

USAA Bad Faith Insurance Practices in Colorado

An analysis of USAA's alleged bad faith insurance conduct in Colorado.

Based on *Usaa* by McCormick and Murphy

Factor	USAA's Alleged Actions	Legal Standard (Colorado)	Potential Consequences for USAA
Delaying Claims	Unreasonable delays in processing and paying claims.	Claims must be processed within a reasonable time.	Financial penalties, interest, and attorney fees.
Denying Claims Without Proper Investigation	Denying claims without a thorough and objective investigation.	Requires a reasonable basis for denial based on investigation.	Reversal of denial, payment of claim, damages.
Misrepresenting Policy Terms	Misleading policyholders about coverage or obligations.	Policies must be interpreted in good faith.	Breach of contract, bad faith damages.
Failing to Act in Good Faith	Engaging in conduct that violates the implied covenant of good faith and fair dealing.	Insurer has a duty to act in good faith towards the insured.	Compensatory and punitive damages.
Improperly Handling UM/UIM Claims	Allegations of mishandling Underinsured Motorist (UM) and Uninsured Motorist (UIM) claims.	Specific regulations govern UM/UIM claim handling.	Statutory penalties, damages for bad faith.
Contractual Breach	Violating the terms and conditions of the insurance policy.	Policies are contracts and must be honored.	Damages for breach of contract.

Resources & Further Reading

Related guides to support your comparison:

■ Protect Your Rights: Handling Bad Faith Insurance Claims in Colorado (Action Sheet)

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

■ Colorado Bad Faith Insurance Claims (Cheat Sheet)

<https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-de7b87/mccormick-and-murphy/Cheat%20Sheet/denver-bad-faith-insurance-claim-lawyer-cheatsheet.pdf>

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USAA faces allegations of bad faith insurance practices in Colorado, impacting policyholder claims.