

NIKKI R. HALEY, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



INSURANCE RESERVE FUND

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HUGH K. LEATHERMAN, SR.
CHAIRMAN SENATE FINANCE COMMITTEE

W. BRIAN WHITE
CHAIRMAN HOUSE WAYS AND MEANS

February 18, 2016

Holly G. Pisarik, Esquire
Chief Legal Counsel
State of South Carolina
Office of the Governor
1205 Pendleton Street
Columbia, South Carolina 29201

RE: *Walter Brian Bilbro v. Office of Governor, Nikki Randhawa Haley, et al.*
C.A. No. 2016-CP-40-0918
Our File No. 2016-0064

Dear Ms. Pisarik:

This will confirm receipt and notice of the above referenced Summons and Complaint. This will further confirm our telephone conversation regarding coverage and the use of your supplemental defense costs coverage.

Having reviewed the above Complaint, I can see no cause of action within same which would trigger coverage under our tort policy. For coverage to apply, a cause of action within the Complaint must meet our policy definition of property damage or personal injury. Further, we do not believe there has been an occurrence since the alleged incident did not result in physical injury or (tangible) property damage. Additionally, the Fund cannot provide the relief requested. Accordingly, we must respectfully decline coverage and participation in the defense of this lawsuit.

The reasons set forth in this letter for denying coverage are not intended to be an exhaustive list. There may well exist other grounds to support the decision for the denial of coverage for the alleged loss. Please be advised that the Insurance Reserve Fund expressly reserves and does not waive any additional grounds that may exist for declining coverage in this matter.

While we are confident of our decision, we do welcome the opportunity to review any case law or other authorities that you believe to be inconsistent with the position set forth in this letter.

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Additionally, as of January 1, 2001, the Insurance Reserve Fund implemented a \$15,000 prepaid legal provision for any coverage not covered under the tort liability policy. This coverage was automatically added to the policy to cover legal expenses for lawsuits filed after January 1, 2001 at no additional premium to the insured. Our underwriting records indicate that **the Governor's Office has purchased an additional \$235,000.00 in optional coverage.** Should you wish to apply this coverage to this loss, please sign below and forward a copy to my attention.

Please understand that any reimbursement will be made to **Governor's Office** and not to any individual insured.

Very truly yours,



Danny E. Parris
Senior Consultant to the
Assistant Director
/dp

Please process this claim under our prepaid legal defense cost coverage.

Signed:

Date:

Title:

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When submitting a prepaid legal bill for reimbursement, **the named insured** should do so per the following instructions:

1. **Reimbursement requests should be submitted on a monthly basis.**
2. **Payments requests should include a copy of the attorney's invoice, which clearly indicates the case caption of the Complaint (i.e. John Doe v. Whomever), the civil action number (i.e. 2002-CP-10-0000), and proof of payment (i.e. cancelled check, purchase requisition, etc.)**
3. **If the attorney's invoice encompasses multiple suits, the bill must be broken down by individual civil action numbers and case captions.**
 - Please note that each payment made to a particular civil action number will produce a separate claim number (i.e. if a reimbursement request covers work for ten different civil action numbers, ten checks will be processed, each with a corresponding claim number).

Should you have any questions, please give us a call.