

## BAD FAITH INSTRUCTIONS

### BAD FAITH 7 (FIRST-PARTY)

#### Measure of Damages

If you find that [name of defendant] is liable to [name of plaintiff] [on the bad faith claim], you must then decide the full amount of money that will reasonably and fairly compensate [name of plaintiff] for each of the following elements of damage proved by the evidence to have resulted from [name of defendant]'s breach of the duty of good faith and fair dealing:

1. The unpaid benefits of the policy;
2. Monetary loss or damage to credit reputation experienced and reasonably probable to be experienced in the future; and
3. Emotional distress, humiliation, inconvenience, and anxiety experienced, and reasonably probable to be experienced in the future.

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**SOURCE:** *Rawlings v. Apodaca*, 151 Ariz. 149, 153, 726 P.2d 565, 569 (1986); *Farr v. Transamerica Occidental Life Ins. Co.*, 145 Ariz. 1, 7, 699 P.2d 376, 382 (Ct. App. 1984).

**USE NOTE:** Use the bracketed phrase if the case includes claims in addition to the bad faith claim.

**Elements of Damages:** Instruct only on those elements of damages for which there is proof. If plaintiff has suffered physical injury as a result of defendant's bad faith, consider using an appropriately modified version of RAJI (CIVIL) 4th Personal Injury Damages 1.

**COMMENT: Interest:** Plaintiff may be entitled to interest on the unpaid benefits of the policy. If there is no dispute about the amount of unpaid benefits the court can, after the verdict, simply add in the interest at the legal rate. If there is a dispute about the amount of the unpaid benefits, special interrogatories to the jury may be necessary.