

ENHANCED FORMAL COMPLAINT - UNFAIR CLAIMS PRACTICES

When to Use This Document

- After 90+ days of unresolved claim issues
- When insurer has violated state insurance laws
- Following wrongful denial or underpayment
- When bad faith conduct is evident
- To create official record for litigation

Pattern-of-Practice Evidence Gathering Guide

1. Online Research:

- Search "[Carrier Name] + claims complaints"
- Check Better Business Bureau patterns
- Review state insurance department databases
- Document similar complaints with screenshots

2. Court Records:

- PACER search for federal cases
- State court databases for bad faith suits
- Verdicts and settlements involving carrier

3. Regulatory Actions:

- Prior consent orders
- Market conduct examination results
- Fines and penalties history

FORMAL COMPLAINT - UNFAIR CLAIMS PRACTICES

[Date]

[State] Department of Insurance

Consumer Services Division

[Address]

[City, State ZIP]

Via Online Portal and Certified Mail #[Tracking Number]

Re: FORMAL COMPLAINT - UNFAIR CLAIMS PRACTICES

- Carrier: [Insurance Carrier Name]
- Policy #: [Policy #]
- Claim #: [Claim #]
- NAIC #: [5-digit number]
- Complaint Type: Bad Faith Claims Handling / Unfair Settlement Practices
- Priority: URGENT - Ongoing Damages

EXECUTIVE SUMMARY

[Insurance Carrier Name] has systematically violated [State] insurance laws in handling my property damage claim, resulting in \$[Amount] in unpaid benefits and \$[Amount] in consequential damages. This complaint documents [#] specific violations requiring immediate regulatory intervention.

COMPLAINANT INFORMATION

Primary Insured:

- Name: [Full Name]
- Address: [Complete Address]
- Phone: [Primary] | [Secondary]
- Email: [Email Address]
- Policy Number: [Policy #]
- Policy Period: [Start Date] to [End Date]
- Premium Paid: \$[Annual Premium] (current on all payments)
- Claims History: [# of prior claims in past 5 years]

CARRIER INFORMATION

Insurance Company:

- Insurer: [Full Corporate Name]
- NAIC #: [5-digit number]
- State License #: [Number]
- A.M. Best Rating: [Rating]

Claim Personnel:

- Initial Adjuster: [Name], License #[Number]
- Current Adjuster: [Name], License #[Number]
- Supervisor: [Name], Title: [Title]
- Examined by: [Name], License #[Number]

LOSS INFORMATION

Loss Details:

- Date of Loss: [Date]
- Time Reported: [Date and Time]
- Cause of Loss: [Specific Peril]
- Location: [Complete Address]
- Initial Reserve: \$[Amount] (if known)

Financial Impact:

- Total Documented Damages: \$[Amount]
- Amount Paid to Date: \$[Amount]
- Amount in Dispute: \$[Amount]
- Consequential Damages: \$[Amount]
- Interest Owed: \$[Amount]

DETAILED VIOLATIONS ALLEGED

1. UNFAIR CLAIMS SETTLEMENT PRACTICES ACT VIOLATIONS

[State Insurance Code §] / NAIC Model Act Section 4

(a) Misrepresenting Policy Provisions

Specific Violations:

Incident 1: On [Date], adjuster [Name] claimed the policy excludes water damage from plumbing failures.

- **Truth:** Policy page 23, Section II.A.2 specifically covers "sudden and accidental discharge from plumbing systems"
- **Evidence:** Email dated [Date] stating false exclusion (Attachment A)

- **Impact:** Delayed repairs causing additional damage of \$[Amount]

Incident 2: Carrier misquoted deductible as \$5,000 when policy states \$1,000

- **Documentation:** Written correspondence dated [Date] (Attachment B)
- **Correction:** Never acknowledged despite three written notices

Pattern Evidence: Similar misrepresentations in cases:

- *Smith v. [Carrier]*, Case #[Number] - same false exclusion claimed
- DOI Complaint #[Number] - identical misrepresentation documented

(b) Failing to Acknowledge Communications

Timeline of Ignored Communications:

Date	Type	Subject	Proof of Delivery	Response
[Date]	Certified Letter	Supplemental claim	USPS #[Number]	None
[Date]	Email	Additional damage	Read receipt	None
[Date]	Fax	Expert report	Confirmation page	None
[Date]	Portal Upload	Estimates	System confirmation	None

Statutory Requirement: [State] requires acknowledgment within 15 days **Violation Period:** Now [#] days without acknowledgment

(c) Failing to Adopt Reasonable Standards

Evidence of No Consistent Standards:

1. Changing Positions:

- [Date]: "Claim covered pending investigation"
- [Date]: "Partial coverage only"
- [Date]: "Claim denied"
- [Date]: "Partial payment offered"

2. Inconsistent Methodologies:

- Used Xactimate for initial estimate
- Rejected Xactimate for supplement
- Demanded different pricing method
- No written standards provided despite request

3. **Departure from Industry Norms:**

- Industry standard: Accept 3 estimates
- Carrier requirement: 5+ estimates demanded
- Industry standard: 10/10 overhead and profit
- Carrier position: Refusing O&P entirely

(d) Refusing to Pay Without Reasonable Investigation

Inadequate Investigation Documented:

- **Inspection Time:** 15 minutes for 3,500 sq ft property
- **Areas Not Inspected:** Attic, crawlspace, interior walls
- **Testing Not Performed:** Moisture readings, thermal imaging
- **Experts Not Consulted:** No structural engineer despite foundation issues
- **Documents Ignored:** Three professional estimates dismissed without review

Industry Standard Investigation (Per IICRC S500):

- Minimum 2-4 hours for similar loss
- Moisture mapping required
- Photo documentation of all areas
- Expert consultation for structural issues

(e) Failing to Affirm or Deny Within Reasonable Time

Statutory Timelines Violated:

Requirement	State Deadline	Actual Days	Violation
Acknowledge claim	15 days	23 days	8 days late
Request information	30 days	45 days	15 days late
Affirm or deny	60 days	Still pending (180 days)	120 days late

Damages from Delay:

- Additional water damage: \$12,000
- Mold growth requiring remediation: \$8,500
- Temporary housing costs: \$22,500

(f) Not Attempting Good Faith Settlement

Evidence of Bad Faith Negotiation:

1. Take-It-Or-Leave-It Approach:

- Offer: \$25,000
- Documented damages: \$85,000
- No negotiation permitted per adjuster email [Date]

2. Ignoring Supporting Documentation:

- Three licensed contractor estimates: \$83,000-\$87,000
- Carrier's position: "Excessive" without explanation
- Counter-estimates: Never provided

3. Refusing Appraisal Process:

- Formal demand made: [Date]
- Carrier response: Ignored
- Policy requirement: Mandatory appraisal provision

2. PROMPT PAYMENT VIOLATIONS

[State Specific Statutes]

California Insurance Code §2071

- **Requirement:** Payment within 30 days of proof
- **Violation:** 150 days and counting
- **Interest Rate:** 10% per annum = \$[Amount]
- **Daily Accrual:** \$[Amount]/day

Texas Insurance Code §542

- **15-Day Acknowledgment:** Violated by 8 days
- **30-Day Request Period:** Violated by 15 days
- **60-Day Payment:** Violated by 120 days
- **Penalty:** 18% interest + attorney fees

Florida Statute §627.70131

- **Initial Acknowledgment:** 14 days (violated)
- **Coverage Decision:** 90 days (violated)

- **Interest:** 12% from date of loss
- **Bad Faith Multiplier:** Up to 3x damages

3. DECEPTIVE PRACTICES

[State Consumer Protection Act Violations]

Documented Deceptions:

1. False Statements About Coverage:

- Stated: "Mold never covered"
- Truth: Policy covers mold from covered water damage
- Evidence: Policy endorsement IL-32-10

2. Misrepresenting Claim Status:

- Told mortgage company: "Claim closed"
- Told insured: "Under investigation"
- Truth: No activity for 60 days

3. Fabricated Requirements:

- Demanded: "Sworn proof of loss in 30 days"
- Policy requirement: "When requested" (never requested)
- Impact: Delayed claim 30+ days

DETAILED CHRONOLOGY OF EVENTS

Date	Event	Documentation	Impact
01/15/24	Water pipe burst	Photos, plumber invoice	\$85,000 damage
01/15/24	Claim reported	Claim #12345 assigned	Clock starts
01/16/24	Emergency mitigation	ServiceMaster invoice	\$5,500 spent
01/25/24	Adjuster inspection	15 minutes onsite	Inadequate
02/01/24	Estimate requested	Email confirmation	30 days elapsed
02/15/24	Estimates provided	3 contractors	\$83k-\$87k
02/28/24	Partial payment	\$25,000 check	Admitted coverage
03/15/24	Supplement submitted	Additional damage found	\$15,000 more
04/01/24	Request for update	Certified letter	No response
04/15/24	Demand letter	Attorney involved	No response
05/01/24	Appraisal demanded	Certified mail	Ignored

Date	Event	Documentation	Impact
Today	180 days elapsed	Complaint filed	Ongoing damage

PATTERN OF CONDUCT EVIDENCE

Similar Complaints Against [Carrier Name]

1. **Better Business Bureau:**
 - 847 complaints in past 3 years
 - Pattern: "Failure to pay claims"
 - Average resolution time: 6+ months
2. **State DOI Database:**
 - 156 complaints in [State] (2023)
 - 198 complaints in [State] (2024)
 - Top category: "Claim handling delays"
3. **Court Cases:**
 - *Johnson v. [Carrier]*, No. 23-CV-1234: Bad faith verdict \$2.3M
 - *Estate of Smith v. [Carrier]*: Punitive damages for similar conduct
 - *[State] v. [Carrier]*: Consent order for systematic violations
4. **Market Conduct Examinations:**
 - 2022 Exam: 34 violations found
 - Fine: \$500,000
 - Required remediation incomplete

Evidence of Systematic Issues

Internal Emails (If Obtained via Discovery):

- "Delay, Deny, Defend" strategy documented
- Claim handling quotas that incentivize denials
- Bonus structure rewarding low payments

DAMAGES INCURRED

Economic Damages (Documented)

Category	Amount	Documentation
Unpaid claim	\$60,000	Estimates, invoices
Additional damage	\$12,000	Engineer report
ALE/temporary housing	\$22,500	Rental receipts
Storage costs	\$1,800	Monthly invoices
Expert fees	\$3,500	Expert invoices
Lost wages	\$5,000	Employer letter
Credit damage	Quantifiable	Credit reports
Total Economic:	\$104,800	

Non-Economic Damages

- **Emotional Distress:** Severe anxiety requiring treatment
- **Medical Costs:** \$3,500 in therapy and medication
- **Family Impact:** Strain on marriage, children's disruption
- **Loss of Home Use:** 6 months displacement

SPECIFIC RELIEF REQUESTED

Immediate Actions Needed:

1. **Emergency Order** requiring payment within 72 hours
2. **Investigation** of systemic violations
3. **Payment Order** for:
 - Principal claim: \$60,000
 - Interest: \$[Calculated amount]
 - Penalties: Per statute
4. **Corrective Actions:**
 - Assign independent adjuster
 - Complete re-inspection
 - Expedited processing

Regulatory Actions Requested:

1. **Market Conduct Examination** of [Carrier]'s claim practices
2. **Pattern Analysis** of similar complaints
3. **Enforcement Action:**
 - Fines for violations
 - License review/suspension consideration
 - Consent order requiring reforms
4. **Public Disclosure** of violation findings
5. **Restitution Program** for similarly situated insureds
6. **Monitor Appointment** for claim handling

Individual Relief:

1. Order immediate payment of undisputed amounts
2. Require independent appraisal process
3. Award statutory penalties and interest
4. Order payment of consequential damages
5. Require written acknowledgment of violations
6. Mandate expedited handling going forward

EVIDENCE ATTACHED

Documents Provided (127 pages):

1. Complete insurance policy
2. All correspondence (chronological)
3. Adjuster reports and notes
4. Three contractor estimates
5. Engineering report
6. Environmental/mold assessment
7. Photographs (247 images on USB)
8. Video documentation (3 hours)
9. Expert reports (structural, mold)
10. Proof of expenses (all receipts)
11. Timeline with documentation

12. Similar complaints (public records)
13. Medical records (emotional distress)
14. Credit reports showing impact
15. Mortgage company correspondence

AUTHORIZATION AND AVAILABILITY

Consent to Investigate

I authorize the Department to:

- Obtain complete claim file from carrier
- Access all internal communications
- Interview all parties involved
- Share information with other agencies
- Take all necessary enforcement action
- Publicize findings as appropriate

Availability for Proceedings

I am available to:

- Provide additional documentation
- Testify at hearings
- Participate in mediation
- Assist other consumers
- Support pattern investigations

Contact Availability:

- Best phone times: [Specify]
- Email response: Within 24 hours
- In-person meetings: With 48 hours notice

DECLARATION UNDER PENALTY OF PERJURY

I declare under penalty of perjury under the laws of [State] that:

1. All statements herein are true and correct
2. All documents attached are authentic

3. No material facts have been omitted
4. I am the policyholder or authorized representative

Signature: _____

Printed Name: [Name]

Date: [Date]

ADDITIONAL COMMENTS

The systematic nature of these violations suggests [Carrier Name] is engaged in deliberate bad faith practices affecting numerous policyholders. This is not an isolated incident but part of a pattern requiring immediate regulatory intervention. Every day of delay causes additional harm to consumers.

I request expedited review given:

- Ongoing property damage
- Financial hardship created
- Pattern of violations evident
- Public interest in enforcement

cc:

- [Insurance Carrier] - Legal Department
- [State] Attorney General - Consumer Protection Division
- National Association of Insurance Commissioners
- [Your Attorney, if represented]
- Media Contact: [If applicable]
- File

Post-Filing Follow-Up Schedule

Week 1: Call DOI to confirm receipt

Week 2: Submit any additional documents requested

Week 4: Follow up if no response

Week 6: Consider escalation to commissioner level

Week 8: Evaluate need for legal action

Red Flags Indicating Retaliation

- Sudden coverage "reconsideration"
- Examination under oath demand
- Policy cancellation notice
- Increased documentation requests
- Change to hostile adjuster

This enhanced template includes specific examples and comprehensive details. Customize all sections with your actual claim information and supporting documentation.