Understanding Bad Faith Insurance Tactics

How insurance companies may act in bad faith and what to do.

Based on Examples by McCormick and Murphy

Contingency fee structure common	Lawyer Fees

What is Bad Faith?

Insurance companies have a duty to act in good faith toward their policyholders. Bad faith occurs when they breach this duty.

Common Tactics

This can include unreasonable delays in payment, denial of claims without proper investigation, or offering significantly less than the claim is worth.

Legal Recourse

If an insurer acts in bad faith, policyholders may have grounds to sue for damages beyond the policy limits.

Contingency Fees

Lawyers often work on a contingency fee basis, meaning they are paid a percentage of the recovery, so no upfront cost to you.

Resources & Further Reading

Related guides for this summary:

- Bad Faith Insurance Tactics Checklist

  https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-65ee7b/mccormick-and-murphy/Checklist/bad-faith-insurance-tactics-checklist.pdf

- Action Sheet: Navigating Bad Faith Insurance

  https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-14eb7c/mccormick-and-murphy/Action%20Sheet/examples-action-sheet.pdf

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