

## What To Expect When You're Suing An Insurance Company

Q: What happens when you sue an insurance company?

A:

- You and the insurance company hire lawyers. Your goal is to hire a qualified lawyer, experienced in suing insurance companies. You should also make sure the lawyer has good references.
- Your lawyer and the lawyer for the insurance company will investigate facts and the history of the dispute through a process called “discovery”. Discovery involves exchanging documents and conducting “depositions”. A deposition is a formal fact-finding process, under oath, conducted by the insurance company’s lawyer.
- You and the insurance company spend money on court costs, experts, discovery and travel.
- At some point during the case, your lawyer will prepare you for a “deposition.” When you are a “deponent”, you swear to answer questions truthfully. Your lawyer should protect you from unfair questions during a deposition by making “objections.”
- If you do not settle, and your case goes to trial, you will be required to be a witness and testify in court.
- A lawsuit can take several years to resolve. You will have to be patient and wait for the outcome.
- You should be able to trust your lawyer to handle the case with occasional “check-ins” to keep you posted on the status.
- You most likely will have to participate in mediation/settlement discussions.
- You will have to weigh settlement offers and make decisions throughout the case.

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Source: <https://uphelp.org/claim-guidance-publications/what-to-expect-when-youre-suing-an-insurance-company/> Date: March

30, 2025

Q: I can't afford a lawyer; do I have any options?

A: The contingent fee system allows you to hire a lawyer without paying out of pocket. The lawyer gets paid a percentage of the amount they recover for you from the insurance company. If there is no recovery, there is no fee. You can hire a lawyer on a contingent fee basis if the law in your state and the facts in your case make it possible.

Q: What can I recover if I sue my insurance company and win?

A: Depending on the facts of your case, your policy, and the state where you live, you may be able to recover:

1. The full amount of your economic losses. This includes
  - Property damage
  - Medical bills
  - Loss of use of your home or car
  - Lost wages
  - Lost interest/loss of opportunity
2. Attorney fees and costs of suit
  - For having to sue to recover insurance benefits owed
  - For all your losses resulting from unpaid insurance benefits
3. Non-economic losses
  - Emotional upset/anxiety/pain and suffering resulting from the insurance company's conduct
4. Exemplary/Punitive Damages/Penalties
  - Punishment under statutory or case law for the insurance company's failure to pay benefits owed

Q: What happens if I sue an insurance company and lose?

A: The answer depends on the laws in your state and the Attorney-Client fee agreement you've entered

into with your lawyer. The general rule is that each party to a lawsuit pays his/her own legal fees, but sometimes the losing party pays certain costs. Most contingent fee agreements protect the client from owing money in the event of a loss.

Q: How is a lawsuit against an insurance company likely to be resolved?

A: Over 90% of all lawsuits end up settling before trial. Most likely your suit against an insurance company will be settled through negotiations and/or mediation.

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