
The Insurer's Duty to Settle: Bad Faith and Verdicts in Excess of Policy Limits

January 7, 2025
Strafford Webinars

DATE & TIME

Tuesday, January 7, 2025 | 1:00pm-2:30pm EST

This CLE course will review the rights and obligations of the policyholder and the insurer regarding settlement, the insurer's liability for verdicts in excess of policy limits, actions insurers can take to reduce exposure to bad faith failure to settle claims, and options for policyholders if the insurer rejects a settlement demand.

Description:

Attempts to settle underlying claims are often the source of disagreement and dispute between the policyholder and its insurer. When an insurer fails to accept a settlement offered by an injured party, the policyholder is at risk that the ultimate verdict will exceed the policy limits. The **insurer faces a separate risk--exposure to bad faith claims** and liability for the entire amount of the judgment.

Navigating these scenarios requires a detailed understanding of the scope of the duty to settle. Counsel must **understand the tactics commonly used and the options available** to each side. Under some circumstances, an insurer may be justified in rejecting a settlement demand. In other cases, the policyholder is entitled to settle without its insurer's consent and may sue the insurer for bad faith.

Listen as our authoritative panel of insurance practitioners discusses the rights and obligations of the policyholder and the insurer regarding settlement, the insurer's liability for verdicts in excess of policy limits, actions insurers can take to reduce exposure to bad faith claims, and options for policyholders if the insurer rejects a settlement demand.

Speakers:

- Meghan C. Moore, Shareholder, Flaster Greenberg PC
- Charles Miller, Attorney, Trial Guides
- Lee S. Siegel, Member, Hurwitz Fine

Outline:

1. Scope of insurer's duty to defend and duty to settle
2. Insurer's risk of claims for bad faith litigation
3. Policyholder remedies when the insurer breaches its duty to settle

Continued

4. Best practices for insurers to reduce exposure to bad faith litigation
5. Options for policyholders when the insurer does not want to settle
6. Bad faith failure to settle claims brought by third parties

Benefits:

The panel will review these and other key issues:

- What is the scope of an insurer's duty to defend and duty to settle?
- What are the critical factors for insurers when deciding whether to settle within the policy limits?
- What factors do courts typically consider in determining whether a particular settlement demand is reasonable?
- What steps can insurers take to reduce exposure to bad faith litigation?
- What options are available to policyholders who disagree with the insurer's decision not to settle within the policy limits?
- What is the insurers duty to settle where there is no settlement demand?
- How should an insurer approach settlement where there are multiple claimants and low policy limits?

ATTORNEYS MENTIONED

Meghan Moore