



HOW ADJUSTERS REDUCE YOUR SETTLEMENT

1. USING AN ATTORNEY

The claims representative may use an attorney to write an opinion letter stating that the claim is worth very little, if anything, when the claims representative has not submitted all the known facts to the attorney for the opinion letter. The adjuster can then share this letter with you to encourage you to accept the adjuster's offer.

2. IT'S YOUR FAULT

The claims representative may hold you responsible for consequential damages, stating that you did not protect your property after the accident. If your damaged vehicle left at the scene of the accident was vandalized or personal property was stolen from it after you left the scene (perhaps by ambulance), the claims representative will argue that this is an independent act and not related to the accident.

3. SLOW MITIGATION EFFORTS

The claims representative may hold you responsible for not quickly mitigating your damages. An example would be if you did not seek medical attention fast enough, in the opinion of the claims representative. Hence, you aggravated your own medical problems and the insurance company will not pay.

4. KEEPING PREMIUMS DOWN

The claims representative might explain to you that the settlement of the claim must be kept down in order to keep premiums from going up.

5. TAX BENEFITS

Another technique is for the claims representative to tell you that your claim is being reduced since the general damages that are being paid are tax free. The claims representative is taking credit for that percentage of taxes that you usually pay when earning money.

6. ATTORNEY LEVERAGE

If the claims representative can determine that you dislike using attorneys, then he can offer an unreasonably low settlement. The adjuster knows that you will have no other alternative but to accept his low offer.

7. FALSE SETTLEMENT AUTHORITY

A claims representative may go to his claims supervisor and secure a memo which states that only X dollars will be paid to you all the while knowing the case to be worth more.

8. EXCESSIVE DEPRECIATION

Use of excessive depreciation tables or depreciation tables which do not have any reasonable relationship to your case is a tactic employed by some claims representatives.

9. NON-DISCLOSURE

A claims representative may refuse to volunteer damages owed you. He may not offer to pay for your rental vehicle while your vehicle is under repair. Rather, the claims representative will tell you to get a friend to drive you to work.

Likewise, the claims representative may not offer to pay lost wages you have incurred. Rather, the claims representative will explain that you can use sick leave or vacation time.

The claims representative may also not offer to pay your medical bills. He may tell you to use your own auto medical pay or your employer's accident and health policy.

10. PROFESSIONAL TIME DEFENSE

If the claims representative learns that you are a doctor, dentist, lawyer, accountant or small-business person, he may surmise that these categories of people probably can't afford the time to go to trial. Most of the people in the above categories cannot afford to shut down their business for enough time to litigate damages. Their time is too valuable, and therefore, they may accept a lesser sum of money for their claim.

11. HARDSHIP DEFENSE

A claims representative may want to determine whether you have been or are unemployed. Usually a lower settlement amount will be accepted if there is an immediate need for money.

12. INTERNAL POLICY

The claims representative informs you that the insurance company's internal policy is that certain damages will not be considered. The following examples highlight some of the damages that the claims representative may insist are not covered.

LOST WAGES

Wages you lost due to having to take time off from work to secure estimates of damage for the vehicle, delivering the vehicle to a body shop for repairs, and picking up the vehicle after repairs

have been completed. These are proximate cause damages and should be considered by an insurance company acting in good faith.

TRANSPORTATION COSTS

Transportation costs to and from the claimant's doctor's office and other travel expenses which are directly related to the subject claim are also proximate cause damages.

LONG DISTANCE PHONE EXPENSES

Long distance phone calls made to the claims office, if the claims office is not local, are also proximate cause damages.