

Resolving Claim Disputes

Claim disputes are common. You and your insurer may disagree over medical bills, damage, home repairs; what needs to be done and how much it costs, and whether all or part of your claim is covered. UP offers many resources to help you trouble-shoot disputes over specific issues such as fair market value, depreciation, causation, and policy interpretation.

In this section of the UP Claim Help Library, you will find links to publications. They explain the different processes for resolving a claim dispute. You are not on a level playing field with an insurer on a claim dispute. Claims often involve technical and legal issues. Your objectives and theirs are not the same. You need to have or develop skills to represent yourself and negotiate a settlement on your own. If you can't effectively represent yourself, you will get a better settlement by hiring the right professional help.

The best path to resolving a claim dispute depends on your situation. Each dispute resolution process has pros and cons. The main factors that determine which is best for you include:

- how much the process will cost and who will pay for it.
- how long the process will take.
- the dollar amount of your settlement goal.

NEGOTIATION (SELF-HELP)

The “*pro*” of using our do it yourself (self-help) tips is that you won't be paying for professional help. The “*con*” is that you may not have the skills, time and/or leverage to get a fair resolution on your own.

Filing a complaint with the agency in your state that regulates (oversees) insurance companies is a good first step. Even if they don't solve the dispute, you've gone on record with your dissatisfaction. They may take the insurer's side or they make take yours.

- [Top Twenty Tips](#)
- [Speak UP: How to communicate with your insurance company](#)
- [NAIC Map of State Insurance Departments](#)
- [Examinations Under Oath](#)

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.

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- [Statutes of Limitations](#)

If you find you are underinsured, visit our [Underinsurance Help](#) section

ALTERNATIVE DISPUTE RESOLUTION (ADR)

“ADR” includes different processes for settling disputes without a lawsuit.

Appraisal

Most property insurance policies contain wording that allows disputes over the amount/value of a loss to be resolved by a process called “appraisal.” An insurance appraisal is different from a real estate appraisal or an art appraisal. An insurance appraisal can determine the scope and severity of a loss (what was damaged and how badly) and the value of the loss (how much repairs should cost). Whether or not the entire loss is covered is a separate issue that is not generally part of an insurance appraisal and must be resolved separately.

- [Insurance Appraisal Simplified](#)
- [Policyholders can win in appraisal](#)
- [Appraisal - Definition & Use in Insurance - To assist in the resolution of a claim](#)
- [Example of an Appraisal Award](#)
- [Current developments in the law and procedure of Appraisal](#)

Mediation

Private, voluntary, or court-ordered mediations have become the most common way of resolving claim disputes. Mediation *pros* are that it can be fast, and relatively cheap compared to a lawsuit. *Cons* are that claims often get settled for less than full value in mediation.

- [A Policyholders Guide to Mediation](#)
- [Post-disaster mediation programs](#)

LITIGATION AND ARBITRATION

Arbitration can be a faster and cheaper way of settling a dispute than litigation and trial. [However because arbitration doesn't involve a jury, the results often favor insurance companies.](#) At the urging of UP, [Virginia](#) and [Texas](#) recently rejected proposals to allow insurance policies to include arbitration clauses.

Litigation means filing a lawsuit, conducting “discovery” (exchanging information with your opponent), and showing evidence and witnesses to a judge and jury. The jury or judge makes a decision (verdict). The verdict often gets reviewed in a process called an appeal.

Although litigation can seem scary, if you have a good, experienced lawyer, it may be the best way to get a fair settlement of an insurance claim, particularly one where there is a lot of money at stake. Filing a lawsuit gives you leverage in negotiations. Most lawsuits get settled before they go to trial. The best scenario for a consumer is to hire an experienced policyholder attorney on a contingent fee basis and the lawyer should advance the cost of the case. The contingent fee and cost advance options may not be available to you, depending on the state you live in and the facts of the dispute.

- [Hiring Professional Help](#)
- [What To Expect When You’re Suing](#)
- [What’s UP with Insurance Class Action Lawsuits?](#)

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