

STATE OF SOUTH CAROLINA)	
)	IN THE COURT OF COMMON PLEAS
COUNTY OF LEXINGTON)	ELEVENTH JUDICIAL CIRCUIT
SAUNDRA R. HOFFMAN,)	Civil Action No. 2019-CP-32-03395
)	
Plaintiff,)	
)	
vs.)	
)	
STATE FARM FIRE AND)	
CASUALTY COMPANY,)	
)	
Defendant.)	
)	

ORDER
RECEIVED
Jul 27 2021
SC Court of Appeals

On December 17, 2020, the Court heard State Farm’s motion for summary judgment. Present at the hearing were Pamela Mullis for the plaintiff and Robert Whelan for the defendant. After considering the argument and materials submitted by both parties, the Court grants State Farm’s motion.

Facts

On January 8, 2014, a pipe burst over Sandra Hoffman’s garage, damaging its contents. Hoffman testified that she called State Farm about the loss on January 8, 2014. Hoffman was told to submit a list of damaged items to State Farm. On or about January 6, 2016, Hoffman submitted a list of approximately 50 items she claimed were damaged. State Farm adjusted and paid for these items on or about March 4, 2016. Hoffman claims that in March or April 2017, she called State Farm and asked whether she could add additional items to the claim and alleges that State Farm said that she could. In October 2017, Hoffman submitted a claim for over seven hundred (700) additional items. She claims that these items included wet clothes she had placed in garbage bags and stored in her attic for over three years. In January 2018, State Farm denied the claim for the 700 newly reported items. This action, alleging causes of action for breach of contract, breach of

contract accompanied by a fraudulent act, and bad faith, was filed on October 12, 2018, and State Farm was served on December 21, 2018.

Law

The plaintiff's causes of action are governed by a three-year statute of limitations. S.C. Code Ann. § 15-3-530. Here the plaintiff failed to make a claim with State Farm for, much less file suit on, over 700 items until over three years after the loss occurred and she first contacted State Farm, both of which occurred on January 8, 2014. She did not file suit until October 12, 2018, over four years and nine months after the alleged loss of her items and the date she reported the loss to State Farm. Thus, her action is barred by the statute of limitations.

The plaintiff argues that her claims are saved by South Carolina's discovery rule. Under the plaintiff's reading of the discovery rule, she was free to wait an unlimited amount of time to inform State Farm of the items she claimed to be damaged (here over three years), then after State Farm processed those claims, she would get an additional three years to file suit. Under the plaintiff's theory, if today she informed the defendant of an additional 700 items damaged in January 2014, the statute of limitations would start anew.

The Court does not interpret the discovery rule so broadly. "Statutes of limitations embody important public policy considerations in that they stimulate activity, punish negligence, and promote repose by giving security and stability to human affairs." *Carolina Marine Handling Inc. v. Lasch*, 363 S.C. 169, 175, 609 S.E. 2d 548, 552 (Ct. App. 2005) (quoting *Moates v. Bobb*, 322 S.C. 172, 176, 470 S.E.2d 402, 404 (Ct. App. 1996). In this vein, limitations provisions "provide potential defendants with certainty that after a set period of time, they will not be [haled] into court to defend time-barred claims" and "discourage plaintiffs from sitting on their rights." *Id.* at 175-76.

The discovery rule does not run counter to these principles. Though it protects the unwary, it requires the “exercise of reasonable diligence” by the person seeking to invoke the rule. *See, Dean v. Ruscon Corp.*, 321 S.C. 360, 363, 468 S.E.2d 645, 647 (1996). The supreme court has “interpreted the ‘exercise of reasonable diligence’ to mean that the injured party **must** act with some promptness where the facts and circumstances of an injury place a reasonable person of common knowledge and experience on notice that a claim against another party might exist.” *Id.* at 364 (emphasis added). “Moreover, the fact that the injured party may not comprehend the full extent of the damage is immaterial.” *Id.* In this case, the plaintiff knew she had property damage on January 8, 2014, she waited three years and nine months to make a claim for over 700 of those items. Following State Farm’s denial, she waited an additional ten months to file suit. The Court finds that the Plaintiff did not exercise reasonable diligence.

Additionally, the Court notes that in his August 16, 2019 order on State Farm’s motion to dismiss the plaintiff’s cause of action for breach of contract accompanied by a fraudulent act, Judge Manning ordered that the plaintiff “shall have thirty days from the date of this order to amend her complaint to state her cause of action for breach of contract accompanied by a fraudulent act with more particularity.” The plaintiff did not amend her complaint by September 16, 2019, and has never done so. For this additional reason, State Farm is entitled to summary judgment with respect to the plaintiff’s cause of action for breach of contract accompanied by a fraudulent act.

Additionally, with respect to the plaintiff’s cause of action for bad faith, the plaintiff bears the burden of proving there was no reasonable basis to support State Farm contesting insurance benefits. *Helena Chem. Co. v. Allianz Underwriters Ins. Co.*, 594 S.E.2d 455, 462 (S.C. 2004). Here, there were reasonable bases for State Farm’s decision. Specifically, the plaintiff waited nearly four years to inform State Farm of an alleged loss to seven hundred items of personal

property. In addition to violating the statute of limitations, this also violated the contract of insurance which required the insured to provide “immediate notice” to State Farm of the loss and to “protect the property from further damage or loss.” By putting wet items in plastic bags and storing them for over three years before informing State Farm of their loss or even existence, the plaintiff did not comply with the contract of insurance, which serves as an additional reasonable ground to deny the plaintiff’s claim.

Accordingly,

IT IS THEREFORE ORDERED that State Farm’s motion for summary judgment be, and hereby is, granted.

AND IT IS SO ORDERED.

Edgar W. Dickson
Presiding Judge, 11th Judicial Circuit

February____, 2021



Lexington Common Pleas

Case Caption: Sandra R Hoffman VS State Farm Fire And Casualty Company

Case Number: 2019CP3203395

Type: Order/Other

So Ordered

s/ Edgar W. Dickson #2153