

Bad Faith Insurance Tactics

Understanding common strategies used by insurance companies to deny or undervalue claims.

Based on Examples by McCormick and Murphy

Factor	McCormick & Murphy	Insurance Company	Policyholder
Legal Representation	Contingency fee structure (no upfront costs for client)	Employs adjusters and legal teams to manage claims	May need to hire legal counsel to navigate complex claims
Fee Structure for Client	Percentage of settlement or judgment	Does not pay client fees directly	May incur legal fees and costs
Claim Handling Goal	Advocate for policyholder's rights	Minimize payout on claims	Seek fair compensation for losses
Potential Tactics	Focus on securing maximum compensation	Delaying tactics, lowball offers, denial of claims	Facing potential unfair practices
Expertise	Specializes in insurance law and bad faith claims	Expertise in policy interpretation and claims adjustment	Relies on policy terms and evidence
Client Payment	Paid only if successful	Pays out claims based on policy and investigation	Pays premiums and potentially legal fees

Resources & Further Reading

Related guides to support your comparison:

■ 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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Insurance companies may employ tactics to reduce payouts; legal representation can help secure fair compensation.