

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

To: [Adjuster Name]
[Insurance Company Name]
[Claim Department Address]
[City, State, Zip Code]

RE: NOTICE OF BAD FAITH AND FORMAL SETTLEMENT DEMAND

Claim Number: [Insert Claim Number]
Policy Number: [Insert Policy Number]
Insured: [Insert Name of Insured]
Date of Loss: [Insert Date of Loss]

Dear [Adjuster Name],

I am writing in response to your settlement offer dated [Date of Offer] in the amount of \$[Offer Amount]. Please be advised that this offer is rejected. This amount is grossly inadequate and fails to reflect the clear liability of your insured and the documented damages I have sustained.

The evidence previously submitted-including medical records, bills, and proof of lost wages-demonstrates that the value of this claim far exceeds your offer. Your failure to provide a reasonable justification for such a low valuation indicates a failure to conduct a fair and objective investigation into this claim.

Under the laws of [Insert State], an insurer has a duty to act in good faith and deal fairly with claimants. Your current stance constitutes "Bad Faith" by:

- Failing to attempt in good faith to effectuate a prompt, fair, and equitable settlement of a claim in which liability has become reasonably clear;
- Compelling the claimant to institute litigation to recover amounts due under the policy;
- Offering a settlement amount that is substantially lower than the actual value of the claim without a reasonable basis.

FINAL DEMAND

I hereby make a final demand for settlement in the amount of \$[Insert Your Demand Amount]. This amount represents a fair compromise to resolve this matter without the need for further legal intervention.

Please take notice that if this matter is not resolved for the demanded amount within [Number of Days, e.g., 14] days from the receipt of this letter, I will pursue all available legal remedies. This includes filing a formal complaint with the State Department of Insurance and initiating a lawsuit seeking both compensatory and punitive damages for bad faith practices.

I expect a response in writing within the timeframe stated above.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Phone Number]

[Your Email Address]