Navigating an Insurance Bad Faith Claim

A guide to understanding and pursuing your rights when an insurance company acts in bad faith.

Based on Bad Faith by McCormick and Murphy

Step 1: Identify Potential Bad Faith

Recognize if your insurance company is unreasonably delaying, denying, or underpaying your claim without a valid reason. This can include actions like failing to conduct a thorough investigation or misrepresenting policy provisions.

• Keep detailed records of all communication with your insurer.

↓

Step 2: Gather All Documentation

Collect all relevant documents, including your insurance policy, claim forms, denial letters, correspondence with the insurer, medical records, repair estimates, and any other evidence supporting your claim.

• Organize your documents chronologically.

↓

Step 3: Understand Your Policy

Carefully review your insurance policy to understand the coverage, exclusions, and conditions. This will help you determine if the insurer's actions align with the policy terms.

• Pay close attention to definitions of key terms.

↓

Step 4: Consult with an Attorney

Seek legal advice from an attorney experienced in insurance bad faith cases. An attorney can assess your situation, explain your legal options, and guide you through the claims process.

• Look for attorneys who specialize in insurance disputes.

↓

Step 5: File a Formal Complaint

Your attorney may advise filing a formal complaint or demand letter with the insurance company, outlining the bad faith actions and seeking a resolution.

• Ensure the complaint is clear, concise, and supported by evidence.

↓

Step 6: Negotiate a Settlement

Engage in settlement negotiations with the insurance company, often facilitated by your attorney. The goal is to reach a fair agreement that compensates you for your losses and damages.

• Be prepared to compromise, but do not settle for less than you deserve.

↓

Step 7: Consider Litigation

If a settlement cannot be reached, your attorney may recommend filing a lawsuit to pursue your claim in court. This involves presenting your case before a judge or jury.

• Litigation can be a lengthy and complex process.

Resources & Further Reading

Related guides for this process:

- Colorado Springs Insurance Bad Faith (Infographic)

  https://storage.googleapis.com/mccormick-and-murphy-checklists-20260710-3eaad2/mccormick-and-murphy/Infographic/insurance-bad-faith-infographic.pdf

- Colorado Springs Insurance Bad Faith Cheat Sheet

  https://storage.googleapis.com/mccormick-and-murphy-checklists-20260706-de7b87/mccormick-and-murphy/Cheat%20Sheet/insurance-bad-faith-cheatsheet.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
Hold insurance companies accountable for unfair claim handling.