

## Mediation: When Is It the Right Tool to Resolve an Insurance-Related Dispute?



While alternative dispute resolution has ancient roots, professional mediation has become a modern and increasingly favored method of resolving legal disputes. It offers a structured process for parties to communicate, negotiate, and reach a resolution that meets mutual interests—often avoiding the delays, costs and adversarial tone of litigation.

The key to successful mediation is not just how it's conducted, but *when* it's initiated. Below are three common points in a dispute's life cycle where mediation can be highly effective.

### **Early Mediation: Resolving Disputes Before They Escalate**

When a claim is in its infancy—before litigation begins and before significant legal expenses accrue—early mediation can foster resolution in a collaborative atmosphere. It's particularly useful when the parties are neighbors, business associates, or otherwise have an ongoing relationship worth preserving. At this early stage, parties are often still open to nonadversarial dialogue. Unlike court proceedings, which are typically about "winning," mediation focuses on finding solutions that work for everyone involved. It is generally quicker, less expensive and conducted privately, reducing fear of embarrassment or emotional strain.

**Illustration:** A unit in a condominium suffers water damage from a pipe or leak originating from a unit above. The damaged party's insurer seeks recovery from the insurance carriers for the condo association or the owners of units above. Where there is a close relationship between the parties, a prompt acceptable resolution is far superior to extensive litigation. Rather than involving multiple attorneys and protracted discovery, early mediation allows adjusters or claims supervisors to discuss the facts, review reports, and propose resolution—all in a private, non-adversarial setting. [READ MORE.](#)

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