

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

[Date]

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

RE: Notice of Bad Faith and Demand for Defense

Insured: [Your Name / Policyholder Name]
Policy Number: [Policy Number]
Claim Number: [Claim Number]
Third Party Claimant: [Name of Plaintiff/Claimant]
Matter: [Name of Lawsuit/Legal Action]

Dear [Claims Adjuster Name],

This letter serves as a formal response to your correspondence dated [Date of Denial Letter], in which [Insurance Company Name] denied its duty to defend the undersigned regarding the above-referenced third-party claim.

Please be advised that your refusal to provide a defense is a breach of the insurance contract and constitutes bad faith. Under the terms of policy [Policy Number], the insurer has a broad duty to defend any suit seeking damages for covered losses, even if the allegations are groundless, false, or fraudulent. The complaint filed by [Claimant Name] contains allegations that clearly fall within, or are potentially within, the scope of coverage provided by the policy.

By refusing to defend, [Insurance Company Name] is placing its own financial interests above those of its insured, in violation of the implied covenant of good faith and fair dealing. This wrongful denial exposes the insured to significant legal fees, costs, and the risk of an adverse judgment.

We hereby demand that [Insurance Company Name] immediately:

- Rescind its denial of coverage;
- Accept the defense of this matter without reservation;
- Reimburse all legal fees and costs incurred by the insured to date in defending this claim.

If you do not confirm your intent to provide a defense by [Date/Time Deadline], we will be forced to pursue all available legal remedies, including a declaratory judgment action and a tort

claim for insurance bad faith. In such an event, we will seek recovery for the full amount of any judgment, all attorney fees, costs, and potential punitive damages.

We urge you to re-evaluate your position immediately. We look forward to your prompt response.

Sincerely,

[Your Signature]

[Your Printed Name]