

Navigating an Insurance Bad Faith Claim in Colorado

Understand your rights when an insurer acts in bad faith.

Based on Insurance Bad Faith by McCormick and Murphy

Step 1: Identify Bad Faith Conduct

Recognize when an insurance company breaches its duty of good faith and fair dealing. This includes unreasonable delays, inadequate investigations, low settlement offers, misrepresentation of policy terms, or denial of legitimate claims.

- Bad faith is a legal obligation breach, not just a dispute over claim value.



Step 2: Understand the Insurer's Duty

Know that insurance companies have a legal obligation to handle claims honestly, investigate them thoroughly, and pay valid claims promptly and fairly.



Step 3: Gather Evidence

Collect all relevant documents, correspondence, and records related to your insurance policy and claim. This evidence is crucial for demonstrating the insurer's bad faith actions.



Step 4: Consult an Attorney

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

- An attorney can help you navigate the complexities of insurance law.



Step 5: File a Claim or Lawsuit

Based on your attorney's advice, you may file a formal claim against the insurance company or initiate a lawsuit to seek compensation for damages caused by their bad faith conduct.



Step 6: Negotiate or Litigate

Your legal team will work to negotiate a fair settlement or, if necessary, litigate your case in court to hold the insurer accountable.

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>

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Hold insurance companies accountable for violating their duty of good faith and fair dealing.