

Butler v. The Travelers Home & Marine Ins Co et. al.

Year: 2021

Court: United States District Court for the District of South Carolina

Case Number: 2020-001285

In its brief, UP presents this question to the Court:

“When a homeowners’ insurance policy does not define the term “actual cash value,” may an insurer depreciate the cost of labor in determining the “actual cash value” of a covered loss when the estimated cost to repair or replace the damaged property includes both materials and embedded labor components?”

Up defines actual cash value, replacement cost, and depreciation for the Court and argue four things to determine what should be depreciated in order to accomplish the intended purpose of indemnity under the replacement cost less depreciation methodology:

- I. Depreciation of labor is directly contrary to the concept of indemnity
- II. The question of whether labor should be depreciated is a matter of contract interpretation and should be decided as a matter of law.
- III. A reasonable construction of the insurance policies at issue is that labor should not be depreciated.
- IV. To the extent the policy terms “actual cash value” and “depreciation” are subject to more than one reasonable interpretation, the policies must be interpreted in favor of the policyholders.

This brief was authored pro bono by Reynolds Blankenship Jr. of Yarborough Applegate LLC and Christopher Roberts of Butsch Roberts & Associates LLC