The phone rings three days after a rear-end crash. The adjuster sounds kind, says the company will take care of everything, asks for a recorded statement, and hints that the emergency room bill looks high. Weeks pass, calls stop, and a tiny offer appears with a deadline that lands before your next medical appointment. This is where many people feel lost. When a claim drifts or gets squeezed by pressure tactics, a seasoned car accident lawyer reads those signals and shifts the balance.

Bad faith in insurance is not just legal jargon. It is a pattern of conduct where an insurer uses delay, confusion, or leverage to avoid paying what the policy or the law requires. It can show up quietly, through missing return calls or partial payments, or loudly, through denials that do not match the evidence. The most important truth I have learned in practice is this: bad faith rarely announces itself. You have to recognize it, document it, and create consequences for it.

What “bad faith” means in real terms

Every insurance policy carries an implied promise of fair dealing. The exact tests vary by state, but two general rules hold across the map. First, an insurer must reasonably investigate and evaluate a claim. Second, an insurer must be honest about coverage and must not use unfair methods to force a cheap settlement. Courts describe it as the duty of good faith and fair dealing. Regulators add teeth through Unfair Claims Settlement Practices Acts, which prohibit specific conduct such as misrepresenting policy provisions, failing to promptly investigate, or not attempting in good faith to settle when liability is reasonably clear.

That is the law in the books. On the ground, bad faith looks simpler: a company refuses to treat you like a person with bills, pain, and a life on hold. The tactics vary. Some carriers drag out requests for documents, then restart the clock after each delivery. Some cherry pick a single line from a medical note to argue you were fine by the second week. Some pretend a policy limit is confidential and cannot be disclosed, knowing that you cannot make an informed demand without it. Others toss a quick offer and make it sound final, then blame you for not settling when you keep seeing doctors.

A car accident lawyer answers those moves with structure. We collect the right evidence, set clear deadlines, and force decisions. We control communications so the record reflects what actually happened, not what the carrier wishes had happened. And when the company crosses the line, we hold the door open to a bad faith claim that can flip the economics of the case.

Common red flags to watch early

- Long gaps between your calls and the adjuster’s responses, with shifting explanations for delay.
- Requests for broad medical authorizations that reach years before the crash without a clear reason.
- A fast, low offer tied to an arbitrary deadline, especially before your treatment stabilizes.
- Misstatements about coverage, policy limits, or fault that do not match the police report or witness statements.
- Pressure to give a recorded statement while you are medicated or before you have seen your medical records.

You do not need to confirm bad faith to get help. If you feel pressure or confusion, that is enough reason to bring in counsel.

First-party versus third-party claims

It helps to separate two lanes of bad faith.

First-party claims involve your own insurer paying your benefits, such as MedPay, PIP, collision, or uninsured or underinsured motorist coverage. In this lane, your company owes direct duties to you. Many states allow you to sue your insurer for bad faith if it unreasonably denies or delays these benefits. Remedies can include policy benefits, consequential damages, and sometimes punitive damages if the conduct is egregious. The standards and available damages vary by jurisdiction.

Third-party claims involve the at-fault driver's insurer. Here, you are not their customer, so duties look different. The insurer's core duty runs to its own policyholder: to defend them and to settle cases within policy limits when liability is reasonably clear. When the insurer gambles and refuses a fair, within-limits settlement, then a verdict above the policy can expose the company to extra-contractual liability. Some states allow the injured person to pursue that bad faith claim after obtaining an excess judgment or through an assignment from the at-fault driver. Other states provide limited rights or rely on statutory unfair practice remedies. The details matter, and a car accident lawyer will tailor the strategy to local law.

Why insurers slide into bad faith

I have deposed adjusters who were candid about their metrics. They track cycle times, average paid per claim, and claim closure rates. Bonuses tie to those numbers. Most adjusters want to do a decent job, but the system pushes toward underpayment. Tactics that create friction, such as requiring duplicate records or downplaying injuries absent an MRI, fit the incentives.

There is also the triage problem. Carriers handle thousands of claims. Cases that arrive neat, with well-supported demands and firm deadlines, reach supervisors faster and get serious attention. Messy files, with scattered bills and inconsistent stories, wander. Bad faith often grows in the wilderness of delay. The opposite of that wilderness is a well-built record.

How a lawyer builds a record insurers must respect

From the first call, I am thinking like a trial lawyer even if the goal is settlement. The point is not to posture. It is to prepare the evidence a jury would need, then invite the insurer to make a smart decision.

I start by locking down liability. That means getting the full police file, 911 calls when available, body cam video if the agency releases it, intersection or dash cam footage, and statements from witnesses while memories are fresh. In low-speed impacts where carriers love to argue that nobody could be hurt, I look for property damage photos from both vehicles, repair estimates that show frame components, and event data recorder downloads when feasible. I have convinced more than one adjuster with a crisp animation built from crash data and scene measurements, not with adjectives.

On the medical side, treatment must make sense. I ask clients to be honest about prior injuries and daily activities. Insurers will find those records anyway, and credibility wins cases. We gather records in chronological order, with clear index pages so an adjuster can flip through without getting lost. Gaps in treatment get an explanation. If the client missed therapy for two weeks because a child was hospitalized, that note goes into the timeline. If imaging is needed to answer a disputed diagnosis, we push for it. If surgery looms, we consult with the surgeon on future medical needs and cost ranges. I regularly work with life care planners or vocational experts when injuries change the client's ability to work. Nothing fancy for the sake of being fancy, just the right expert at the right time.

Then comes the demand package. A strong demand letter reads like a preview of trial. It includes photos, medical summaries tied to records and page numbers, wage loss documentation, and any expert statements. It cites the

policy and applicable statutes without turning into a treatise. It sets a reasonable, firm deadline, usually 20 to 30 days for a standard case, longer if the file is complex. The letter is not a threat. It is an opportunity for the insurer to pay what it owes while it still can. If I am seeking policy limits, the demand makes that explicit and includes whatever conditions state law requires, such as an affidavit of liens, itemized bills, and a release form. The timing and content of a policy-limits demand is one of the most important tools in the bad faith playbook. Done well, it creates a clear decision point. If the insurer refuses without a solid reason, it takes on the risk of an excess verdict.

Tight control over communications

Bad faith cases are often built on paper. Every phone call gets a follow-up email that confirms what was said, who will do what, and by when. Requests for records are acknowledged with dates. If an adjuster misstates a medical finding, we respond with the actual page and line, not adjectives. When an insurer asks for a recorded statement from my client in a first-party claim, we set ground rules. The scope is limited to relevant topics, and I attend. With third-party carriers, I rarely allow a recorded statement from my client at all, since there is no duty to provide one and it can be used to twist words months later.

If surveillance appears, we ask for the footage. If the insurer refuses, we note the refusal and prepare the client for how surveillance is used in cross-examination. People underestimate how a five-minute clip of a good day can be edited to undercut months of pain. Preparation prevents panic.

Setting deadlines that count

Deadlines without consequences invite delay. A seasoned car accident lawyer does not just set a date, we tie it to a legal framework. For example, many states require insurers to acknowledge claims within specific periods and to make a coverage decision within a reasonable time. Some first-party benefits, like PIP in several states, have statutory timelines for payment after receipt of proof. We cite those timelines when applicable, and we track them. If a deadline will be missed because the client is waiting on a late imaging report, I send an interim update and request a brief extension in writing. Professionalism helps. When the insurer blows a deadline without reason, the record shows it.

Time-limited demands in third-party cases require even more care. The window must be reasonable under the circumstances, the materials provided must be sufficient to evaluate liability and damages, and conditions must be clear and lawful. The goal is not a trap. It is to give the insurer a fair chance to protect its insured. When they choose not to, bad faith liability can follow.

When we decide to sue

Lawsuits are not a failure of negotiation. They are tools. I file suit when the carrier denies liability without support, refuses to pay reasonable medical bills despite clear causation, or ignores a fair limits demand. In first-party cases, I may bring breach of contract and bad faith counts together or in sequence, depending on state law. Some jurisdictions require a predicate finding that benefits were due before you can pursue bad faith damages. Others allow concurrent pleading.

Discovery is where bad faith comes to light. We request the claim file, reserve history, adjuster notes, emails, internal guidelines, and training materials. We depose the adjuster and sometimes their supervisor. I ask about caseloads, performance metrics, and whether they consulted counsel before denying. Many carriers resist producing internal materials, and courts vary in how much they require, but persistent and focused discovery breaks through. Even when privilege limits what we can see, the pattern often shows through timing and omissions.

One transcript I keep close involved an adjuster who denied a back injury because there was “no objective evidence” in the first week. Under oath, she admitted she never read the specialist note describing radiculopathy and never requested the MRI that was performed ten days later. The denial letter had copied language from a template. That kind of record moves juries, and it moves defense counsel to the table.

What damages look like in bad faith cases

Again, details vary by state, but there are common threads. In first-party bad faith, you can typically recover the benefits due under the policy, plus damages proximately caused by the insurer’s misconduct. That can include fees paid to prevent foreclosure when benefits were withheld, credit harm, and in some places, emotional distress. Some statutes allow recovery of attorney’s fees and interest. Punitive damages may be available when the insurer acted with malice or reckless indifference to rights, which requires stronger proof and is not available everywhere.

In third-party situations, the core measure is the amount above policy limits that results from the insurer’s refusal to settle when it should have. If the injured plaintiff obtains a verdict that auto accident settlement guide exceeds the policy, the insured can assign their bad faith claim to the plaintiff in exchange for a covenant not to execute against personal assets. That assigned claim can expose the insurer to the full excess amount, plus other damages in some jurisdictions. It is a complex path that must be tailored to local rules, but it is a powerful check on stonewalling.

Edge cases that demand judgment

Not every tough claim is bad faith. Some are simply close calls. Comparative fault can be real. In a lane change crash with no independent witnesses, an insurer may reasonably dispute liability. In soft tissue cases with tiny property damage and long treatment gaps, causation is a fair debate. Preexisting conditions muddy the water. A lawyer’s job is to sort honest disagreements from manufactured ones and to pitch cases that deserve to settle, not to inflate those that do not.

Multiple claimants are another common wrinkle. Imagine a three-car pileup with minimal policy limits and several injured people. The insurer has to distribute limits fairly. It may file an interpleader and deposit the funds with the court. In that scenario, an excess verdict risk still exists, but the settlement choreography gets intricate. A smart lawyer defends the client’s slice while also documenting every chance the insurer had to resolve within limits.

Low-impact collisions deserve attention too. I have represented clients with herniated discs from parking lot impacts that looked trivial on photos. Cars are better than spines at hiding trauma. The key is early documentation, diagnostic clarity, and consistent reporting. Carriers love to say a bumper scuff equals no injury. Jurors are more nuanced when they see honest, steady medical evidence.

Practical steps crash victims can take that help the case

- Get evaluated promptly, then follow the treatment plan and keep all appointments.
- Photograph the scene, vehicles, and any visible injuries, and save those images in more than one place.
- Keep a simple daily pain and activity log for the first 60 to 90 days.
- Do not post about the crash or your injuries on social media.
- Refer calls from insurers to your lawyer, and do not give recorded statements without advice.

These habits do not just help your lawyer. They help the adjuster see a clean, credible story, which increases the odds of a fair result without a fight.

A brief story about leverage

A client of mine, a delivery driver in his fifties, was rear-ended at a light. The property damage looked minor, but he developed shooting leg pain within days. His own insurer paid PIP promptly. The at-fault carrier dismissed the case as “low velocity” and offered a fraction of medicals. We built the file slowly and carefully. The MRI showed a new herniation superimposed on mild degenerative changes. His treating specialist documented positive straight-leg testing and failed conservative care. We obtained wage records that showed a clear dip, then a return to full duty after injections.

I sent a policy-limits demand for a modest limit with a 25-day review window, attaching all records, an affidavit of no other insurance, and a signed HIPAA limited to crash-related care. The carrier asked for a blanket extension without explanation. We granted 10 more days and asked what records were missing. Silence. The deadline passed. We filed suit. In discovery, the adjuster admitted she had not read two of the specialist reports and had received no new information after the deadline. We added a count noting the refusal to settle within limits when liability and damages were reasonably clear. Within a month, the carrier tendered limits and paid additional money to resolve potential bad faith exposure. The result came from structure, not theatrics.

Negotiating without rancor

Anger feels natural when a company lowballs you. It rarely moves the numbers. Adjustment is a job, and adjusters prefer files that are easy to recommend to supervisors. That means clear documentation, reasonable opening positions, and an obvious path to closure. I am candid about weaknesses in my cases. I explain why a preexisting condition does not break causation in this crash, or why a gap in therapy was unavoidable. I propose realistic brackets. I confirm any understandings in writing. When the insurer behaves, I say so. If they do not, I note it plainly and act.

Mediation is often useful. A neutral can help both sides see risk with fresh eyes. I bring demonstratives, treatment summaries, and sometimes my client, prepared to speak briefly and honestly. I avoid surprise evidence at mediation. The time for surprise is trial, not negotiation. If the case does not settle, the groundwork laid at mediation helps at the next stage.

Working with regulators without losing focus

Departments of Insurance exist to enforce claim handling rules. Complaints can nudge an adjuster, especially when a carrier ignores clear statutory timelines. I file regulatory complaints sparingly and only with documented facts. They are not substitutes for litigation. They do, however, create external accountability and a written record. The tone matters. A concise summary with dates, requests made, and responses received works better than rhetoric.

Costs, timing, and emotional bandwidth

Bad faith fights take time. Even strong cases can run 12 to 24 months from crash to resolution, longer if surgery intervenes or courts are backlogged. Most car accident lawyers work on contingency, with typical fees in the one-third range before litigation and higher if suit is filed. Case costs, such as records, depositions, and expert fees, are usually advanced by the firm and repaid from the recovery. Clear fee agreements and regular updates prevent surprise.

Clients carry real burdens during this time. Bills pile up, patience wears thin, and uncertainty stings. I encourage clients to speak with their providers about liens or payment plans, to keep credit accounts current where possible,

and to ask us before taking advances against settlements, which often come with harsh terms. Communication helps. If a client is losing sleep over a rogue collection call, I want to know that day.

Ethics and the long view

Pushing hard does not mean cutting corners. Staging deadlines to ambush an adjuster helps nobody and can backfire in court. Selective disclosure may win a month and lose the case. Honesty about prior injuries and work history protects credibility. The best leverage in a bad faith dispute is a file that would impress a jury. Build that file and most carriers will make the right calculation.

Finally, remember that most claims do not end in bad faith litigation. They end in fair settlements when both sides do their jobs. The point of knowing how to handle bad faith is not to weaponize every claim. It is to recognize the signs, stay steady, and make sure a detour does not become a destination. With clear evidence, disciplined communication, and a willingness to file when necessary, a car accident lawyer can turn a stalling claim into a resolved one, and hold insurers accountable when they choose games over good faith.