

# TRIALS DIGEST®

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**SETTLEMENT RESULT: \$100,000**

## INSURANCE

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### **SETTLEMENT—Driver files action against her carrier alleging bad faith handling of her UM claim**

#### **INSURANCE**

Bad Faith : Duty to Indemnify/Uninsured/  
Underinsured Motorist

#### **No COURT/UNFILED SETTLEMENT**

*Reynoso v. Confidential Insurance Company.*  
Settlement date: 11/16/1995.

**SETTLEMENT RESULT: \$100,000**

#### **COUNSEL**

**Plaintiff: Scott J. Corwin, Law Offices of Scott J. Corwin,  
Los Angeles.**

Defendant: Gary Davis, Ault, Deuprey, Jones and Gorman,  
San Diego.

#### **FACTS/CONTENTIONS**

According to plaintiff: On August 6, 1994, plaintiff, a 44-year-old insurance saleswoman, was involved in an automobile accident with an uninsured motorist ("UM"). On November 16, 1994, plaintiff made a claim for uninsured motorist benefits to her insurance carrier on the basis of soft tissue injuries allegedly sustained in the accident. Plaintiff demanded \$15,000 (UM policy limits). The insurance carrier offered \$7,200. On December 3, 1994, plaintiff made a demand for a UM arbitration, which was held and resulted in a \$19,700 award in favor of plaintiff. At the UM arbitration hearing, the counsel for defendant argued that plaintiff should only receive \$6,000 in damages. Plaintiff then initiated bad faith allegations against the insurance carrier, asserting bad faith in its handling of the UM claim.

Plaintiff asserted that the insurance carrier breached its duties to her under the implied covenant of good faith and fair dealing by not promptly paying the \$15,000 policy limits when they were demanded, making low offers to settle the UM claim, failing to conduct medical record reviews or an IME to justify its evaluation of the UM case, forcing plaintiff to arbitrate her UM claim, and damaging her credit rating as her medical bills were sent to collection.

The insurance carrier contended that it acted properly, appropriately evaluated plaintiff's UM claim, and did not breach the implied covenant of good faith and fair dealing.

#### **CLAIMED INJURIES**

According to plaintiff: Emotional distress.

#### **CLAIMED DAMAGES**

According to plaintiff: Plaintiff asserted the existence of emotional distress and change to her credit record.

#### **SETTLEMENT DISCUSSIONS**

According to plaintiff: Plaintiff demanded \$200,000, and the insurance carrier offered \$50,000. A confidentiality agreement was part of the settlement.

#### **EXPERTS**

None.

#### **COMMENTS**

According to plaintiff: The claim was settled without the filing of a lawsuit.

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