Navigating a Bad Faith Insurance Claim

Understanding the process of pursuing a bad faith insurance claim with McCormick and Murphy.

Based on Examples by McCormick and Murphy

Step 1: Identify Potential Bad Faith

Recognize if your insurance company is acting in bad faith by denying your claim without a valid reason, delaying payment unreasonably, or offering an unfairly low settlement.

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

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Step 2: Consult with a Bad Faith Attorney

Seek legal counsel from an attorney specializing in bad faith insurance claims. They can assess the strength of your case and explain your legal options.

- Look for attorneys with experience in your specific type of insurance claim.
- Understand the attorney's fee structure.

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Step 3: Attorney Review and Case Evaluation

Your attorney will thoroughly review your insurance policy, claim denial, and all related documentation to determine if the insurer acted in bad faith.

- Provide all requested documents promptly.
- Be honest and thorough in describing the events.

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Step 4: Filing the Claim or Lawsuit

If your attorney believes you have a strong case, they will file the necessary legal documents to pursue your claim, either through negotiation or by filing a lawsuit.

- Understand the different stages of litigation.
- Be prepared for potential delays.

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Step 5: Discovery Process

This phase involves gathering evidence from both sides, including depositions, interrogatories, and requests for documents, to build a comprehensive understanding of the case.

- Cooperate fully with your attorney during discovery.
- Keep detailed records of any new information.

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Step 6: Negotiation and Settlement

Your attorney will attempt to negotiate a fair settlement with the insurance company. Many bad faith cases are resolved through settlement.

- Be realistic about settlement expectations.
- Discuss any settlement offers thoroughly with your attorney.

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Step 7: Trial (If Necessary)

If a settlement cannot be reached, your case may proceed to trial, where a judge or jury will decide the outcome.

- Trust your attorney's trial strategy.
- Prepare for the possibility of a lengthy trial.

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Step 8: Resolution and Compensation

Upon a successful resolution, whether through settlement or a court judgment, you will receive compensation for your losses, and your attorney will receive their agreed-upon fee.

- Understand the final settlement or judgment details.
- Consult with your attorney regarding any tax implications.

Resources & Further Reading

Related guides for this process:

- Bad Faith Insurance Tactics Checklist

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- Understanding Bad Faith Insurance Tactics (Infographic)

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- Kirk McCormick

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- James Murphy

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