
Insurance Industry Settlement Tactics

How To Navigate The Injury
Accident Claim War-Zone On
Your Own

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INSURANCE INDUSTRY SETTLEMENT TACTICS HOW TO NAVIGATE THE INJURY ACCIDENT CLAIM WAR ZONE ON YOUR OWN

You Unknowingly Have Entered A War Zone

Did you know that the day you were injured you entered a war zone with the insurance industry? Over the past 30+ years, the insurance industry has spent billions of dollars on advertising to spread false and misleading information about accident claims. The industry wants people to believe that the justice system is out of control and that people who file lawsuits are getting millions of dollars for minor injuries. Such propaganda has created the false perception among the public that the system needs fixing. Unfortunately, this “misinformation” spread by the insurance industry has had an enormous negative influence on juries and their verdicts.

Juries today are highly skeptical of people who file lawsuits that claim money for “pain and suffering.” Many people who wind up on juries believe the myths touted by the insurance industry. This can be a huge obstacle to achieving justice in your case, even when the injuries are severe and negligence has been established.

Lawyers who handle these cases have learned over the past few years that it is much more difficult to achieve justice for their clients.

You need to be aware that the insurance claims adjustor will utilize any means necessary to pay out as little as possible, even on legitimate claims that involve serious injuries. Insurance adjustors receive extensive training on how to save the company money, and not necessarily on how to examine a claim and pay a fair settlement. Many insurance companies reward their adjustors with bonuses or promotions based on how much money that person saves the company rather than how many claims are settled. The claims adjustor accomplishes this in several ways:

- Using Delay. The adjustor is a master of using delay tactics to wear people down. He knows that many people will at some point throw up their hands and say “Enough!” while finally accepting the company’s last offer just to be done with the whole process.
- Requesting Unnecessary Information. Another method is when the adjustor makes repeated requests for “documentation” even if the information will have little or no bearing on the amount that will be offered in settlement. Repeated requests for unnecessary documentation can easily frustrate people and wear them down so they’re more likely to accept a lower settlement offer.

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- **Disputing the Medical Treatment.** One way the adjustor will minimize your claim is to dispute or question your need for medical treatment, despite having no medical training! (even if the treatment is prescribed by your own doctor!). Many times it does not matter to the adjustor that your treatment has been recommended by a reputable licensed physician.
- **“Nickel & Dime” the Medical Charges.** Often times the adjustor will only agree to “accept” 70, 80 or 90% of your past medical charges, while having no medical background to support such a position. By “nickel and diming” the consumer, the well-trained adjustor knows that most people will not hire a lawyer to challenge a small portion of the medical bills.
- **Tell You Not to Hire an Attorney.** Other times the insurance company will dissuade you from hiring an experienced attorney and falsely tell you that any money you receive will go only to the attorney. Still other times the adjustor may threaten to “deny” or “lowball” the claim if you hire a lawyer.
- **Misrepresenting Insurance Policy Benefits.** Sometimes the adjustor will misrepresent the amount of insurance coverage that is available to you. Or worse, the adjustor doesn’t even tell you that the insurance coverage or certain types of benefits even exist. This tactic may also be used to entice you into accepting a smaller settlement than what would otherwise be warranted.
- **Acting as Your Friend.** There are times when the claims adjustor will “befriend” you and make it appear that she is watching out for your interests when in fact she is not. Sometimes the adjustor will give you advice about the type or frequency of your medical treatment, and then decide later on not to pay for the treatment because it is “excessive.”
- **Making False Promises.** There are times when the adjustor will make promises to you that he or she knows can’t be met. For example, this author had a client who was promised that the insurance company would continue to pay her medical bills every month until she recovered. This went on for four months until the adjustor decided that four months of treatment was enough. The problem was that the client didn’t find out about the insurance company’s decision to stop paying until she had racked up many more months of medical bills!

These are just a few of the tactics that the insurance industry uses to badger and wear down injured victims so that less money is paid out. And to a large extent, the industry has been successful. The strong backlash created by the insurance industry against our justice system is a very strong movement in many parts of our country. The movement has a name, it is called Tort Reform. The success of the Tort Reform movement has emboldened the insurance industry to withhold fair settlements until you convince them that you are ready, willing and able to go to trial. But do not be discouraged. You CAN achieve fair compensation for your injuries and beat the insurance industry at their own game. But it may take time and effort.

Case Study: Insurance Company Nailed for Engaging In Illegal Claims Practices

Some insurance companies use fraudulent tactics to trick accident victims into accepting very small settlements. Take Allstate Insurance Company for example. This carrier had a policy of deceiving accident victims into believing that the company was representing their interests in settling the claim.

In 1997 Janet Jones was severely injured when a teenager ran a stop sign and t-boned her vehicle. The impact of the crash hurled Jones's minivan onto its side. A defective seatbelt caused her to be partially ejected from the van. She sustained severe head and facial injuries, including the loss of an eye. The medical expenses from her initial hospital stay grew to more than \$75,000—exceeding the \$25,000 liability limit on the teenager's Allstate policy. Three days after the accident, Allstate claims adjusters contacted Jones with a form letter promoting its "Quality Service Pledge." Allstate said it would serve as Jones's claims representative for the accident. Allstate's claims adjusters continued to contact Jones and asked the Jones family to "trust" Allstate and reaffirmed the company's commitment to make an "appropriate offer of compensation" for her injuries. However, Allstate adjusters cautioned the Jones family that Allstate would not continue to represent them in the claims process if they retained an attorney.

Allstate then falsely told Mrs. Jones that she needed to settle with the company for the amount of the teenager's policy limits. But by doing so, Mrs. Jones would have relinquished her claim against the manufacturer that made the defective seat belt, causing her to lose virtually hundreds of thousands of dollars in settlement proceeds. By settling with Allstate, Mrs. Jones' settlement only benefited the insurance company. After Mrs. Jones filed suit against Allstate, her attorney obtained the company's training manuals. These materials showed that Allstate's adjusters were instructed to bilk injured citizens. They were trained to contact accident victims immediately after the accident and then portray themselves as representatives for the claims process. Allstate also had a policy of routinely sending accident victims a letter promising a "Quality Service Pledge" with a brochure telling accident victims that they "do not need attorneys to receive fair treatment or a fair settlement." Allstate's explicit goal was to remove attorneys from the claims process entirely so it could pay out less money to claimants and thereby increase its own revenue.

The Washington State Supreme Court ruled that Allstate engaged in the illegal practice of law by advising Mrs. Jones to accept a settlement that only benefited the company.¹ Fortunately, Mrs. Jones was allowed to recover damages against this insurance company. There have been more than 50 similar lawsuits filed against Allstate for its claims practices nationwide.

Protecting the Legal Rights of
Injury Victims & Their Families



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