

[Sender Name]
[Sender Address]
[City, State, Zip Code]
[Phone Number]
[Email Address]

[Date]

[Claims Examiner/Adjuster Name]
[Insurance Company Name]
[Address]
[City, State, Zip Code]

RE: NOTICE OF BAD FAITH AND DEMAND FOR SETTLEMENT

Claim Number: [Claim Number]
Policy Number: [Policy Number]
Insured: [Insured Party Name]
Claimant: [Your Client's Name/Your Name]
Date of Loss: [Date of Incident]

Dear [Adjuster Name],

This letter serves as a formal demand for the settlement of the above-referenced claim and a formal notice of your company's ongoing failure to act in good faith regarding the settlement of this matter.

As you are aware, liability in this case is clear. The evidence provided to date establishes that your insured is legally responsible for the damages sustained by the claimant. Furthermore, the damages presented-including [medical bills, lost wages, property damage, and pain and suffering]-clearly exceed the available policy limits of [Policy Limit Amount].

Despite having all necessary information to evaluate this claim, [Insurance Company Name] has failed to accept a reasonable settlement offer within the policy limits. By failing to settle when liability and damages are clear, you are exposing your insured to an excess judgment and personal financial liability.

Pursuant to [State Statute/Case Law], an insurer has an implied duty of good faith and fair dealing to protect its insured. This duty includes the obligation to settle a claim when there is a substantial likelihood of recovery in excess of policy limits. Your refusal to settle constitutes a breach of this duty.

FINAL DEMAND:

We hereby demand the full policy limit of \$[Amount] to resolve all claims against your insured. This offer shall remain open until [Date and Time].

If this matter is not resolved within the specified timeframe, we will proceed to trial. Should a verdict be returned in excess of the policy limits, we intend to hold [Insurance Company Name] fully liable for the entire amount of the judgment, regardless of policy limits, based on your bad faith failure to settle.

Please govern yourself accordingly.

Sincerely,

[Signature]

[Printed Name]

[Title/Law Firm Name]

CC: [Insured Party Name]