Insurance Companies

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The insurance industry in America makes a staggering $1,000,000,000,000 annually from premiums, according to the American Association for Justice (AAJ). Yes, that is ONE TRILLION dollars.

The AAJ compiled a list of the worst insurance companies in the United States by examining thousands of records about the companies, including court documents, FBI records, and testimony from former insurance employees. Their research identified the companies that work against the clients that need them the most by rejecting claims, denying coverage, and jacking up premiums.

While this list stems from the opinions of AAJ researchers, experience handling countless insurance claims for injured clients leads our legal team to agree with the list. We also have had dealings with other insurers outside the AAJ list that use questionable tactics to minimize and avoid paying valid claims.

If you were in a car accident and are fighting with one of these insurance companies, you need to know that they are not on your side. They use proven tactics to get you to settle for a tiny fraction of what you really need to recover financially from your injuries.

The following list contains the 11 WORST insurance companies in America:

1. Allstate.

The AAJ list explains that even the CEO of this company admits that Allstate's loyalty does not lie with its customers. CEO Thomas Wilson states that Allstate's "obligation is to earn a return for our shareholders." Documents they had to make public show that while they boast "good hands" in ads, they encourage their employees to fight against their own policyholders.

The AAJ says this of Allstate, "The company essentially uses a combination of lowball offers and hardball litigation." To illustrate just how much money this company is making off its tactics, Wilson received more than $16,300,000 in compensation in 2019, while many injured claimants received far less than they deserved or nothing at all.

Allstate has also faced criticism for using highly confusing policy language that leads policyholders to believe they have certain coverage when, in reality, they receive a denial of their claims. Critics suggest that the company wants to collect premiums from policyholders who assume they have comprehensive coverage, only to have no recourse when disaster strikes.

All of this has earned Allstate the title of the worst insurance company.

Tactics Used by Insurance Companies to Hurt Consumers

While these insurance companies are on the list of the worst insurers for various reasons, the fact is that all insurance companies are in business to make money. That means that they are financially incentivized to collect premiums every month while paying out as little as possible on every claim they receive. For this reason, they train their representatives to get people who make claims to settle for less than they actually need. Some of these tactics include:

Making Laughably Low Initial Offers

One of the most common tactics that insurance companies use is making initial offers for far below the value of claimants' cases. Starting with low offers makes subsequent higher offers look more attractive, even if they are still inadequate in light of your losses. When dealing with an insurance company, expect a low initial offer, and do not let it affect your position on the benefits or compensation you need and deserve.

Requesting Access to Claimants' Complete Medical Histories

When people make insurance claims for help with medical expenses, insurance companies often make overbroad requests to dig through their medical histories to find anything that they may use to justify calling an injury a "preexisting condition."

Have a lawyer make sure that you only sign a narrowly tailored medical record authorization that only allows access to records that are relevant to your claim.

Pressuring Claimants to Provide Recorded Statements

Insurance companies know that many people who make claims have never been through the process before and do not have the legal training that allows them to recognize certain things that may hurt their claims. For this reason, insurance companies often pressure claimants to provide recorded statements in which they answer questions about the incidents that led up to their claims.

Unsurprisingly, insurance company representatives often ask leading questions during these recorded statements in an attempt to get claimants to admit fault or verbally minimize their losses to justify a denial or lower settlement offer.

Misrepresenting Claimants' Rights

While it would be nice to trust that the insurance company had your best interests in mind, the reality is that insurance company representatives may misrepresent your rights to you. Some companies personally incentivize insurance adjusters with bonuses or the opportunity for career advancement by keeping payouts low, so take everything they say with a grain of salt.

Unfortunately, in some instances, they may misrepresent your rights to you to get you to settle for less. For example, they may tell you that you don't qualify for benefits for future medical expenses related to an accident when you actually do.

If you relied on this information, it may lead you to accept a far lower settlement than you should. The most effective way to protect your rights is to have a lawyer review your case before accepting a settlement.

Suggesting That Claimants Will Get Less Money If They Retain a Lawyer

In some cases, insurance company representatives try to talk claimants out of retaining a lawyer to handle their claims by telling them that they will get less money in their pockets because of legal fees.

While every claim is different, research indicates that people represented by counsel obtain significantly higher insurance settlements than people who handle their claims themselves.

Delaying Claims While Claimants' Bills Pile Up

Insurance companies understand that people are more likely to settle for less when they are under financial pressure. As a result, they may take their time processing a claim while the claimants' bills are piling up and perhaps affecting their credit scores.

Rushing to Settle Cases Before Claimants Understand Their Rights

While insurance companies stretch claims out for as long as possible in some cases, in others, they rush to make settlement offers as quickly as they can. In these cases, they are often trying to get claimants to settle their cases before they have a chance to speak to a lawyer and determine the actual value of their claim. Similarly, insurance companies may attempt to settle cases quickly, hoping that they can get claimants to sign away their rights before they recognize all of their losses.

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