

McCormick & Murphy: Insurance Bad Faith FAQs

Understanding your rights when an insurance company acts in bad faith.

Based on Bad Faith FAQs by McCormick and Murphy

Factor	Insurance Company Action	Is it Bad Faith?	Potential Consequences
Denying payments without a reasonable basis	Yes	Yes	Lawsuit for damages
Discounting payments without a reasonable basis	Yes	Yes	Lawsuit for damages
Delaying payments without a reasonable basis	Yes	Yes	Lawsuit for damages
Failing to affirm or deny coverage within a reasonable time	Yes	Yes	Lawsuit for damages
Failing to conduct proper, prompt, and thorough investigations	Yes	Yes	Lawsuit for damages
Making burdensome requests for documentation	Yes	Yes	Lawsuit for damages
Misrepresenting the law or policy language	Yes	Yes	Lawsuit for damages

Resources & Further Reading

Related guides to support your comparison:

■ Insurance Bad Faith Checklist

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

■ Understanding Insurance Bad Faith (Action Sheet)

<https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-14eb7c/mccormick-and-murphy/Action%20Sheet/bad-faith-faqs-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
Know your rights when your insurance company fails to act in good faith.