Navigating a Bad Faith Insurance Claim

Understanding the process when your insurer acts in bad faith.

Based on Examples by McCormick and Murphy

Step 1: Identify Potential Bad Faith

Recognize if your insurance company is acting unfairly, such as denying a valid claim without a reasonable basis, delaying payment excessively, or misrepresenting policy terms.

- Keep detailed records of all communications with your insurer.

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Step 2: Gather Evidence

Collect all relevant documents, including your insurance policy, claim correspondence, denial letters, medical records, repair estimates, and any other evidence supporting your claim's validity and the insurer's bad faith actions.

- Organize your evidence chronologically.

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Step 3: Consult an Attorney

Seek advice from an experienced bad faith insurance lawyer to evaluate your case and understand your legal options.

- Look for lawyers specializing in bad faith insurance law.

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Step 4: Understand Fee Structure

Be aware that bad faith insurance lawyers often work on a contingency fee basis, meaning you pay no upfront costs. Their fee is a percentage of the settlement or judgment obtained.

- Clarify the percentage and any associated costs upfront.

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Step 5: Filing a Lawsuit

If a settlement cannot be reached, your attorney will file a lawsuit against the insurance company to pursue compensation for your losses and damages caused by their bad faith.

- The lawsuit process can be lengthy.

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Step 6: Discovery and Negotiation

This phase involves exchanging information and evidence between parties. Negotiations may occur to try and reach a settlement before trial.

- Be prepared to provide further documentation if requested.

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Step 7: Trial (If Necessary)

If negotiations fail, the case will proceed to trial, where a judge or jury will decide the outcome.

• Your attorney will represent your interests in court.

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Step 8: Resolution

The case concludes with either a settlement or a judgment from the trial, resulting in compensation for your damages.

• Understand the terms of any settlement or judgment.

Resources & Further Reading

Related guides for this process:

- 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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