

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

[Date]

[Adjuster Name]

[Insurance Company Name]

[Claims Department Address]

[City, State, Zip Code]

RE: NOTICE OF BAD FAITH AND DEMAND FOR SETTLEMENT

Claim Number: [Claim Number]

Policy Number: [Policy Number]

Insured: [Insured Name]

Claimant: [Claimant Name]

Date of Loss: [Date of Incident]

Dear [Adjuster Name],

This letter serves as formal notice that [Insurance Company Name] is acting in bad faith regarding the aforementioned claim. Despite clear evidence of liability and damages exceeding the policy limits, your company has failed to effectuate a prompt, fair, and equitable settlement.

On [Date of Original Demand], a formal demand was submitted for the policy limit of \$[Amount]. To date, you have [failed to respond / rejected the demand / made an unreasonably low offer of \$X].

The evidence provided to you demonstrates that:

- Liability is clear and undisputed.
- The damages suffered by the claimant significantly exceed the insured's policy limits.
- A reasonable insurer would have settled the claim within the policy limits to protect its insured from an excess judgment.

By failing to settle this claim within policy limits when given the opportunity, [Insurance Company Name] is breaching its fiduciary duty and the implied covenant of good faith and fair dealing. This failure exposes your insured to the risk of a personal deficiency judgment and unnecessary litigation.

FINAL DEMAND: We hereby reiterate our demand for the full policy limit of \$[Amount]. This offer will remain open until [Date/Time]. If this matter is not resolved by the stated deadline, we will proceed with legal action. We will use this correspondence as evidence of your company's bad faith and will seek all available remedies, including but not limited to, the full amount of any eventual jury verdict, interest, attorney fees, and punitive damages.

Please govern yourself accordingly.

Sincerely,

[Your Name/Signature]

[Your Title/Company]

[Your Phone Number]

[Your Email Address]

CC: [Insured Name]