

Navigating a State Farm Bad Faith Insurance Claim in Colorado

Understand your rights and the process when State Farm acts in bad faith.

Based on State Farm by McCormick and Murphy

Step 1: Recognize Bad Faith Indicators

Identify signs that State Farm may be acting in bad faith, such as unreasonable delays, unjustified denials, misrepresentation of policy terms, or failure to conduct a proper investigation.

- Document everything: dates, times, names, and summaries of conversations.
- Keep copies of all correspondence.



Step 2: Gather Policy Information

Obtain a copy of your insurance policy and thoroughly review its terms, conditions, and exclusions.

- Pay close attention to coverage limits and deductibles.
- Understand your obligations as the policyholder.



Step 3: Document Your Damages

Collect all evidence of your losses, including repair estimates, medical bills, lost wage statements, and photographs of damage.

- Be thorough and detailed in documenting all expenses and losses.
- If applicable, obtain expert reports to quantify damages.



Step 4: Communicate with State Farm

Formally notify State Farm of your claim and provide all requested documentation. Continue to communicate in writing.

- Send communications via certified mail to ensure proof of delivery.
- Avoid making recorded statements without legal counsel.



Step 5: Evaluate State Farm's Response

Assess State Farm's offer or denial. If it is unreasonable or based on misrepresentations, it may indicate continued bad faith.

- Compare their offer to the documented damages and policy terms.
- Consider if their reasoning for denial aligns with policy language.



Step 6: Consult with an Attorney

Seek legal advice from an attorney experienced in bad faith insurance claims in Colorado.

- Look for attorneys who specialize in insurance litigation.
- An attorney can help assess the strength of your claim and guide you through legal options.



Step 7: File a Formal Complaint or Lawsuit

If negotiations fail and State Farm continues to act in bad faith, your attorney may advise filing a formal complaint with the Division of Insurance or initiating a lawsuit.

- Understand the statute of limitations for filing a lawsuit.
- Your attorney will handle the procedural aspects of filing.

Resources & Further Reading

Related guides for this process:

■ State Farm's Bad Faith Practices in Colorado (Infographic)

<https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-115bde/mccormick-and-murphy/Infographic/state-farm-infographic.pdf>

■ State Farm Bad Faith Checklist for Colorado

<https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-65ee7b/mccormick-and-murphy/Checklist/state-farm-bad-faith-checklist-for-colorado-checklist.pdf>

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Protect your rights when State Farm fails to uphold its obligations in Colorado.