

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

To: [Claims Adjuster Name]
Insurance Company: [Insurance Carrier Name]
Address: [Insurance Company Address]
City, State, Zip: [City, State, Zip]

RE: Notice of Intent to Sue for Bad Faith Failure to Settle
Claim Number: [Insert Claim Number]
Policy Number: [Insert Policy Number]
Insured: [Insert Name of Insured]
Claimant: [Insert Name of Injured Party/Plaintiff]
Date of Loss: [Insert Date of Incident]

Dear [Adjuster Name],

This letter serves as a formal pre-litigation demand and notice of [Insurance Company Name]'s ongoing bad faith conduct regarding the above-referenced claim. To date, your company has failed to effectuate a prompt, fair, and equitable settlement despite the fact that liability is clear and damages exceed the applicable policy limits.

I. Facts and Liability

[Insert a brief summary of the incident and why the insured is clearly liable. Reference police reports, witness statements, or photos.]

II. Damages and Exposure

[Insert a brief summary of the claimant's injuries, medical expenses, and lost wages. Detail how these damages exceed the policy limits of \$XXX,XXX.]

III. Basis for Bad Faith

You have been provided with all necessary documentation to evaluate this claim. By failing to accept the reasonable settlement offer previously extended on [Date of Previous Demand], you have placed your insured's personal assets at risk of an excess judgment. Under [Insert State Statute or Common Law Rule, e.g., "The Stowers Doctrine" or "Covenant of Good Faith"], an insurer has a duty to settle a claim when it is possible to do so within policy limits.

Your failure to settle constitutes a breach of your fiduciary duty to your insured, characterized by:

- Failure to conduct a reasonable investigation.
- Failure to acknowledge the obvious liability of the insured.

- Forcing the claimant to initiate unnecessary litigation.

IV. Final Demand

On behalf of [Claimant Name], I am extending a final opportunity to settle this matter for the full policy limit of **\$[Amount]**. This offer will remain open until [Insert Time] on [Insert Date].

If this matter is not resolved by the aforementioned deadline, we will proceed with a lawsuit. We will seek the full value of the damages awarded at trial, plus interest, attorney fees, and punitive damages for bad faith. Be advised that we will use this correspondence as evidence of your company's refusal to protect your insured from an excess judgment.

We look forward to your immediate response.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Law Firm/Company Name]

[Your Phone Number]

[Your Email Address]

CC: [Name of Insured/Defendant]