

Bad Faith Insurance Tactics Cheat Sheet

Understanding and identifying unfair insurance practices.

Based on [Examples](#) by McCormick and Murphy

What is Bad Faith? • Insurance company acting unfairly. • Denying claims without a valid reason. • Unreasonable delays in processing claims. • Misrepresenting policy terms.	Common Tactics • Lowball settlement offers. • Requiring excessive documentation. • Claiming the policy doesn't cover the loss. • Delaying investigation indefinitely.
When to Suspect Bad Faith • Claim denied after a long period. • Offer significantly lower than claim value. • Constant requests for more information. • Difficulty contacting the adjuster.	Policyholder Rights • Right to a fair investigation. • Right to a reasonable settlement. • Right to understand policy terms. • Right to legal representation.
Seeking Legal Help • Consult a bad faith insurance lawyer. • Lawyers often work on contingency. • No upfront costs for clients. • Lawyer gets a percentage of recovery.	Types of Bad Faith Claims • Unreasonable denial of coverage. • Failure to settle within policy limits. • Breach of the implied covenant of good faith. • Misrepresentation or fraud.

Resources & Further Reading

Related guides to pair with this cheat sheet:

■ Bad Faith Insurance Tactics Checklist

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

■ Understanding Bad Faith Insurance Tactics (Infographic)

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

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