

[Merge Date]

VIA FAX AND FIRST CLASS MAIL

[Insurance Adjuster-Office/Company/Firm]

[Insurance Adjuster-First Name] [Insurance Adjuster-Last Name]

[Insurance Adjuster-Full Address Block]

Fax: [Insurance Adjuster-Fax Phone]

Re: **Claim No:** [Insurance Adjuster-Claim Number]
 Our Client: [Client-First Name] [Client-Last Name]
 Insured: [Defendant-First Name] [Defendant-Last Name]
 D/A: [Matter-Incident Date]

Dear [Insurance Adjuster-First Name]:

My name is [Client-First Name] [Client-Last Name] and I have a claim against your insured for injuries and damages as a result of a motor vehicle accident that occurred on [Matter-Incident Date].

You have recently questioned the possibility of injury to my client based on your opinion that the property damage was low. As you are aware, the Arizona Department of Insurance prohibits these practices.

The Arizona Department of Insurance (Department) has placed requirements on insurance carriers for the Reasonable Investigation of Claims in their Circular Letter 2000-2(Circular). See <https://difi.az.gov/node/32607>. As the Department has received complaints that insurers engaged in “*unfair claim settlement practices relative to “low impact” bodily claims* . . . [w]here the physical damage to the vehicles is minimal. Many of these complaints arise out of insurers’ alleged reliance on “biomechanical” or “injury causation” analyses, and *out of insurers alleged application of presumptive guidelines predicated on those analyses, to deny or under value claims* in this class.” See *Attached Department Circular Letter 2000-2. (Emphasis added)*.

In the Circular, the Department cites to A.R.S §20-461 Unfair Claim Settlement Practices to remind insurers of their *legal duties under Arizona Law, “specifically as they relate to “low impact” claims.”* See <https://www.azleg.gov/ars/20/00461.htm>. (*emphasis added*). These requirements explain that an insurer is required to conduct a fair and reasonable investigation of *all available information relating to a claim along with a genuine effort to determine the extent of the injuries the claimant actually sustained.* *Id.*(*Emphasis added*).

The Circular explains that a fair and reasonable investigation of a first or third party claim, at a minimum, should include consideration of:

1. Claimant statements;
2. Witness statements;

3. Police reports;
4. Visual evidence depicting the full nature and extent of the physical damage to all vehicles involved in the collision and any other property damage, and
5. Relevant medical records and physician statements pertaining to both the medical history of the claimant and treatment arising out of the subject collision.

Id.

The Circular goes on to explain that “[i]t would constitute a violation of A.R.S. §20-461” for an insurer to communicate apparent final decisions concerning the merit or value of a claim to a claimant to discourage further pursuit of the claim, without first conducting and completing a fair and reasonable investigation as described in this circular letter.” *Id.*

We are demanding that you provide your insured with a copy of this letter. We will specifically ask your insured if they received this letter when given the opportunity to do so. A failure to provide a copy of this letter to your insured will further bolster a claim for bad faith.

Thank you for your attention to this matter. Please provide in writing your updated offer within 7 days of the date of this letter.

Sincerely,

Enclosures:

Arizona Department of Insurance Circular 2000-2