Navigating an Insurance Bad Faith Claim in Colorado

Understand your rights when an insurer acts in bad faith.

Based on Insurance Bad Faith by McCormick and Murphy

Step 1: Identify Bad Faith Conduct

Recognize if your insurance company has violated its duty of good faith and fair dealing. This includes actions like unreasonable delays in handling your claim, denying claims without proper investigation, offering unfair settlements, misrepresenting policy terms, or refusing to pay a legitimate claim.

- Bad faith is a breach of legal obligation, not just a disagreement on claim value.



Step 2: Understand the Insurer's Duty

Know that insurance companies have a legal obligation to handle claims honestly, investigate them thoroughly, and pay valid claims promptly and fairly.



Step 3: Gather Evidence of Bad Faith

Collect all documentation related to your claim, including correspondence with the insurer, policy documents, investigation reports, and any evidence supporting the validity and value of your claim.



Step 4: Consult an Attorney

Seek legal counsel from a lawyer experienced in insurance bad faith cases. An attorney can assess your situation, explain your legal options, and guide you through the process.

- Look for an attorney specializing in Colorado insurance bad faith law.



Step 5: File a Claim or Lawsuit

Your attorney will help you determine the best course of action, which may involve filing a formal claim with the insurance company or initiating a lawsuit to recover damages.



Step 6: Negotiate or Litigate

Your legal team will work to negotiate a fair settlement with the insurance company or represent you in court if litigation is necessary.

Resources & Further Reading

Related guides for this process:

- Your Rights When Your Insurance Company Acts in Bad Faith (Action Sheet)

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

- Understanding Insurance Bad Faith in Colorado (Infographic)

https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-115bde/mccormick-and-murphy/Infographic/insurance-bad-faith-infographic.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
Hold insurance companies accountable for their obligations.