



**South Carolina
Association
*for Justice***

Advocates for Fairness Under the Law

THE INSURANCE PROBLEM IN SOUTH CAROLINA

Lee Cope, *Attorney*, South Carolina Association for Justice (SCAJ)
SC House of Representatives Insurance Rate Review Ad Hoc Committee
September 29, 2025

THE PROBLEM



BILLIONS IN PREMIUMS

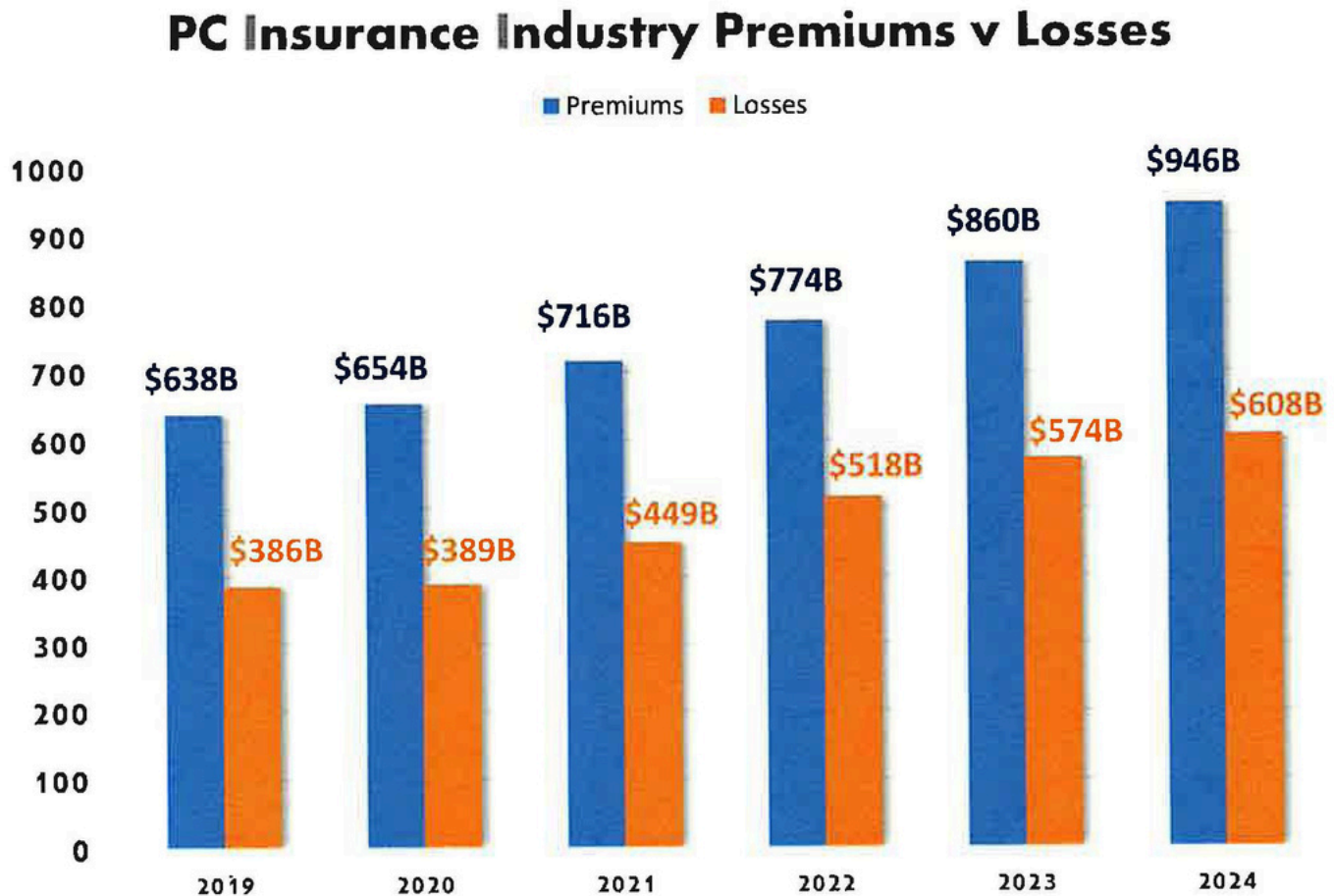
Insurance companies collect billions in premiums but often use aggressive tactics to avoid paying fair claims.



SHIFTS THE BURDEN

This leaves South Carolina families, businesses, and taxpayers holding the burden.

INSURANCE INDUSTRY PROFITS ARE AT ALL TIME HIGH



Insurers claimed they needed to raise premiums because of increased losses.

However, losses have stayed significantly lower than premiums for years.

Source: Déjà vu All Over Again: More Secondary Events as US P/C Industry Marches Toward Rate Adequacy, AM Best, February 20, 2025.
Losses estimated via loss ratios.

HOW INSURERS EXPLOIT CLAIMANTS



DELAY TACTICS

Corporate adjusters drag out claims with endless paperwork and investigations, forcing people to accept less than they deserve. “Collect now—pay later... maybe.”



LOWBALL OFFERS

Initial settlements are routinely far below actual costs of medical care, lost wages, or property damage...the product of algorithms to benefit the insurance corporation.



POLICY TRAPS

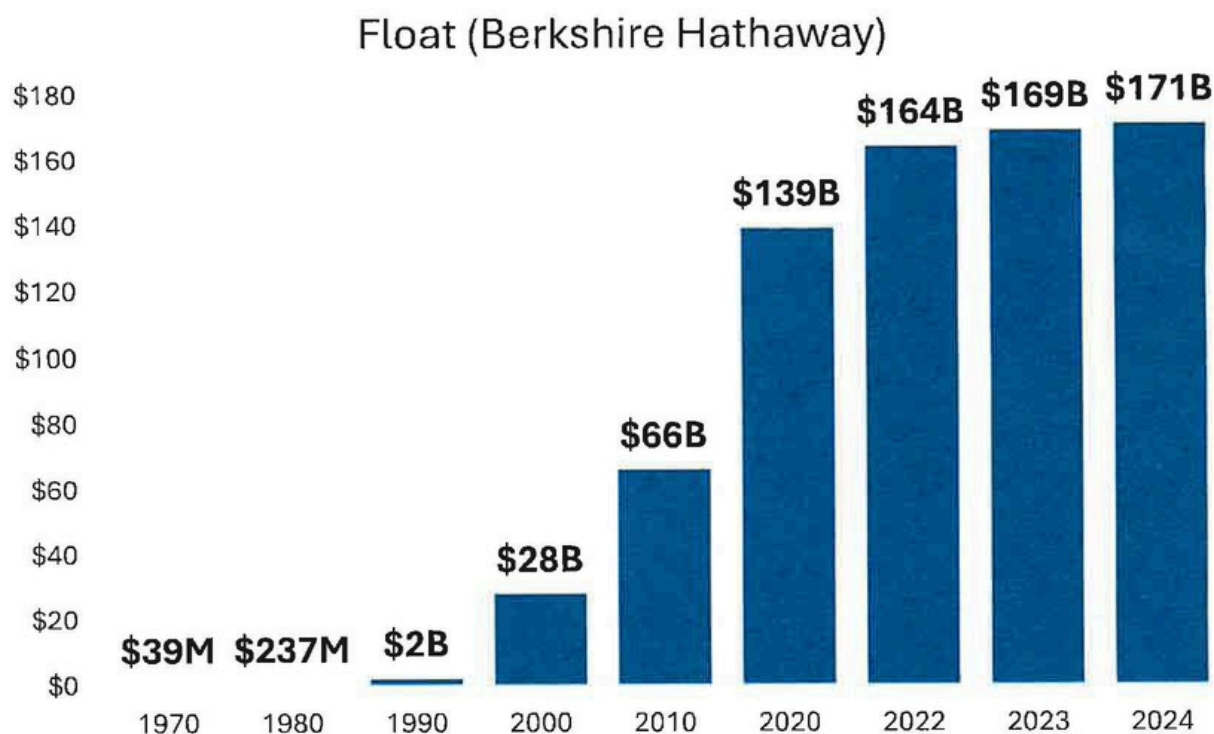
Complex contracts full of fine print and exclusions allow insurers to deny coverage after the fact. A fact becoming all too clear in the aftermath of Hurricane Helene.



UNEQUAL BARGAINING POWER

Out of state insurance corporations deploy teams of lawyers and adjusters; ordinary citizens and small businesses rarely stand a chance.

BERKSHIRE HATHAWAY USES FLOAT AS A WAR CHEST TO MAKE OTHER INVESTMENTS



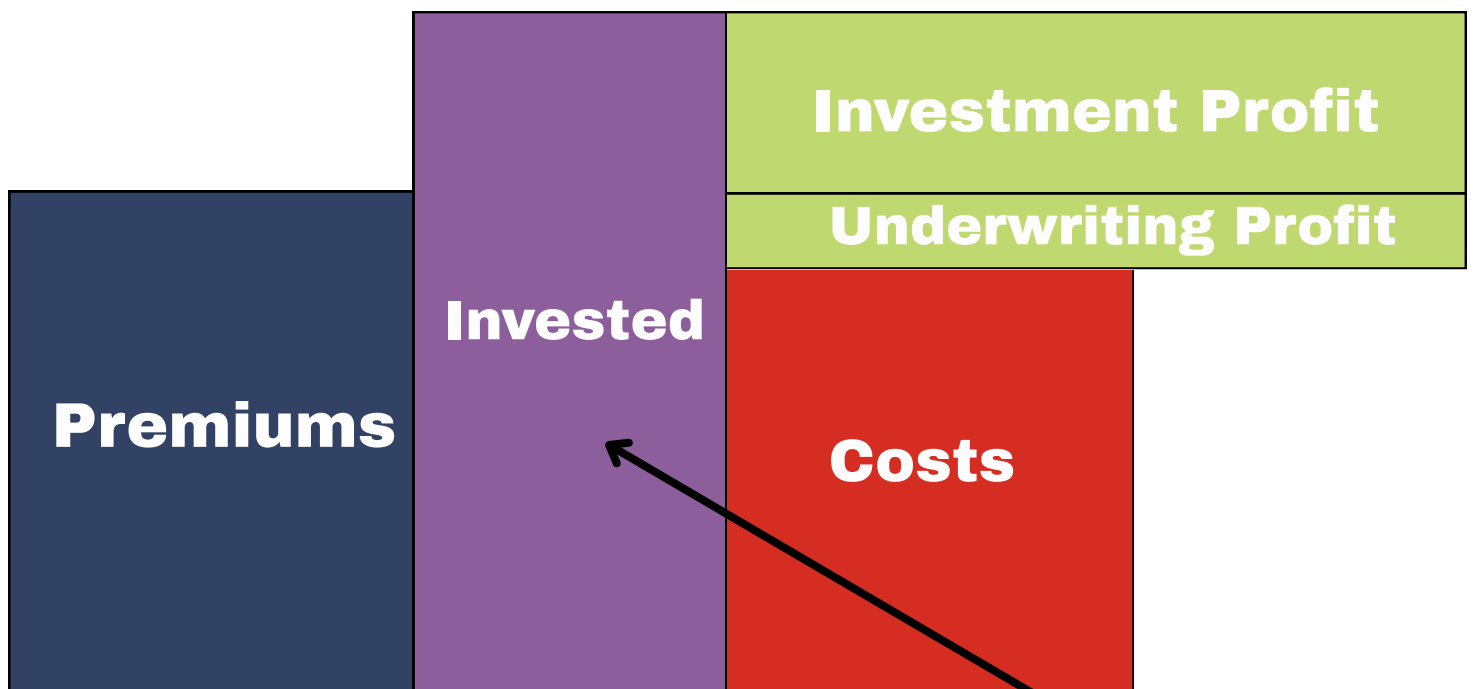
“This collect-now, pay-later model leaves P/C companies holding large sums - money we call “float” - that will eventually go to others. Meanwhile, insurers get to invest this float for their own benefit.”

-Warren Buffet

Source: Letter to Shareholders, Berkshire Hathaway, 2023 & 2024.

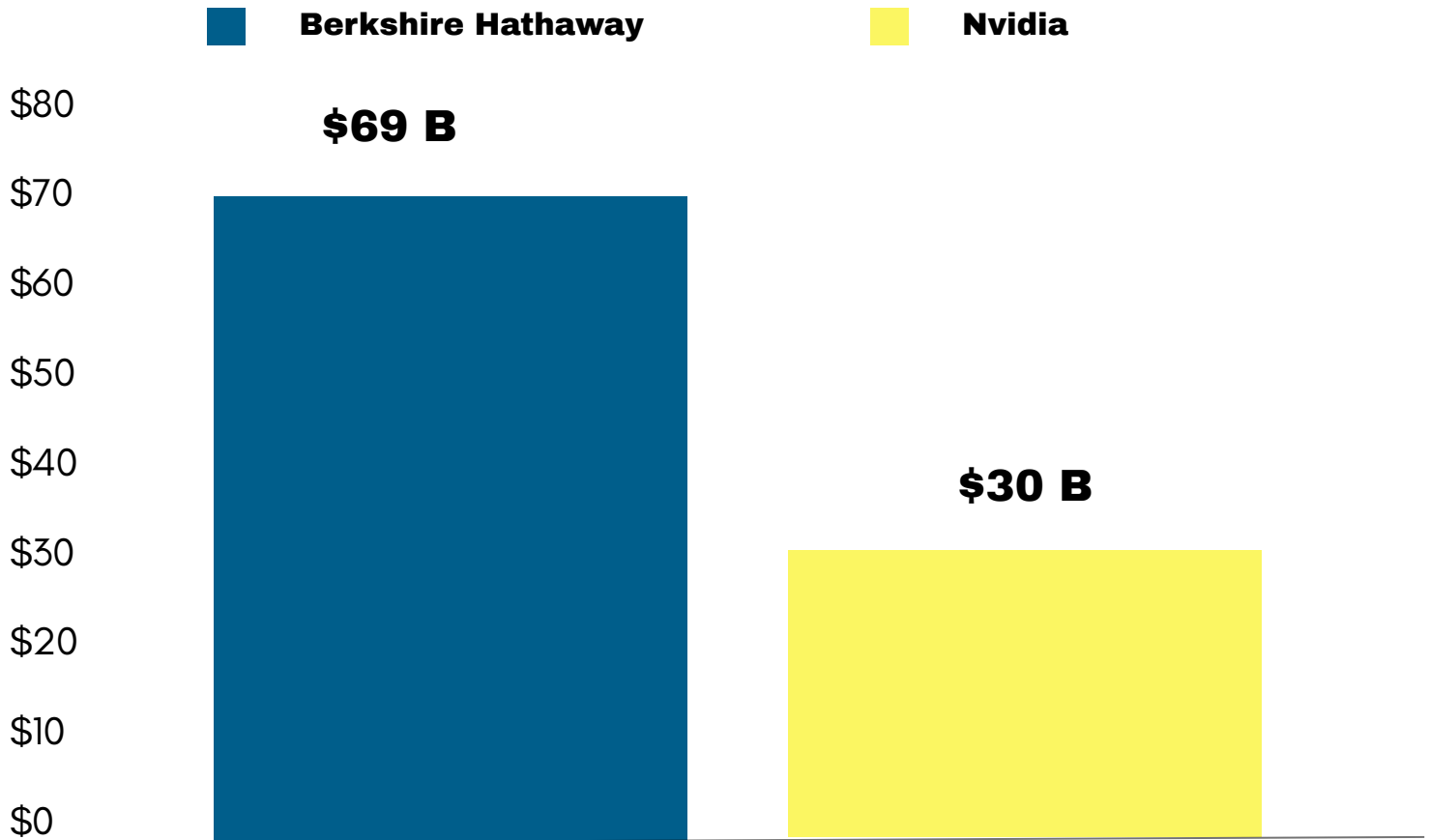
THE UNIQUE THING ABOUT INSURANCE COMPANIES

Insurance companies are unique because they receive revenue upfront. They can then invest this money.



Insurance companies call this money “float” or sometimes “a free cash loan.”

THE MOST PROFITABLE INSURANCE GROUP— BERKSHIRE HATHAWAY—MADE MORE MONEY THAN NVIDIA



Nvidia's incredible rise has made it the largest company in the world by market capitalization.

Yet Berkshire Hathaway's insurance group is far more profitable. Berkshire Hathaway owns 60 insurance companies, including GEICO. However, its commercial insurer, National Indemnity Co., made the bulk (\$58 billion) of the group's profits.

Source: Berkshire Hathaway Ins Grp results from AM Best Aggregates and Averages. Nvidia (trailing 12 months from January 31, 2024) from YCharts.

IMPACT ON SOUTH CAROLINIANS



Families:

Left in debt
when coverage
fails.



Small Businesses:

At risk of closure
after disasters if
claims are denied or
delayed.



Taxpayers:

Pick up the tab
when insurers
shirk
responsibility.

WHY THIS MATTERS



ACCOUNTABILITY:

Corporations should honor contracts and promises — not hide behind loopholes.



ECONOMIC FREEDOM:

Small businesses can't thrive if insurers shift risk onto them.



PERSONAL RESPONSIBILITY:

South Carolinians who pay premiums in good faith deserve insurers to meet their obligations.



LIMITED GOVERNMENT BURDEN:

When insurance corporations dodge legitimate claims, the costs fall on taxpayers through public assistance and bailouts.

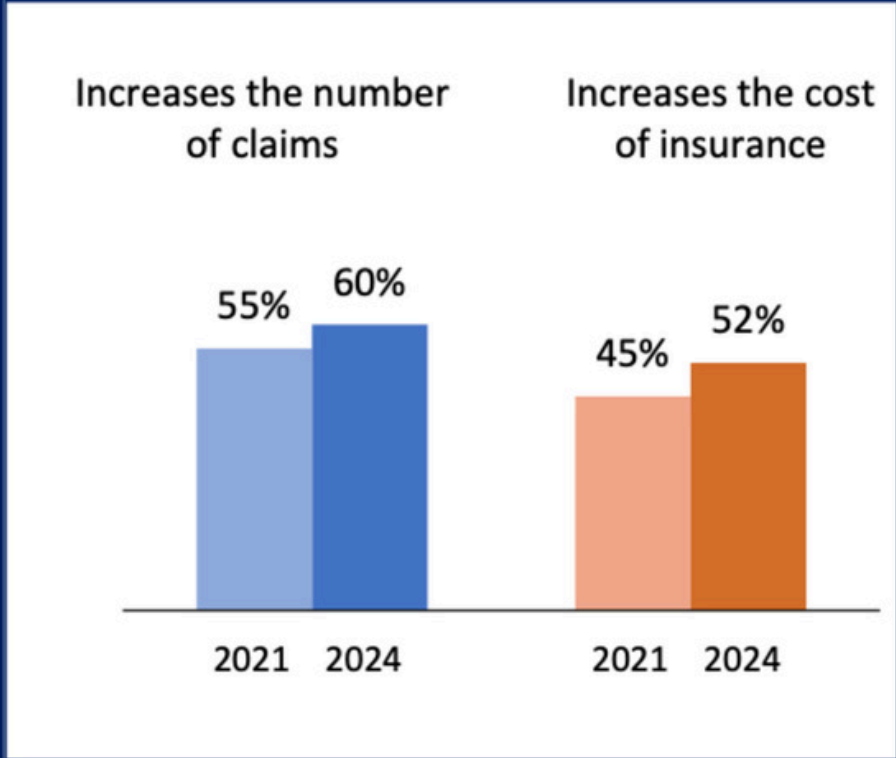
DESPITE THE EXTREME PROFITS, THE INSURANCE INDUSTRY IS BLAMING LAWSUITS FOR THE INCREASE IN RATES...

Public Opinions on Attorney Involvement in Insurance Claims

Friday, October 25, 2024



Figure 1
Perception of Attorney Advertising's Effect on Litigation and Cost of Insurance



...AS THEY BANKROLL A POLITICAL PUSH FOR TORT REFORM TO REWRITE THE RULES IN THEIR FAVOR.

“We’re not going to address this simply as an insurance industry. We are the wrong ones to front it... We are not the sympathetic audience...

It’s going to take money... It’s going to take talent. It’s going to have to be approached like a long-term campaign, political campaign, where organizers come together and organize corporate America...

We have data we have knowledge, we have money, and we can help.”

-Evan Greenberg, CEO of Chubb



RECORD PROFITS, RISING PREMIUMS

WALL STREET JOURNAL, Jan. 25th, 2024: Insurers Rake In Profits as Customers Pay Soaring Premiums

The pain for home- and auto-insurance customers is quickly becoming investors' gain. Insurance giants' shares and profits are hitting records, thanks in part to steep rate hikes.

Shares of Travelers TRV 0.12% increase; green up pointing triangle, a bellwether for the property and casualty sector, closed at an all-time high earlier this week, up 35% from their lows last fall. The jump came after the company reported a record profit for its fourth quarter, boosted by double-digit rate increases in its business and personal insurance units.

Link: [Insurers Rake In Profits as Customers Pay Soaring Premiums - WSJ](#)

Financial Times, May 31, 2025:

“US insurers' profits double as price rises exceed extreme weather claims”

US property and casualty insurers nearly doubled their earnings between 2023 and last year despite costly extreme-weather events.

Link: [US insurers' profits double as price rises exceed extreme weather claims](#)

WALL STREET JOURNAL, January 19th, 2024: Travelers Stock Gains After Rising Premiums Help Insurer Grow Annual Profits

“Insurance giant Travelers reported higher revenue and income in the most-recent quarter, helped by double-digit percentage increases in premiums for auto and home insurance. Its stock rose around 5% in early trading.”

Link: [Travelers Stock Gains After Rising Premiums Help Insurer Grow Annual Profits](#)

INSURANCE EXECS CASHING IN

Consumer Affairs, December 19th, 2024:

“Insurance CEOs draw huge salaries while regulators stand by, advocates say”

“Consumer Federation of America says states ignore the insurance crisis...”

Link: [Insurance CEOs draw huge salaries while regulators stand by, advocates say](#).

Insurance Journal, June 2nd, 2025:

“Size of Florida’s Slide Insurance Exec Compensation Has Tongues Wagging”

Link: [Size of Florida’s Slide Insurance Exec Compensation Has Tongues Wagging](#)

BAD PRACTICES, DENIALS & LOOPHOLES

WSB-TV Atlanta, April 21, 2025: Insurance Commissioner's office has recovered more than \$100 million for Georgians

Georgia Insurance Commissioner John King says his office has recovered more than \$100 million for consumers from insurance companies since 2019. "File a complaint, we will investigate it. If they've broken the rules, we will hold them accountable," King told reporters.

Link: [Insurance Commissioner's office has recovered more than \\$100 million for Georgians – WSB-TV Channel 2 – Atlanta](#)

INSURIFY, APRIL 13,2025: WILL FLORIDA ROLL BACK INSURER-FRIENDLY LITIGATION RULES?

Link: [Will Florida Roll Back Insurer-Friendly Litigation Rules? | Insurify](#)

[Home](#) > [Homeowners Insurance](#) > [News](#)

More Florida Homeowners Suing Over Denied Insurance Claims, Report Finds

Following tort reform, insurers are denying more claims, and more homeowners are taking legal action, Weiss Ratings says.



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Florida's efforts to reduce the number of lawsuits over denied home insurance claims appear to be backfiring, according to a recent report by a Florida-based independent ratings firm.

Insurance companies denied nearly 47% of home insurance claims following two hurricanes in 2024, according to Weiss Ratings' report. And 13% of those with denied claims sued their insurers over the denials, Weiss reported.

In 2022, Florida's legislature passed multiple laws aimed at reining in the state's runaway home insurance costs. The legislation changed how insurance litigation works in the state and limited who can receive compensation for attorney's fees associated with claim disputes.

SHARE



[Tort reform's effects](#)[What's next](#)[More denied claims, more lawsuits after tort reform](#)

More denied claims, more lawsuits after tort reform

Weiss' report analyzed insurer filings and National Association of Insurance Commissioners (NAIC) data, comparing 2024 to 2022. The rating company omitted 2023 data because tort reform had just taken effect, skewing data for the year.

In 2024, following hurricanes Helene and Milton, Florida homeowners filed nearly 458,000 claims.

On average, Florida insurers closed 46.7% of home insurance claims without payment, a 17% increase from 2022, Weiss reported. Lawsuits over denied claims rose by 4% in 2024.

"In 2022, before tort reform, for every thousand claims, their policyholders filed 124 lawsuits against [insurers]," the report stated. "In 2024, after tort reform, that number actually rose to 129 per thousand."

In an earlier report, Weiss found that 14 of the nation's largest property insurance companies closed 40%–51% of homeowner claims without payment in 2024.

What's next: Florida homeowners insurance costs likely to rise

Florida has the highest average cost for homeowners insurance in the country — \$14,140 per year at the end of 2024, according to an [Insurify report](#).

Frequent hurricanes and damaging storms mean higher risks for insurance companies and higher premiums for homeowners. Since 2020, climate disasters have cost Florida approximately \$237 billion, according to the National Centers for Environmental Information (NCEI).

Insurify's data scientists predict Florida's average cost of home insurance will increase 9% in 2025, landing at \$15,460 annually.

Related articles

Tort reform's effects

What's next

4 More Insurers Join Florida's Home Insurance Market



Will Florida Roll Back Insurer-Friendly Litigation Rules?



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Evelyn Pimplaskar is Insurify's director of content. With 30-plus years in content creation – including 10 years specializing in personal finance – Evelyn'...

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		Compare Travel Insurance Quotes	Terms and Services

THE SOLUTION

BAD-FAITH PENALTIES

Strengthen bad-faith penalties for insurance corporations that purposefully delay and deny claims.

TRANSPARENCY

Increase transparency in claims handling.

ACCOUNTABILITY

Make insurance corporations accountable for unfair trade practices just like every other business in this state.

PROTECTION

Ensure South Carolina families and businesses receive the protection they've already paid for.

ACTION

Empower the Dept. Of Insurance to obtain the data to understand why premiums are increasing.



BOTTOM LINE

*Insurance companies must play by the same rules as
South Carolina families and businesses:*

**HONOR COMMITMENTS
PAY VALID CLAIMS
STOP PROFITING OFF
DELAY AND DENIAL
LEVEL THE PLAYING FIELD**