

Navigating Bad Faith Insurance Claims

Understanding and pursuing claims involving insurer misconduct.

Based on Case Studies by McCormick and Murphy

Step 1: Identify Potential Bad Faith

Recognize when an insurance company may be acting in bad faith by unreasonably delaying, denying, or underpaying a valid claim.

- Review your policy carefully.
- Document all communications with the insurer.



Step 2: Gather Evidence

Collect all relevant documents, including the insurance policy, denial letters, medical records, repair estimates, and any correspondence with the insurer.

- Keep copies of everything.
- Note dates and times of conversations.



Step 3: Understand Your Rights

Learn about the legal obligations of insurance companies and your rights as a policyholder under state and federal law.

- Research your state's insurance laws.
- Understand concepts like 'duty of good faith and fair dealing'.



Step 4: Consult with an Attorney

Seek legal counsel from an attorney experienced in bad faith insurance claims to evaluate your case.

- Look for attorneys specializing in insurance litigation.
- Prepare a summary of your claim and the insurer's actions.



Step 5: File a Formal Complaint (If Applicable)

Depending on the situation and legal advice, you may need to file a formal complaint or lawsuit against the insurance company.

- Your attorney will guide you through this process.
- Understand the statute of limitations.



Step 6: Negotiate a Settlement

Work with your attorney to negotiate a fair settlement with the insurance company, which may include the original claim amount plus damages for bad faith.

- Be realistic about potential outcomes.
- Do not accept the first offer without careful consideration.



Step 7: Proceed to Trial (If Necessary)

If a settlement cannot be reached, your attorney will prepare your case for trial to seek justice in court.

- Trials can be lengthy and complex.
- Trust your legal team's strategy.

Resources & Further Reading

Related guides for this process:

■ Bad Faith Insurance Claim Checklist

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

■ Action Sheet: Navigating Bad Faith Insurance Claims

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

■ Home

<https://mccormickmurphy.com/>

■ About

<https://mccormickmurphy.com/about/>

■ Kirk McCormick

<https://mccormickmurphy.com/about/kirk-mccormick/>

■ James Murphy

<https://mccormickmurphy.com/about/james-murphy/>

■ Sample Case Result

<https://mccormickmurphy.com/about/sample-case-result/>

■ M + M in the community

<https://mccormickmurphy.com/about/m-m-in-the-community/>

■ Testimonials

<https://mccormickmurphy.com/about/testimonials/>

■ Practice Areas

<https://mccormickmurphy.com/practice-areas/>

McCormick and Murphy | 929 W Colorado Ave, Colorado Springs, CO 80905
(719)-389-0400 | mccormickmurphy.com
Protect your rights when your insurer acts unfairly.