



**THE TOP 13 DIRTY TRICKS  
INSURANCE COMPANIES USE—AND  
HOW TO DEFEAT THEM**



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**“They are not your good neighbor, unless you live in a billion dollar skyscraper.**

**You are in their hands, but they are not good hands.**

**They are not on your side, they are on their own side and you are in their way.”**

**Insurance companies exist to make money, and to keep it, and to keep you from getting any of it regardless of fairness or justice. They are very good at what they do. Allstate, for example, regularly records annual revenues about 30 billion dollars. They are not even the richest insurance company in our country!**

Insurance companies spend a lot of time trying to convince you that they are on your side, and that they are your good neighbor. Here are some of the things you may hear them say and why they are wrong, and what you should do about it...

# When dealing with insurance companies, it is best to hire a lawyer to level the playing field.

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## **Dirty Trick #1:** “You don’t need a lawyer.”

Allstate Insurance Company has unapologetically run a program for many years where claims adjusters were instructed to tell injured victims that they did not need an attorney and would be better off without one. This is now a common practice among insurance companies.

### **Don’t Believe Them!**

**Why not?** The insurance company is trying to get the best of you. The insurance companies are hoping that:

1. You will not assert your rights
2. You have no expertise in settling claims
3. You believe that they have all the expertise in settling claims

When dealing with insurance companies it is important that you hire a lawyer to level the playing field. Your lawyer will help protect you; otherwise the insurance company will have the upper hand.

### **How to defeat this trick:**

When any insurance company tell you, “you don’t need a lawyer to handle your case,” you should turn around, run and get an attorney.

## **Dirty Trick #2:** “We are giving you “full coverage.”

Or perhaps you have heard it phrased, “Here, sign this routine paperwork to purchase insurance from us.”

The promise of “full coverage” does not mean what you think it means. The problem is, your friends at the used car lot and at the insurance company, that

they normally place you with will not tell you the whole truth about “full coverage.”

### **Why do they do this?**

They usually do this because they want to sell you a car and telling you that you have full coverage at a relatively low price sounds like a good deal, right? Don’t believe it!

They are telling you that full coverage to them means minimal coverage to you. They will insure the car, so that their collateral is protected, but they will usually not even explain that it is important for you to have:

1. Bodily Injury Liability Coverage
2. Medical Payments Coverage
3. Uninsured Motorist (UM) Coverage

Think about it. This means that the insurance company, which is supposed to be looking out for your interests, is actually just helping the car dealer sell you a car, and will not say anything to the contrary because they want to keep doing business with the car dealer.

### **How to defeat this trick:**

When your insurance company tells you, “You don’t have coverage for this loss,” after promising you full coverage, you should get an attorney experienced in handling claims of this type.

## **Dirty Trick #3:** “No medical exam required, you cannot be turned down for this insurance.”

And then, of course, when your loved one dies, the life insurance claims is turned down. When the disability claim is made, they deny it. This is known as

# Do not be afraid to hire an experienced lawyer when dealing with an insurance company.

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“post-claim underwriting,” which has been outlawed in many states.

## How to defeat this trick:

Read and understand all forms that your insurance company gives you, especially the parts that ask about your medical history. Many insurance sales people fill out these items in advance, with facts that are not true.

Most people don't know the medical terminology that they are being asked about on the forms. On all items that ask you about your medical history it is best to ignore the “yes” or “no” boxes and simply put “see my medical records.”

## Dirty Trick #4: “A good person does not hire a lawyer.”

This is a version of, “There are too many frivolous lawsuits,” or perhaps you have heard it phrased, “Lawyers make all of our premiums go up.”

If you feel like you are being a bad citizen for contacting an attorney, it is probably because, at least subconsciously, you have bought into the multi-billion dollar insurance industry's propaganda campaign.

## You are not alone!

This campaign, designed and hatched in advertising agencies and insurance boardrooms, is very effective. It is a two part strategy, designed to:

1. Get people to feel good about their insurance companies.
2. Feel like scum if they file a claim.

Don't buy into their warm and fuzzy slogans such as, “Like a good

neighbor,” “You're in good hands,” or Nationwide is on your side.”

They are not your good neighbor, unless you live in a billion dollar skyscraper, you are in their hands, but they are not good hands, and they are not on your side, they are on their own side and you are in their way.

Insurance companies want to make you feel like a fool, a bad citizen, and maybe even a fraud, if you hire a lawyer.

Well, experienced lawyer are indeed bad, **bad for them!** They know this and want to keep you from going to one.

## How to defeat this trick:

Do not be afraid to hire an experienced lawyer when dealing with an insurance company.

## Dirty Trick #5: “We need you to give us a statement.”

No matter what they tell you, you have no legal duty to give a statement to the at-fault driver's insurance company. You should be very cautious about what you say to your own insurance company.

**Remember, they are not your friends.** One common trick is to ask you, within hours of the crash, if you were hurt in the accident. Most people, unless they have a bone sticking through their skin, will say no.

Doctors will tell you that you often won't know if you are hurt until several days later, after the adrenalin of the crash has worn off. You will hope your injury is not permanent, but you will not know this usually until you are finished with your medical treatment,

# Insurance settlement paperwork is among the most complicated of all legal documents.

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which can often take months.

Also, insurance companies know that once you get an attorney, they can no longer talk directly to you and must go through your attorney. This is yet another reason why they don't want you to hire a lawyer.

### **How to defeat this trick:**

**Do not, under any circumstances,** give a statement to the at-fault driver's insurance company.

If you think you might be injured, or if you have any questions at all about how to deal with any insurance company, including your own, you should contact an experienced attorney.

**Dirty Trick # 6:** “Here, sign this [routine paperwork to settle your property damage claim.](#)”

The phrase “routine paperwork” is misleading. Insurance paperwork involved in the settlement of any claim is among the most complicated of all legal documents. You may think you know what it says, the adjuster may tell you what he thinks it says, but you are not a lawyer and he is not your friend.

In the settlement paperwork, or even on a simple line at the bottom of the settlement check, you may be giving up your rights, not just for the property damage to your car, but also to any future claim you have for personal injuries, even against people or companies that are not related to the company paying you.

### **How to defeat this trick:**

Do not sign anything without con-

sulting an experienced attorney first.

**Dirty Trick #7:** “Here is a check for the [full amount](#) of your property damage.”

**Do not believe it!** Is the at-fault driver's insurance company paying your for loss of use, essentially the fair rental value of your car while it is being repaired, or if totaled, while you are finding a replacement?

If your car was repaired, are they also paying you for the loss of value? If your car is fixed, but has been in an accident, it simply does not have the same value as the identical car that has never been in an accident (Remember those CarFax commercials?).

### **How to defeat this trick:**

**Do not accept any settlement** for property damage without making sure that you are getting paid for proper loss of value and reasonable loss of use.

IMPORTANT NOTE: Establishing loss of value is complicated and should only be handled by a lawyer who knows how to do this. Some insurance policies attempt to exclude coverage for loss of value claims and establishing loss of value often requires an appraisal by an expert.

**Dirty Trick #8:** “Here is how PIP works—we have no choice by to pay the medical bills first, leaving no money for lost wages.”

**This is a bold faced lie!**

### **How to defeat this trick:**

Do not attempt to handle this yourself. Hire a lawyer. This is compli-

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the insurance company is not your friend! Here is what the insurance company will not tell you. In the State of Florida, coordinating coverage to maximize benefits is possible.

IMPORTANT NOTE: Coordination of benefits works in almost all cases where the client has lost wages and also has either Med Pay coverage or group medical coverage, or both. It also sometimes works when the only coverage available is PIP.

**Dirty Trick #9:** “We would like you to be seen by an independent doctor.”

Don't believe it! First of all, you will not know whether you have any legal duty to do this unless you consult with an experienced attorney.

Second, the doctor they want you to see is anything but independent.

The doctor usually does an enormous amount of work for the insurance industry and is predisposed to saying that you are not hurt, or if you are hurt, in blaming the problem on something other than the crash.

**How to defeat this trick:**

Consult with an experienced attorney before agreeing to see any doctor the insurance company suggests.

**Dirty Trick #10:** “You don't have any UM insurance.”

**Don't believe it!** If you are injured by another driver who does not have adequate insurance or sometimes any at all, UM insurance covers you for past and future:

- Lost Wages
- Medical Bills
- Pain and Suffering

Florida requires that all insurance policies provide UM coverage, but insurance companies don't like to sell you this coverage, because it is generally not profitable.

Their trick is to get you to sign a waiver of this coverage when they hand you the largest set of documents to fill out when you purchase insurance.

**How to defeat this trick:**

Do not despair. Just because an insurance company shows you a form you signed rejecting this coverage does not mean you have no such coverage.

Florida law requires that such a rejection be made knowingly, and in accordance with Florida law, which it often is not.

**Dirty Trick #11:** “We have video surveillance that shows that you are not hurt.”

There is no surveillance ever invented that can show a picture of pain, but avoid:

- Overstating your injury to anyone, especially your doctors
- Absolute statements. Understand that if you make a claim that you can't do something at all anymore, surveillance can be an effective tool against you.

**How to defeat this trick:**

Call their bluff. Make them show you the surveillance. All of it. Not

## When dealing with an insurance company you should seek legal advice immediately.

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footage they want to send you.

Most people who are injured are still able to live somewhat active lives, and do not exhibit overt pain behavior all the time.

Indeed, in my practice, we want the jury to know what you can still do. So go ahead, live your life to the fullest extent possible.

**Dirty Trick #12:** “We can’t pay you much, but you should settle quickly, because you don’t have permanent injury.”

You may be told that Florida law requires that you have a permanent injury before you can be compensated for your injuries, and that the insurance company is being generous when they offer you a few thousand dollars to settle your claim.

### How to defeat this trick:

There are a couple things to consider:

1. How do you know in the few months after the crash that your injury is permanent? There are horror stories about people who settled quickly, thinking they were not hurt badly, and then realized that they would never heal well enough to go back to their previous job or they got worse instead of better and had already given away their rights.

2. In Florida you can still recover substantial damages for nonpermanent injuries. Attorney Scott Schuler has obtained a jury verdict for over \$200,000 in a case involving what the jury found to be nonpermanent injuries.

So, before giving away your rights for a few thousand dollars, or even less, consult with an experienced attorney about the value of your claim.

**Dirty Trick #13:** “We are offering you all that your claim is worth.”

Another version of this, when **you** the at-fault driver is, “We have offered the injured person all that the claim is worth.”

**Don’t believe it!** This type of statement is often untrue or misleading.

Many insurance companies base their settlement offers on computer matrices that use bad, outdated, incomplete and irrelevant data. Most insurance companies have a practice of making offers that are nowhere near the amounts that juries regularly award.

### How to defeat this trick:

Making an offer that is less than the true value of a case is an example of insurance bad faith.

You should seek legal advice immediately. Some cases are easy and quick to handle while other may require aggressive legal actions against the insurance company.