

# FINAL SETTLEMENT REJECTION / COUNTEROFFER LETTER

## Enhanced Version with Strategic Counteroffer Framework

**Document Category:** Settlement & Payment

**Document Number:** 14 of 33

**Priority Level:** CRITICAL NEGOTIATION POINT

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### POLICYHOLDER INFORMATION

[Your Full Legal Name]

[Your Complete Address]

[City, State ZIP]

[Phone Number]

[Email Address]

[Date]

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### RECIPIENT INFORMATION

**SENT VIA:** Email with Read Receipt, Certified Mail #[Number], Fax Confirmation

[Insurance Carrier Name]

Claims Department

Attn: [Adjuster Name], [Title]

[Address]

[City, State ZIP]

**CC: Claims Supervisor:** [Name]

**CC: Legal Department:** If litigation threatened

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### MATTER IDENTIFICATION

**Re: REJECTION of Settlement Offer and COUNTEROFFER**

**Policy Number:** [Policy #]

**Claim Number:** [Claim #]

**Date of Loss:** [Date]

**Your Offer Date:** [Date]

**Your Offer Amount:** \$[Amount]

**Our Counteroffer:** \$[Amount]

**Property Address:** [Address]

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**FORMAL REJECTION AND COUNTEROFFER**

Dear [Adjuster Name]:

I have carefully reviewed your settlement offer dated [date] in the amount of \$[amount]. After thorough consideration and consultation with my advisors, I must respectfully **REJECT** this offer as inadequate and present the following comprehensive counteroffer.

**This counteroffer represents a final attempt at reasonable resolution before escalation.**

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**SECTION 1: DETAILED REASONS FOR REJECTION**

**COMPREHENSIVE ANALYSIS OF INADEQUACY**

**A. Undervaluation of Documented Damages**

Damage Category	Documented Amount	Your Offer	Shortfall	% Undervalued
Structural Damage				
Foundation	\${amount}	\${amount}	\${amount}	[%]
Framing	\${amount}	\${amount}	\${amount}	[%]
Roofing	\${amount}	\${amount}	\${amount}	[%]
Exterior	\${amount}	\${amount}	\${amount}	[%]
Interior	\${amount}	\${amount}	\${amount}	[%]
Systems	\${amount}	\${amount}	\${amount}	[%]
Subtotal Structure	\${amount}	\${amount}	\${amount}	[%]
Personal Property				
Furniture	\${amount}	\${amount}	\${amount}	[%]
Electronics	\${amount}	\${amount}	\${amount}	[%]
Clothing	\${amount}	\${amount}	\${amount}	[%]
Other contents	\${amount}	\${amount}	\${amount}	[%]
Subtotal Contents	\${amount}	\${amount}	\${amount}	[%]
Additional Coverages				
ALE	\${amount}	\${amount}	\${amount}	[%]
Code upgrades	\${amount}	\${amount}	\${amount}	[%]
Professional fees	\${amount}	\${amount}	\${amount}	[%]
TOTAL UNDERVALUATION	\${amount}	\${amount}	\${amount}	[%]

B. Omitted Coverage Elements

Your Offer Completely Excludes:

Omitted Item	Coverage Basis	Amount Due	Policy Reference	Evidence
[Item/Coverage]	Policy provides	\${amount}	Section [X]	[Document]
[Item/Coverage]	Clear coverage	\${amount}	Section [Y]	[Document]
[Item/Coverage]	Required by code	\${amount}	Ordinance coverage	Permits
[Item/Coverage]	Consequential	\${amount}	Case law	[Citation]
Total Omitted		\${amount}		

C. Improper Depreciation Applied

Depreciation Wrongfully Withheld:

Item	RCV	Your ACV	Depreciation Held	Should Be Recoverable
[Item]	\${amount}	\${amount}	\${amount}	Policy provides RCV
[Item]	\${amount}	\${amount}	\${amount}	Repair complete
[Item]	\${amount}	\${amount}	\${amount}	Replacement done
Total	\${amount}	\${amount}	\${amount}	All recoverable

D. Code Upgrade Coverage Denied

Required Code Upgrades Not Included:

Code Requirement	Trigger	Cost	Coverage Available	Your Position
[Requirement]	50% rule	\${amount}	Ordinance coverage	Denied
[Requirement]	Repair trigger	\${amount}	Policy included	Excluded
[Requirement]	Safety mandate	\${amount}	Clear coverage	Ignored
Total Code		\${amount}	Covered	\$0 offered

E. Professional Fees Ignored

Necessary Professional Services:

Professional	Purpose	Amount	Reasonable	Your Offer
Public Adjuster	Claims assistance	\${amount}	Industry standard	\$0
Engineer	Structural assessment	\${amount}	Required	\$0
Architect	Plans required	\${amount}	Necessary	\$0
Attorney	Bad faith forced	\${amount}	Your conduct	\$0
Total Fees		\${amount}	Justified	\$0

SECTION 2: SPECIFIC VALUATION DISPUTES

LINE-BY-LINE COMPARISON

Your Position vs. Market Reality:

Scope Item	Your Estimate	Market Rate	Difference	Supporting Bids
Example Items				
Roof replacement	\${amount}	\${amount}	\${amount}	3 bids attached
Kitchen cabinets	\${amount}	\${amount}	\${amount}	Quotes included
Hardwood flooring	\${amount}	\${amount}	\${amount}	Invoices provided
HVAC system	\${amount}	\${amount}	\${amount}	Contractor bids
Electrical upgrade	\${amount}	\${amount}	\${amount}	Licensed quotes
[Additional items continue...]				
TOTAL DISPUTE	\${amount}	\${amount}	\${amount}	All documented

## SECTION 3: COMPREHENSIVE COUNTEROFFER

### DETAILED COUNTEROFFER STRUCTURE

#### A. Base Settlement Components

Component	Calculation Basis	Amount	Documentation
<b>Dwelling Coverage</b>			
Structural repairs	RCV per estimates	[\$amount]	3 contractor bids
Systems replacement	Full replacement	[\$amount]	Specialty quotes
Exterior work	Complete scope	[\$amount]	Detailed estimates
Interior restoration	Like kind/quality	[\$amount]	Designer quotes
<b>Subtotal Dwelling</b>		<b>[\$amount]</b>	
<b>Contents Coverage</b>			
Scheduled items	Agreed value	[\$amount]	Appraisals
General contents	RCV/ACV	[\$amount]	Inventory
<b>Subtotal Contents</b>		<b>[\$amount]</b>	
<b>Additional Living Expense</b>			
Temporary housing	Actual incurred	[\$amount]	Receipts
Excess costs	Documented	[\$amount]	Records
Storage	Necessary	[\$amount]	Invoices
<b>Subtotal ALE</b>		<b>[\$amount]</b>	
<b>Other Coverages</b>			
Code upgrades	Required	[\$amount]	Permits
Debris removal	Actual	[\$amount]	Invoices
Professional fees	Incurred	[\$amount]	Contracts
<b>Subtotal Other</b>		<b>[\$amount]</b>	
<b>GROSS AMOUNT</b>		<b>[\$amount]</b>	
Less: Deductible	Applied once	-\$[amount]	
Less: Prior payments	Received	-\$[amount]	
<b>NET COUNTEROFFER</b>		<b>[\$amount]</b>	<b>Fully supported</b>

## SECTION 4: SUPPORTING DOCUMENTATION

### EVIDENCE SUPPORTING COUNTEROFFER

#### Attached Documentation Proving Damages:

Document Type	Quantity	Source	Credibility	Purpose
Expert Reports				
Structural engineer	1 complete	[Name, PE#]	Licensed	Damage extent
Cause/origin	1 detailed	[Name, cert]	Certified	Coverage trigger
Code consultant	1 report	[Name]	Expert	Requirements
Contractor Estimates				
General contractors	3 detailed	Licensed	Bonded	Repair costs
Specialists	[#] each trade	Licensed	Insured	Specific work
Financial Records				
Receipts	All expenses	Original	Verified	Actual costs
Bank statements	[Months]	Bank	Official	Proof of payment
Credit cards	[Months]	Issuer	Official	Expenses
Photos/Videos				
Pre-loss	[#] images	Dated	Original	Condition
Post-loss	[#] images	Comprehensive	Time-stamped	Damage
Progress	[#] images	Sequential	Dated	Ongoing
Municipal Records				
Permits required	All applicable	City/County	Official	Code compliance
Inspection reports	As issued	Inspector	Government	Requirements

SECTION 5: COMPARISON TO INDUSTRY STANDARDS

MARKET VALIDATION

Industry Pricing Verification:

Pricing Source	Scope Total	Your Offer	Difference	Date
Xactimate	\${amount}	\${amount}	-\${amount}	Current
CoreLogic	\${amount}	\${amount}	-\${amount}	Current
Local contractors (avg)	\${amount}	\${amount}	-\${amount}	[Date]
Public adjuster estimate	\${amount}	\${amount}	-\${amount}	[Date]
Average Market Rate	\${amount}	\${amount}	-%	

Your offer is [%] below documented market rates

# SECTION 6: LEGAL AND REGULATORY CONSIDERATIONS

## VIOLATIONS AND EXPOSURE

### Your Offer Raises Concerns Under:

Law/Regulation	Requirement	Violation	Penalty	Risk
State Insurance Code				
§[XXX]	Fair settlement	Unreasonably low	Treble damages	High
§[XXX]	Prompt payment	Delayed/inadequate	Interest + penalty	Certain
§[XXX]	Good faith	Pattern of underpayment	Bad faith liability	Probable
Unfair Claims Practices				
§XXX	Misrepresentation	Policy provisions	Per violation	Multiple
§XXX	Lowball offers	Below reasonable	Pattern evidence	Clear
§XXX	Compelling litigation	Forcing suit	Attorney's fees	Applicable
Case Law				
[Case v. Insurer]	Reasonable offer required	Unreasonable here	Punitive possible	Precedent

# SECTION 7: PARTIAL PAYMENT OPTION

## ALTERNATIVE RESOLUTION STRUCTURE

### While Maintaining Full Dispute:

#### Option for Immediate Partial Payment:

Category	Undisputed Amount	Pay Now	Continue Negotiating
Emergency repairs	#[amount]	Immediate	Balance later
Clear damages	#[amount]	No question	Rest disputed
ALE documented	#[amount]	Receipts provided	Future costs
Undisputed Total	#[amount]	Pay within 10 days	Reserve rights

### Benefits:

- Reduces immediate financial pressure
- Shows good faith
- Narrows dispute



- Avoids interest on undisputed amounts

## SECTION 8: ALTERNATIVE RESOLUTION PROPOSALS

### BREAKING THE IMPASSE

#### Option 1: Binding Appraisal

##### Invoke Policy Appraisal Clause:

Element	Process	Timeline	Cost
Invoke clause	Written demand	Immediate	Filing fee
Each select appraiser	Independent	30 days	[\$amount] each
Appraisers select umpire	Neutral	15 days	Split cost
Inspection	Joint	30 days	Included
Decision	Binding on amount	60 days total	Final

**Benefits:** Binding resolution, faster than litigation, less expensive

#### Option 2: Mediation

##### Voluntary Mediation Proposal:

Component	Proposal	Alternative	Agreement Needed
Mediator	[Name 1]	[Name 2]	Mutual
Cost	50/50 split	You pay if bad faith	Negotiate
Location	[City]	Virtual	Convenience
Date	Within 30 days	Flexible	Schedule
Authority	Full settlement	At least \$[amount]	Decision makers

**Benefits:** Confidential, creative solutions, relationship preserved

#### Option 3: Re-inspection with Experts

##### Joint Expert Inspection:

Participant	Role	Purpose	Cost Share
Your expert	Carrier rep	Explain position	You pay
Our expert	Policyholder rep	Show damage	We pay
Neutral expert	Tie-breaker	If needed	Split
All parties	Observe	Understand	Time only

**Benefits:** Educational, may resolve misunderstandings, builds trust

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## SECTION 9: TIME SENSITIVITY

### COUNTEROFFER EXPIRATION

#### This Counteroffer Timeline:

Date	Event	Consequence if Expired
[Today]	Counteroffer made	Negotiation opportunity
[+7 days]	Response expected	Shows good/bad faith
[+14 days]	Final negotiations	Last chance to settle
[+21 days]	Documentation exchange	If progressing
[+30 days]	<b>EXPIRATION</b>	<b>Litigation proceeds</b>

#### After Expiration:

- Demand increases to include all damages
  - Bad faith claims fully pursued
  - Punitive damages sought
  - No further settlement discussions
- 

## SECTION 10: CONSEQUENCES OF NON-SETTLEMENT

### ESCALATION PATH IF REJECTED

#### Next Steps if No Agreement:

Timeline	Action	Impact on Carrier	Cost to Carrier
<b>Week 1</b>			
Day 1-3	Retain counsel	Litigation certain	Defense costs begin
Day 4-7	File lawsuit	Public record	Reputation risk
<b>Week 2-4</b>			
File complaint	Detailed allegations	Discovery begins	Document production
Serve process	Formal proceedings	Answer required	Legal fees escalate
<b>Month 2-3</b>			
Discovery	Depositions	Executives' time	Disruption
Document requests	Broad production	Sensitive info	Exposure risk
<b>Month 4-6</b>			
Expert discovery	Multiple experts	Expensive	\${amount}
Motion practice	Legal rulings	Adverse precedent	Risk
<b>Month 7-12</b>			
Trial preparation	Intensive	Major expense	\${amount}
Trial	Public proceeding	Verdict risk	\${amount} exposure

Potential Damages at Trial:

Damage Category	Conservative	Likely	Aggressive
Contract damages	\${amount}	\${amount}	\${amount}
Bad faith	\${amount}	\${amount}	\${amount}
Punitive	\$0	\${amount}	\${amount}
Attorney's fees	\${amount}	\${amount}	\${amount}
<b>Total Exposure</b>	<b>\${amount}</b>	<b>\${amount}</b>	<b>\${amount}</b>

SECTION 11: GOOD FAITH ANALYSIS

DEMONSTRATING REASONABLENESS

This Counteroffer is Reasonable Because:

Factor	Our Position	Industry Standard	Your Position
<b>Basis</b>			
Documentation	Complete	Required	Ignore evidence
Pricing	Market rates	Standard	Below market
Scope	Actual damage	Reasonable	Artificial limits
<b>Compromise</b>			
Reduction from initial	[%] reduced	Shows flexibility	No movement
Disputed items	Some conceded	Compromise	No concessions
Payment terms	Flexible	Negotiable	Rigid
<b>Legal Merit</b>			
Coverage	Clear	Policy language	Misinterpretation
Damages	Proven	Documented	Speculation
Bad faith	Strong evidence	Standards	Violations clear

## SECTION 12: BUSINESS DECISION FRAMEWORK

### COST-BENEFIT FOR CARRIER

#### Settlement vs. Litigation Analysis:

Factor	Settle Now	Litigate	Difference
<b>Costs</b>			
Payment	\${counteroffer}	\${verdict risk}	-\${amount}
Defense costs	\$0	\${amount}	-\${amount}
Time/resources	Minimal	Extensive	-[Hours]
<b>Risks</b>			
Bad verdict	None	\${amount}	-\${amount}
Punitive damages	None	\${amount}	-\${amount}
Precedent	None	Adverse ruling	-Future claims
<b>Benefits</b>			
Certainty	100%	Unknown	+Valuable
Finality	Immediate	Years+appeals	+Time value
Confidentiality	Protected	Public	+Reputation
<b>NET BENEFIT</b>	<b>Clear win</b>	<b>Major risks</b>	<b>Settle better</b>

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## SECTION 13: PREVIOUS AGREEMENTS

### BUILDING ON PRIOR DISCUSSIONS

#### Points We've Already Agreed On:

Issue	Agreement Reached	Value	Incorporated
[Item]	[Description]	\${amount}	✓ Included
[Item]	[Description]	\${amount}	✓ Included
[Item]	[Description]	\${amount}	✓ Included
Total Agreed		<b>\${amount}</b>	<b>In counteroffer</b>

We only need to resolve: \${remaining dispute}

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## SECTION 14: FOCUSED DISPUTE

### NARROWING THE ISSUES

#### The Real Disagreement:

Core Issue	Our Position	Your Position	Gap to Bridge
Scope of damage	[Description]	[Description]	\${amount}
Valuation method	[Method]	[Method]	\${amount}
Coverage interpretation	[View]	[View]	\${amount}
Total Gap			<b>\${amount}</b>

This counteroffer bridges [%] of the gap

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## SECTION 15: PROFESSIONAL ADVISORS

### EXPERT SUPPORT FOR POSITIONS

#### Our Team if Litigation Required:

Professional	Credentials	Role	Experience
Attorney	[Name, Bar#]	Lead counsel	[Years] insurance
Public Adjuster	[Name, License]	Damage expert	[#] claims
Engineer	[Name, PE]	Structural	[Years] experience
Contractor	[Name, License]	Cost expert	[#] projects
Insurance Expert	[Name]	Bad faith	[#] cases testified

**All prepared to testify at trial**

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## SECTION 16: SETTLEMENT AUTHORITY

### DECISION-MAKING CONFIRMATION

**I have full authority to:**

- Accept reasonable settlement
- Execute all documents
- Provide releases
- Dismiss litigation
- Close claim finally

**Do you have authority to settle at counteroffer amount?**

- If yes: Let's finalize
  - If no: Who does?
  - Get authority or include them
- 

## SECTION 17: REQUEST FOR RESPONSE

### SPECIFIC RESPONSE REQUESTED

**Please Respond With:**

Response Element	Purpose	Deadline
<b>Acceptance</b> of counteroffer	Resolve claim	Best outcome
<b>Specific rejection reasons</b>	Understand position	If rejecting
<b>Detailed counter-proposal</b>	Continue negotiation	With documentation
<b>Decision maker identity</b>	Include if needed	For authority
<b>Alternative proposal</b>	Creative solution	Welcome ideas
<b>Meeting availability</b>	Discuss in person	If helpful

## SECTION 18: WILLINGNESS TO DISCUSS

### CONTINUED NEGOTIATION

#### I Remain Willing To:

1. **Participate in settlement conference** - In person or virtual
2. **Consider reasonable alternatives** - Creative solutions welcome
3. **Provide additional documentation** - If specific needs identified
4. **Meet with decision makers** - Include all necessary parties
5. **Engage in formal ADR** - Mediation or appraisal
6. **Work toward resolution** - Avoid litigation if possible

#### Contact for Discussion:

- Phone: [Number] (best times: [times])
- Email: [Email]
- Available: [Days/times]

## SECTION 19: DOCUMENTATION OF REJECTION

### FORMAL RECORD

#### For the Record:

1. **Your offer of \$[amount] is formally REJECTED**
2. **All rights and claims are reserved**
3. **This rejection may be used as evidence**

- 4. **Bad faith claims are preserved**
- 5. **Pattern of underpayment documented**

## SECTION 20: PATH FORWARD

### CLEAR OPTIONS

**To Resolve This Claim, You Can:**

Option	Action Required	Timeline	Result
Option 1	Accept counteroffer	Immediate	Claim resolved
Option 2	Make realistic counter	Within 7 days	Negotiation continues
Option 3	Agree to appraisal	Within 10 days	Binding resolution
Option 4	Schedule mediation	Within 14 days	Facilitated settlement
Option 5	Continue low offers	Your choice	Litigation certain

## CLOSING STATEMENT

### FINAL OPPORTUNITY

Your current offer of \$[amount] does not reflect the documented damages, clear coverage, or your obligations under the policy and law. My counteroffer of \$[amount] is:

- **Reasonable** - Based on market rates and actual damages
- **Documented** - Supported by extensive evidence
- **Compromised** - Reduced from full demand
- **Final** - Last attempt before litigation

This represents a genuine effort to resolve our dispute without the expense, time, and uncertainty of litigation. However, I am fully prepared to pursue all legal remedies if necessary, including:

- Full contract damages
- Bad faith damages
- Punitive damages where applicable
- Attorney's fees
- Regulatory complaints



- Public litigation

**The choice is yours:** Accept this reasonable counteroffer, make a realistic counter-proposal, or face the consequences of litigation with its attendant risks and costs.

I sincerely hope [Carrier Name] will reconsider its position and make a fair settlement offer that reflects the actual losses sustained and documented.

Time is of the essence. This counteroffer expires in 30 days, after which the demand will increase to include all consequential damages, bad faith damages, and attorney's fees.

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**Respectfully,**

[Your Signature]

[Your Printed Name]

[Date]

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## ATTACHMENTS

### Complete Supporting Documentation:

1. ☒ **Three contractor estimates** (detailed, from licensed contractors)
  2. ☒ **Engineer's structural report** (PE stamped)
  3. ☒ **Complete photo documentation** (before, during, after)
  4. ☒ **Municipal permits and requirements** (code upgrades)
  5. ☒ **Expert cause and origin report** (if applicable)
  6. ☒ **Personal property inventory** (detailed with values)
  7. ☒ **ALE receipts and documentation** (all expenses)
  8. ☒ **Prior correspondence** (showing pattern)
  9. ☒ **Market pricing data** (Xactimate or similar)
  10. ☒ **Financial impact documentation** (credit, loans, etc.)
- 

## DISTRIBUTION

**cc:** [Public Adjuster] - [Name]

**cc:** [Attorney] - [Name] (if retained)

**cc:** File

**ADDENDUM: SPECIFIC LINE-ITEM DISPUTES**

**DETAILED SCOPE COMPARISON**

*(Attach detailed spreadsheet comparing your estimate to market rates)*

Line #	Scope Item	Unit	Quantity	Your Rate	Market Rate	Difference	Notes
1.1	Remove roofing	SQ	[#]	[\$amount]	[\$amount]	[\$amount]	Under market
1.2	Install sheathing	SF	[#]	[\$amount]	[\$amount]	[\$amount]	Missing
1.3	Install underlayment	SQ	[#]	[\$amount]	[\$amount]	[\$amount]	Under priced
...	[Continue for all items]						

**SETTLEMENT AUTHORITY CERTIFICATION**

I, [Your name], certify that:

- 1. I have full authority to settle this claim
- 2. This counteroffer is made in good faith
- 3. The documentation provided is true and accurate
- 4. I will execute reasonable settlement documents
- 5. I prefer settlement to litigation

However, if this reasonable counteroffer is rejected, I am prepared to pursue all available legal remedies to obtain fair compensation for my losses.

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**COUNTEROFFER EXPIRES:** [Date - 30 days]

**RESPONSE REQUESTED BY:** [Date - 7 days]

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*Note: This template is provided for informational purposes only and does not constitute legal advice. Users should customize all fields in brackets [ ] with their specific information and consult with appropriate professionals when dealing with insurance claim negotiations.*