


GET IN THE GAME:

HOW GENERAL COUNSEL CAN
STOP RUNAWAY JURY VERDICTS





Are runaway jury verdicts a problem?

THE WALL STREET JOURNAL

"A review of U.S. cases reported to VerdictSearch shows a more than 300% rise in the frequency of verdicts \$20 million or over in 2019 from the annual average from 2001 to 2010!"

THE WALL STREET JOURNAL

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MARKETS | HEARD ON THE STREET

The Specter of Social Inflation Haunts Insurers

Insurance executives' talk about bigger jury awards and increased litigation worry investors



ILLUSTRATION: PAUL GARLAND

By *Telis Demos*

Dec. 27, 2019 5:33 am ET

The price of milk and gasoline may be stable these days. But some insurance executives feel like the 1970s are back again when it comes to other kinds of inflation.

Insurance executives in the U.S. have recently expressed a wave of concern about something called "social" inflation. In insurance-industry parlance it typically refers to an upward creep in perceptions by an injured party of what they are owed, their willingness to pursue that via the legal system, and what that means for insurance policies covering companies' liabilities.

A steady drumbeat of concern suddenly got louder when property and casualty insurer Travelers reported quarterly earnings in late October and increased its loss reserves by hundreds of millions of dollars. Chief Executive Officer Alan Schnitzer pointed to a "challenging level of social inflation." He described "a tort environment that has deteriorated beyond our elevated expectation."

Travelers' stock dropped more than 8% that day. Subsequent insurer earnings reports didn't include equally large charges, but their executives echoed Mr. Schnitzer's underlying concern. "Social inflation is real. It is here, and the industry is beginning to pay attention," W. Robert Berkley Jr., chief executive of commercial property and casualty insurer W.R. Berkley Corp., told analysts.



JUSTICE

PREVAILING THEMES IN RUNAWAY JURY VERDICTS

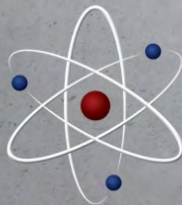
- Defendant does not care
- Profits over safety
- Defense refuses to accept responsibility
- Defense is trying to "get a discount"

**WHAT CREATIVE STRATEGIES HAVE YOUR DEFENSE
COUNSEL DEVELOPED TO FIGHT THESE TACTICS?**

WHAT ARE **YOU** DOING DIFFERENTLY?

NUCLEAR VERDICTS

DEFENDING JUSTICE FOR ALL



ROBERT F. TYSON, JR.