

Beaufort County business leaders write Haley to try to lower home insurance rates

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Posted: Thursday, Jun. 07, 2012

When Daryl Ferguson's suspicions about South Carolina's high insurance premiums were recently confirmed, the retired businessman didn't get angry.

He got busy.

Next week, the Beaufort resident will meet with Gov. Nikki Haley's staff. He wants to address premiums paid by South Carolinians, which are higher than those charged to their coastal neighbors in Georgia and North Carolina. Palmetto State premiums are higher, he says, even though the state is at a relatively lower risk of hurricane damage.

The meeting was prompted by a May 25 letter, endorsed by five other businessmen and civic leaders statewide, he wrote to Haley about the rates. He says he hopes to formally present the group's ideas to the governor herself by December.

"We're going to take advantage of the fact that we now know we have a relatively low risk of hurricanes," he said. "As business people, we get a kick out of solving problems."

The problem, which he discovered and which was later echoed by a Charleston Post and Courier study, is that South Carolinians pay more for homeowners' insurance than they should based on an analysis of hurricane-damage data.

In Beaufort County, the average premium for a home insured for \$150,000 is about \$1,840 a year, according to the newspaper.

Statewide, premiums have risen 71 percent during the past decade and are nearly three times higher than they were in 1996.

Ferguson says those rates aren't in line with what he calls "the safest coast in the South" and are instead indicative of a failing state Department of Insurance.

"(Gov. Haley) is hampered by working with an organization that's been handed to her," Ferguson said. "And it's clearly not working right now."

The letter contends the inflated risk assessment has profound ramifications for the state's economy.

"As a team of seasoned business people, we believe that this over-stated threat reduces our economic impact by \$500 million and 5,000 employees," it reads. "It also discourages retirees and businesses from relocating to the Low Country."

Ferguson said he, along with developer David Ames of Hilton Head Island, would discuss how to remedy those losses with Haley's staff, though he declined to share specific suggestions.

Andy Twisdale, a Hilton Head Island Realtor and one of the letter's signers, said the effects of the higher premiums are keenly felt in the local real estate industry.

"We're paying for more risk than we have," he said. "It's not prohibitively high, but it's a big issue when you take the cost of insurance and the cost of taxes for the second-home industry."

Beaufort County Councilman Stu Rodman, another of the letter's signers, said the findings could help attract more visitors.

"Tourism is our primary industry, and we're losing a large number of tourists and people who might become future residents each fall," he said.

The Charleston Post and Courier contributed to this report.