in the corresponding paragraphs from
7 the Shirley complaint, Paragraph 13. There are a whole
8 series of things they argue we should have done. And our
9 contention, Your Honor, is that all those things, all
10 those reasons the only way they get to impose that duty
11 upon us, arguably, is through the agency agreement. That
12 is the basis, the ground, by which our duties exist that
13 would flow through and deal in our particular argument
14 here that would be owed to these, if any duty -- if any --
15 that would be owed to these agencies that are suing us.

16 So, for instance, in our brief one of the
17 allegations says Willis operated under the direct
18 supervision of our insurers. Well, if that's true then
19 she does so only by virtue of that agreement. Now, I
20 would argue that is not necessarily true. If you read the
21 agreement it talks about who has control of her in
22 managing her on the day to day basis, but t,he complaint,
23 the basis for the complaint is grounded in the agency
24 agreement. Absent the agreement, Liberty has duty to just
25 go out and roam around and keep track of what agents may

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1 be doing. It's grounded in the contract.

2 Second, in the complaint Paragraph 11 there's
3 an allegation that they had a legal duty to fully
4 investigate do full background research on Willis. That's
5 in 11. Again, our contract talks about background and
6 whose going to do all those things, those duties are
7 grounded ultimately as respect to Willis in the agency
8 contract.

9 Paragraph 11 it says we had a legal duty to
10 property train and supervise Willis. Again, if we do,
11 it's because there's an agency contract that gives us the
12 power to do that. They're seeking the benefit of that
13 contract. Their claim is intimately intertwined with that
14 agency agreement. But for the agreement, there would be
15 no such duty.

16 Going on, Page 7, we have another one here,
17 another allegation and this is from complaint 13, all that
18 she did she did with expressed or implied permission of
19 the defendants. Well, again, the agency agreement tells
20 us what she's got permission to do, what she doesn't, what
21 the agency does. It all ultimately, Your Honor, we
22 believe ties back in to the agency agreement and that's
23 what the case we cite rely principally upon. There are
24 several cases cited within this case. It's a case from
25 our Court of Appeals back in 2012 the Pierson case.

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1 There you had a case where a doctor had an
2 agreement with an employment agency for doctors and he got
3 hired by them. They then placed him with a hospital. He
4 went to work based on that agreement and he had an
5 arbitration clause. He went to work for a hospital. The
6 hospital ultimately fired him. Sounds like from the facts
7 of the case there must have been some negligence there in
8 delivering some babies. He gets fired and he sues the
9 agency, he sues the hospital. He himself has no
10 agreement, no arbitration clause with this hospital, but
11 he sues them and the hospital moves to compel. The Court
12 says that's perfectly permissible and they upheld -- they
13 reversed, excuse me. They enforced the arbitration clause
14 against him even though he was not a signatory to any
15 contract with the hospital. And they did so because he
16 was receiving a benefit by virtue of the contract that was
17 between he and the employment -- not between -- between
18 the hospital and the employment agency. There was an
19 arbitration in there.

20 He was receiving the benefit of that contract
21 and his facts were intertwined with that just as these
22 facts are here. All these things we supposed had to do
23 that liability is being alleged on the basis of is all
24 tied back to our agreement with this agency. So our
25 argument is the arbitration clause that is in the agency

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1 agreement, that should also be enforced.

2 You can't take part of the contract, the part
3 where it says we have certain duties and describes the
4 duties, is the basis for any duties we had, and ignore the
5 arbitration clause. That is sort of the sum of what we
6 did.

7 THE COURT: Am I mistaken? Shirley and
8 Wilson are purchasers of insurance?

9 MR. WOOD: They are not, Your Honor. They're
10 actually -- and this is the distinction between the two --
11 Shirley and Wilson are themselves competing insurance
12 agents with this lady Ms. Willis. They are agents over in
13 Abbeville. They sell for companies. I believe, if I
14 recall correctly, Mr. Wilson sold primarily for Nationwide
15 Insurance and Mr. Shirley, I tried to web site, I didn't
16 see one yesterday but from what I did see maybe he sold
17 for GEICO. It's my understanding at one time he sold for
18 SafeCo which is actually one of our companies.

19 I noticed a couple of other insurance
20 companies that seemed to be associated with web sites that
21 were listing its addresses. They were agents selling.
22 They have no contract. They are in a little different
23 posture and that's why we're separating out the ones that
24 Mr. Calamari will be addressing. The other folks are
25 insurers who came to be or alleged to be people who came

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1 to Willis seeking insurance. And in some cases, the
2 claims are we didn't get it or we thought we had it or we
3 got something and it wasn't thought we got. There's two
4 sets, but Shirley and Wilson are competing agents who are
5 suing us claiming we had duties to watch out, supervise
6 her, do all these things to prevent her from stealing our
7 business. And the allegations are that ---

8 THE COURT: She's not playing fair.

9 MR. WOOD: She wasn't playing fair, that's
10 the gist of it, and she got business away from us that
11 harmed our businesses. And we're saying, Your Honor, that
12 those businesses are intimately intertwined with this
13 agency agreement that governs our relationship with her.

14 THE COURT: In the Pierson case, he's a
15 doctor and he signs an agreement with an employment
16 company and then gets introduced over here, so he was a
17 party to an agreement that got handed off to somebody
18 else?

19 MR. WOOD: He went over to the hospital who
20 had no agreement with him directly. They had an agreement
21 with the agency that placed him there.

22 THE COURT: That introduces him over there.

23 MR. WOOD: And he sues the hospital when they
24 let him go.

25 THE COURT: That seems to be a little

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1 different than these people claiming she's not playing
2 fair and she's not playing by the rules.

3 MR. WOOD: It's slightly different, Your
4 Honor. We couldn't find an agency case exactly like this
5 one. We think the principle holds the same and the
6 principle is if you're receiving a benefit by virtue of a
7 contract and the benefit being the basis of our claim is
8 the relationship between you and this lady and also their
9 facts are intimately intertwined with that. That defines
10 our duties. And so we believe if you're going to rely on
11 that which is the basis for your claim, then you've got to
12 take the arbitration with.

13 A couple of things, Your Honor, Mr. Hite
14 handed out a memo when he came in. I'd like to address
15 just a couple of things there. First argument Mr. Hite
16 raises here and we didn't bring it up in our memo, it was
17 probably brought up in our rebuttal to the argument.
18 First he makes an argument based on Rule 8 that we needed
19 to plead this as an affirmative to our defense. If you
20 look at Rule 8 what it says in there is what the
21 affirmative defense involving arbitration has to be pled
22 is when there is arbitration and award.

23 It's interesting it follows accord and
24 satisfaction. That affirmative defense is to arbitration
25 award is when you've gone through an arbitration and

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1 there's been an award you have to plead the award. It's
2 sort of a form of res judicata. Our argument is in our
3 answer we pled 12(b)6, the complaint fails to state a
4 claim. It clearly does because it's subject to
5 arbitration. We believe we've adequately met our pleading
6 requirements in this case to raise the motion at this
7 time.

8 I don't believe it has to be pled as a
9 distinct separate defense. If that's necessary, I would
10 move orally right now that we be allowed to do so.
11 Amendments are freely given under Rule 15. These cases as
12 a group have not progressed far down. There's been some
13 limited written discovery, no depositions at this time.
14 They're being worked up at this point and this is not a
15 surprise. This motion has been pending for now, a couple
16 of months, I believe. I don't recall the exact filing
17 date. November I believe we filed it.

18 And it was filed -- there's been a group of
19 cases, Mr. Hite, our firm and other firms have been
20 working together. There's been some issue with Ms. Willis
21 and her spouse and his health. He may have passed by now
22 and I know at one time he was expected to die. I'm sure
23 there's been some hold and wait for this and get all these
24 cases filed through a large number of these, several
25 people, that apparently had policies written or supposedly

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1 written or allegedly written by Ms. Willis and so those
2 are coming in.

3 And when a group came in, we stopped, and we
4 filed arbitration as to everyone then pending. I believe
5 that deals with the first argument, counter argument
6 that's being raised. Second, there's an argument about a
7 writing that has to be enforced -- there has to be a
8 writing to be enforced. I don't know -- aside from that,
9 there is a signed writing in this case. Exhibit A is a
10 signed agreement, Your Honor, between our company and him.
11 There's a 2007 agreement. Mr. Dantese who is the
12 principal of Southern Risk Insurance was originally a
13 person operating within another group called the South
14 Carolina Insurance Network. He operated under an
15 agreement. He then stepped out, formed Southern Risk
16 independent but continued to function under that.

17 There's another contract which is Exhibit B
18 in our motion, virtually identical contract. We don't
19 have a signed copy where we signed it. Our people, we've
20 got our signed copy of that. We don't have his, but he
21 operated -- he can't operate but for an agreement. He's
22 either operating under the other one, the terms of it says
23 continues in force until there's another one where there's
24 a termination and certainly there was no termination of
25 his right to be an agent or an agency for us so we've got

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1 a written agreement. I think argument two in the brief
2 therefore is addressed.

3 And then moving on to argument three, there's
4 talk about waiver of the right and I sort of addressed
5 this just a moment ago, Your Honor. I believe it was
6 raised 12(b)6 failure to state a claim. That's the nature
7 of the arbitration, this is supposed to be arbitrated. We
8 filed a motion at a time when sort of the universe of
9 cases as we knew then, there could be more file, we
10 understood there might be more filed, but we got to a
11 certain point and they seemed to kind of trickle out.

12 We put together our motion, filed it, as to
13 all those cases. Discovery is not advanced. We have not
14 taken -- we started to -- we have not taken the offense so
15 to speak as a defendant in the case. We sent out some
16 discovery initially and withdrew it and said it didn't
17 have to be filed once we moved to compel.

18 We've responded defensively to discovery. We
19 had to do it. We had no choice. We weren't going to give
20 up rights. We've taken defense measures, answers, and all
21 that. We have not gone on the offensive in the case and I
22 believe the cases are on their way but we're not a day
23 before trial or something like that. There's been no
24 waiver here and I believe this is something that can be
25 addressed at which point. I believe that's argument

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1 three.

2 , And then just briefly, I've already addressed
3 what is raised as argument four in Mr. Hite's brief. He
4 makes the argument, of course, that he is in no way
5 relying on the agreement that has the arbitration cause
6 and as I've laid out, Your Honor, I believe it's quite the
7 opposite. There are no duties but for that agreement.
8 That agreement is central here in terms of establishing
9 the relationship which he is now trying to pin us to and
10 hold us responsible for.

11 Unless you have any questions, I'll turn it
12 over to Mr. Calamari to make some remarks about the
13 individual cases.

14 MR. CALAMARI: If it please the Court.

15 THE COURT: Yes.

16 MR. CALAMARI: Your Honor, I wanted to talk a
17 little bit about individual cases and by individual cases
18 what I'm referring to are the customers, the individual
19 people that went to the Southern Risk Insurance Agency to
20 purchase insurance through advertisements and other
21 enticements by Ms. Willis and experienced problems with
22 the alleged purchase of that insurance.

23 I want to run through somewhat briefly the
24 claims because I think it's important to understand what
25 the basis of the problem is and what the basis of this

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1 lawsuit is which are two very different things, but the
2 Gary case which is 2013-066 involves the back-dating of
3 the policy.

4 An accident occurred, Ms. Willis allegedly
5 back-dated a policy to cover the accident. The Spires
6 case which is 2012-342 involves a change of insurance. A
7 motorcycle was allegedly stolen. The State of South
8 Carolina determined there was no insurance on it so they
9 suspended the license. The claim is we have a
10 reinstatement fee and we have a different rating now.

11 The Wiley case involves a payment of premiums
12 from the customer to Southern Risk but there was never any
13 policy obtained from a carrier so their house was at risk.
14 Oddly there is no claim for any damages. There was
15 nothing that happened to the house. They just make the
16 claim saying we didn't have insurance and something could
17 have happened so our house was at risk. The Williams case
18 involved a change of auto insurance through the agency and
19 later on they had to go buy additional insurance because
20 they had no insurance during that time. They weren't
21 caught, there was no license suspended. The claims the
22 emotional stress of getting new insurance.

23 The Calhoun case involves a switch of auto
24 insurance and the State did find out and suspended the
25 license. They paid the reinstatement fee and had their

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1 license reinstated. The Wofford case they switched to
2 have homeowners insurance. There was storm damage to the
3 house from a hail storm. They called Ms. Willis,
4 Ms. Willis sent out what allegedly was a fake adjustor who
5 initially said I think your policy will pay about \$864 and
6 when the customer complained and they said, okay, we'll
7 give you \$7200 but never made the claim. There as no
8 policy, there's nothing, so essentially she was taking the
9 premium and not purchasing the insurance.

10 The Bosler case premiums were paid, an auto
11 policy was not issued, the license was suspended so there
12 was a reinstatement fee and the negative rating that
13 increased the premiums. The Wiltshire case involved a
14 leaky sun room. SafeCo stepped in, paid the rental car,
15 took the car to the shop and it took several months for
16 the car to be fixed but ultimately SafeCo paid and the
17 claim in that case is SafeCo must have paid to cover up
18 this conspiracy, but no actually damages.

19 The Antoniak case involves a policy that were
20 changed over, premiums were paid, they were drafted
21 through the bank. No policy was issued, the policy lapsed
22 and because of the lapse on the record, their premiums are
23 increased. The Lawton case switched insurance, license
24 was suspended, reinstatement fee. The Belton case, they
25 switched insurance. There was an auto accident. The

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1 forms were not completed by Ms. Willis, and the person was
2 fined for not having insurance and alleges that now they
3 have increased insurance costs.

4 And finally the normal case, a homeowners was
5 not issued, it lapsed and now they claim a negative
6 reporting.

7 These are not the main claims in the lawsuit.
8 The main claims in the lawsuit are, because these people
9 are alleging a couple of things, number one, they are
10 alleging we never got an insurance policy. It turned out
11 that Southern Risk had accepted the premiums but did not
12 purchase the policy so how can you get to the insurance
13 carrier but for an agency agreement.

14 So the lawsuits, and it's in the memos, the
15 lawsuits claim a number of items for their claims of the
16 individuals against the carriers. They say things such as
17 there was improper supervision of the agency. There was a
18 failure to monitor the agent. They are essentially saying
19 that the carriers had certain contractual dues and
20 obligations and they breached those duties that would have
21 resulted in a direct benefit and the third party
22 beneficiaries which are, in fact, the purchasers.

23 So the only claims that can be made from
24 these individuals who allege to be policy holders against
25 the carriers is by saying you didn't uphold your

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1 contractual obligation that you had between SafeCo and
2 Southern Risk Insurance and that is a written contract
3 containing an arbitration clause. I won't rehash exactly
4 what Mr. Wood say, but essentially if you're going to
5 claim a benefit and you're claiming a direct benefit as a
6 third-party beneficiary from this contract such as the
7 people are saying in this case, and you're going to allege
8 a lawsuit on that behalf, then you are such with the
9 entire contract.

10 We are not asking for anything other than
11 what was contracted for and it's just a forum selection.
12 We're asking for arbitration in this case.

13 The substance of their case is the alleged
14 breach of direct benefit that they so wanted to derive. I
15 think one of the ways to look at it and then I'm almost
16 finished is you have the customer and you have the agency
17 and its a dual agency. They only exist to sell policies
18 to the customers and they work with them to provide them
19 the insurance so in that respect they are the agent of the
20 customer.

21 Then you have the agency agreement between
22 the agency and the insurance company and that is governed
23 by a written agreement, a set of rules that they live by.
24 The signed contract we had says it only expires if a new
25 contract takes place. A new contract took place, they

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1 operated under that agreement, and that's the agreement
2 between these people. Now, the customers are asserting
3 the rights under this contract and we believe if they do
4 so, they're subject to arbitration. And that's what we're
5 asking the Court to enforce in these individual cases.

6 THE COURT: Let me ask you a question, how
7 would the agent enforce the right against the company for
8 failure to supervise? I mean that's what we're talking
9 about. How would Ms. Willis come and say insurance
10 company, y'all aren't supervising me right and she
11 wouldn't have a claim for that anyway, would she?

12 MR. CALAMARI: Why would they do it if they
13 were getting away with it? I don't know, but they
14 certainly could say you were required under the contract
15 to run background checks.

16 THE COURT: Why would she have a cause of
17 action for failure to supervise? She wouldn't.

18 MR. HOOD: You're saying back against
19 Liberty?

20 THE COURT: Y'all are putting insurances in
21 her shoes saying they're getting all the rights she had.
22 She doesn't have a right to sue against improper
23 supervision in a contract with her.

24 MR. WOOD: No, what we're saying is the
25 agreement governs our duties with respect to her. They're

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1 saying we have those duties ---

2 THE COURT: You don't have a duty to
3 supervise her properly against her. She doesn't have a
4 cause of action against the carrier to say y'all aren't
5 supervising me right and y'all need to because I'm really
6 an idiot running this business and that's basally what
7 these insurers are saying she sold us a bogus policy and
8 y'all aren't supervising her right. Well, she doesn't
9 have a cause of action or that contract anyway. You see
10 what I'm saying.

11 MR. CALAMARI: I think I misunderstood what
12 you were saying. They are all sorts of rights and
13 obligations in contracts and this would be an action that
14 results in a third-party benefit directly to them. So if
15 they are going to enforce that contract, but for that
16 contract, they don't have these things. If it's a third-
17 party benefit and it's a third party beneficiary or
18 closely related, if they're going to enforce that right
19 under the contract -- it could be for all sorts of things,
20 advertising, supervise, background checks ---

21 MR. HOOD: Let me address yours, I didn't
22 read the contract to see if it might provide something
23 that would give, like suppose, and I didn't know this, I
24 didn't think about it from that prospective, let's say the
25 contract says you got to provide a certain number of forms

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1 MS. DICKERSON: Gene Marie Dickerson, I'm
2 here for Traveler's in the Wilson case and we are not
3 taking a stance on anything so we will not be adding an
4 argument.

5 MS. MEREDITH: Lena Younts Meredith, I
6 represent Laura Willis, individually.

7 MR. MERRILL: Your Honor, I'm Jane Merrill
8 and I represent Laurie Williams.

9 THE COURT: And then the rest of the people
10 are just clients.

11 MR. HITE: Yes, sir.

12 THE COURT: Okay. Go ahead.

13 MR. HITE: If the please the Court, Your
14 Honor, I'm going to first talk about Mr. Wilson and
15 Mr. Shirley's case. Your Honor, this Court makes a
16 determination whether there is arbitration or not, that's
17 a judicial matter and if you do that and you have findings
18 if there is any reasonable evidence that support your
19 findings, your ruling is going to be upheld. That's the
20 basic standing for a ruling.

21 First, Your Honor, these folks from Columbia
22 and Myrtle Beach that just spoke to you not long ago, I
23 believe and I'm speaking of Mr. Wood and Mr. Calamari,
24 they're making an end-run around the Rules of Civil
25 Procedures, as I see it. They didn't raise, in all these

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1 pleadings, 14, 15 cases, they didn't raise one thing about
2 arbitration.

3 And probably or maybe more important than
4 that, these gentlemen filed a federal court lawsuit and we
5 ended up against a couple of these parties that are
6 representing here today, they filed a federal court
7 declaratory judgment lawsuit and it got assigned to Judge
8 Anderson in Anderson, South Carolina and then they backed
9 off of that lawsuit.

10 That happened early in the game. They
11 affirmatively went out and sued my client, Mr. Gary and
12 counsel's client back here, Ms. Williams, in federal
13 court. I wanted you to know that they are affirmatively
14 asking the Court to rule on these insurance matters and do
15 that in federal court. And in none of these cases did
16 they ask for arbitration, not any of them.

17 In Mr. Wilson's case, it's been eleven months
18 since this case has been pending and in Mr. Shirley's case
19 it's been pending since August. They tried to cure that
20 today by saying, okay, we'll just make this a motion to
21 amend. Last time I check, they got to give me notice of
22 motion to amend and I haven't seen such notice and I think
23 that would be an improper thing for them to do that today.

24 Your Honor, the second matter that I think
25 applies to both Mr. Shirley and Mr. Wilson's case and also

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1 applies to all these individuals is, Judge, nowhere is
2 this arbitration agreement that they are wanting you to
3 enforce signed by Mr. Jesse Dantese or Ms. Willis. They
4 introduced this evidence when they filed their brief.
5 It's on file in the Court. Nowhere is Mr. Dantese a
6 signatore and so if Your Honor were to enforce an
7 agreement where only a unilateral signatore, that would
8 certainly make some new law in America as far as I know.

9 The last time I checked contract law, you got
10 to have two folks involved. You got to have two
11 signatures, not one, and counsel for Mr. Dantese is here
12 and he told me before the hearing he knows of no signed
13 contract between the two. He can verify that for you. So
14 they filed an unsigned document wanting you to enforce it.
15 I've never seen such a thing.

16 I guess they just want you to say, well, it
17 probably was signed, but, Judge, this is their day in
18 court. If they got a signed document, they've got to
19 bring it in here and present it. They didn't do it. On
20 that reason alone Your Honor can dismiss this motion.

21 The next issue is if they have a signed
22 agreement, then our law recognizes that you can waive the
23 arbitration clause and our courts have said there's no
24 specific rule as to what constitutes waiver, the question
25 depends upon the facts of each case. But when they have

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1 affirmatively sued some of these folks in federal court
2 and have sat on their hands and waited to be pending, most
3 of these cases are well over a year, I believe that Your
4 Honor can reasonably find that they waived it even if it
5 was a valid contract to start with.

6 The next argument on Mr. Wilson's case and
7 Mr. Shirley's case is that our clients are in no way
8 relying on any arbitration clause assuming there was a
9 proper one. We're relying on South Carolina Code Section
10 38-43-10 and 38-51-10 that establishes that the acts of
11 Mr. Dantese and Mr. Willis are done as agents of insurance
12 companies and under South Carolina law, agents of
13 insurance companies are liable for the wrongful acts.
14 "Insurance companies are liable for the wrongful acts of
15 their agents under the doctrine of Respondeat Superior
16 even where the agents acts were against the expressed
17 instructions of the principal."

18 South Carolina law is unique in that here we
19 have statutes that say if a person writes for a company,
20 he is the agent of the company and their liable for his
21 negligent acts. Not every state has that law. Some
22 states have statutes that say an agent is an agent of the
23 person buying the insurance, but that's not how South
24 Carolina law is set up.

25 The next thing, Judge, is a big deal in this

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1 case assuming that arbitration clause is valid and had
2 been signed by both parties and assuming we were relying
3 on, which we are, this arbitration, Judge, which we filed
4 with the court is a very narrowly worded clause. It says
5 and I quote, "If any dispute or disagreement arises in the
6 connection with the interpretation of this agreement, his
7 performance or non-performance is termination, the figures
8 and calculations is used to make any nonpayment of
9 accounts the parties will make efforts to meet and settle
10 their dispute in good faith." That is an extremely narrow
11 clause and it would apply to these set of facts anyway.

12 The federal district court said on this issue
13 about this narrow clause, "Therefore, when it maybe said
14 with positive assurance that the arbitration clause is not
15 susceptible of an interpretation which covers the asserted
16 dispute, arbitration should not be ordered." And that,
17 Judge, is one of the cases I site in my brief.

18 Judge, I also talk about the Sobinski case,
19 and Your Honor is well versed in that case, I know, and in
20 the Sobinski case it clearly doesn't apply because there's
21 no evidence in this case that my clients are relying at
22 all on that agreement assuming the agreement was signed
23 and valid.

24 In order to compel arbitration, the Court
25 must find that a party consistently maintains that other

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1 provisions of the same contract should be enforced to his
2 benefit. That's not what we have done here.

3 Your Honor, I'm going to move next to all of
4 the individual cases and, Your Honor, the same arguments
5 apply in this case but there are additional arguments as
6 well. I'm going to specifically to Argument Number 7.

7 South Carolina law has recognized that the court should
8 not enforce an arbitration even if it was signed by both
9 parties and if a party relied on it, which, again, we did
10 not. But they should not enforce an arbitration clause
11 when there are allegations of illegal and outrageous acts
12 unforeseeable to a reasonable consumer in the context of
13 normal business dealings.

14 What we got here, Judge, is allegations of an
15 agent lying, cheating and stealing and hurting individual
16 consumers in the process and basically damn near closing
17 down two insurance agencies in the process because she's
18 operating with the permission and consent of these
19 companies. She's operating under a complete different set
20 of rules. She beat any rate that's out there that these
21 other two folks quote because she's not bound by any
22 rules.

23 They're allowing her to work off the books,
24 basically, and let her do whatever she wants to do. So
25 even if there was an arbitration signed, even if it was a

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1 broad arbitration clause, which its not, even if we relied
2 on it in our lawsuit, which we don't, this is an
3 outrageous tort and South Carolina in particular in Aiken
4 versus World Finance Corporation, the Supreme Court said,
5 "Because even the most broadly worded agreement still had
6 limits founded in general principles of contract law.
7 This Court will refuse to interpret any arbitration
8 agreement as applying to outrageous torts that are
9 unforeseeable to a reasonable consumer in the context of
10 normal business dealings."

11 So for that reason alone, Judge, these
12 individuals who have been hurt by the actions of these
13 agents this motion should be dismissed.

14 Last but not least, Your Honor, Argument
15 Number 8 that I have made to the Court, South Carolina
16 Uniformed Arbitration Act, specifically Section
17 1548-10(b)4 specifically exempts from arbitration any
18 claim arising of personal injury based on contract or
19 tort. Each of these individuals plans were insured under
20 policy of insurance by the defendants or at least they
21 thought they were insured and we believe this exception of
22 1548-10(b)4 would also apply.

23 So for numerous reasons, Judge, both on
24 Mr. Shirley's case and Mr. Wilson's case and all of these
25 individual cases for numerous reasons, this motion to

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1 arbitrate should be denied and we should let this case be
2 decided by Abbeville folks.

3 THE COURT: Anything else, gentlemen?

4 MR. WOOD: Very briefly, Your Honor, talking
5 about the arbitration clause, if you look at the
6 arbitration clause in the signed agreement, and there is a
7 signed agreement, as our brief points out there's a
8 history with Southern Risk and Mr. Dantese. He, himself,
9 was a subagent operating out of the 2007 agreement that's
10 signed by the person above him. At the very least he
11 continued to operate under that if he did not sign the
12 other. That's part of the issue that we're going to be
13 talking about with Judge Hayes in two or three weeks in
14 Anderson.

15 That case, unlike all the rest, was signed in
16 Anderson County. We do have a signed agreement and again
17 the principles that apply on agreements non-signatories
18 would carry over the Mr. Dantese himself also. Ms. Willis
19 has no direct agreement with us. She's a subagent under
20 Mr. Willis. She gets an authorization. There's a form
21 that you fill out where she's allowed to write. Her
22 employment as an agent under the agency agreement is
23 governed by this.

24 But looking to the breath, it's a narrow
25 agreement but it covers what's going on here. "A dispute

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1 or disagreement arises in connection with the
2 interpretation of this agreement it's performance or
3 non-performance," and that's what these allegations are
4 all about is that we weren't performing. The only basis
5 where we had any duty to perform was with respect to
6 Southern Risk or Ms. Willis is set out in here. So any
7 allegation we didn't fulfill those things is a
8 non-performance of this is directly on-point what we're
9 dealing with there.

10 Your Honor, there's been some new things
11 raised in the brief that was submitted and some new
12 arguments that we hadn't had obviously an opportunity to
13 prepare for and think about in Number 8 and we would ask
14 one of two things, Your Honor, and I don't know if you'd
15 be favorable to either one. We'd like an opportunity to
16 reply to the brief, if you would prefer, or we would do
17 something with regard to proposed orders. I don't know
18 your policies are to that. I haven't had the pleasure of
19 being in front of you, Judge, but either way we'd like an
20 opportunity to respond to a couple of the items that we
21 became aware of.

22 THE COURT: Here's what we'll do, you can
23 respond to the issues that you weren't prepared for. If
24 there's two, you can respond to those two. I don't want
25 Mr. Hite to have to respond to your responses.

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1 MR. WOOD: I understand, Your Honor.

2 THE COURT: Whatever was not originally ---

3 MR. WOOD: Let me look at it and we'll give
4 that to you.

5 THE COURT: A couple of weeks?

6 MR. WOOD: That would be plenty, Your Honor.

7 MR. HITE: Your Honor, one other thing I want
8 to address to the Court based on counsel's representation.
9 He said two or three times we had a signed agreement. The
10 only thing he has filed with the court that I've seen
11 under Exhibit A where he attaches the agency agreement,
12 the very first one, Judge, is an agreement between Liberty
13 Mutual Insurance and Assurance Reliance Incorporated which
14 is a Spartanburg Company. There's no allegation that I
15 know of, of Mr. Dantese having anything to do with a
16 Spartanburg company. Mr. Dantese operates out of
17 Anderson.

18 THE COURT: I thought he said there was some
19 kind of affiliation with Mr. Dantese and that company you
20 referred to.

21 MR. WOOD: That's correct, Your Honor, that's
22 in the brief.

23 MR. HITE: I hadn't seen anything filed
24 anywhere to that extent.

25 MR. CALAMARI: That's one of the things we'd

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1 like to respond to, Your Honor.

2 THE COURT: That would be good. Let's clear
3 that up.

4 MR. HITE: And the second thing, Judge, is
5 when it gets down to Mr. Dantese and his agency, the
6 documents that produced do not have his signature on it
7 period. And I want the record to reflect that under
8 Southern Risk Insurance Services, LLC, and all of these
9 documents there is no signature by anybody representing
10 Mr. Dantese.

11 MR. CALAMARI: That is correct, Your Honor.
12 (B) is just the copy we have. We do not have a signed
13 copy attached to that memo. We will address that also,
14 Your Honor, as part of the reply.

15 MR. COX: Your Honor, Trey Cox for Jesse
16 Dantese and Southern Risk. Being in the courtroom today
17 representing my client I didn't want the record to reflect
18 that I agree that there is a written agency agreement that
19 applies to Jesse Dantese and Southern Risk. In fact I had
20 not seen a signed written agency agreement. I'm not aware
21 of any. I've seen no evidence of an agency agreement
22 signed by Jesse Dantese or Southern Risk and therefore, I
23 certainly can't represent to the Court my presence here
24 being silent that I am agreeing -- I do not want to
25 represent to the Court that there is a written agency

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1 agreement. Everything I've seen indicates otherwise.
2 There is no written agency agreement that my client Jesse
3 Dantese and Southern Risk have entered into with Liberty
4 Mutual. And therefore, to be allow an unsigned agreement
5 to be enforced against my client would be prejudicial to
6 him. So we take the position that there is no enforceable
7 agency agreement and none of the provisions being asserted
8 in the courtroom today should be enforced.

9 THE COURT: Ms. Merrell, did you want to say
10 something.

11 MS. MERRILL: Yes, Your Honor, very briefly.
12 The only reason I'm here representing Ms. Williams is the
13 insurance companies have actually sued her twice. They
14 have sued her affirmatively twice. The first was the
15 federal lawsuit on October of 2012 and at that point all
16 the insurance company was aware was that Ms. Williams had
17 retained me. No other suit had been filed.

18 Before that suit was filed, neither she nor I
19 received any letter requesting arbitration. The federal
20 lawsuit did not mention arbitration and when they again
21 brought Ms. Williams into some of their counterclaims and
22 cross-claims on April 15th of 2013, again, no arbitration.

23 THE COURT: Thank you. Ms. Meredith.

24 MS. MEREDITH: Your Honor, I'm sure whether
25 any of us will know whether an agreement exists until

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1 further discovery can be done. We don't specifically take
2 a position with regard to compelling arbitration or
3 opposing it, but I would just answer some questions that
4 you posed that were more directed towards my client than
5 to the agent or to the insurer.

6 As you can imagine all of this is done
7 electronically and these are set up through web sites that
8 are all of these people are parties to both the insurance
9 companies, the agents, and the subagents. So a lot would
10 need to be done as you would imagine when this wave began
11 pressing on Ms. Willis and Mr. Dantese came in and closed
12 her agency. She lost that lifeline. She has limited
13 information with which to defend herself because most of
14 these payments were submitted online. The policies were
15 issued after payments were swept out of accounts and a lot
16 of this is consumed in a lawsuit that's actually been
17 filed by Southern Risk.

18 Trey is not the attorney on that case but
19 Southern Risk has actually sued Ms. Willis, Park Southern
20 Bank and Bank of America and in those cases she has pled
21 defenses with regard to access to proper computer
22 programs, training on computer programs, assistance in
23 setting up sweep accounts, bookkeeping, accounting and so
24 forth and so on that has to do with the electronic nature
25 of this business.

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1 It's not like it used to be. You don't mail
2 a check anymore. They deduct it from your account but
3 somebody on the other end has to push the button to print
4 the policy that gets sent to you either electronically if
5 you want it or by mail. So this is a huge dispute. We
6 don't obviously, most of the attorneys here today have
7 said that they allege that she did this that and the
8 other. We don't have and we have not been able to prove
9 or disprove whether she was negligent. Certainly we
10 disclaim any fraud or unlawful acts, but I just wanted you
11 to be aware that there is at least some allegation in the
12 Southern Risk lawsuit which doesn't have anything to do
13 with the individual insures as between the agency and the
14 agent that there were issues regarding the issuance of
15 policies and receiving payments and so forth and so on.

16 THE COURT: Alright. Y'all submit your
17 supplemental responses and then we'll see what we can do.
18 Y'all have got quite the case.

19 MR. HITE: We have quite a lot of cases, Your
20 Honor.

21 THE COURT: You certainly do. Anything else?

22 MR. HITE: The only other thing I would add
23 is that we had sent discovery to the defense and no one
24 has ever responded with any kind of contract or
25 arbitration agreement. The first time we even heard of an

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1 arbitration agreement is when this motion was filed so I'm
2 assuming that the evidence for this hearing is in and
3 that's all we're going to see. Because if they're going
4 to produce some kind of other evidence, then I would
5 certainly need to respond to that and that hasn't been
6 done today and this is our hearing date.

7 So I'm assuming that by allowing them to do a
8 reply brief, you're not leaving this hearing open.

9 THE COURT: No. Just to respond to the
10 issues that you raised that they were not apprised to it.
11 It's just two as I understand it.

12 MR. HITE: I just want to make that clear.

13 MR. WOOD: Let me take a look and make sure.
14 I know 8 and 7 I believe were ones. I just want to make
15 sure I'm not leaving one out. Number 8 and 7 that went to
16 the individuals and then there was -- there was more than
17 two. There was two that I saw there. I believe there was
18 a question that sort of crosses over, the enforceability
19 of the agreement, Your Honor, where there was a question
20 about the relationship between the signed agreement,
21 Mr. Dantese's agent and we will be addressing that and how
22 it flowed historically down.

23 THE COURT: That's right.

24 MR. WOOD: And if perchance there is a signed
25 copy discovered and folks have been looking for it, it

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1 certainly will be produced to Mr. Hite to see. We'll
2 cross that bridge when we get there.

3 THE COURT: Good enough. I look forward to
4 reading what y'all have submitted and we'll make a
5 decision. I ask for proposed orders, I'm not sure. Thank
6 you.

7 MR. WOOD: Thank you, Your Honor.

8 MR. HITE: Thank you.

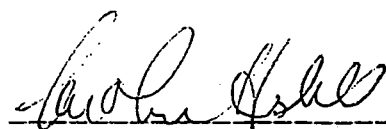
9 ---END OF HEARING TRANSCRIPT---

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1
2 I, the undersigned Caroline Hiskell, Official
3 Court Reporter for the Thirteenth Circuit of the State of
4 South Carolina, do hereby certify that the foregoing is a
5 true, accurate, and complete transcript of record of all
6 the proceedings had and evidence introduced in the trial
7 of the captioned case, relative to appeal, in the Court of
8 Common Pleas of Abbeville County, South Carolina on this
9 21st day of January, 2014.

10 I do further certify that I am neither of kin,
11 counsel, nor interest to any party hereto.

12
13 June 4, 2014

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17 Caroline Hiskell
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Recd

MAR 06 2008

MARKETING

**LIBERTY MUTUAL AGENCY MARKETS
AGENCY AGREEMENT**

The undersigned Agency and Liberty Mutual Insurance Company for the benefit of its affiliates marketing under, and itself when marketing under, the Liberty Mutual Agency Markets divisions identified in separate addenda attached hereto (each referred to herein as a "Company"), agree as follows:

1. Authority of Agency

- A. Agency is an independent contractor without exclusive territorial rights and has exclusive control of its time, the conduct of its agency, employees, sub-producers, and the selection of companies it will represent. All Agency locations covered by this Agreement are identified in Company-specific addenda attached hereto and incorporated herein by this reference.
- B. Agency is authorized to solicit and submit applications for the lines of business agreed to between Company and Agency, subject to the terms of this Agreement.
- C. Agency is only authorized to act as agent for Company and bind Company pursuant to written authority and guidelines furnished to Agency by Company.
- D. Agency will not publish or distribute any Company advertisements, circulars, domain names, icons, logos, passwords, service marks, trademarks, trade names, trade secrets, or other materials referring to Company or containing Company's name without first securing advance written approval from an officer of Company.
- E. Agency is not authorized to use a subproducer to produce business unless written authorization is obtained from Company. "Subproducer" means a person or entity that submits business through Agency to Company.
- F. Agency has no authority to adjust or settle claims unless such authority is provided by Company in writing.

2. Responsibilities of Agency

- A. Agency will transact all business for Company in accordance with all applicable legal and/or regulatory requirements, including, without limitation, those regarding disclosure of the existence or terms of this Agreement or any form of compensation paid or payable hereunder, and in accordance with all Company underwriting rules and instructions now in force or hereafter issued by the Company from time to time.
- B. Agency represents that if any affiliates of Agency are intended to be bound by this Agreement, Agency has all requisite authority to execute this Agreement for and on behalf of such affiliates, that such affiliates agree to be bound by the terms of this Agreement, and that Agency accepts responsibility for the acts, errors and omissions of such affiliates in their performance of their obligations pursuant to this Agreement.
- C. Agency represents that it, its employees, subproducers, and others acting on Agency's behalf have all necessary and requisite authority to perform the functions delegated pursuant to this Agreement. "Authorly" means any requisite written consents, authorizations, licenses, certificates of authority and/or permits. Transactions specified by this Agreement must fall within the scope of activities permitted by the parties' licenses and authority.
- D. Agency will immediately notify Company of any suits, claims, or formal complaints received by Agency in which Company is named as a defendant or respondent.

- B. Agency will immediately notify Company in the event that any officer, employee, subproducer or representative of Agency has been convicted of any felony involving dishonesty or breach of trust or had their licenses or other requisite authority suspended or revoked.
- F. Agency will comply with any Company requests for assistance in completing background checks or investigations of Agency personnel, including obtaining necessary written authorizations if requested by Company.
- G. If using electronic commerce, Agency will read, accept and abide by the terms and conditions and privacy statement set forth in Company's websites and will execute any additional agreements or documents required by Company to facilitate electronic commerce.
- H. Agency is responsible for its own acts, errors and omissions and those of its directors, officers, employees, subcontractors, subproducers, and others acting on Agency's behalf.
- I. Agency will maintain, at all times during the term of this Agreement and during any applicable post-termination period, errors and omissions insurance with reasonable policy limits, but in no event shall such limits be less than \$1,000,000 (both per occurrence and in the aggregate), for insurance agencies of the size and type of Agency, with an insurer rated "A minus" or better by A.M. Best Company. Upon Company's request, Agency will provide a copy of the current certificate of insurance evidencing the maintenance of such errors and omissions coverage to Company.

3. Ownership of Expirations

- A. Except as provided in Section 3.B below, the use and control of expirations, the records thereof, and Agency's work product, will remain in the undisputed possession and exclusive ownership, use and control of Agency. Company will not use its records of those expirations or Agency's work product in any marketing method for the sale, service or renewal of any form of insurance coverage or other product or service which abridges Agency's rights of ownership, use and control, nor will Company refer or communicate this expiration information or work product to any other agency or producer.
- B. Other than as provided herein, in the event of termination of this Agreement, the records of Agency and the use and control of all renewals and/or expirations of all policies remain the exclusive property of Agency. For the purposes of this Agreement, "policies" shall mean any insurance policy, as well as any surety bond, guarantee, undertaking, recognizance, or other surety obligation that Agency may arrange for Company to issue or procure. However, if (1) Agency has not paid all money due Company; or (2) Agency has not paid all money due to any policyholder or premium finance company to whom Company may be liable as the result of such nonpayment; or (3) if Company terminates this Agreement pursuant to Section 10.A.4. hereof; or (4) if Agency has not moved an account after expiration of any mandatory renewal cycle, all of Agency's rights with respect to that account with Company, including policy expirations and renewals, terminate immediately, at the option of Company. Notwithstanding that renewal of some of said policies may be legally mandated, in the event of termination of Agency's rights to the expirations under (1), (2), (3), or (4), above, Agency's records with respect to all policies written and the use and control of all renewals and/or expirations of such policies and all electronically stored data with respect to same, become the undisputed property of Company and Agency will, immediately upon receipt of written request therefore, deliver all such records, renewals and/or expirations and data to Company and will not in any way interfere with, compete with or otherwise hinder Company in the exercise of any of its rights in the use and control of such records, renewals and/or expirations and data.
- C. In the exercise of its right to collect any indebtedness due from Agency through use and control of such expirations, Company will use reasonable business judgment in selling such expirations and is accountable to Agency for any sums received which, net of expenses, exceed the amount of indebtedness. Agency remains liable for the excess of the indebtedness over the sums received by Company from any such sale. Any indebtedness due from Agency does not prevent application of the ownership of expirations clause in favor of Agency if Agency furnishes collateral security acceptable to Company in the amount of such indebtedness to be held by Company until the indebtedness is satisfied.

D. Nothing in this Agreement interferes with Company's obligation to renew policies containing contractual renewal guarantees or which must be renewed pursuant to law, regulation or by order of government authority.

4. Commissions

- A. Company will pay commissions to Agency in accordance with the rates and conditions set forth in Company's then-applicable Commission Schedule(s) when Agency is agent-of-record in accordance with the Company's guidelines.
- B. Commission rates may be revised by Company at any time upon 90 days advance written notice to Agency.
- C. Uncollectible premiums and any premiums paid as a result of collection efforts instituted by the Company are not subject to commission.
- D. Agency will refund the unearned commission on canceled insurance and on reductions in premiums, including audit premiums, at the same rate at which commissions were originally allowed to Agency.
- E. Company may at any time apply any compensation it may owe Agency as an offset against any amounts due and owing to Company from Agency.
- F. Assignment of commission is not binding upon Company without its prior written consent.
- G. For business placed by Agency under this Agreement, commissions are Agency's sole and full compensation and Agency will not charge insureds any additional amounts for Company's policies or coverages. Agency may charge insureds fees otherwise permitted by law for additional services requested by insureds, provided these fees and services are disclosed as required by applicable law.

5. Direct-Billed Business

On business placed by Agency with Company as direct-billed, the following provisions apply:

- A. Except where otherwise agreed by Company, if Agency collects initial premium, Agency will remit such premium, without reduction for commissions, within the time period set forth in the established Company procedure furnished to Agency by Company. All funds collected by Agency on behalf of Company will be held by Agency in a fiduciary capacity until remitted to Company.
- B. Agency is not responsible to Company for bad checks written by insureds for the initial premium obligation when accepted in good faith by Agency.
- C. Company may, at its sole discretion, assume responsibility for billing and collecting the initial premium when existing business of Agency is transferred to a direct-bill program of Company.
- D. Company will bill all renewal or adjustment premiums direct to the insured, or to a designated lending institution or service agency holding premiums in escrow or reserve. These premiums are payable to Company in gross.
- E. Commissions on direct-billed premiums will be paid to Agency within 15 days after the end of the month in which the premiums are booked and recorded by Company, provided that any required deposit premium on new and renewal business has been actually received by Company, with the exception of audit premiums. Commissions on audit premiums will be paid upon Company's collection of the audit premium. No commissions will be paid on direct-billed premiums which remain unpaid 45 days after due date. Any business billed direct to the insured by Company and for which Agency, its directors, officers, employees, subcontractors, subproducers, or others acting on Agency's behalf receive the premium payment will be promptly paid in gross to Company and properly identified as to policy without deduction for commissions.

R. Company will identify Agency by name when transmitting policies, endorsements, premium notices and other communications to policyholders. Where practical, Company will promptly provide Agency with advance or contemporaneous notification of all communications with a policyholder, except where Company has exercised its rights under Section 3.B. of this Agreement.

6. Agency-Billed Business

A. Agency will promptly collect premium on all business not billed to insureds directly by Company and will remit balances net of commission to Company in accordance with the applicable Commission Schedule(s). It is expressly understood that all premiums received by Agency will be held in trust by Agency as fiduciary for the benefit of Company, that these premiums are the property of Company, that Agency has no interest in premiums received, and that Agency will make no deductions or expenditures from these monies before paying Company (except for agreed upon commissions, which may be deducted and retained by Agency). Such funds will be maintained in a specially segregated premium account, which shall be designated a "trust fund" account where required by applicable law. Upon request of Company, Agency will promptly furnish to Company the account number and the name of the financial institution where such funds are held.

B. Agency assumes full responsibility for payment to Company of all earned premiums, less agreed upon commissions, on all business placed with Company through Agency, whether or not such premiums are collected from the policyholder. Failure of Company to bill Agency for any item will not relieve Agency of responsibility to pay the amount due.

C. Agency will exercise due diligence to collect earned premiums that have been determined by audits, adjustments for retrospectively rated policies, and interim audit reports. Agency will be relieved of responsibility for these premiums provided Agency has exercised due diligence and has notified Company in writing within 45 days from audit declaration or date of billing, whichever is later, that the premiums could not be collected. Such written notification shall set forth the efforts Agency has taken to collect the subject premium. "Due diligence" may be demonstrated by Agency's communicating in writing at least twice to the policyholder demanding payment. Agency must provide copies of such correspondence together with the written notification. If Agency fails to notify Company, Agency will be responsible to pay the premium. No commissions will be allowed on premiums collected directly by Company under this provision.

D. Agency and Company will comply with the following accounting procedures on business, other than direct-billed business, placed by Agency with Company:

1. Itemized statements of money due will be prepared monthly by Company.

2. The balance shown on the statement due Company will be payable no later than 45 days after the end of the account month for which the statement was prepared.

B. In addition to any other action permitted under this Agreement or by applicable law, Company reserves the right, at its option, to direct-bill all unpaid policies and renewals if Agency fails to pay Company as required herein.

7. Indemnification

A. Company shall indemnify, protect, and hold Agency harmless from and against any and all civil, administrative and all other non-criminal liability, claims, losses, damages, costs, and expenses, including court costs and reasonable attorneys' fees, arising out of or incurred by reason of any error or omission on the part of Company, its directors, officers, agents (other than Agency), or employees in placing business pursuant to or carrying out the terms and conditions of this Agreement, except to the extent such error or omission was caused or contributed to by Agency.

B. Agency shall indemnify, protect, and hold Company harmless from and against any and all civil, administrative and all other non-criminal liability, claims, losses, damages, costs, and expenses, including court costs and reasonable

attorneys' fees, arising out of or incurred by reason of any error or omission on the part of Agency, its directors, officers, agents, employees, affiliates or subproducers in placing business pursuant to or carrying out the terms and conditions of this Agreement, except to the extent such error or omission was caused or contributed to by Company.

8. Suspension of Authority

In the event of premium or accounting delinquency, or any other material violation by Agency of the provisions of this Agreement, or for Company-determined underwriting reasons, Company may notify Agency that, effective immediately, all authority of Agency to bind or write any new business is suspended. Notice will be in writing if at all practicable and will state the reasons. However, in all other respects, Agency's and Company's rights and obligations under this Agreement will remain in full force and effect.

9. Agency Change of Ownership

Agency will give notice to Company of any sale, transfer, merger, consolidation or change of control or majority ownership of Agency's business, stock or assets as soon as practicable in advance of the effective date of the transaction.

10. Termination of Agreement

A. Except as may otherwise be required by law or regulation, this Agreement will terminate:

1. Automatically if any public authority suspends, cancels or declines to renew Agency's license or certificate of authority.
2. Automatically as of the effective date of the sale, transfer, merger, consolidation or change of control or majority ownership of Agency's business, stock or assets, unless Agency and Company execute a Change of Ownership Amendment or enter into a new Agency Agreement.
3. Upon either party giving at least 90 days advance written notice to the other provided, however, that such termination, at Company's option, may be limited to one or more underwriting companies or lines of business.
4. Immediately upon either party giving written notice to the other in the event of material breach of this Agreement, abandonment, fraud, insolvency, nonpayment of accounts, or gross and willful misconduct on the part of such other party.
5. At Company's option, immediately upon written notice in the event of three late payments of account in any consecutive six-month period.

B. Company may, in its sole discretion, rehabilitate Agency in an effort to assist Agency in avoiding termination.

C. Upon notice of termination, Agency will not, without the prior written approval of Company, bind any new risk or increase or extend Company's liability, or alter the terms of any such policy.

D. Upon notice of termination, Company reserves the right to direct-bill all accounts.

11. After Termination

Except as may otherwise be required by law or regulation, after termination:

- A. Agency will continue to be the duly authorized representative of Company with respect only to the limited purpose of servicing policies continued in force or renewed after the termination of this Agreement, subject to all of the applicable provisions of this Agreement.

- B. Company will continue unexpired policies in force until expiration, subject to earlier termination in accordance with the policies' terms and conditions.
- C. Agency will not be entitled to commissions on policies that must be renewed after termination, except as may be required by law and then only for as long as required by law.
- D. Paragraphs 1.D., 1.F., 2.B-2.D., 2.H., 2.I., 3, 7, 10.C., 10.D., 11-15, and 16.A.-16.I' shall survive termination of this Agreement.

12. Arbitration

- A. If any dispute or disagreement arises in connection with the interpretation of this Agreement, its performance or nonperformance, its termination, the figures and calculations used or any nonpayment of accounts, the parties will make efforts to meet and settle their dispute in good faith informally. If the parties cannot agree on a written settlement to the dispute within 30 days after it arises, or within a longer period agreed upon by the parties in writing, then the matter in controversy, upon request of either party, will be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA) and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction; provided, however, that this provision will not apply to claims for equitable relief or, at Company's election, Company claims for unpaid premiums. The body of law that AAA employs will include insurance law and arbitrators will have particular knowledge and experience with independent insurance agency/company issues. Depositions can be taken at the request of either party prior to the arbitration hearing.
- B. The parties will agree to submit the dispute to one arbitrator chosen impartially by the AAA. If the amount in controversy exceeds \$50,000.00, then either party has the right to have the matter decided by a panel of three arbitrators. One arbitrator shall be named in writing by each party within twenty (20) days after a demand for arbitration is made by one of the parties. The parties' chosen arbitrators will then choose a third arbitrator within forty-five (45) days after the date the last arbitrator is named. If the arbitrators are unable to agree upon a third arbitrator, then the third arbitrator will be chosen impartially by the AAA.
- C. The determination of the arbitrator(s) is final and binding on all parties, provided such determination is made in writing and signed by the arbitrator(s). Where arbitration results in an award, such award will include interest in the amount of 10% per annum running from the date when the amount that is the subject of the award first became due.
- D. The costs of the arbitration will be borne equally by the parties. Each party is responsible for its own attorney's fees and all other of its costs of arbitration.

13. Amendments

- A. This Agreement may be amended in writing:

- 1. Any time upon mutual written agreement of Agency and Company; or
- 2. By Company providing Agency 90 days written notice; or
- 3. As required by law.

Any modifications or interrelations to the form of this Agreement by Agency will be void and of no effect, regardless of when Company executes this Agreement.

- B. Notwithstanding the above, Company retains the right, upon written notice to Agency, to modify unilaterally in any manner any of Company's underwriting rules, rates or guidelines, to change Agency's binding authority, to change

Company's billing manual, to change Company's Websites' terms and conditions, to change privacy policies, or to revise any of its administrative procedures governing Company's business relationship with Agency.

14. Confidentiality & Privacy

- A. Each party is providing to the other, in furtherance of this Agreement, information that is confidential and proprietary to the disclosing party. "Confidential and Proprietary Information" as used herein shall include, but not be limited to, description of services, methods and procedures, rates, forms and fees, information relating to productivity and performance quality, financial information, and other information designated as "Confidential and Proprietary Information" by the disclosing party, provided that Confidential and Proprietary Information shall not include information that: (a) is already in the possession of the receiving party, (b) becomes generally available to the public other than as a result of any disclosure by the receiving party, (c) becomes available to the receiving party on a non-confidential basis from a source not known to the receiving party to be bound by a confidentiality agreement or other obligation of secrecy, or (d) developed by the receiving party independently and without benefit of information disclosed hereunder by the disclosing party.
- B. Each party will use such Confidential and Proprietary Information of the other which it comes to possess only for purposes in furtherance of the Agreement, and neither party will disclose such Confidential or Proprietary Information of the other to any party for any other purpose, whether during the term of this Agreement or after its expiration or termination.
- C. After expiration or termination of this Agreement, each party shall return to the other or destroy, at the other party's written request, all Confidential and Proprietary Information of the other.
- D. Except for the purposes of carrying out this Agreement, Agency shall not disclose or use any non-public personally identifiable customer or claimant information provided by Company to Agency ("Customer/Claimant Information"). "Non-public personally identifiable information" is personal financial or medical information of or concerning a private person which either has been obtained from sources that are not available to the general public or that is obtained from the person who is the subject of the information and whose information is included in data files exchanged by the parties hereto. Agency shall promptly adopt and implement necessary security procedures to protect from improper disclosure or use of Customer/Claimant Information, such procedures to be in compliance with all applicable federal and state regulatory requirements.
- E. If Agency discloses any Customer/Claimant Information to Company, (i) Company shall not redisclose such Customer/Claimant Information except as authorized, required, or permitted by law, and (ii) Company shall use the Customer/Claimant Information only for the purpose of this Agreement and to determine eligibility for insurance, administer or service policies, and/or evaluating and processing claims related to the Customer/Claimant's case.
- F. Agency and Company will promptly adopt and implement security procedures to protect from improper disclosure or use all Customer/Claimant Information and each other's Confidential and Proprietary Information and these procedures will also be in accordance with applicable law. Agency shall notify Company without unreasonable delay, unless an applicable law enforcement agency has directed Agency to delay notification as provided by applicable law, of any breach of security, intrusion, or any unauthorized access, acquisition, disclosure, or use of Customer/Claimant Information (collectively "Breach"). Agency shall take prompt corrective action to cure or mitigate any such Breach and shall take all actions pertaining to any such Breach required by applicable federal and state laws and regulations.

15. Records

- A. Agency agrees to maintain in a safe and secure manner a complete and accurate record of all transactions pertaining to each policy processed pursuant to this Agreement, through electronic commerce or otherwise, for a minimum of 5 years, or as may be otherwise required by law, from the date of expiration or other effective termination date of any individual policy. Such records will include all relevant applicant information as specified by the applicable Company underwriting guidelines, manuals, or state regulatory requirements, including but not limited to those forms or

documents requiring the policyholder's signature. Such records, including originals, will be forwarded to Company upon its request. During the term of this Agreement and for two years thereafter, any authorized representative of Company may, upon reasonable advance notice to Agency, during normal business hours, examine the facilities, equipment, data, books, accounts, records (including computerized records), or any other memoranda or data in Agency's possession which pertain to this Agreement.

- B. In lieu of retaining and transmitting hard copies of Agency's records, Agency may retain computerized records of all such information as set forth in Company's manuals. If Agency chooses to retain such information electronically rather than in hard copies, Agency will ensure that it backs up all such electronic files on a regular basis, or as may be otherwise required by state law or by Company. In addition, Agency will ensure that it designates an individual within its office(s) to be the custodian of all such electronically retained records and will further ensure that such custodian is in a position to verify the chain of custody with respect to all such records.
- C. Notwithstanding the above and where required by state law or regulation, Agency will retain or forward, as Company directs, the original of any application or required coverage selection forms, including, but not limited to, uninsured coverage and driver exclusion forms.
- D. Agency agrees to provide to Company, upon Company's request, copies of any records in Agency's possession pertaining to business related to Company. Additionally, in order to comply with various statutory and regulatory obligations, as well as its own audit purposes, Company will have access to all Agency's retained computerized records pertaining to Company's book of business during Agency's regular business hours or at such other reasonable times as may be determined between the parties.
- E. Agency will provide to Company information necessary to process any transaction binding upon Company within 10 working days after the transaction occurs, including mail time, as well as such other information at such times as may be required by Company in its written guidelines. For purposes of this Agreement, the transaction occurs on the date Agency acted or should have acted on behalf of Company.
- F. Records or property belonging to Company (including, but not limited to, marketing materials, product brochures, powers of attorney and corporate seals), including reproductions, will be returned to Company by Agency upon request.
- G. Upon request, Company agrees to furnish Agency a list of existing policies placed by Agency with Company.

16. Miscellaneous Provisions

- A. This Agreement and any addenda hereto constitute the entire agreement between Company and Agency relating to the subject matter hereof and replaces, from and after the effective date, all previous agreements, including any amendments thereto, whether written or oral, and will remain in force and effect until suspended or terminated as provided herein.
- B. Company's obligations under this Agreement extend only to the Agency named in this Agreement and not to its employees, sub producers, or anyone else. Agency may not incur any debt or liability, bind or execute contracts, except policies in accordance with the terms of this Agreement, waive defaults of policyholders, extend the time or method of payment of premium or service fees by policyholders, alter, modify, waive, or change any of the provisions or conditions of our policies, rates, rating rules or rating plan, withhold money or property of our (other than in accordance with the terms of this Agreement), or assign this Agreement or its rights and obligations herein without prior written approval from a duly authorized representative of Company.
- C. No past practice, custom or usage, or failure of Agency or Company to declare promptly a default for breach of any of the terms and conditions of this Agreement will constitute or be construed as a waiver of said terms and conditions or estop Agency or Company from thereafter demanding full and complete compliance with the Agreement.

D. If any provision of this Agreement is held to be invalid or unenforceable under the laws or regulations of any jurisdiction that may govern this Agreement, such provision shall be deemed amended to the minimum extent necessary to effect compliance with such law or regulation and to reflect the intent of the parties.

E. Section headings are for reference only and will not be used to construe the terms of this Agreement.

F. Any commercially reasonable means of transmission to Agency to an address below will be sufficient proof of service of a notice required under this Agreement. Agency consents to communication via the media referenced below. Notice to Company may be provided in accordance with the provisions of the Company-specific addendum attached hereto.

The persons signing below warrant that they are authorized to execute this Agreement.

This Agreement is effective: August 15, 2007

LIBERTY MUTUAL INSURANCE COMPANY
for the benefit of its affiliates marketing under, and itself
when marketing under, the Liberty Mutual Agency Markets
divisions identified in the separate addenda attached hereto

Joseph A. Gilles

By: Joseph A. Gilles
Its: Executive Vice President
Dated: 08/21/2007

AGENCY

AssureAlliance Inc

Agency Name

By: *[Signature]*

Its: [Signature]
Title

Dated: 1/5/2008

Address: 100 HENRY PLACE

SPARTANBURG, SC 29304

Telephone: (864) 582-5481

Fax: (864) 542-0723

E-mail:

Agency Code: 4910027



**Montgomery
Insurance.**

Member of Liberty Mutual Group

**MONTGOMERY INSURANCETM
ADDENDUM
TO
AGENCY AGREEMENT**

WHEREAS, Agency has entered into a Liberty Mutual Agency Markets Agency Agreement effective as of August 15, 2007 ("Agreement"); and

WHEREAS, as of the effective date of this Addendum, Montgomery Insurance is a "Company" covered by the Agreement and Agency and Montgomery Insurance are entering into this Addendum to the Agreement to supplement the terms of the Agreement and further define the scope of Agency's authority and responsibilities with respect to Montgomery Insurance business.

NOW, THEREFORE, in furtherance of the Agreement, and in consideration of the mutual covenants herein contained and other good and valuable consideration, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Notice to Montgomery Insurance may be sent by mail, fax or electronic mail to the following address:

Montgomery Insurance
c/o Marketing Department
4600 Park Road, Suite 500
Charlotte, NC 28209
Phone: 704-586-1654
Fax: 704-521-8509

With a copy by first class mail to:

Liberty Mutual Agency Markets
Marketing Support Unit
13 Riverside Road
Weston, MA 02493

2. This Addendum applies only to Agency's relationship and transactions with Montgomery Insurance, and not to Agency's relationship or transactions with any other Company that is party to the Agreement. Termination of Agency's authority with respect to Montgomery Insurance shall not impair Agency's authority for any other line of business for which it may have continuing authority from a Company, as defined in the Agreement. This Addendum forms a part of the Agreement and together they constitute the entire Agreement between Montgomery Insurance and Agency relating to the subject matter hereof and replace, from and after the effective date, all previous agreements, whether written or oral, between Montgomery Insurance and Agency as they relate to Montgomery Insurance business.

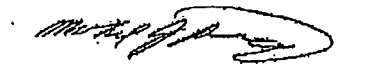
3. "Subproducers" also include any person or entity that is given a subcode linked to Agency's mastercode. The issuance of a subcode by Montgomery Insurance is deemed to be Montgomery Insurance's written permission for Agency to use that subproducer.
4. In the event of any conflict between this Addendum and the Agreement, with respect to Montgomery Insurance business only this Addendum shall control.
5. Each signatory hereto hereby represents that he or she has full legal authority to execute this Addendum.

IN WITNESS WHEREOF, this Addendum has been executed and is effective as of August 15, 2007

Assure Alliance Inc

Montgomery Insurance


By: _____
Authorized Representative
Title
1/8/2008
Date


By: _____
Michael J. Plavnick
Authorized Representative
Title
August 21, 2007
Date

[] LOCATIONS

Check One:

- [illegible]



LIBERTY MUTUAL AGENCY CORPORATION
AGENCY AGREEMENT

The undersigned Agency and Liberty Mutual Agency Corporation on behalf of its insurer affiliates marketing under the Liberty Mutual Agency Corporation divisions identified in separate addenda attached hereto (each referred to herein as a "Company"), agree as follows:

1. Authority of Agency

- A. Agency is an independent contractor without exclusive territorial rights and has exclusive control of its time, the conduct of its agency, employees, sub producers, and the selection of companies it will represent.
- B. Agency is authorized to solicit and submit applications for the lines of business agreed to between Company and Agency, subject to the terms of this Agreement.
- C. Agency is only authorized to act as agent for Company and bind Company pursuant to written authority and guidelines furnished to Agency by Company.
- D. Agency will not publish or distribute any Company advertisements, circulars, domain names, icons, logos, passwords, service marks, trademarks, trade names, trade secrets, or other materials referring to Company or containing Company's name without first securing advance written approval from an officer of Company.
- E. Agency is not authorized to use a subproducer to produce business unless written authorization is obtained from Company. "Subproducer" means a person or entity that submits business through Agency to Company.
- F. Agency has no authority to adjust or settle claims unless such authority is provided by Company in writing.

2. Responsibilities of Agency

- A. Agency will transact all business for Company in accordance with all applicable legal and/or regulatory requirements, including, without limitation, those requiring disclosure of the existence or terms of this Agreement or any form of compensation paid or payable hereunder, and in accordance with all Company underwriting rules and instructions now in force or hereafter issued by the Company from time to time.
- B. Agency represents that if any affiliates of Agency are intended to be bound by this Agreement, Agency has all requisite authority to execute this Agreement for and on behalf of such affiliates, that such affiliates agree to be bound by the terms of this Agreement, and that Agency accepts responsibility for the acts, errors and omissions of such affiliates in their performance of their obligations pursuant to this Agreement.
- C. Agency represents that it, its employees, subproducers, and others acting on Agency's behalf have all necessary and requisite authority to perform the functions delegated pursuant to this Agreement. "Authority" means any requisite written consents, authorizations, licenses, certificates of authority and/or permits. Transactions specified by this Agreement must fall within the scope of activities permitted by the parties' licenses and authority.
- D. Agency will immediately notify Company of any suits, claims, or formal complaints received by Agency in which Company is named as a defendant or respondent.
- E. Agency will immediately notify Company in the event that any officer, employee, subproducer or representative of Agency has been convicted of any felony involving dishonesty or breach of trust or had their licenses or other requisite authority suspended or revoked.

- F. Agency will comply with any Company requests for assistance in completing background checks or investigations of Agency personnel, including obtaining necessary written authorizations if requested by Company.
- G. If using electronic commerce, Agency will read, accept and abide by the terms and conditions and privacy statement set forth in Company's websites and will execute any additional agreements or documents required by Company to facilitate electronic commerce.
- H. Agency is responsible for its own acts, errors and omissions and those of its directors, officers, employees, subcontractors, subproducers, and others acting on Agency's behalf.
- I. Agency will maintain, at all times during the term of this Agreement and during any applicable post-termination period, errors and omissions insurance with reasonable policy limits, but in no event shall such limits be less than \$1,000,000 (both per occurrence and in the aggregate), for insurance agencies of the size and type of Agency, with an insurer rated "A minus" or better by A.M. Best Company. Upon Company's request, Agency will provide a copy of the current certificate of insurance evidencing the maintenance of such errors and omissions coverage to Company.

3. Ownership of Expirations

- A. Except as provided in Section 3.B below, the use and control of expirations, the records thereof, and Agency's work product, will remain in the undisputed possession and exclusive ownership, use and control of Agency. Company will not use its records of those expirations or Agency's work product in any marketing method for the sale, service or renewal of any form of insurance coverage or other product or service which abridges Agency's rights of ownership, use and control, nor will Company refer or communicate this expiration information or work product to any other agency or producer.
- B. Other than as provided herein, in the event of termination of this Agreement, the records of Agency and the use and control of all renewals and/or expirations of all policies remain the exclusive property of Agency. For the purposes of this Agreement, "policies" shall mean any insurance policy, as well as any surety bond, guarantee, undertaking, recognizance, or other surety obligation that Agency may arrange for Company to issue or procure. However, if (1) Agency has not paid all money due Company; or (2) Agency has not paid all money due to any policyholder or premium finance company to whom Company may be liable as the result of such nonpayment; or (3) if Company terminates this Agreement pursuant to Section 10.A.4 hereof; or (4) if Agency has not moved an account after expiration of any mandatory renewal cycle, all of Agency's rights with respect to that account with Company, including policy expirations and renewals, terminate immediately, at the option of Company. Notwithstanding that renewal of some of said policies may be legally mandated, in the event of termination of Agency's rights to the expirations under (1), (2), (3), or (4), above, Agency's records with respect to all policies written and the use and control of all renewals and/or expirations of such policies and all electronically stored data with respect to same, become the undisputed property of Company and Agency will, immediately upon receipt of written request therefore, deliver all such records, renewals and/or expirations and data to Company and will not in any way interfere with, compete with or otherwise hinder Company in the exercise of any of its rights in the use and control of such records, renewals and/or expirations and data.
- C. In the exercise of its right to collect any indebtedness due from Agency through use and control of such expirations, Company will use reasonable business judgment in selling such expirations and is accountable to Agency for any sums received which, net of expenses, exceed the amount of indebtedness. Agency remains liable for the excess of the indebtedness over the sums received by Company from any such sale. Any indebtedness due from Agency does not prevent application of the ownership of expirations clause in favor of Agency if Agency furnishes collateral security acceptable to Company in the amount of such indebtedness to be held by Company until the indebtedness is satisfied.
- D. Nothing in this Agreement interferes with Company's obligation to renew policies containing contractual renewal guarantees or which must be renewed pursuant to law, regulation or by order of government authority.

4. Commissions

- A. Company will pay commissions to Agency in accordance with the rates and conditions set forth in Company's then-applicable Commission Schedule(s) when Agency is agent-of-record in accordance with the Company's guidelines.
- B. Commission rates may be revised by Company at any time upon 90 days advance written notice to Agency.
- C. Uncollectible premiums and any premiums paid as a result of collection efforts instituted by the Company are not subject to commission.
- D. Agency will refund the unearned commission on canceled insurance and on reductions in premiums, including audit premiums, at the same rate at which commissions were originally allowed to Agency.
- E. Company may at any time apply any compensation it may owe Agency as an offset against any amounts due and owing to Company from Agency.
- F. Assignment of commission is not binding upon Company without its prior written consent.
- G. For business placed by Agency under this Agreement, commissions are Agency's sole and full compensation and Agency will not charge insureds any additional amounts for Company's policies or coverages. Agency may charge insureds fees otherwise permitted by law for additional services requested by insureds, provided these fees and services are disclosed as required by applicable law.

5. Direct-Billed Business

On business placed by Agency with Company as direct-billed, the following provisions apply:

- A. Except where otherwise agreed by Company, if Agency collects initial premium, Agency will remit such premium, without reduction for commissions, within the time period set forth in the established Company procedure furnished to Agency by Company. All funds collected by Agency on behalf of Company will be held by Agency in a fiduciary capacity until remitted to Company.
- B. Agency is not responsible to Company for bad checks written by insureds for the initial premium obligation when accepted in good faith by Agency.
- C. Company may, at its sole discretion, assume responsibility for billing and collecting the initial premium when existing business of Agency is transferred to a direct-bill program of Company.
- D. Company will bill all renewal or adjustment premiums direct to the insured, or to a designated lending institution or service agency holding premiums in escrow or reserve. These premiums are payable to Company in gross.
- E. Commissions on direct-billed premiums will be paid to Agency within 15 days after the end of the month in which the premiums are booked and recorded by Company, provided that any required deposit premium on new and renewal business has been actually received by Company, with the exception of audit premiums. Commissions on audit premiums will be paid upon Company's collection of the audit premium. No commissions will be paid on direct-billed premiums, which remain unpaid 45 days after due date. Any business billed direct to the insured by Company and for which Agency, its directors, officers, employees, subcontractors, subproducers, or others acting on Agency's behalf receive the premium payment will be promptly paid in gross to Company and properly identified as to policy without deduction for commissions.
- F. Company will identify Agency by name when transmitting policies, endorsements, premium notices and other communications to policyholders. Where practical, Company will promptly provide Agency with advance or

contemporaneous notification of all communications with a policyholder, except where Company has exercised its rights under Section 3.B. of this Agreement.

6. Agency-Billed Business

- A. Agency will promptly collect premium on all business not billed to insureds directly by Company and will remit balances net of commission to Company in accordance with the applicable Commission Schedule(s). It is expressly understood that all premiums received by Agency will be held in trust by Agency as fiduciary for the benefit of Company, that these premiums are the property of Company, that Agency has no interest in premiums received, and that Agency will make no deductions or expenditures from these monies before paying Company (except for agreed upon commissions, which may be deducted and retained by Agency). Such funds will be maintained in a specially segregated premium account, which shall be designated a "trust fund" account where required by applicable law. Upon request of Company, Agency will promptly furnish to Company the account number and the name of the financial institution where such funds are held.
- B. Agency assumes full responsibility for payment to Company of all earned premiums, less agreed upon commissions, on all business placed with Company through Agency, whether or not such premiums are collected from the policyholder. Failure of Company to bill Agency for any item will not relieve Agency of responsibility to pay the amount due.
- C. Agency will exercise due diligence to collect earned premiums that have been determined by audits, adjustments for retrospectively rated policies, and interim audit reports. Agency will be relieved of responsibility for these premiums provided Agency has exercised due diligence and has notified Company in writing within 45 days from audit declaration or date of billing, whichever is later, that the premiums could not be collected. Such written notification shall set forth the efforts Agency has taken to collect the subject premium. "Due diligence" may be demonstrated by Agency's communicating in writing at least twice to the policyholder demanding payment. Agency must provide copies of such correspondence together with the written notification. If Agency fails to notify Company, Agency will be responsible to pay the premium. No commissions will be allowed on premiums collected directly by Company under this provision.
- D. Agency and Company will comply with the following accounting procedures on business, other than direct-billed business, placed by Agency with Company:
 - 1. Itemized statements of money due will be prepared monthly by Company.
 - 2. The balance shown on the statement due Company will be payable no later than 45 days after the end of the account month for which the statement was prepared.
- E. In addition to any other action permitted under this Agreement or by applicable law, Company reserves the right, at its option, to direct-bill all unpaid policies and renewals if Agency fails to pay Company as required herein.

7. Indemnification

- A. Company shall indemnify, protect, and hold Agency harmless from and against any and all civil, administrative and all other non-criminal liability, claims, losses, damages, costs, and expenses, including court costs and reasonable attorneys' fees, arising out of or incurred by reason of any error or omission on the part of Company, its directors, officers, agents (other than Agency), or employees in placing business pursuant to or carrying out the terms and conditions of this Agreement, except to the extent such error or omission was caused or contributed to by Agency.
- B. Agency shall indemnify, protect, and hold Company harmless from and against any and all civil, administrative and all other non-criminal liability, claims, losses, damages, costs, and expenses, including court costs and reasonable attorneys' fees, arising out of or incurred by reason of any error or omission on the part of Agency, its directors,

officers, agents, employees, affiliates or subproducers in placing business pursuant to or carrying out the terms and conditions of this Agreement, except to the extent such error or omission was caused or contributed to by Company.

8. Suspension of Authority

In the event of premium or accounting delinquency, or any other material violation by Agency of the provisions of this Agreement, or for Company-determined underwriting reasons, Company may notify Agency that, effective immediately, all authority of Agency to bind or write any new business is suspended. Notice will be in writing if at all practicable and will state the reasons. However, in all other respects, Agency's and Company's rights and obligations under this Agreement will remain in full force and effect.

9. Agency Change of Ownership

Agency will give notice to Company of any sale, transfer, merger, consolidation or change of control or majority ownership of Agency's business, stock or assets as soon as practicable in advance of the effective date of the transaction.

10. Termination of Agreement

A. Except as may otherwise be required by law or regulation, this Agreement will terminate:

1. Automatically if any public authority suspends, cancels or declines to renew Agency's license or certificate of authority.
2. Automatically as of the effective date of the sale, transfer, merger, consolidation or change of control or majority ownership of Agency's business, stock or assets, unless Agency and Company execute a Change of Ownership Amendment or enter into a new Agency Agreement.
3. Upon either party giving at least 90 days advance written notice to the other; provided, however, that such termination, at Company's option, may be limited to one or more underwriting companies or lines of business.
4. Immediately upon either party giving written notice to the other in the event of material breach of this Agreement, abandonment, fraud, insolvency, nonpayment of accounts, or gross and willful misconduct on the part of such other party.
5. At Company's option, immediately upon written notice in the event of three late payments of account in any consecutive six-month period.

B. Company may, in its sole discretion, rehabilitate Agency in an effort to assist Agency in avoiding termination.

C. Upon notice of termination, Agency will not, without the prior written approval of Company, bind any new risk or increase or extend Company's liability, or alter the terms of any such policy.

D. Upon notice of termination, Company reserves the right to direct-bill all accounts.

11. After Termination

Except as may otherwise be required by law or regulation, after termination:

- A. Agency will continue to be the duly authorized representative of Company with respect only to the limited purpose of servicing policies continued in force or renewed after the termination of this Agreement, subject to all of the applicable provisions of this Agreement.

- B. Company will continue unexpired policies in force until expiration, subject to earlier termination in accordance with the policies' terms and conditions.
- C. Agency will not be entitled to commissions on policies that must be renewed after termination, except as may be required by law and then only for as long as required by law.
- D. Paragraphs 1.D.; 1.F., 2.B-2.D., 2.H., 2.I., 3, 7, 10.C., 10.D.; 11-15, and 16.A.-16.F. shall survive termination of this Agreement.

12. Arbitration

- A. If any dispute or disagreement arises in connection with the interpretation of this Agreement, its performance or nonperformance, its termination, the figures and calculations used or any nonpayment of accounts, the parties will make efforts to meet and settle their dispute in good faith informally. If the parties cannot agree on a written settlement to the dispute within 30 days after it arises, or within a longer period agreed upon by the parties in writing, then the matter in controversy, upon request of either party, will be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA) and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction; provided, however, that this provision will not apply to claims for equitable relief or, at Company's election, Company claims for unpaid premiums. The body of law that AAA employs will include insurance law and arbitrators will have particular knowledge and experience with independent insurance agency/company issues. Depositions can be taken at the request of either party prior to the arbitration hearing.
- B. The parties will agree to submit the dispute to one arbitrator chosen impartially by the AAA. If the amount in controversy exceeds \$50,000.00, then either party has the right to have the matter decided by a panel of three arbitrators. One arbitrator shall be named in writing by each party within twenty (20) days after a demand for arbitration is made by one of the parties. The parties' chosen arbitrators will then choose a third arbitrator within forty-five (45) days after the date the last arbitrator is named. If the arbitrators are unable to agree upon a third arbitrator, then the third arbitrator will be chosen impartially by the AAA.
- C. The determination of the arbitrator(s) is final and binding on all parties, provided such determination is made in writing and signed by the arbitrator(s). Where arbitration results in an award, such award will include interest in the amount of 10% per annum running from the date when the amount that is the subject of the award first became due.
- D. The costs of the arbitration will be borne equally by the parties. Each party is responsible for its own attorney's fees and all other of its costs of arbitration.

13. Amendments

- A. This Agreement may be amended in writing:

- 1. Any time upon mutual written agreement of Agency and Company; or
- 2. By Company providing Agency 90 days written notice; or
- 3. As required by law.

Any modifications or interlineations to the form of this Agreement by Agency will be void and of no effect, regardless of when Company executes this Agreement.

- B. Notwithstanding the above, Company retains the right, upon written notice to Agency, to modify unilaterally in any manner any of Company's underwriting rules, rates or guidelines, to change Agency's binding authority, to change

Company's billing manual, to change Company's Websites' terms and conditions, to change privacy policies, or to revise any of its administrative procedures governing Company's business relationship with Agency.

14. Confidentiality & Privacy

- A. Each party is providing to the other, in furtherance of this Agreement, information that is confidential and proprietary to the disclosing party. "Confidential and Proprietary Information" as used herein shall include, but not be limited to, description of services, methods and procedures, rates, forms and fees, information relating to productivity and performance quality, financial information, and other information designated as "Confidential and Proprietary Information" by the disclosing party, provided that Confidential and Proprietary Information shall not include information that (a) is already in the possession of the receiving party, (b) becomes generally available to the public other than as a result of any disclosure by the receiving party, (c) becomes available to the receiving party on a non-confidential basis from a source not known to the receiving party to be bound by a confidentiality agreement or other obligation of secrecy, or (d) developed by the receiving party independently and without benefit of information disclosed hereunder by the disclosing party.
- B. Each party will use such Confidential and Proprietary Information of the other which it comes to possess only for purposes in furtherance of the Agreement, and neither party will disclose such Confidential or Proprietary Information of the other to any party for any other purpose, whether during the term of this Agreement or after its expiration or termination.
- C. After expiration or termination of this Agreement, each party shall return to the other or destroy, at the other party's written request, all Confidential and Proprietary Information of the other.
- D. Except for the purposes of carrying out this Agreement, Agency shall not disclose or use any non-public personally identifiable customer or claimant information provided by Company to Agency ("Customer/Claimant Information"). "Non-public personally identifiable information" is personal financial or medical information of or concerning a private person which either has been obtained from sources that are not available to the general public or that is obtained from the person who is the subject of the information and whose information is included in data files exchanged by the parties hereto. Agency shall promptly adopt and implement necessary security procedures to protect from improper disclosure or use of Customer/Claimant Information, such procedures to be in compliance with all applicable federal and state regulatory requirements.
- E. If Agency discloses any Customer/Claimant Information to Company, (i) Company shall not redisclose such Customer/Claimant Information except as authorized, required, or permitted by law, and (ii) Company shall use the Customer/Claimant Information only for the purpose of this Agreement and to determine eligibility for insurance, administer or service policies, and/or evaluating and processing claims related to the Customer/Claimant's case.
- F. Agency and Company will promptly adopt and implement security procedures to protect from improper disclosure or use all Customer/Claimant Information and each other's Confidential and Proprietary Information and these procedures will also be in accordance with applicable law. Agency shall notify Company without unreasonable delay, unless an applicable law enforcement agency has directed Agency to delay notification as provided by applicable law, of any breach of security, intrusion, or any unauthorized access, acquisition, disclosure, or use of Customer/Claimant Information (collectively "Breach"). Agency shall take prompt corrective action to cure or mitigate any such Breach and shall take all actions pertaining to any such Breach required by applicable federal and state laws and regulations.

15. Records

- A. Agency agrees to maintain in a safe and secure manner a complete and accurate record of all transactions pertaining to each policy processed pursuant to this Agreement, through electronic commerce or otherwise, for a minimum of 5 years, or as may be otherwise required by law, from the date of expiration or other effective termination date of any individual policy. Such records will include all relevant applicant information as specified by the applicable Company underwriting guidelines, manuals, or state regulatory requirements, including but not limited to those forms or

documents requiring the policyholder's signature. Such records, including originals, will be forwarded to Company upon its request. During the term of this Agreement and for two years thereafter, any authorized representative of Company may, upon reasonable advance notice to Agency, during normal business hours, examine the facilities, equipment, data, books, accounts, records (including computerized records), or any other memoranda or data in Agency's possession which pertain to this Agreement.

- B. In lieu of retaining and transmitting hard copies of Agency's records, Agency may retain computerized records of all such information as set forth in Company's manuals. If Agency chooses to retain such information electronically rather than in hard copies, Agency will ensure that it backs up all such electronic files on a regular basis, or as may be otherwise required by state law or by Company. In addition, Agency will ensure that it designates an individual within its office(s) to be the custodian of all such electronically retained records and will further ensure that such custodian is in a position to verify the chain of custody with respect to all such records.
- C. Notwithstanding the above and where required by state law or regulation, Agency will retain or forward, as Company directs, the original of any application or required coverage selection forms, including, but not limited to, uninsured coverage and driver exclusion forms.
- D. Agency agrees to provide to Company, upon Company's request, copies of any records in Agency's possession pertaining to business related to Company. Additionally, in order to comply with various statutory and regulatory obligations, as well as its own audit purposes, Company will have access to all Agency's retained computerized records pertaining to Company's book of business during Agency's regular business hours or at such other reasonable times as may be determined between the parties.
- E. Agency will provide to Company information necessary to process any transaction binding upon Company within 10 working days after the transaction occurs, including mail time, as well as such other information at such times as may be required by Company in its written guidelines. For purposes of this Agreement, the transaction occurs on the date Agency acted or should have acted on behalf of Company.
- F. Records or property belonging to Company (including, but not limited to, marketing materials, product brochures, powers of attorney and corporate seals), including reproductions, will be returned to Company by Agency upon request.
- G. Upon request, Company agrees to furnish Agency a list of existing policies placed by Agency with Company.

16. Miscellaneous Provisions

- A. This Agreement and any addenda hereto constitute the entire agreement between Company and Agency relating to the subject matter hereof and replaces, from and after the effective date, all previous agreements, including any amendments thereto, whether written or oral, and will remain in force and effect until suspended or terminated as provided herein.
- B. Company's obligations under this Agreement extend only to the Agency named in this Agreement and not to its employees, sub producers, or anyone else. Agency may not incur any debt or liability, bind or execute contracts, except policies in accordance with the terms of this Agreement, waive defaults of policyholders, extend the time or method of payment of premium or service fees by policyholders, alter, modify, waive, or change any of the provisions or conditions of our policies, rates, rating rules or rating plan, withhold money or property of our (other than in accordance with the terms of this Agreement), or assign this Agreement or its rights and obligations herein without prior written approval from a duly authorized representative of Company.
- C. No past practice, custom or usage, or failure of Agency or Company to declare promptly a default for breach of any of the terms and conditions of this Agreement will constitute or be construed as a waiver of said terms and conditions or estop Agency or Company from thereafter demanding full and complete compliance with the Agreement.

D. If any provision of this Agreement is held to be invalid or unenforceable under the laws or regulations of any jurisdiction that may govern this Agreement, such provision shall be deemed amended to the minimum extent necessary to effect compliance with such law or regulation and to reflect the intent of the parties.

E. Section headings are for reference only and will not be used to construe the terms of this Agreement.

F. Any commercially reasonable means of transmission to Agency to an address below will be sufficient proof of service of a notice required under this Agreement. Agency consents to communication via the media referenced below. Notice to Company may be provided in accordance with the provisions of the Company-specific addendum attached hereto.

The persons signing below warrant that they are authorized to execute this Agreement.

This Agreement is effective: April 01, 2010

LIBERTY MUTUAL AGENCY CORPORATION on
behalf of its insurer affiliates marketing under the Liberty
Mutual Agency Corporation divisions identified in separate
addenda attached hereto

Deborah McGonigle

By: Deborah McGonigle

Its: Senior Vice President

Dated:

4910094

Southern Risk Insurance Services LLC

Agency Name

By: [Signature]

Its:

Title

Date: 05/31/2012

Address: 1007 Crestview Rd ANDERSON, SC 296213705

Telephone: (864) 231-0793

Fax: (864) 231-0797

E-mail:

Agency Code: 4910094



**Montgomery
Insurance.**

Member of Liberty Mutual Group

MONTGOMERY INSURANCE™
ADDENDUM
TO
AGENCY AGREEMENT

WHEREAS, Agency has entered into a Liberty Mutual Agency Corporation Agency Agreement effective as of April 01, 2010 ("Agreement"); and

WHEREAS, as of the effective date of this Addendum, Montgomery Insurance is a "Company" covered by the Agreement and Agency and Montgomery Insurance are entering into this Addendum to the Agreement to supplement the terms of the Agreement and further define the scope of Agency's authority and responsibilities with respect to Montgomery Insurance business,

NOW, THEREFORE, in furtherance of the Agreement, and in consideration of the mutual covenants herein contained and other good and valuable consideration, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Notice to Montgomery Insurance may be sent by mail, fax or electronic mail to the following address:

Montgomery Insurance
Montgomery Insurance
c/o Marketing Department
13830 Ballantyne Corporate Place
Suite 300
Charlotte, NC 28277

Phone: 704-759-7661
Fax: 704-544-2851

With a copy by first class mail to:

Liberty Mutual Agency Corporation
Agency Administration
9450 Seward Road
Fairfield, OH 45014

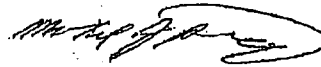
2. This Addendum applies only to Agency's relationship and transactions with Montgomery Insurance, and not to Agency's relationship or transactions with any other Company that is party to the Agreement. Termination of Agency's authority with respect to Montgomery Insurance shall not impair Agency's authority for any other line of business for which it may have continuing authority from a Company, as defined in the Agreement. This Addendum forms a part of the Agreement and together they constitute the entire Agreement between

Montgomery Insurance and Agency relating to the subject matter hereof and replace, from and after the effective date, all previous agreements, whether written or oral, between Montgomery Insurance and Agency as they relate to Montgomery Insurance business.

3. "Subproducers" also include any person or entity that is given a subcode linked to Agency's mastercode. The issuance of a subcode by Montgomery Insurance is deemed to be Montgomery Insurance's written permission for Agency to use that subproducer.
4. In the event of any conflict between this Addendum and the Agreement, with respect to Montgomery Insurance business only this Addendum shall control.
5. Each signatory hereto hereby represents that he or she has full legal authority to execute this Addendum.

Southern Risk Insurance Services LLC

Montgomery Insurance



By: Authorized Representative

By: Michael J. Plavnick

Title

Authorized Representative

Title

Date

May 31, 2012

Date

Safeco Insurance™

Member of Liberty Mutual Group

SAFECO INSURANCE™ ADDENDUM TO THE LIBERTY MUTUAL AGENCY CORPORATION AGENCY AGREEMENT

WHEREAS, Agency has entered into the Liberty Mutual Agency Corporation Agency Agreement effective as of April 01, 2010 ("Agreement");

WHEREAS, Safeco is a "Company" covered by the Agreement and Agency and Safeco are entering into this Addendum to the Agreement ("Addendum") to supplement the terms of the Agreement and to further define the scope of Agency's authority and responsibilities with respect to Safeco business;

WHEREAS, this Addendum replaces any previous version of the Safeco Addendum ("Original Safeco Addendum") to the Liberty Mutual Agency Corporation Agency Agreement that Agency may have entered into; and

WHEREAS, the effective date of this Addendum is the date of Agency's signature as reflected on the signature page of this Addendum ("Effective Date").

NOW, THEREFORE, in furtherance of the agreement, and in consideration of the mutual covenants herein contained and other good and valuable consideration, and intending to be legally bound hereby, the parties hereto agree to the as follows:

1. Section 1(A) of the Agreement: The following sentence is added to the end of this section:

"For purposes of this Agreement, "Agency" includes the employees and sub-producers of the Agency."

2. Section 1(B) of the Agreement: This section is replaced in its entirety with the following:

"Agency, including its employees and subproducers, is authorized to solicit and submit business for all personal lines of business except to the extent of any limitation set forth in an Amendment. Safeco shall have the right to reject, modify, cancel or refuse to renew any policy in accordance with applicable law and the Product Guidelines (defined in Section 1(C) below). Safeco will send direct notice of cancellation or non-renewal to the policyholder or binder holder in accordance with applicable state law, with a copy of such notice to Agency."

3. Section 1(C) of the Agreement: This section is replaced in its entirety with the following:

"Agency is only authorized to act as agent for Safeco and bind Safeco in such classes of risks and under such limits as Safeco may from time to time establish in product underwriting and binding authority guides published on www.safecow.com or in other written instructions ("Product Guidelines"). After receiving written, electronic notice from Safeco, Agency shall

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not bind or write policies of insurance when the object of the insurance is subject to unusually increased risk as defined in such notice."

4. Section 1(E) of the Agreement: The last sentence of this section is deleted and new language is added. Therefore, this section now reads:

"Agency is not authorized to use a subproducer to produce business unless written authorization is obtained from Safeco. Safeco's assignment of a sub stat code for a sub-producer shall be deemed to be written authorization to Agency. If applicable, the management of sub-producers appointed pursuant to this Agreement shall be governed by the terms set forth in Exhibit A-1 of this Addendum."

5. A new Section 1(G) is added to the Agreement, as follows:

"Agency agrees to give written notice to Safeco of its plan to acquire new Safeco business from another agency in order that Safeco may, at its election, determine whether to accept the new business. Safeco will provide written notice to Agency if Safeco chooses to not accept this new business."

6. Section 3(B) of the Agreement: This section is replaced in its entirety with the following:

"Agency is the exclusive owner of expirations in policies Agency produces under this Agreement or acquires from previous owners and for which Agency is designated the "producer of record." For purpose of this Agreement, "expirations" means business records and information originating with Agency regarding any insured under a policy or renewal, including the name and address of the insured, and the date of the expiration and policy limits of any policy or renewal. However, Agency's ownership of expirations will transfer to Safeco under the following circumstances: (a) failure of Agency to satisfy a debt owed to Safeco within 60 days of termination of this Agreement; or (b) failure by Agency to properly account for and pay all premiums for which Agency is liable upon 60 days notice of a demand to provide such payment; or (c) abandonment of Agency's business. For purposes of this Agreement, "abandonment" shall mean documented evidence of the consistent disregard of the affected business or premises of Agency."

7. Section 4(A) of the Agreement: This section is replaced in its entirety with the following:

"Safeco will pay Agency commissions at the rates specified in commission schedules distributed via written documentation or through www.safecow.com. Safeco agrees to compute and remit to Agency promptly following the close of each month the commission Safeco owes Agency, less unearned commissions Agency owes Safeco, in accordance with the applicable commission schedules. If Safeco's Electronic Commission Direct Deposit Program is available to Agency/sub-producer, commissions will be transmitted to Agency/sub-producer under the terms of the program then in effect, unless otherwise agreed to by Agency/sub-producer and Safeco."

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8. Section 4(G) of the Agreement: This section is replaced in its entirety, as follows:

"For business placed by Agency under this Agreement, commissions are Agency's sole and full compensation. Agency shall not charge policyholders any fees or charges for the sale, solicitation or servicing of insurance placed with Safeco, services for which Safeco pays Agency to perform, without Safeco's prior written approval, and then only as permitted by law."

9. Section 5(B) of the Agreement: The following language is added to the end of this section:

"Safeco reserves the right to bill Agency or to offset commissions owed to Agency for any earned premium due except to the extent caused by a bad check written by an insured."

10. Section 8 of the Agreement: This section is replaced in its entirety with the following:

"Agency's binding authority shall be suspended:

1. Automatically on the effective date of the sale or transfer of Agency's business to, or the consolidation of Agency's business with, an entity that is neither a subsidiary nor an affiliate of Agency, unless Safeco is notified of the transaction, and in writing, agrees to such sale, transfer or consolidation.
2. Automatically if Agency's insurance license or certificate of authority has been placed on probation, suspended, revoked, terminated or will not be renewed by a public authority, or if Safeco finds documented evidence of any action in violation of Agency's license under applicable state law.
3. Upon written notification (email is acceptable) by an authorized Safeco Sales Manager Underwriting Manager, which states the reason for the suspension."

11. Section 9 of the Agreement: This section is replaced in its entirety with the following:

"Agency agrees to give written notice to Safeco of any change in affiliation, or any sale or transfer of Agency's business or book of business, or its consolidation with an entity that is neither a subsidiary nor affiliate of Agency in order that Safeco may, at its election, determine whether to assign this Agreement to the successor organization or terminate this Agreement in accordance with its terms."

12. Section 10(A)(4) of the Agreement: This section is replaced in its entirety with the following:

"Immediately upon either party giving written notice to the other in the event of a material breach of this Agreement, abandonment, fraud, insolvency, nonpayment of accounts, or gross and willful misconduct on the part of such other party. In addition, Safeco will have the right to terminate this Agreement immediately with written notice in the event of Agency's failure to successfully execute any rehabilitation plan agreed to with Safeco's underwriting department."

A1035702 (02-11)

-3-

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13. Section 11(C) of the Agreement: This section is replaced in its entirety with the following:

"Agency will not be entitled to commissions on policies that must be renewed after termination, except as may be required by law and then only for as long as required by law. If Safeco is required by law to allow Agency to continue to provide service to insureds after this Agreement is terminated, Safeco will pay Agency a service fee of 3% of premiums written (or such commission as required by law) after the date of termination of this Agreement as full compensation for such service."

14. Section 16(B) of the Agreement: The first sentence of this section is deleted. Therefore, this section now reads:

"Agency may not incur any debt or liability, bind or execute contracts, except policies in accordance with the terms of this Agreement, waive defaults of policyholders, extend the time or method of payment of premium or service fees by policyholders, alter, modify, waive, or change any of the provisions or conditions of our policies, rates, rating rules or rating plan, withhold money or property of our (other than in accordance with the terms of this Agreement), or assign this Agreement or its rights or obligations herein without prior written approval from a duly authorized representative of Safeco."

15. A new Section 16(G) is added to the Agreement, as follows:

Notice to Safeco may be sent by mail or fax to the following address:

Safeco Insurance
c/o Legal Department
1001 Fourth Avenue, Floor 2700
Seattle, WA 98154
Phone: (206) 473-6435
Fax: (206) 473-6722

With a copy by first class mail to:

Liberty Mutual Agency Corporation
Agency Administration
9450 Seward Road
Fairfield, OH 45014

16. A new Section 16(H) is added to the Agreement, as follows:

"If, as of the Effective Date of this Addendum, Agency has executed an Addendum to the Safeco Property and Casualty Agency Agreement for Gold Services, Gold Plus Services or for Gold Extended Hours ("Gold Service Addendum"), such Gold Service Addendum shall be governed by the Agreement as of the Effective Date of this Addendum."

17. A new Section 16(I) is added to the Agreement, as follows:

A1035702 (02-11)

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"Safeco shall have the authority to: (a) issue policies, renewals, endorsements and cancellation notices; (b) bill for, and collect premiums; (c) adjust claims; (d) communicate to policyholders regarding administrative and billing issues and services and, with Agency's consent, (e) communicate to policyholders regarding the marketing of Safeco products, provided such marketing does not conflict with Agency's ownership of expositions."

This Addendum applies only to Agency's relationship and transactions with Safeco, and not to Agency's relationship or transactions with any other Company that is party to the Agreement. In the event of any conflict between this Addendum and the Agreement, with respect to Safeco business, only this Addendum shall control. Termination of Agency's authority with respect to Safeco shall not impair Agency's authority for any other line of business for which it may have continuing authority from a Company, as defined in the Agreement. This Addendum forms a part of the Agreement and together, along with other Addenda or Letter Amendments that may be issued by Safeco from time to time, they constitute the entire Agreement between Safeco and Agency relating to the subject matter hereof and replace, from and after the Effective Date, all previous agreements, whether written or oral, between Safeco and Agency as they relate to Safeco business.

Each signatory hereto hereby represents that he or she has full legal authority to execute this Addendum.

Southern Risk Insurance Services LLC

Safeco Insurance

Cecil Booher

By: Authorized Representative

By: Cecil Booher

Title

Vice President, Region General Manager

Title

Date

May 31, 2012

Date

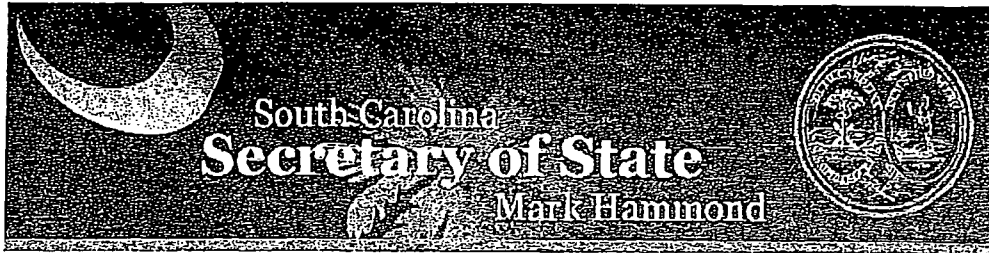
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EXHIBIT A-1

SUBPRODUCER MANAGEMENT

1. Agency is responsible for identifying and updating promptly in writing all subproducers for which Agency requests Safeco to provide an appointment. Safeco is responsible for obtaining and maintaining appointments for all subproducers that will submit business to Safeco, as mutually agreed upon by Agency and Safeco. Agency will notify Safeco within five business days of the termination of any person appointed as a subproducer to represent Safeco.
2. Agency will ensure that only persons who are licensed and properly appointed by Safeco act as subproducers for business produced by Agency for Safeco.
3. If, as a result of Agency's failure to comply with any federal or state producer requirements, Safeco is required to pay administrative penalties, Safeco shall advise Agency of the amount of the fine, and Agency will reimburse Safeco promptly.
4. Agency warrants that the subproducers are licensed insurance agents authorized to produce business on Agency's behalf. Agency represents that it has entered into written agreements with all subproducers governed under this Agreement who write business directly with Safeco and/or who have direct access to Safeco's Quote and Issue system, and Agency is responsible for ensuring that such subproducers abide by the terms and conditions of this Agreement and Safeco's entire business relationship with Agency, despite the fact that the subproducers may be independent contractors, and not employees, of Agency.
5. Based on these representations, Safeco will communicate any issues involving a subproducer to Agency, and Agency will address such issues with the subproducer. Further, Safeco will rely on Agency to make all decisions related to commission payment levels so long as such subproducers are affiliated with Agency.
6. Safeco will terminate the appointment of any subproducer whose subproducer agreement with Agency has been terminated. Notwithstanding the above, Agency understands that Safeco may independently appoint any eligible subproducer after the termination of Agency's agreement with a subproducer, in accordance with Safeco's appointment criteria.

**ASSUREALLIANCE, INC.**

*Note: This online database was last updated on 2/2/2014 6:01:29 PM.
See our Disclaimer.*

DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION / ORGANIZATION:	SOUTH CAROLINA Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	WILLIAM P GEE
ADDRESS:	100 HENRY PLACE
CITY:	SPARTANBURG
STATE:	SC
ZIP:	29308
SECOND ADDRESS:	

FILE DATE:	01/19/2001
EFFECTIVE DATE:	01/19/2001
DISSOLVED DATE:	//

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Agent	07/20/2007	CHG OF AGT FROM WILLIAM P GEE	
Amendment	07/20/2007	AMD- NM/CH FROM SOUTH CAROLINA NETWORK, INC.	
Amendment	04/25/2001	CH NM FR- SIA OF SOUTH CAROLINA, INC	Image
Incorporation	01/19/2001	INCORPORATION	Image

Disclaimer: The South Carolina Secretary of State's Business Filings database is provided as a convenience to our customers to research information on business entities filed with our office. Updates are uploaded every 48 hours. Users are advised that the Secretary of State, the State of South Carolina or any agency, officer or employee of the State of South Carolina does not guarantee the accuracy, reliability or timeliness of such information, as it is the responsibility of the business entity to inform the Secretary of State of any updated information. While every effort is made to insure the reliability of this information, portions may be incorrect or not current. Any person or entity who relies on information obtained from this database does so at his own risk.

Physical Address: Edgar Brown Building - 1205 Pendleton Street Suite 525 Columbia, SC 29201
Mailing Address: SC Secretary of State's Office 1205 Pendleton Street Suite 525 Columbia, SC
29201



**MONTGOMERY INSURANCE COMPANIES
AGENT - COMPANY AGREEMENT**

Member Underwriting Companies:

☒	Montgomery Mutual Insurance Company	☒	The Netherlands Insurance Company
☒	Peerless Insurance Company	☐	Colorado Casualty Insurance Company
☐	Excelsior Insurance Company	☐	The Midwestern Indemnity Company
☐	Consolidated Insurance Company	☐	Indiana Insurance Company
☐	Hawkeye Security Insurance Company	☐	Peerless Indemnity Insurance Company
☐	America First Lloyds Insurance Company	☐	Atlas Assurance Company of America
☐	Tower Insurance Company, Inc.	☐	Mid-American Fire and Casualty Company
☐	America First Insurance		

Agency Code: 4910027

In consideration of the promises and promises as set forth herein, effective 12/1/2003, each of the companies designated above, as now or hereafter constituted, its successors and assigns (hereinafter referred to as Company), and SOUTH CAROLINA AGENT NETWORK, its successors and assigns (hereinafter referred to as Agent), hereby agree as follows:

4910087

Spartanburg, SC 29304

1. Authority of Agent

- A. Agent is an independent contractor without exclusive territorial rights, not an employee of the Company, and shall have exclusive control of its time, the conduct of its agency, and the selection of companies it will represent.
- B. Subject to the terms of this Agreement, requirements imposed by law or regulation, and the underwriting rules of Company, Agent is authorized to solicit and submit applications for the lines of business agreed to between the Company and the Agent.
- C. Agent is also authorized to:
1. Bind Company on and execute insurance contracts for the lines of insurance Company and Agent are legally permitted to write and for which Agent is so authorized by Company. Coverages and limits of liability will only be bound by Agent in accordance with the written guidelines, including any amendments and conditions thereto, which may be modified from time to time, furnished to Agent by Company.
 2. Collect and receipt for premiums as provided herein.
 3. Request that Company cancel policies where cancellation is otherwise legally permissible.
 4. Provide all usual and customary services of an insurance Agent on all insurance contracts placed by Agent with Company.
- D. Agent agrees to forward to Company written copies of applications, binders, policies, certificates (when required), and/or endorsements within ten (10) working days after the transaction occurs, including mail time, and to promptly notify Company of any cancellations or changes to any such document.
- E. Agent shall not publish or distribute any advertisements, circulars, or other materials referring to Company or containing Company's name without first securing advance written approval from an officer of Company.
- F. Agent shall be responsible to Company for all insurance policies, certificates of insurance underwritten by Company through Agent by any sub-agents or producers, together with all premiums or monies collected by them in connection with such risks, the same as if they had been produced directly by Agent.
- G. Company may delegate to Agent authority to adjust and settle claims by and against policyholders of Company pursuant to the terms of the applicable policy, but within the amount of Agent's settlement authority and instructions as may be from time to time set forth in Company's Claims Manuals and to pay such claims in accordance with limits of Agent's draft authority as set by Company by issuing drafts provided by Company solely for this purpose. If such authority is granted, Agent shall exercise the highest degree of care in (i.) maintaining the security of any drafts in Agent's possession or control, (ii.) ensuring that only authorized persons execute such drafts on behalf of Company and (iii.) reviewing each claim and effecting any settlement or payment of any claim thereon.

2. Ownership of Expirations

- A. Except as provided in subsection B, the use and control of expirations, including those on direct-billed business, the records thereof, and Agent's work product, shall remain in the undisputed possession and ownership of Agent and Company shall not use its records of those expirations in any marketing method for the sale, service or renewal of any form of insurance coverage or other product which shall abridge Agent's rights of ownership, use and control, nor shall Company refer or communicate this expiration information or work product to any other Agent or broker.
- B. In the event of termination of this Agreement, if Agent has paid all money due to Company under this Agreement, the records of Agent and the use and control of all renewals and/or expirations of all policies shall remain the property of Agent. However, if (i) Agent has not paid all money due Company or (ii) Agent has not paid all money due to any policyholder or premium finance company to whom Company may be liable as the result of such nonpayment, all of Agent's rights with respect to all policies, their expirations and renewals shall terminate immediately. Notwithstanding that renewal of some of said policies may be legally mandated, in the event of termination under (i) or (ii), above, Agent's records with respect to all policies written and the use and control of all renewals and/or expirations of such policies and all electronically stored data with respect to same, shall become the undisputed property of Company and Agent shall, immediately upon receipt of written request therefor, deliver all such records, renewals and/or expirations and data to Company and shall not in any way interfere with, compete with or otherwise hinder Company in the exercise of any of its rights in the use and control of such records, renewals and/or expirations and data.
- C. In the exercise of its right to collect any indebtedness due from Agent through use and control of such expirations, Company shall use reasonable business judgment in selling such expirations and shall be accountable to Agent for any sums received which, net of expenses, exceed the amount of indebtedness. Agent shall remain liable for the excess of the indebtedness over the sums received by Company from any such sale. Any indebtedness due from Agent shall not prevent application of the ownership of expirations clause in favor of Agent if Agent furnishes collateral security acceptable to Company in the amount of such indebtedness to be held by Company until the indebtedness is satisfied.
- D. Nothing in this section shall interfere with Company's obligation to renew policies containing contractual renewal guarantees or which must be renewed pursuant to state law, regulation or by order of government authority. Agent shall be entitled to receive commissions on such policies at the prevailing rate of commission then in effect, as may be required by state law.

3. Commissions

- A. As full compensation for services, Company will pay commissions to Agent in accordance with the rates and conditions set forth in the current Commission Schedule which may be amended from time to time by Company.
- B. Commission rates may be revised either by mutual agreement of Agent and Company at any time or by Company giving at least sixty (60) days advance written notice of the proposed revisions and their effective date to Agent.
- C. The commission rate on a line of business shall remain in effect without change for a period of at least twelve (12) months.
- D. Policies which are determined to be uncollectible 45 days after due date, whether direct bill, audit or returned to Company if agency bill, shall not be subject to commission.
- E. Agent shall refund pro rata to Company the commission on canceled insurance and on reductions in premiums including audit premiums at the same rate at which commissions were originally allowed to Agent.
- F. Company may at any time apply commission if may owe Agent as an offset upon any outstanding account balance which has not been remitted to Company in accordance with Section 5(D)(2) below.
- G. With respect to noncancelable or guaranteed renewable policies of insurance, Agent shall be entitled to commissions on renewal to the extent required by law unless Agent (1) fails to preserve his right under the law to receive premiums, (2) commits any fraudulent or other illegal act which shall be a breach of this Agreement, (3) fails to transmit to Company within the time period provided therefor, premiums collected by Agent, (4) Agent is in default or violation of this Agreement for any other reason, or (5) is replaced as "Agent of Record" in writing to Company from the insured; provided, however, that commissions in effect at the commencement of the policy period during which such notice is received by Company shall continue to be paid for the remainder of that policy period.
- H. Assignment of commissions shall not bind the Company without its prior written consent.
- I. Rates of commission for new lines of insurance announced by Company and not provided for in the Commission Schedule shall be those rates stated in Company announcements.

4. Direct-Billed Policies

On business placed by Agent with Company as direct-billed, the following provisions apply:

- A. Except where otherwise agreed by Company, Agent agrees to collect and remit to Company initial premium, together with the completed application/declaration, within the time period set forth in the established Company procedure, if received in hand from Insured.
- B. Agent is not responsible to Company for bad checks written by insureds for the initial premium obligation when accepted in good faith by Agent.
- C. Company may, at its sole discretion, assume responsibility for billing and collecting the initial premium when existing business of Agent is transferred to a Direct-Bill Program of Company.
- D. Company shall bill all renewal or adjustment premiums direct to the Insured or to a designated lending institution, or service agency, holding premiums in escrow or reserve. These premiums are payable to Company in gross.
- E. Commissions on direct-billed premiums shall be paid to the Agent within fifteen (15) days after the end of the month in which the premiums are booked and recorded by the Company, provided that any required deposit premium on new and renewal business has been actually received by Company, with the exception of audit premiums. Commissions on audit premiums will be paid upon the Company's collection of the audit premium except that no commission shall be paid to Agent on any audit premium which is not paid to Company within 45 days of the billing date of any audit premium. Any business billed direct to the Insured by the Company and for which an Agent receives the premium payment shall be promptly paid gross to the Company, properly identified as to policy, without deduction for commissions.
- F. Company shall clearly and prominently identify Agent by name when transmitting policies, endorsements, premium notices and other communications to policyholders. Company shall promptly provide Agent with advance notification of all communications with a policyholder, except where Company has exercised its rights under Section 2(B) of this contract.
- G. In the event of termination of this Agreement, provided Agent is not in default, Company will, at Agent's request, furnish a list of policyholders, with the expiration dates of the policies.

5. Agent-Billed Policies

- A. Agent is authorized and expected to collect premium on binders and policies not billed to insureds directly by Company, and to remit net balances to Company in accordance with the current Commission Schedule. It is expressly understood that all premiums collected by Agent are trust funds, that these premiums are the property of Company, that Agent has no interest in premiums collected and that Agent shall make no deductions or expenditures from these monies before paying Company (except for commissions as agreed upon which are to be deducted and retained by Agent). Such trust funds shall be maintained in a specially segregated account from

Agent's personal funds and shall be designated as a "trust fund" account, where required by law or regulation. Upon request of Company, Agent will promptly furnish to Company the account number and the name of the financial institution where the trust fund is held.

- B. Premiums that have been determined by audits, adjustments for retrospectively rated policies, and interim audit reports will be fully earned. Agent should exert due diligence in an attempt to collect such premiums, but will be relieved of responsibility for the premium provided Company is notified in writing within 45 days from audit declaration or date of billing that the premiums could not be collected. If Agent fails to notify Company, Agent shall be responsible to pay the premium. No commissions will be allowed on premiums collected directly by Company under this provision.
- C. Failure of Company to bill Agent for any item will not relieve Agent of responsibility to pay the amount due.
- D. Agent and Company shall comply with the following accounting procedure on business, other than direct-billed business, placed by Agent with Company:
 1. Itemized statements of money due shall be prepared monthly by Company or, when mutually agreed, by Agent and sent to Agent or Company, whichever is applicable, no later than the fifteenth (15th) day of the month.
 2. The balance shown on the statement due Company, or due Agent, shall be payable no later than 45 days after the end of the account month for which the statement was prepared.
 3. Agent is authorized to advance premiums on behalf of policyholders, in which event Agent accepts full responsibility for such premiums. However, except as set forth in Section 5(B), above, Agent assumes full responsibility for payment to Company of all premiums less commissions on all contracts of insurance placed with Company through Agency, whether or not such premiums are collected from the policyholder.
- E. In addition to any other action permitted under this Agreement, Company reserves the right to direct bill all renewals if Agent fails to pay Company as required herein.

6. Hold Harmless

- A. Company shall indemnify and hold Agent harmless against all civil, administrative or other non-criminal liability, including attorney fees and costs of investigation and defense incident thereto, arising as a direct result of:
 1. Company error or omission in the preparation, handling, or billing of direct-billed business or any other business placed by Agent with Company, except to the extent that Agent has caused or contributed to such error or omission;

2. Failure of any insured to receive notice of cancellation, nonrenewal, or any other notice affecting coverage on direct-billed business, where such notices are sent directly to the insured by Company;
3. Any action or inaction of Agent, within the scope of Agent's Actual authority, based on Agent's use of forms supplied by Company or following of instructions, procedures or other underwriting information provided by Company, except to the extent that Agent has caused or contributed to any such action or inaction;
4. Damages sustained by any person or entity as a result of information furnished by Agent to Company unless Agent knowingly furnished false information;
5. Any Company act or omission in investigating, settling, or paying claims.

- B. Agent shall promptly notify Company when Agent receives notice of any claim or the commencement of any action relating to such liabilities, and Company shall be entitled, but not obligated, to participate in such action or to assume the defense of any such action at its expense. If Company assumes the defense of any such action, it shall not be liable to Agent for any legal or other expenses subsequently incurred by Agent in connection with such action absent Company's advance written approval of such expenses.

7. Suspension of Authority

In the event of premium or accounting delinquency or any other violation by Agent of the provisions of this Agreement, or for Company-determined underwriting reasons, Company shall notify Agent that, effective immediately, all authority of Agent to bind or write any new business is suspended. Said notice shall be in writing if at all practicable and shall state the reasons therefor. However, in all other respects, Agent's and Company's rights and obligations under this Agreement will remain in full force and effect.

8. Agency Sale or Transfer

Agent agrees to give notice to Company of any sale, transfer, merger, consolidation or change of control of Agent's business or assets as soon as practicable in advance of the effective date of the transaction. Upon receipt of this notice, Company may, in its sole discretion:

1. Execute a new Agreement with the successor, or
2. Take no action, in which case this Agreement is automatically terminated as provided in Section 9(A)(2).

9. Termination of Agreement

- A. Except as may otherwise be required by state law or regulation, this Agreement shall terminate:

1. Automatically and immediately without notice if any public authority suspends, cancels or declines to renew Agent's license or Certificate of Authority.
 2. Automatically on the effective date of the sale, transfer, merger, consolidation or change of control of Agent's business or assets unless Company has entered into a new Agreement as provided in Section 8.
 3. Upon either party giving at least ninety (90) days advance written notice to the other.
 4. At any time by mutual agreement.
 5. Immediately upon either party giving written notice to the other in the event of abandonment, fraud, insolvency, nonpayment of accounts, including three (3) late payments of account in any consecutive six (6) months period, or gross and willful misconduct on the part of such other party.
- B. Company may, in its sole discretion, agree to try to rehabilitate Agent in an effort to assist Agent in avoiding termination.

10. After Termination

Except as may otherwise be required by state law or regulation:

- A. Company shall continue unexpired policies in force until expiration, subject to earlier termination in accordance with Company's underwriting standards.
- B. Company will renew only those expiring policies which meet Company's then-current underwriting standards.
- C. Following termination of this Agreement, Agent will endeavor to renew all policies with other companies as they expire.
- D. With respect only to the limited purpose of servicing policies continued in force or renewed after the termination of this Agreement, Agent shall continue to be the duly authorized representative of Company, subject to all of the provisions of this Agreement, except that Agent shall not, without prior approval of Company, such approval not to be unreasonably withheld, bind any new risk or increase or extend Company's liability thereunder, or alter the terms of any such policy.
- B. In the event of any termination of this Agreement, Company and Agent obligate themselves for payment of such funds to one another as would have been required had this Agreement remained in effect.

11. Arbitration

accounts, the parties shall make every effort to meet and settle their dispute in good faith informally. If the parties cannot agree on a written settlement to the dispute within fourteen (14) days after it arises, or within a longer period agreed upon by the parties, then with the mutual agreement of both parties the matter in controversy may be settled by arbitration, in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction.

- B. The parties will agree to submit the dispute to one arbitrator, chosen impartially by the American Arbitration Association.
- C. The determination of the arbitrator shall be final and binding on all parties, provided such determination is made in writing and signed by the arbitrator. Where arbitration results in an award, such award shall include interest at the legal rate of the jurisdiction in which the award is made, but in no event greater than ten percent (10%) per annum running from the date when the amount that is the subject of the award first became due.
- D. The costs of arbitration shall be borne equally by the parties, provided, however, that the arbitrator may assess one party more heavily than the other for these costs upon a finding that the party did not make a good faith effort to settle the dispute informally when it first arose.

12. Amendment

- A. This Agreement may be amended in writing at any time upon mutual agreement of Agent and Company. Except as set forth in Section 3(B) above, Company agrees that it will furnish Agent at least ninety (90) days advance written notice of its intent to make any change to this Agreement.
- B. Any provisions of this Agreement which conflict with applicable law or regulation will be amended to the minimum extent necessary to effect compliance with such law or regulation.
- C. Notwithstanding the above, Company retains the right unilaterally, upon written notice, to change the amount of or to revoke Agent's claims draft authority, to modify in any manner any of Company's underwriting rules, rates or guidelines or its claim settlement practices and procedures as set forth from time to time in its manuals or to revise any of its administrative procedures governing Company's business relationship with Agent.

13. Miscellaneous Provisions

- A. This Agreement supersedes all previous Agent-Company Agreements, including any amendments thereto, whether written or oral, between Company and Agent and will remain in force and effect until suspended or terminated as provided herein.
- B. All unused supplies, including policy forms, powers of attorney, stamps, and other property furnished to Agent by Company will remain the property of Company and will be promptly returned to Company upon demand.
- C. All premium and loss exhibits provided to Agent will include credits for salvage and subrogation recoveries.
- D. Agent has no authority to admit liability on the part of Company in any manner except in accordance with specific claim settlement authority extended to Agent in writing.
- E. Agent represents and warrants that it, and its employed agents performing under this Agreement on Company's behalf, have all necessary and requisite authority to perform the functions delegated to it in this Agreement. "Authority" shall mean written consents, authorizations, licenses, certificates of authority and/or permits.
- F. Failure of Company to declare promptly a default for breach of any of the terms and conditions hereof shall not be construed as a waiver of said terms and conditions or estop Company from thereafter demanding full and completed compliance therewith.
- G. Company agrees to furnish Agent, upon reasonable request, a complete list of existing policies placed by Agent with Company.
- H. Company shall have access at all reasonable times to Agent's books and records for the purpose of determining any fact relating to money due Company's business.
- I. This Agreement and any amendments, schedules and exhibits which may be attached hereto constitute the entire agreement between Company and Agent and no other written or oral statement, representation, promise or agreement, whether made prior, contemporaneous or subsequent to the effective date of this Agreement, shall be binding upon either party.
- J. If any provision of this Agreement is held to be invalid or unenforceable under the laws or regulations of any jurisdiction which may govern this Agreement, such invalidity or unenforceability shall not affect any other provision of this Agreement.

In Witness Whereof, the parties hereto have caused their duly authorized representatives to execute this Agreement.

AGENT:
(If corporation, authorized officer must sign)

COMPANY (ies) designated above

South Carolina Agent Network

Agent Name

[Signature] 12/16/2003
By Date

President
Title

[Signature]

Steve Pullwood, CIC, CPCU

By Date

President and CEO

Title

Safeco Insurance**SAFECO
PROPERTY AND CASUALTY INSURANCE
AGENCY AGREEMENT**

This Agreement is executed by You and Us. "You" and "Your" refers to the individual or entity named on this contract. "We" and "Us" refers to the Companies you are appointed with as listed on this page.

1. This Agreement shall consist of this page and the pages identified by the following form numbers:

AM-1001 R3 01/98 and commissions for all states in which you are appointed at the rates specified in commission schedule accessible through www.safecow.com; these commission schedules supersede those mentioned in Section 6.4.

2. This Agreement applies only to those lines checked:

Safeco Personal Insurance

- ☒ All Products
☐ Preferred Auto
☐ Standard Auto
☐ Non-Standard Auto
☐ Specialty Lines
☐ Property

Safeco Business Insurance

- ☒ All Products
☐ Commercial Auto

3. In order to complete references made in other parts of this Agreement, the following information is supplied by You.

A. Premium Trust (referred to in paragraph 3.3.2):

(1) Bank in which account maintained _____

(2) Name of account _____ Account Number _____

4. You are authorized to represent the companies checked below in each state where 1) each company is authorized to do business and 2) where We have notified You that Your appointment with Us has been filed and approved by the appropriate state regulator, or You have provided Us with a copy of Your appropriate broker's license.

This supersedes all previous agreements and shall be effective December 16th 2006, but it shall
 (Month) (Day) (Year)
 not be effective earlier than the valid appointment date with the state You have indicated in the address below.

Executed this _____ day of _____
 (Day) (Month) (Year)

- ☒ Safeco Insurance Company of America
☒ General Insurance Company of America
☒ First National Insurance Company of America
☐ Safeco National Insurance Company
☐ Safeco Insurance Company of Illinois
☐ Safeco Lloyds Insurance Company
☐ Safeco Insurance Company of Oregon
☐ Safeco Insurance Company of Indiana
☒ American States Insurance Company
☒ American Economy Insurance Company
☐ American States Insurance Company of Texas
☐ American States Lloyds Insurance Company
☐ American States Preferred Insurance Company
☐ Insurance Company of Illinois

SOUTH CAROLINA AGENT NETWORK INC

Name of Agency

100 HENRY PL

Street Address

SPARTANBURG

SC

29306-3230

City

State

Zip

03-42-0744

Safeco Stat No.

39-36715

American States Stat No.

By: [Signature]
 Sales Manager

By: [Signature] President
 (Title)

AAI-1000 6/93

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PROPERTY & CASUALTY INSURANCE AGENCY AGREEMENT

("You" and "Your" refers to the individual or entity named on this contract. "We," "Us" and "Our" refers to the Companies You are appointed with as listed on the cover sheet.)

1.0 YOUR AUTHORITY

We grant You the following authority:

- 1.1 To receive, accept, and bind in any jurisdiction where You are properly licensed and where We have notified the state that You are Our agent, proposals for contracts of insurance and for fidelity bonds in such classes of risks and to such limits as We may from time to time authorize by letter of instruction, underwriting guide, binding guide, or other written instruction.
- 1.2 To countersign the kinds of insurance contracts to which this Agreement applies. Where countersignature by You of a new or renewal policy written by You is required by law, You authorize Us to countersign on behalf of You by any method authorized by applicable state statutes.
- 1.3 To collect, receive, and receipt for premiums on insurance placed with Us by You.

2.0 YOUR LIMITATIONS

- 2.1 You shall not bind Us on risks deemed unacceptable in accordance with Our underwriting standards as identified in Paragraph 1.1 and as supplemented from time to time.
- 2.2 To refrain from binding or writing policies of insurance when the object of the insurance is subject to unusually increased risk such as covering buildings for windstorm when storm warnings have been posted, or when a storm is in progress, or such as writing earthquake coverage on structures located in an area where a significant earthquake has occurred within the previous 10 days.
- 2.3 Your authority does not extend to the use of Our name or logo(s) in advertising or promotional materials without Our prior written consent.
- 2.4 You shall not authorize any other person or entity (except Your employees) to exercise any of Your authority described in this Agreement without prior written consent from Us.

3.0 AGENCY OPERATIONS

- 3.1 Documentation: You will forward to Us promptly, after coverage is bound or amended, copies of all evidence of insurance, or modifications thereof or applications therefor, effected by You.
- 3.2 Records — Inspection, Control, and Use:
 - 3.2.1 You will maintain a complete record of Your transactions with Us and with policyholders which shall be open to Our inspection at any time.
 - 3.2.2 You shall remain owners of the records and use and control of expirations, except as provided in Paragraph 8.1. If You abandon the business, ownership will vest in Us. Expirations shall consist of the exclusive right to own and use customer information generated or developed by You, including customer names, addresses, coverage terms and conditions in connection with the solicitation of renewal business.
- 3.3 Premium Collection and Transmittal
 - 3.3.1 Premiums collected on Our behalf are held by You in a fiduciary capacity. You have no interest in the premiums and, except for the amount of commissions authorized by Us to be deducted by You, You will make no deductions from or make personal use of such funds nor retain any such premiums as an offset against any disputed claim You may have against Us before paying the same to Us.
 - 3.3.2 You will establish and maintain a premium trust account in the federally insured bank or savings & loan designated on form AM-1000 (the first page) of this Agreement. You may not commingle premiums with other funds except with Our written permission. If state law permits, You may retain any interest earned on premiums while they are on

deposit in Your premium trust account. Such retention of interest earned creates no ownership interest on Your part in the premiums on deposit in the trust account. You shall remain liable for payment of such premiums until they are received by Us. You shall remain liable for loss which occurs by reason of default or failure of the bank in which the trust account is maintained.

3.4 Direct Bill Policies

3.4.1 Direct Billing:

You may request either agency billing or direct billing of Commercial policies. Personal policies are issued on a direct billing basis only. Each direct billing payment plan We offer requires an initial valid payment of amounts which will vary by plan. Valid payments include: cash; checks or electronic funds transfer honored by the appropriate financial institution; money orders; or other negotiable instruments approved in advance by Us.

3.4.2 When You submit an application for a policy to be billed on a Direct Bill basis, You assume full responsibility for collection and payment to Us of the required initial payment, without deduction of Your commission. If We do not receive the required initial payment from You or the Insured, We will send direct notice of cancellation to the Insured unless You furnish the evidence of cancellation We require.

3.4.3 If We must send notice of cancellation for non-payment of the initial valid payment, We will provide at least the number of days of coverage required by law prior to the effective date of cancellation. We will bill You for the earned premium for this coverage. If You do not pay Us the earned premium after We have billed You, We will deduct it from Your next commission check.

3.4.4 After the initial valid payment, We assume responsibility for billing and collecting from the Insured all subsequent renewal, installment, and endorsement premiums. We agree to compute and remit to You promptly following the close of each month the commissions We owe You, less the commissions You owe Us on return premiums, in accordance with the applicable schedule of commissions.

3.4.5 When Our direct billing plan provides for advance payment of commission and subsequent installments are not paid to Us by the Insured, We will cancel the policy for non-payment and deduct the unearned commission from Your next commission check.

3.4.6 If Your Direct Bill Commission statement indicates that You owe Us money, You agree to pay Us the full amount owed within 10 days of Your receipt of Your commission statement.

3.4.7 Commercial Direct Bill:

When You request one of the Commercial Direct Bill payment plans, You are responsible for the initial payment required by that plan unless We have agreed in writing to some other arrangement. If Your Insured pays the full term premium in advance of the month in which the policy becomes effective, We will pay You the commission on the policy on the next commission statement following the month in which the policy becomes effective.

3.4.8 Personal Direct Bill:

For the first policy period premium, Your application shall be accompanied by the initial valid payment required for the payment plan the Insured has selected, without deduction of Your commission. If Cash on Delivery (COD) is allowed in Your state and You request COD on the application, We will bill the Insured for the required initial payment, but Our doing so does not relieve You of Your responsibility for its payment. If We do not receive the required initial payment from You or from the Insured by 35 days from the inception date of the policy, We will send direct notice of cancellation to the Insured unless You furnish the evidence of cancellation which We require. You assume responsibility for collection and payment to Us for coverage provided on bound applications that You submit to Us but which are not eventually issued, unless You furnish the evidence of cancellation We require.

3.5 Agency Billed Policies

- 3.5.1 You agree to pay Us net premiums due on all insurance placed by or through You with Us not later than 45 days after the end of the month in which the business written becomes effective, whether such premiums are collected, collectible or otherwise, and to refund pro rata to Us commission on return premiums due or installment premiums uncollected at the same rate as that applicable to the commission originally allowed on such business. Our failure to bill You for an item shall not relieve You of the responsibility to pay for the item. If You are delinquent in either accounting or payment due Us, We may, by notice to You, suspend Your authority to write any new or renewal business or change any existing bonds. Payment of overdue amounts shall not automatically end the suspension, nor shall such suspension prevent termination of this Agreement.
- 3.5.2 You agree that on all policies of insurance You produce for Us to either finance the premium or collect it promptly.
- 3.5.3 If any interim or final premium developed by audit, or any additional premium resulting from an adjustment to a retrospective rated policy cannot be collected by You, We shall undertake direct collection and You shall not be responsible for such collection of such premium, provided:
 - A. You return the item to Us at the location where monthly premiums are paid by You with written notification that the item is being returned for direct collection. Your notification to Us must take place as soon as You perceive uncollectibility, but no later than 30 days after the issue date of the item; and
 - B. We shall not pay commission to You on such premiums which We may accept for direct collection.

3.6 Agency and Producer Licensing

3.6.1 Maintenance of License:

You will maintain a valid agency license with any state in which You represent Us. You will ensure that only persons who are licensed, and properly appointed by Us, act as agents for business produced by You for Us. You will notify Us within 3 business days of the employment or termination of any person appointed to represent Us. All licensed persons will comply with any continuing education requirements. If, as a result of Your failure to comply with these requirements, We are required to pay administrative penalties in any state, We shall advise You of the amount of the fine, and You will reimburse Us promptly.

4.0 SYSTEMS MASTER LICENSE

4.1 LICENSE GRANT:

- 4.1.1 You accept and agree that any automated systems (SYSTEMS) access We may supply to You or make available for Your use from time to time will be subject to and governed by the terms and conditions of the master SYSTEMS license contained in this Section 4.0. We grant You a license to access and use such SYSTEMS for the sole purpose of processing and conducting Our business on an electronic basis. You are authorized to use the SYSTEMS solely for such purpose.
- 4.1.2 We reserve the right to immediately terminate this master license and Your SYSTEMS access if You attempt to assign or transfer any rights in the SYSTEMS or otherwise provide any access to the SYSTEMS to another party.

4.2 WE AGREE:

- 4.2.1 To provide You with such access to the SYSTEMS as We, in Our sole discretion, deem reasonable and necessary for Your use of the SYSTEMS for the purpose described in paragraph 4.1.1 above.

- 4.2.2 To provide, upon Your request, a copy of data You have processed or generated through the SYSTEMS, to the extent that We can retrieve it from the SYSTEMS.

4.3 YOU AGREE:

- 4.3.1 To purchase, lease or otherwise provide terminal(s) or other computer equipment We have approved as reasonably suitable to access and use the SYSTEMS to electronically process Our business.
- 4.3.2 To use the SYSTEMS to process Our business according to Our reasonable instructions.
- 4.3.3 To be available and to make Your personnel available for education and training in the use of the SYSTEMS as We reasonably require.
- 4.3.4 To compile, maintain and keep all records as required by law to be maintained by agents or brokers, irrespective of any records the SYSTEMS produce or generate, and to make such records available to Us upon request.

5.0 CONFIDENTIALITY

- 5.1 You agree not to disclose to third parties without Our prior written permission any of Our confidential and proprietary information, including but not limited to loss information (such as reserve amounts and loss control reports or audits), security information (such as computer passwords and identification codes), or information concerning the SYSTEMS (such as codes and any operating instructions for the SYSTEMS). Your agreement and obligation to safeguard the confidentiality of such information will survive the termination of this Agreement and the master license. In the event that You become, or believe You may be, subject to a court order requiring the disclosure of any of Our confidential and proprietary information to a third party, You agree to provide Us as much notice as possible so that We may intervene and seek appropriate relief from the court.
- 5.2 We agree not to disclose to third parties without Your prior written permission any of Your confidential and proprietary information, including customer lists, agency production, loss history and agency payment history. Our agreement and obligation to safeguard the confidentiality of such information will survive the termination of this Agreement and the master license.
- 5.3 We both agree that neither of us will disclose to third parties without Your customer's written permission any confidential customer information, including but not limited to customer names, addresses, telephone numbers, property descriptions, policy limits and coverage types, billing and payment history, driving records and other loss information, except to the extent that such disclosure is, in Our sole judgment, part of the business of insurance or in connection with any governmental or bureau reporting either of us is required to make.
- 5.4 Publicly available information, including but not limited to rating plans filed with government regulators and policy forms filed with government regulators, is not subject to our non-disclosure agreement in this section.
- 5.5 This non-disclosure agreement shall not prevent maintenance of proprietary and confidential information in a single Customer Information File used by the SAFECO group of companies.

6.0 COMPENSATION

- 6.1 Commissions paid to You or retained by You according to the schedule of commissions shall be Your sole and full compensation on such business placed with Us and that such commissions are payable in consideration of Your faithful performance of Your duties and obligations as set forth in this Agreement.
- 6.2 Any undistributed commission or other funds of Yours that We hold may be applied at any time to, and as an offset on, any due and unpaid obligation of Yours to Us.
- 6.3 You shall not assign Your right to receive commission for any purpose, e.g., to provide collateral for a loan, without prior written consent from Us.

- 6.4 While this Agreement is in effect, You and We agree that commissions shall be paid to You for the lines of business and products You write, according to the commission schedule attached to this Agreement. The commission schedule may be changed by Us, with notice to You as required by state law, or by mutual written agreement between You and Us.
- 6.5 No commission will be generated by any additional or return premium from an adjustment to a retrospective rated policy.
- 6.6 If Our Electronic Funds Transmission Program for payment of Your commissions is available to You, and You choose to participate in it, funds will be transmitted to Your account under the terms of the Program then in effect.

7.0 AGENCY SALE OR TRANSFER

- 7.1 You agree to give 30 days advance notice to Us of any sale or transfer of Your business or its consolidation with another firm in order that We may, at Our election, either assign this Agreement to the successor organization or terminate it according to Section 8.0 of this Agreement.

8.0 TERMINATION

- 8.1 We agree that in the event of termination of this Agreement, and provided that You have in accordance with the terms of this Agreement accounted for and paid over all premiums and other sums for which You may be liable to Us and are not otherwise in default on this Agreement, Your records and use and control of expirations shall remain Your property and be left in Your undisputed possession. If You have not paid amounts You owe to Us within 60 days following the termination of this Agreement, the ownership of the records and the use and control of the expirations shall vest exclusively in Us and You shall immediately thereafter forward all such records to Us.
- 8.2 This Agreement shall terminate:
 - A. Automatically on the date any public authority cancels or declines to renew Your license or certificate of authority or all of Our applicable companies surrender or lose Our certificate(s) of authority in Your state; or
 - B. Immediately upon either party giving written notice to the other in the event of abandonment, fraud, insolvency or gross and willful misconduct on the part of such other party; or
 - C. Upon either party giving the other 90 days advance written notice (or longer if required by law). If You have represented Us for more than 3 years and have reached the minimum level of production for either personal or commercial lines as specified in the Profit Plus Bonus Commission Agreement in effect at the date of termination, a period of rehabilitation may be established if both of us agree. A separate agreement between You and Us for the rehabilitation period will specify what must be done to avoid termination.
- 8.3 Effective upon receipt of the notice of termination, Your authority to solicit, bind, execute, and countersign contracts of insurance and fidelity bonds on Our behalf shall cease.
- 8.4 You will use Your best efforts to replace all the policies You have placed with Us with policies of other insurers. We will provide You a listing of policies to assist You in this effort.
- 8.5 We will advise You of the date, as permitted by law, when We will begin nonrenewing Your accounts. We reserve the right to cancel or nonrenew policies in force in accordance with Our underwriting standards or practices.
- 8.6 With respect to policies remaining in force after termination, You shall have such limited authority to act on Our behalf as We set forth in written instruction provided with the notice of termination or thereafter.
- 8.7 Unless required by law, We will not pay You commission on business written or renewed after the effective date of the termination of this Agreement. If We are required by law to have You continue to provide service to insureds after this Agreement has been terminated, We will pay You a service fee of three percent of premiums written (or such commission as required by

law) after the date of termination of this Agreement as full compensation for such service. Such payments will be made at the end of each calendar quarter and shall be computed based on company records.

9.0 SUSPENSION

Your binding authority shall be suspended:

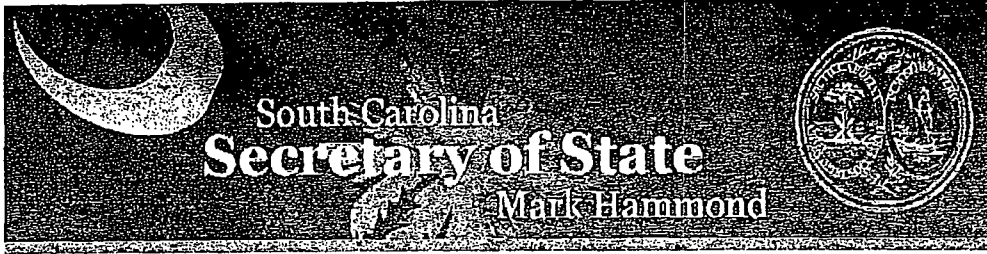
- 9.1 Automatically on the effective date of the sale or transfer of Your business or its consolidation with another firm, unless We were notified in writing and agreed to the sale or consolidation.
- 9.2 Automatically for any owner, officer, manager, or other employee whose license or certificate of authority has been terminated or nonrenewed by a public authority.
- 9.3 Upon written notification of such suspension by the appropriate regional manager, branch manager, or marketing manager for Your state for non-payment of premiums or other reasons.

10.0 INDEMNIFICATION

- 10.1 We will defend and indemnify You against liability, including costs of defense and settlements, imposed on You by law for damages sustained and caused solely by Our acts or omissions, provided You have not caused or contributed to such liability by Your own acts or omissions. You agree as a condition of such indemnification to notify Us promptly of any claim or suit against You and to allow Us to make such investigation, settlement or defense, of the claim or suit. We agree to notify You promptly of any claim or suit against You.
- 10.2 You agree to defend and indemnify Us against liability to the extent You would be liable under common law, including cost of defense and settlement, imposed upon Us when caused solely by Your acts or omissions in violation of the terms of this Agreement.

11.0 GENERAL PROVISIONS

- 11.1 We are not responsible for Your expenses, license fees, non-resident appointment fees or taxes.
- 11.2 Any supplies, manuals or software We furnish to You shall remain Our property and You will return them to Us upon Our request.
- 11.3 You are not Our employee, nor shall anything contained in this Agreement be construed to create an employee-employer relationship between You and Us or between Your sub-agents and Us.
- 11.4 This Agreement supersedes all prior agreements between us.
- 11.5 Changes to this Agreement shall be by mutual written agreement.
- 11.6 This Agreement shall be subject to and construed under the laws of the State of Washington. If any provision of this Agreement is found to violate the laws of the United States or the state in which enforcement is sought, it is agreed that such provision shall not invalidate the entire Agreement, but the Agreement shall be construed as if it does not contain the invalid provision.
- 11.7 All notices to You shall be sent to Your address shown on the cover page of this Agreement (AM-1000). All notices to Us shall be sent to Our local office to the attention of Our Marketing Manager. Either of us may change their address under this paragraph by giving the other written notice of the new address.

**SOUTHERN RISK INSURANCE SERVICES, LLC**

*Note: This online database was last updated on 2/2/2014 6:01:29 PM.
See our Disclaimer.*

DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION	SOUTH CAROLINA
/ ORGANIZATION:	Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	JESSE A. DANTICE
ADDRESS:	106 STRATTON LANE
CITY:	ANDERSON
STATE:	SC
ZIP:	29621
SECOND ADDRESS:	

FILE DATE:	05/17/2004
EFFECTIVE DATE:	05/17/2004
DISSOLVED DATE:	//

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Domestic LLC	05/17/2004	DOMESTIC LIMITED LIABILITY CO(5/17/2054)	

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Agency Demographics & License Information

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Agency Demographics

? Agency Name: SOUTHERN RISK INSURANCE SERVICES, LLC
? SC Agency Code: 168774
? Business Address: 1007 Crestview Road
Anderson, SC29621
? Mailing Address: 1007 Crestview Rd.
Anderson, SC29621

Agency Links

[View Licensed
Individuals](#)

Contact Information

? Phone Number: 884-231-0793 ☎
? Toll Free Phone Number:
? Fax Number: 884-231-0793 ☎

Other Information

? Web Address:
? Organization Type: LLC
? Date Organized: : 05/17/2004

License Information

? License Effective Date: - 02/07/2007
? License Status: Active
? Renewal Status: Renewed (For the year 2014)

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Individual Demographics & License Information

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Individual Demographics

? Individual Name: JESS A DANTICE
 ? Individual Number: 210634
 ? Individual Status: Active
 ? City, State: ANDERSON, SC
 ? Business Phone: 864-231-0793
 ? Fax Number: 864-231-0797
 ? Business Email Address: jd@sorisk.com
 ? Business Web Address: www.sorisk.com
 ? CE Status & Year: QF 2013
 ? Producer CE Exemption Status & Year:

License Information

License Type ?	Status ?	Effective Date ?	Lapse/Cancel Date ?	Authorities ?
<u>Producer</u>	Active	04/01/1998		19 - Life - Exam Passed 21 - Accident/Health - Exam Passed 22 - Property - Exam Passed 23 - Casualty - Exam Passed
<u>Surplus Lines Broker</u>	Active	11/10/2008		22 - Property - Exam Passed 23 - Casualty - Exam Passed

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Licensed Individuals Associated with the Agency

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7 Agency Name: SOUTHERN RISK INSURANCE SERVICES, LLC

7 Agency Code: 168774

Results Found: 1

Results Shown: 1-1

Name	Individual Number	Status
<u>DANTICE, JESS A</u>	210834	Active

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[Home](#) | [SCDOI Online Services](#) | [Search SCDOI Database](#) | [Contact Us](#)[SCDOI Online Services](#)**Individual License Details**[SCDOI Connect Login](#)**General Information**

? Individual Name: JESS A DANTICE
 ? License Type: Producer
 ? License Status: Active
 ? Renewal Status: Renewed (For the year 2013 to 2015)
 ? SC Resident: Yes
 ? Effective Date: 04/01/1998
 ? Qualifications: 19 - Life - Exam Passed
 21 - Accident/Health - Exam Passed
 22 - Property - Exam Passed
 23 - Casualty - Exam Passed
 ? Permanent License: Yes
 ? Temporary Lic Exp Date:

Appointment Information

Appointment Type ?	Status ?	Effective Date ?	Lapse/Cancel Date ?	Authorities ?	Appointing Company ?
Local	Active	01/21/2009		22 - Property - Exam Passed 23 - Casualty - Exam Passed	153165-ACADIA INSURANCE COMPANY
Local	Active	05/30/2007		23 - Casualty - Exam Passed	168514-ACCIDENT FUND GENERAL INSURANCE COMPANY
Local	Active	05/30/2007		23 - Casualty - Exam Passed	148036-ACCIDENT FUND INSURANCE COMPANY OF AMERICA
Local	Active	05/30/2007		23 - Casualty - Exam Passed	168510-ACCIDENT FUND NATIONAL INSURANCE COMPANY
Local	Inactive	11/20/2004	10/28/2007		101110-ALL AMERICA INS CO
Local	Active	02/26/2009		22 - Property - Exam Passed 23 - Casualty - Exam Passed	185983-ALLIED PROPERTY AND CASUALTY INSURANCE COMPANY
Local	Active	02/26/2009		22 - Property - Exam Passed 23 - Casualty - Exam Passed	185956-AMCO INSURANCE COMPANY
Local	Inactive	05/08/2002	01/27/2005		100231-AMERICAN AND FOREIGN INS CO
Local	Inactive	10/02/2006	08/24/2010		101192-AMERICAN CASUALTY CO OF READING PA
Local	Active	03/22/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100498-AMERICAN ECONOMY INS CO
General	Active	10/08/2008		22 - Property - Exam Passed 23 - Casualty - Exam Passed	101090-AMERICAN FIRE AND CASUALTY COMPANY
Local	Active	09/13/2012		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100622-AMERICAN INTERSTATE INSURANCE COMPANY
Local	Inactive	10/25/2002	08/19/2003		100415-AMERICAN MANUFACTURERS MUTUAL INS CO
Local	Active	05/08/2011		22 - Property - Exam Passed 23 - Casualty - Exam Passed	101105-AMERICAN MODERN HOME INS CO
Local	Active	06/08/2011		22 - Property - Exam	161310-AMERICAN MODERN SELECT INSURANCE

				Passed 23 - Casualty - Exam Passed	COMPANY
<u>Local</u>	Inactive	10/25/2002	08/19/2003		100366-AMERICAN MOTORISTS INS CO
<u>Local</u>	Inactive	10/25/2002	08/19/2003		100402-AMERICAN PROTECTION INS CO
<u>Local</u>	Active	08/27/2012		22 - Property - Exam Passed 23 - Casualty - Exam Passed	151458-AMERICAN SELECT INSURANCE COMPANY
<u>Local</u>	Active	06/08/2011		22 - Property - Exam Passed 23 - Casualty - Exam Passed	166386-AMERICAN SOUTHERN HOME INSURANCE COMPANY
<u>Local</u>	Active	03/22/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100497-AMERICAN STATES INS CO
<u>Local</u>	Inactive	08/17/2000	09/30/2004		100499-AMERICAN STATES LIFE INS CO
<u>Local</u>	Active	05/11/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	145931-ANSUR AMERICA INSURANCE COMPANY
<u>Local</u>	Inactive	05/06/2002	11/03/2006		100230-ARROWOOD INDEMNITY COMPANY
<u>Local</u>	Inactive	12/07/2009	12/10/2009		152911-ASSOCIATION INSURANCE COMPANY
<u>Local</u>	Inactive	04/01/1998	07/26/2004		100968-ASSURANCE COMPANY OF AMERICA
<u>Local</u>	Inactive	08/09/2010	02/08/2012		100786-ATHENE ANNUITY & LIFE ASSURANCE COMPANY
<u>Local</u>	Inactive	08/12/2002	09/27/2004		100690-AUTO-OWNERS INSURANCE COMPANY
<u>Local</u>	Active	04/14/2011		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100171-AUTOMOBILE INS CO OF HARTFORD CONN
<u>Local</u>	Active	04/03/2007		19 - Life - Exam Passed	100949-BANNER LIFE INSURANCE COMPANY
<u>Local</u>	Active	11/14/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100868-BERKSHIRE HATHAWAY HOMESTATE INSURANCE COMPANY
<u>Local</u>	Active	08/25/2009		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100371-BITUMINOUS CASUALTY CORP
<u>Local</u>	Active	08/25/2009		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100381-BITUMINOUS FIRE AND MARINE INS CO
<u>Local</u>	Active	10/12/2008		23 - Casualty - Exam Passed	142230-BRIDGEFIELD CASUALTY INSURANCE COMPANY
<u>Local</u>	Active	04/12/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100703-BRISTOL WEST INSURANCE COMPANY
<u>Local</u>	Inactive	12/13/2005	10/03/2006		144013-BUILDERS MUTUAL INS CO
<u>Local</u>	Inactive	11/20/2004	10/28/2007		101086-CENTRAL MUTUAL INS CO
<u>Local</u>	Inactive	01/13/2008	12/09/2009		100165-CHARTER OAK FIRE INS CO
<u>Local</u>	Inactive	08/21/2003	04/03/2007		100417-CHASE INSURANCE LIFE AND ANNUITY COMPANY
<u>Local</u>	Inactive	06/04/2002	07/16/2004		101009-CHUBB INDEMNITY INSURANCE COMPANY
<u>Local</u>	Inactive	10/09/2004	10/11/2005		101113-CINCINNATI CASUALTY COMPANY, THE
<u>Local</u>	Inactive	10/08/2004	10/11/2005		101144-CINCINNATI INDEMNITY COMPANY, THE
<u>Local</u>	Inactive	10/09/2004	10/11/2005		101108-CINCINNATI INS CO
<u>Local</u>	Inactive	10/06/2004	10/11/2005		101140-CINCINNATI LIFE INSURANCE COMPANY, THE
<u>Local</u>	Active	03/28/2009		19 - Life - Exam Passed 21 - Accident/Health - Exam Passed	101279-COLONIAL LIFE & ACCIDENT INS CO

<u>Local</u>	Inactive	08/13/2002	07/20/2004		101180-COLONY SPECIALTY INSURANCE COMPANY
<u>Local</u>	Inactive	06/07/2002	07/15/2004		101318-COMPANION COMMERCIAL INSURANCE COMPANY
<u>Local</u>	Inactive	08/06/2002	07/15/2004		101301-COMPANION PROPERTY AND CASUALTY INSURANCE COMPANY
<u>Local</u>	Inactive	09/01/2002	01/27/2005		100184-CONNECTICUT INDEMNITY CO
<u>Local</u>	Inactive	11/10/2008	08/24/2010		100378-CONTINENTAL CASUALTY CO
<u>Local</u>	Inactive	11/10/2008	08/24/2010		100883-CONTINENTAL INSURANCE COMPANY (THE)
<u>Local</u>	Active	10/12/2010		22 - Property - Exam Passed 23 - Casualty - Exam Passed	157185-CONTINENTAL WESTERN INSURANCE COMPANY
<u>Local</u>	Active	08/02/2008		22 - Property - Exam Passed 23 - Casualty - Exam Passed	101488-DAIRYLAND INS CO
<u>Local</u>	Active	02/28/2009		22 - Property - Exam Passed 23 - Casualty - Exam Passed	165981-DEPOSITORS INSURANCE COMPANY
<u>Local</u>	Inactive	08/01/2002	12/31/2002		100207-EMPLOYEE BENEFITS INSURANCE COMPANY
<u>Local</u>	Inactive	06/04/2002	07/16/2004		100266-EXECUTIVE RISK INDEMNITY, INC.
<u>Local</u>	Inactive	01/13/2006	12/09/2009		100184-FARMINGTON CASUALTY CO
<u>Local</u>	Active	01/23/2008		22 - Property - Exam Passed 23 - Casualty - Exam Passed	142008-FCCI INSURANCE COMPANY
<u>Local</u>	Inactive	08/04/2002	07/18/2004		100481-FEDERAL INSURANCE COMPANY
<u>General</u>	Active	05/26/2010		23 - Casualty - Exam Passed	172597-FHM INSURANCE COMPANY
<u>Local</u>	Inactive	08/01/2002	01/27/2005		100168-FIRE AND CASUALTY INS CO OF CONNECTICUT
<u>Local</u>	Active	10/12/2010		22 - Property - Exam Passed 23 - Casualty - Exam Passed	149870-FIREMEN'S INSURANCE COMPANY OF WASHINGTON, D.C.
<u>Local</u>	Active	03/22/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	101460-FIRST NATIONAL INS CO OF AMERICA
<u>Local</u>	Inactive	08/09/2008	09/22/2008		163111-FIRSTCOMP INSURANCE COMPANY
<u>Local</u>	Active	02/10/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100697-FOREMOST INSURANCE COMPANY GRAND RAPIDS, MICHIGAN
<u>Local</u>	Active	05/11/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	143503-FRANKENMUTH MUTUAL INSURANCE COMPANY
<u>Local</u>	Inactive	04/13/2007	11/23/2009		100779-GENERAL AMERICAN LIFE INS CO
<u>Local</u>	Active	03/22/2007		22 - Property - Exam Passed 23 - Casualty - Exam Passed	101459-GENERAL INS CO OF AMERICA
<u>Local</u>	Inactive	12/28/2007	07/19/2010		101446-GENWORTH LIFE AND ANNUITY INSURANCE COMPANY
<u>Local</u>	Inactive	12/28/2007	07/19/2010		100225-GENWORTH LIFE INSURANCE COMPANY
<u>Local</u>	Inactive	05/06/2002	01/27/2005		100229-GLOBE INDEMNITY CO
<u>Local</u>	Active	11/14/2007		19 - Life - Exam Passed 21 - Accident/Health - Exam Passed	100431-GOLDEN RULE INS CO
<u>Local</u>	Active	11/02/2009		22 - Property - Exam Passed 23 - Casualty - Exam Passed	102228-GRANGE MUTUAL CASUALTY CO

<u>Local</u>	Inactive	04/14/1999	10/24/2005		100025-GREAT AMERICAN ALLIANCE INSURANCE COMPANY
<u>Local</u>	Inactive	04/14/1999	10/24/2005		101107-GREAT AMERICAN ASSURANCE COMPANY
<u>Local</u>	Active	08/22/2012		22 - Property - Exam Passed 23 - Casualty - Exam Passed	101094-GREAT AMERICAN INS CO
<u>Local</u>	Inactive	04/14/1999	10/24/2005		100943-GREAT AMERICAN INSURANCE COMPANY OF NEW YORK
<u>General</u>	Active	05/23/2013		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100722-GREAT MIDWEST INSURANCE COMPANY
<u>Local</u>	Inactive	08/04/2002	07/16/2004		100743-GREAT NORTHERN INS CO
<u>General</u>	Active	03/28/2013		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100227-GUARANTEE INSURANCE COMPANY
<u>Local</u>	Inactive	04/24/2009	09/20/2010	22 - Property - Exam Passed 23 - Casualty - Exam Passed	100593-GUIDEONE AMERICA INSURANCE COMPANY
<u>Local</u>	Inactive	04/24/2009	01/04/2013		100592-GUIDEONE ELITE INSURANCE COMPANY
<u>Local</u>	Inactive	04/24/2009	01/04/2013		100560-GUIDEONE MUTUAL INSURANCE COMPANY
<u>Local</u>	Inactive	04/24/2009	01/04/2013		100546-GUIDEONE SPECIALTY MUTUAL INSURANCE COMPANY
<u>Local</u>	Inactive	07/08/2002	05/28/2005		101181-HALLMARK NATIONAL INSURANCE COMPANY
<u>Local</u>	Active	03/23/2010		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100755-HARLEYSVILLE INSURANCE COMPANY
<u>Local</u>	Active	03/23/2010		19 - Life - Exam Passed 21 - Accident/Health - Exam Passed	101216-HARLEYSVILLE LIFE INS CO
<u>Local</u>	Inactive	03/23/2010	05/11/2012		101206-HARLEYSVILLE MUTUAL INS CO
<u>Local</u>	Active	03/23/2010		22 - Property - Exam Passed 23 - Casualty - Exam Passed	101241-HARLEYSVILLE PREFERRED INSURANCE COMPANY
<u>Local</u>	Active	03/23/2010		22 - Property - Exam Passed 23 - Casualty - Exam Passed	188418-HARLEYSVILLE WORCESTER INSURANCE COMPANY
<u>Local</u>	Inactive	04/24/2002	09/30/2008		100159-HARTFORD ACCIDENT AND INDEMNITY CO
<u>Local</u>	Inactive	04/24/2002	10/21/2008		100523-HARTFORD CASUALTY INSURANCE COMPANY
<u>Local</u>	Inactive	04/24/2009	05/18/2010		100150-HARTFORD FIRE INS CO
<u>Local</u>	Inactive	04/24/2002	12/05/2008		100518-HARTFORD INS CO OF THE MIDWEST
<u>Local</u>	Inactive	04/24/2002	09/30/2008		100190-HARTFORD UNDERWRITERS INSURANCE COMPANY
<u>General</u>	Active	05/23/2013		22 - Property - Exam Passed 23 - Casualty - Exam Passed	100268-IMPERIUM INSURANCE COMPANY
<u>Local</u>	Inactive	10/25/2002	08/19/2003		100363-LUMBERMENS MUTUAL CASUALTY CO
<u>Local</u>	Inactive	04/01/1998	07/26/2004		100629-MARYLAND CASUALTY CO
<u>Local</u>	Inactive	04/13/2007	11/23/2008		100238-METLIFE INVESTORS USA INSURANCE COMPANY
<u>Local</u>	Active	01/23/2006		22 - Property - Exam Passed 23 - Casualty - Exam Passed	163242-MONROE GUARANTY INSURANCE COMPANY
<u>General</u>	Active	10/06/2008		22 - Property - Exam Passed 23 - Casualty - Exam	100853-MONTGOMERY MUTUAL INSURANCE COMPANY