# Navigating an Insurance Bad Faith Claim

A step-by-step guide to pursuing your rights when an insurer acts in bad faith.

Based on Bad Faith by McCormick and Murphy

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## Step 1: Identify Potential Bad Faith

Recognize if your insurance company is acting unreasonably. This includes denying claims without a proper investigation, delaying payments excessively, or misrepresenting policy terms.

- Document all communication with your insurer.
- Keep records of all submitted documents and correspondence.

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## Step 2: Gather Evidence

Collect all relevant documents. This includes your insurance policy, claim forms, denial letters, medical records, repair estimates, and any other evidence supporting your claim.

- Organize your evidence chronologically.
- Make copies of all original documents.

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## Step 3: Consult an Attorney

Seek legal counsel from an experienced bad faith insurance lawyer. They can assess your case, explain your rights, and guide you through the legal process.

- Look for lawyers specializing in insurance bad faith.
- Prepare a summary of your case for the initial consultation.

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## Step 4: Understand Your Policy

Thoroughly review your insurance policy with your attorney to understand your coverage, exclusions, and the insurer's obligations.

- Pay close attention to the definitions section.
- Note any clauses related to claims handling.

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## Step 5: Formal Demand or Negotiation

Your attorney may send a demand letter to the insurance company outlining your claim and seeking a resolution. Negotiations may follow.

- Allow your attorney to handle all communication with the insurer.
- Be patient, as negotiations can take time.

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## Step 6: Filing a Lawsuit

If negotiations fail, your attorney will file a lawsuit against the insurance company to pursue compensation for your damages.

- Understand the statute of limitations for filing a lawsuit.
- Be prepared for the litigation process.

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## Step 7: Litigation and Trial

This involves discovery, depositions, and potentially a trial where evidence is presented to a judge or jury.

- Cooperate fully with your legal team.
- Attend all required court appearances.

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## Step 8: Resolution or Verdict

The case may be resolved through a settlement or a verdict after trial. Your attorney will guide you through the final steps.

- Understand the terms of any settlement agreement.
- Discuss any appeals process if necessary.

## Resources & Further Reading

*Related guides for this process:*

- Colorado Insurance Bad Faith Checklist

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

- Understanding Insurance Bad Faith in Colorado (Infographic)

https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-115bde/mccormick-and-murphy/Infographic/bad-faith-infographic.pdf

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Hold insurance companies accountable when they fail to act in good faith.