[Your Name/Company Name]
[Your Address]
[City, State, Zip Code]
[Your Phone Number]
[Your Email]

[Date]

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

RE: NOTICE OF BAD FAITH AND FORMAL SETTLEMENT DEMAND

Claim Number: [Claim Number]
Policy Number: [Policy Number]
Insured: [Your Company Name]
Date of Loss: [Date]

To [Name of Adjuster],

This letter serves as a formal demand for the immediate settlement of the above-referenced claim. To date, [Insurance Company Name] has demonstrated unreasonable delay and neglect in the processing and payment of this valid claim, in direct violation of its contractual obligations and state insurance regulations.

Summary of Neglect:

- The claim was filed on [Date] and remains unresolved after [Number] days.
- Repeated inquiries made on [Dates of Communication] have been ignored or met with insufficient responses.
- The carrier has failed to provide a timely written explanation for the delay or a formal denial of coverage.
- [List any other specific failures, e.g., failure to conduct a reasonable investigation].

Damages and Costs:

Due to your failure to settle this claim promptly, our business has suffered the following losses:

- Original Claim Value: $[Amount]
- Business Interruption Losses: $[Amount]
- Accrued Interest and Late Fees: $[Amount]
- Legal/Professional Fees incurred due to delay: $[Amount]

Total Settlement Demand: $[Total Amount]

Please be advised that this letter constitutes a formal notice of your failure to act in good faith. If the total amount demanded is not paid within [Number, e.g., 10] business days from the receipt of this letter, we will be forced to pursue further legal action, including filing a formal complaint with the [State Name] Department of Insurance and initiating a bad faith lawsuit to recover full compensatory and punitive damages.

We expect your immediate response.

Sincerely,

[Signature]
[Your Printed Name]
[Your Title/Position]