

Navigating Bad Faith Insurance Claims

Understanding and pursuing your rights against insurance companies.

Based on Case Studies by McCormick and Murphy

Step 1: Identify Potential Bad Faith

Recognize when an insurance company may be acting in bad faith. This includes unreasonable delays, denials without proper investigation, or misrepresentation of policy terms.

- Keep detailed records of all communications.
- Note specific dates and times of interactions.



Step 2: Gather Policy Information

Collect all relevant insurance policy documents, including the declaration page, policy wording, and any endorsements or amendments.

- Understand your coverage limits and exclusions.
- Review the policy for clauses related to claims handling.



Step 3: Document All Communications

Maintain a comprehensive record of every interaction with the insurance company, including phone calls, emails, letters, and meetings.

- Note the name and title of the person you spoke with.
- Summarize the key points of each conversation.



Step 4: Understand the Denial or Delay

Determine the specific reasons provided by the insurer for denying or delaying your claim. Assess if these reasons are valid and supported by the policy and evidence.

- Request a written explanation for the decision.
- Compare the insurer's reasoning to the policy language.



Step 5: Seek Legal Counsel

Consult with an attorney experienced in bad faith insurance claims. They can evaluate your case and advise on the best course of action.

- Look for lawyers specializing in insurance disputes.
- Prepare to share all your documentation with your attorney.



Step 6: Negotiate or Litigate

Your attorney may attempt to negotiate a settlement with the insurance company. If negotiations fail, litigation may be necessary to recover damages.

- Understand the potential outcomes of negotiation vs. litigation.
- Be prepared for a potentially lengthy process.

Resources & Further Reading

Related guides for this process:

■ Bad Faith Insurance Claim Checklist

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

■ Action Sheet: Navigating Bad Faith Insurance Claims

<https://storage.googleapis.com/mccormick-and-murphy-checklists-20260710-3eaad2/mccormick-and-murphy/Action%20Sheet/case-studies-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
Protect your rights when your insurer acts unfairly.