SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Date]

To: [Insured Name]
[Address]
[City, State, Zip Code]

Re: Notice of Reservation of Rights
Claim Number: [Claim Number]
Policy Number: [Policy Number]
Date of Loss: [Date of Loss]
Claimant: [Claimant Name]

Dear [Insured Name],

We are in receipt of the claim filed in connection with the incident occurring on [Date of Loss]. [Insurance Company Name] is currently investigating this matter to determine if coverage applies under your policy.

This letter is to inform you that we are defending you in this matter subject to a **Reservation of Rights**. Our preliminary investigation indicates that the allegations involved may fall under the "Intentional Act" exclusion of your policy.

Policy Language:

Your policy [Policy Number] states under the Exclusions section:

"This insurance does not apply to bodily injury or property damage expected or intended from the standpoint of the insured."

Reason for Reservation:

The complaint filed by [Claimant Name] alleges that your actions were intentional, willful, or malicious. Because the policy only provides coverage for "occurrences" (defined as accidents), and specifically excludes intentional acts, there may be no obligation for the company to indemnify you for any judgment or settlement resulting from such acts.

Reservation of Rights:

[Insurance Company Name] reserves the right to deny coverage for any portion of the claim that is found to be based on intentional conduct. Furthermore, we reserve the right to withdraw from your defense and/or seek reimbursement for defense costs should it be determined that no coverage exists under the policy.

Please be advised that you have the right to retain your own personal counsel, at your own expense, to protect your interests regarding any potential exposure in excess of policy limits or for non-covered claims.

We will notify you in writing of our final coverage determination once our investigation is complete.

Sincerely,

[Adjuster Name]
[Title]
[Insurance Company Name]