

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.

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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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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