

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 policy exclusions that don't apply. • Ignoring medical evidence.
When to Consider Legal Action • Claim denied despite clear coverage. • Significant delays without explanation. • Pressure to accept a low settlement. • Misleading communication from insurer.	Your Rights as Policyholder • Right to a fair investigation. • Right to clear communication. • Right to representation. • Right to pursue legal action if wronged.
Finding a Lawyer • Look for experience in bad faith insurance. • Understand fee structures (e.g., contingency). • Consult with multiple attorneys. • Prioritize clear communication and trust.	Contingency Fee Explained • No upfront costs for client. • Lawyer paid percentage of settlement/judgment. • Aligns lawyer's interest with client's outcome. • Reduces financial risk for policyholder.

Resources & Further Reading

Related guides to pair with this cheat sheet:

■ Pueblo Bad Faith Insurance Claim Checklist

<https://storage.googleapis.com/mccormick-and-murphy-checklists-20260710-3eaad2/mccormick-and-murphy/Checklist/pueblo-bad-faith-insurance-claim-checklist.pdf>

■ Protect Your Rights: What to Do About Bad Faith Insurance in Pueblo (Action Sheet)

<https://storage.googleapis.com/mccormick-and-murphy-checklists-20260710-3eaad2/mccormick-and-murphy/Action%20Sheet/pueblo-bad-faith-insurance-claim-lawyer-action-sheet.pdf>

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Know your rights when dealing with insurance claims.