

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

To: [Name of Insurance Claims Adjuster/Representative]
[Insurance Company Name]
[Address]
[City, State, Zip Code]

RE: NOTICE OF BAD FAITH AND DEMAND FOR PAYMENT OF EXCESS JUDGMENT

Claim Number: [Insert Claim Number]
Policy Number: [Insert Policy Number]
Insured: [Insert Name of Insured]
Claimant: [Insert Your Name/Client Name]
Case Caption: [Insert Case Name and Docket Number]
Date of Loss: [Insert Date of Incident]

Dear [Name of Contact Person],

This letter serves as a formal demand for payment of the full final judgment entered in the above-referenced matter, which exceeds the applicable policy limits. As you are aware, on [Date of Judgment], the court entered a judgment in favor of [Claimant Name] against your insured, [Insured Name], in the amount of \$[Total Amount of Judgment].

This judgment follows your company's repeated failure to settle this claim within the policy limits of \$[Policy Limit Amount] despite multiple opportunities to do so. Specifically, on [Date of Original Demand], a formal demand was made to settle this claim for the policy limits. At that time, liability was clear, and the damages significantly exceeded the available coverage. Your company chose to reject that offer, thereby placing your own financial interests above those of your insured.

Under the laws of [Insert State], an insurer has a duty to act in good faith and to settle a claim within policy limits when it has the opportunity to do so and where a reasonable insurer would have done so. Your failure to settle has resulted in an excess judgment, exposing your insured to significant personal financial liability.

We hereby demand that [Insurance Company Name] pay the full amount of the judgment, totaling \$[Total Amount], plus accrued post-judgment interest, within [Number of Days, e.g., 14] days of the date of this letter. Payment of this amount will satisfy the judgment against your insured and release them from further personal liability.

Failure to remit payment or provide a satisfactory response by [Deadline Date] will result in further legal action, which may include a bad faith lawsuit and/or an assignment of rights from the insured to pursue the full excess amount directly against [Insurance Company Name].

Please govern yourselves accordingly.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Law Firm/Title]

[Phone Number]

[Email Address]

CC: [Name of Insured Party]