



# Navigating the Claims Landscape

Emerging Issues and Challenges

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Gen Re



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# Overview/Agenda

## Property

### CAT Frequency and Severity

#### Climate Change – What is going on??

- Increasing Temperatures
- Severe Convective Storms
- Wildfires
- Demographics
- Preparedness and Resiliency

## Casualty

### Nuclear Verdicts

- The Data

### Social Inflation

- Third Party Litigation Financing
- Plaintiff Attorney Advertising
- Limits Compression
- Plaintiff Trial Strategies
- Changing Jurors

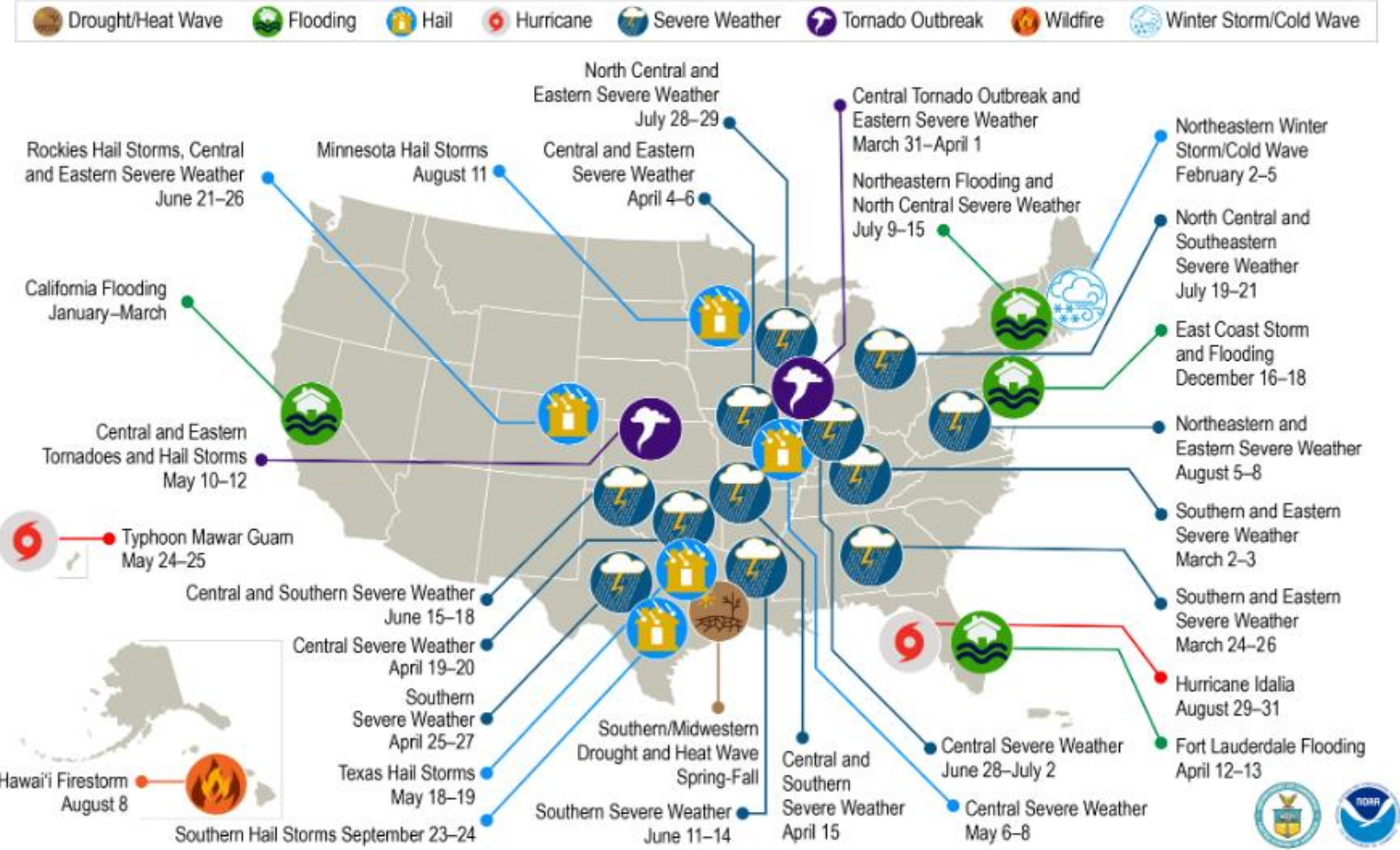


# Property

CAT Frequency and Severity

# 2023 Loss Activity

## U.S. 2023 Billion-Dollar Weather and Climate Events



**28 Events**

**Flooding**  
4

**Convective Storms**  
19

**Hurricane/Typh.**  
2

**Wildfire**  
1

**Winter Storm**  
1

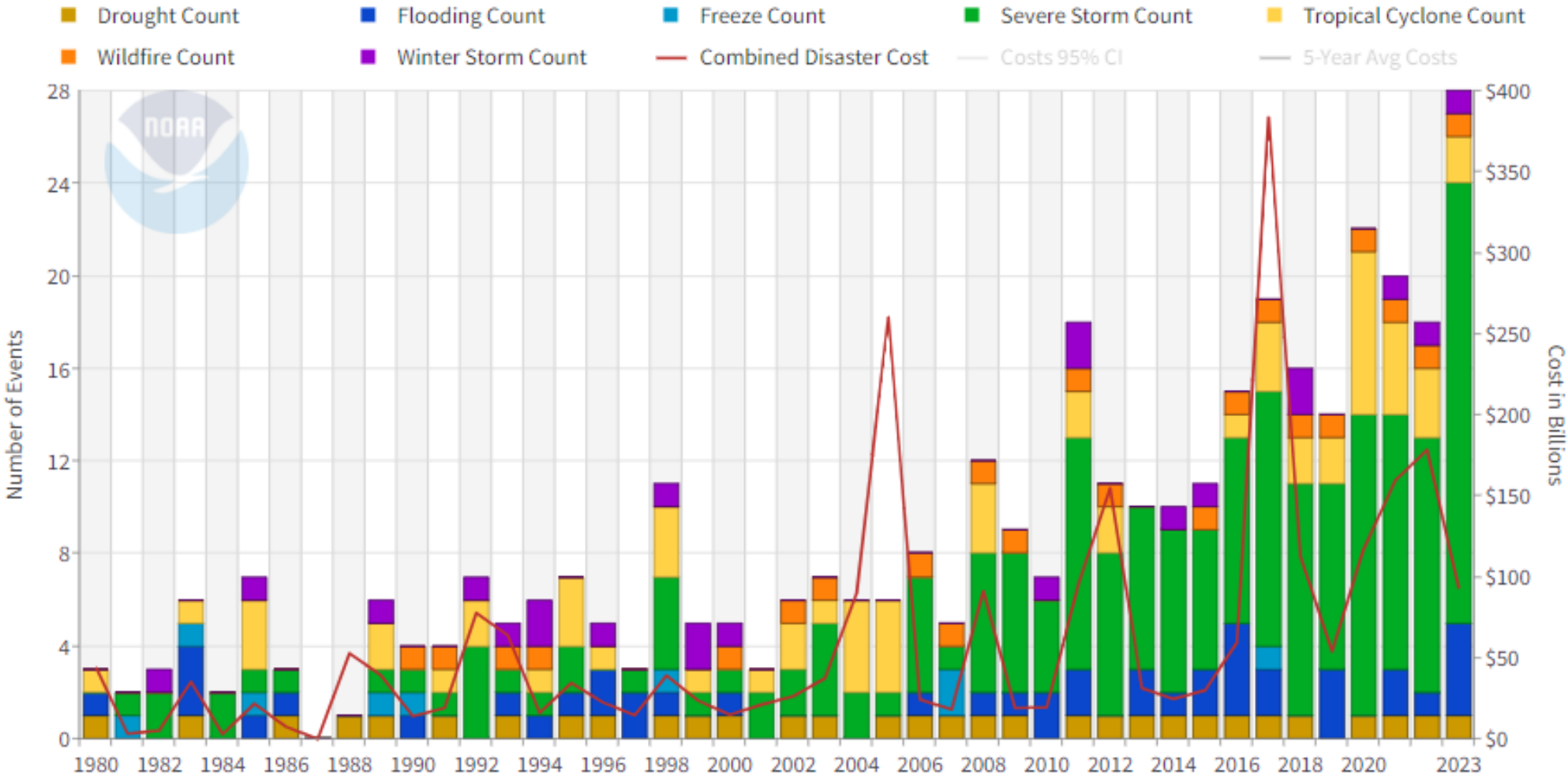
**Drought**  
1

**Total Cost**  
**\$93B**

Source: <https://www.ncei.noaa.gov/access/billions>



# U.S. Billion Dollar Disaster Events 1980–2023 (CPI Adjusted)

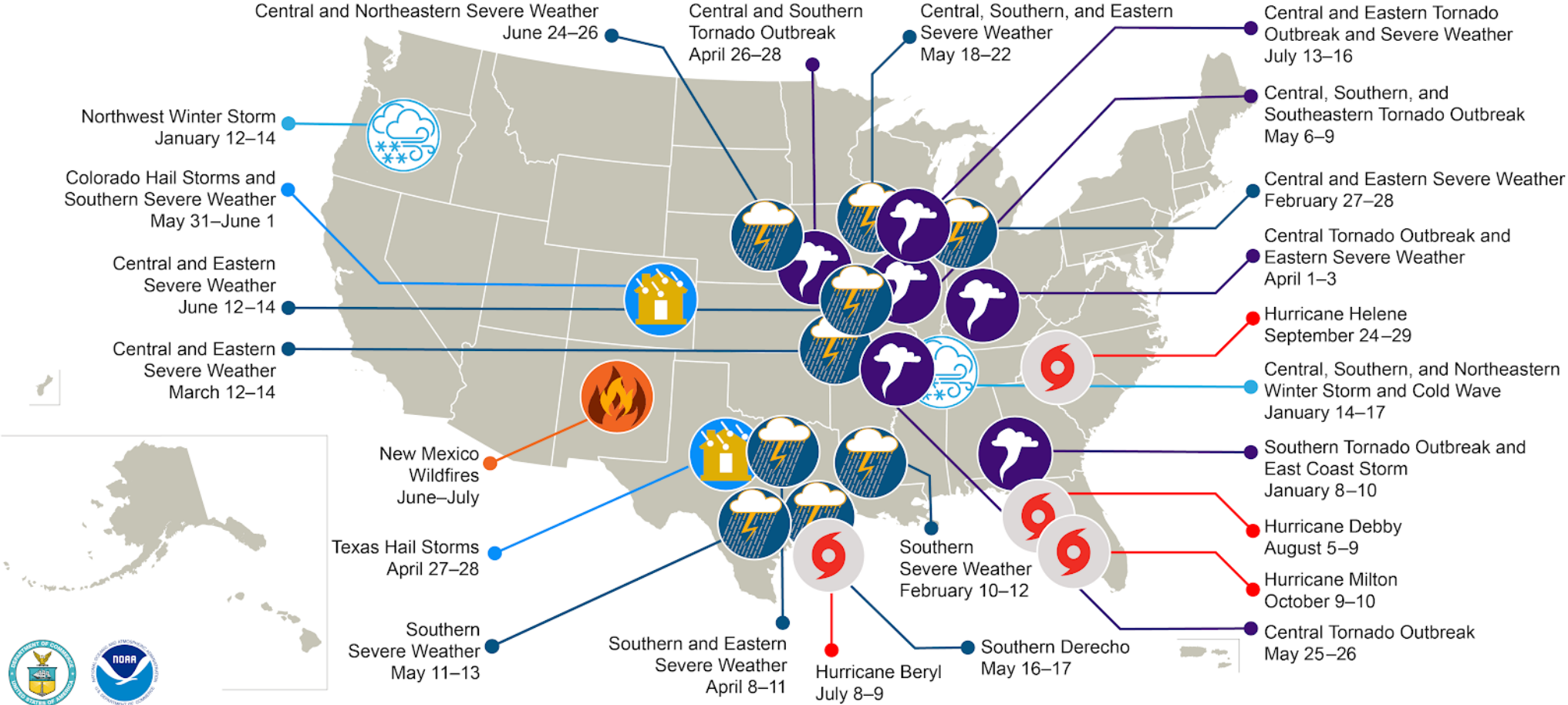


Source: [www.ncei.noaa.gov/access/billions/time-series](http://www.ncei.noaa.gov/access/billions/time-series)

# 2024 Billion Dollar Events (through October 2024)

## U.S. 2024 Billion-Dollar Weather and Climate Disasters

Drought/Heat Wave
 Flooding
 Hail
 Severe Weather
 Tornado Outbreak
 Tropical Cyclone
 Wildfire
 Winter Storm/Cold Wave



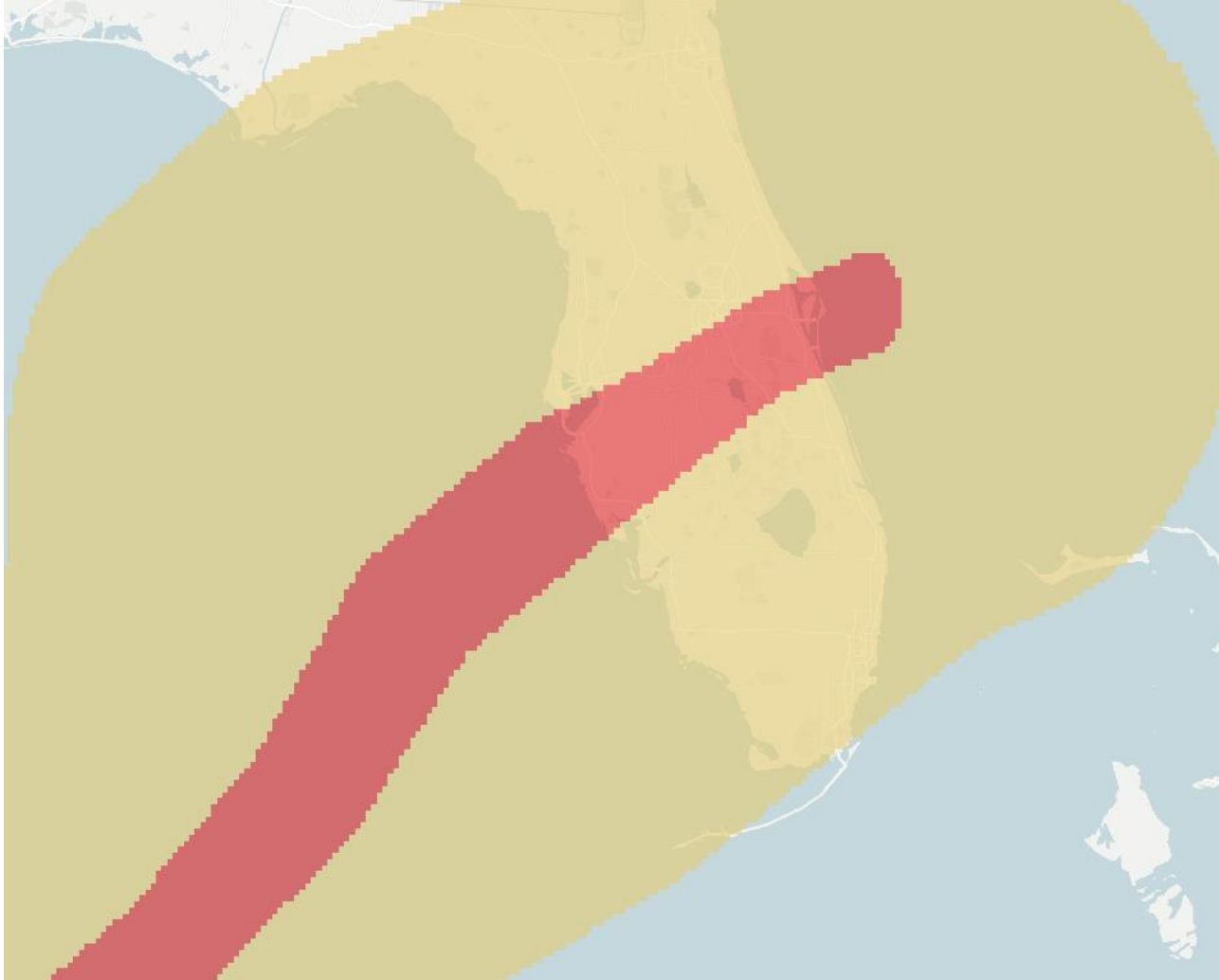
This map denotes the approximate location for each of the 24 separate billion-dollar weather and climate disasters that impacted the United States through October 2024.

Source: <https://www.ncei.noaa.gov/access/billions>



# 2024 - Hurricane Milton

## Hurricane Milton Impact



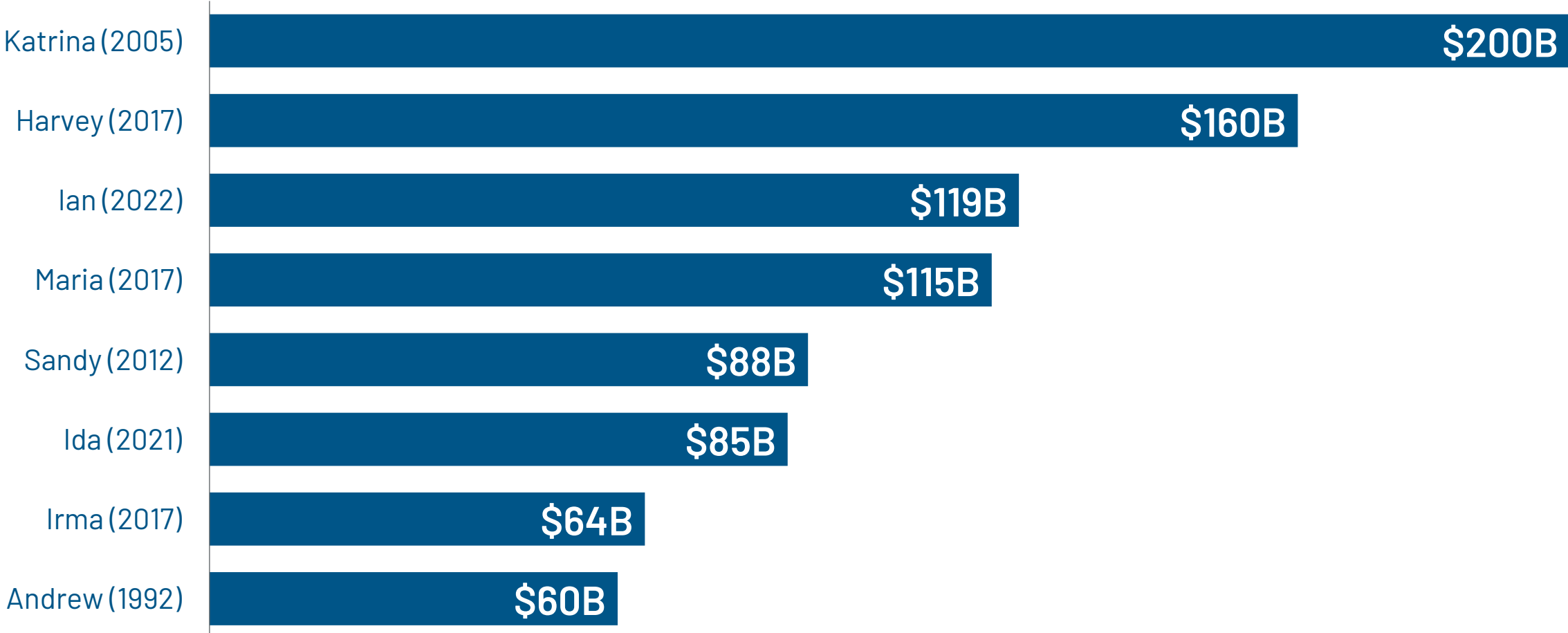
**Yellow = Tropical storm force wind**

**Red = Hurricane force wind**



# 2024 - Hurricanes Helene and Milton

US Hurricanes Costing \$50B or More (Adjusted \$) - 1980 to 2023



Source: National Oceanic and Atmosphere Administration/Helene and Milton are both likely to be \$50 billion disasters, joining ranks of most costly storms | AP News

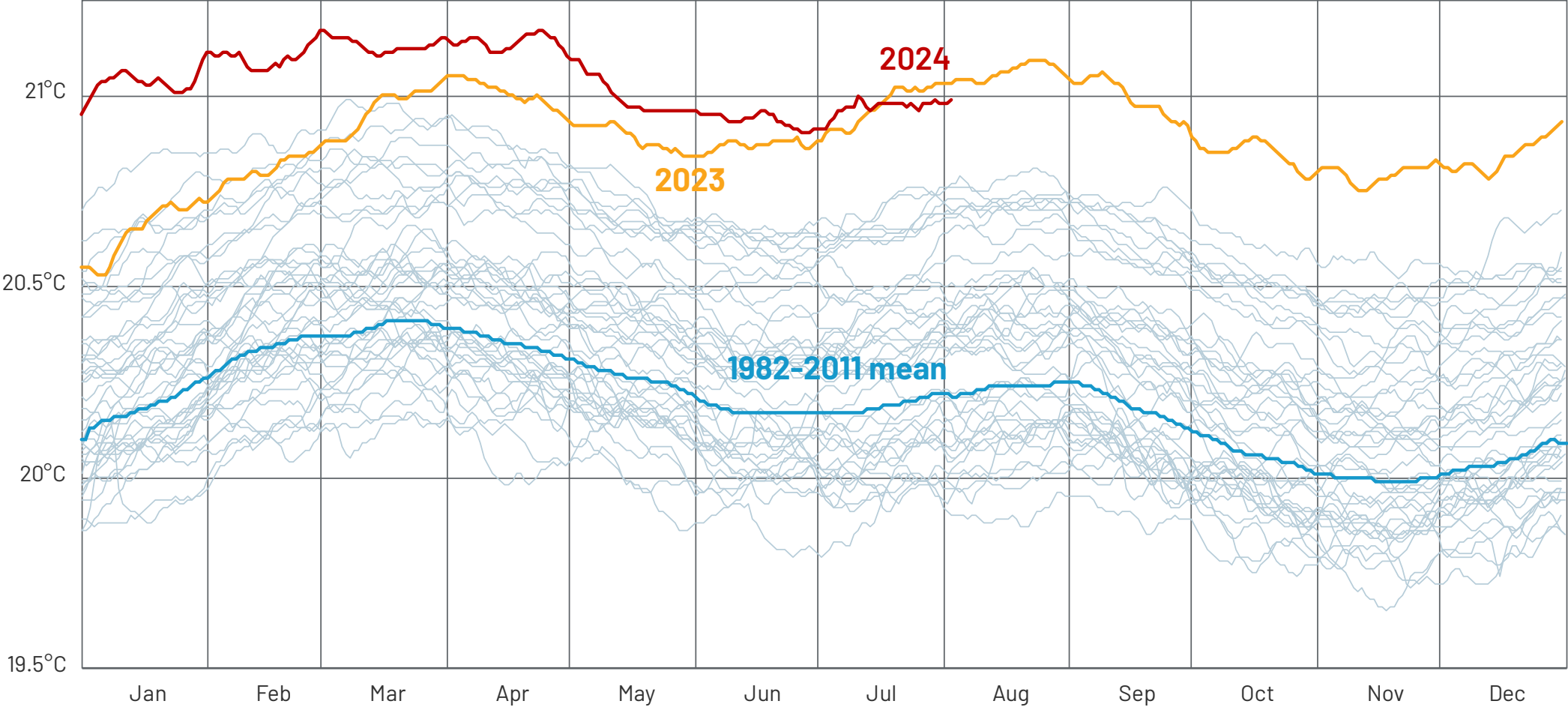


# Property

Climate Change – What is going on??

# 2024 Hurricane Season...

## Average Daily Global Sea Surface Temperatures – 1982-2024



Sources: US National Oceanic and Atmospheric Administration, Climate Reanalyzer



# 2024 Hurricane Season...

Hottest Day Ever



July 22,  
2024

Previous Record

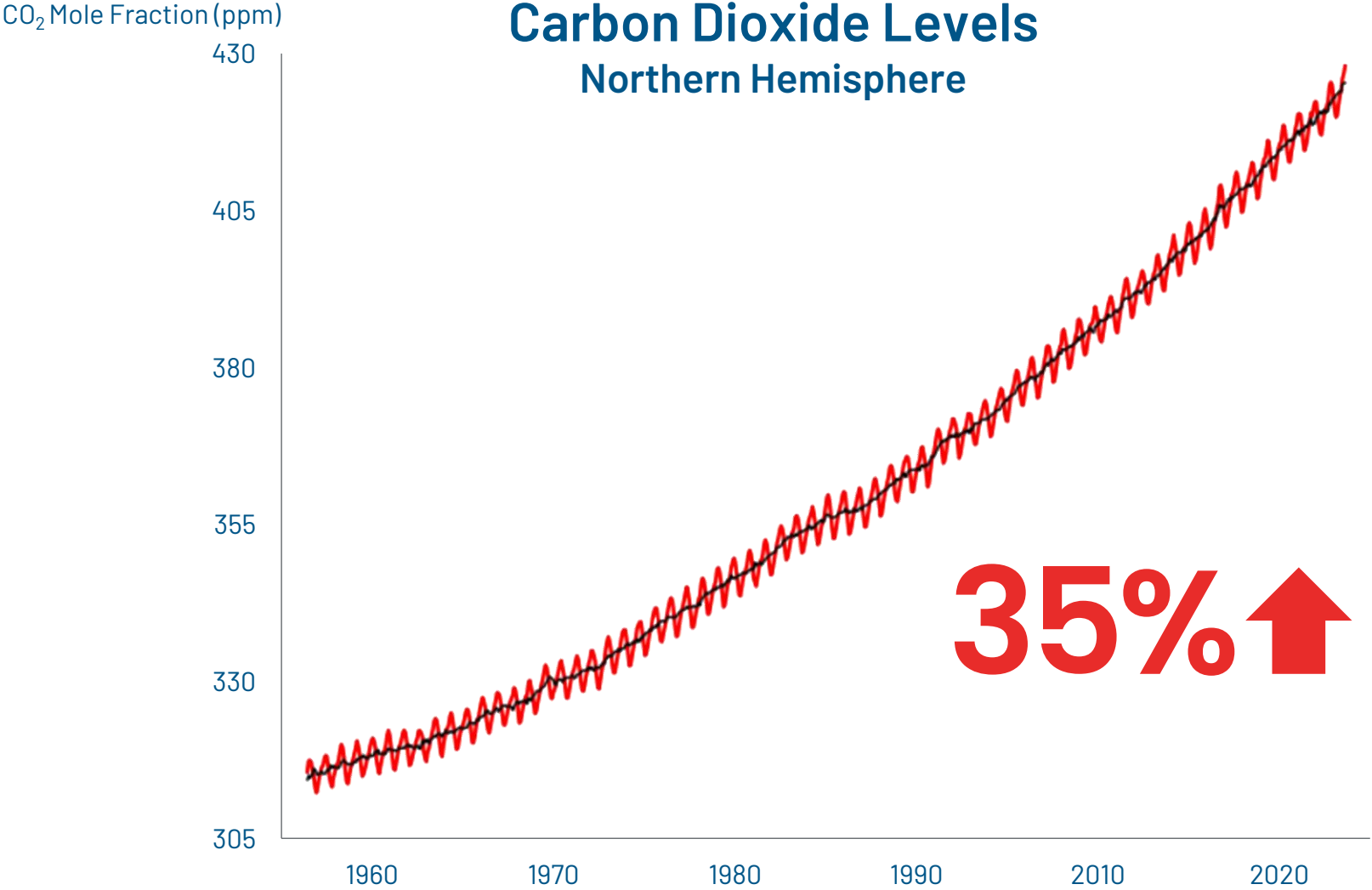


July 21,  
2024



Sources: US National Oceanic and Atmospheric Administration, Climate Reanalyzer, Hurricane season 2024: Unprecedented ocean heat and La Niña could combine with dangerous effect, CNN.

# 2024 Hurricane Season...

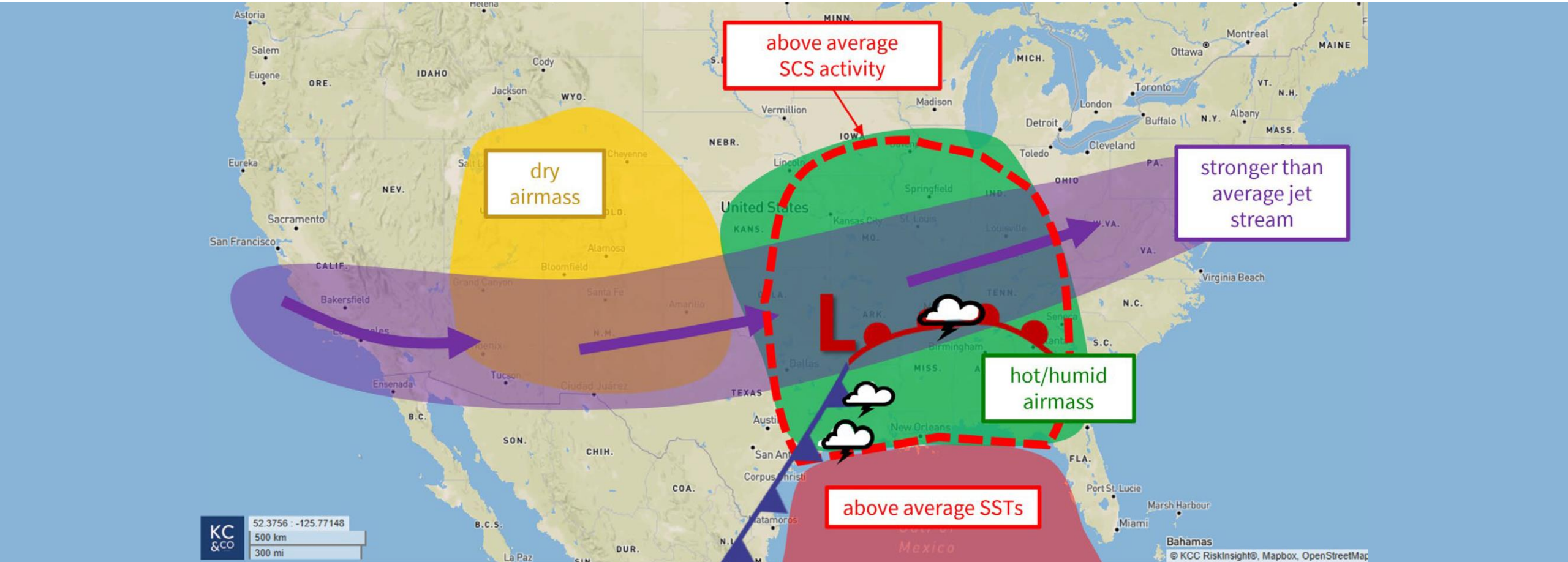


Sources: During a year of extremes, carbon dioxide levels surge faster than ever | National Oceanic and Atmospheric Administration (noaa.gov)



# Severe Convective Storms

## 2023 Meteorological Conditions

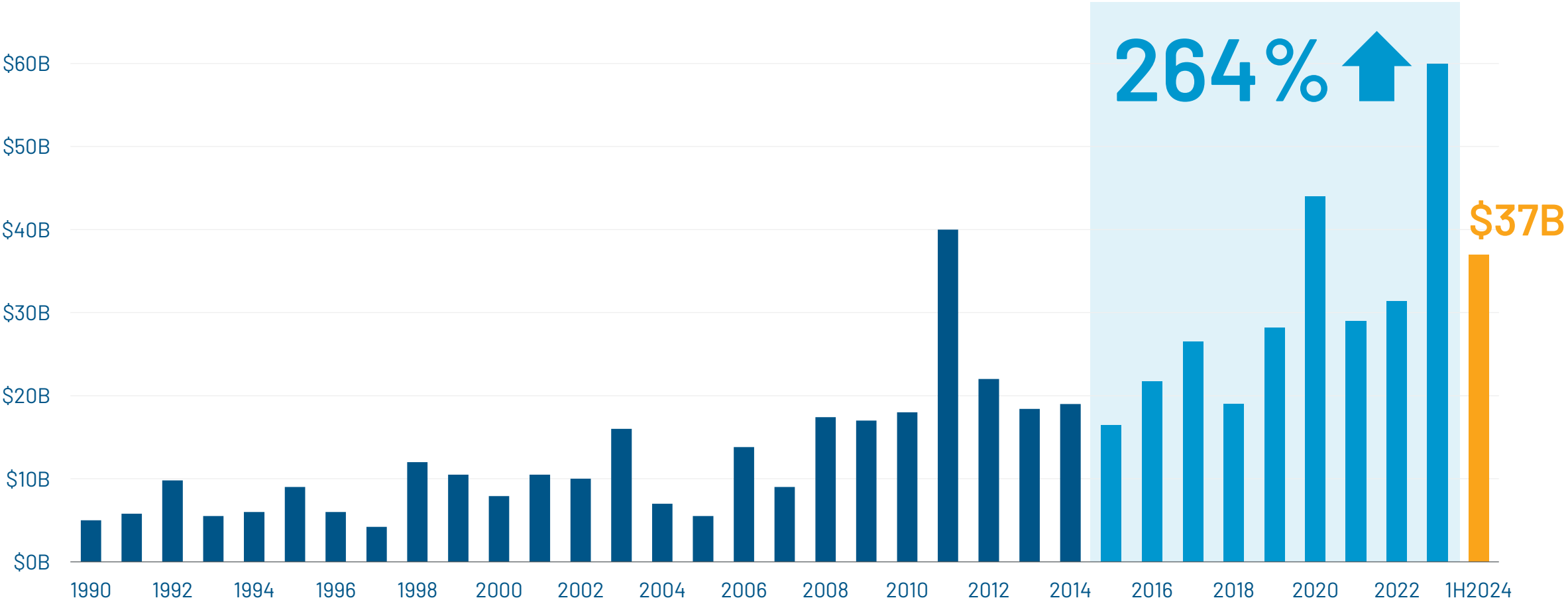


Sources: *The 2023 SCS Season: How Extreme Was It and Why?* (KCIC White Paper)



# Severe Convective Storms

## Convective Storms – Annual Insured Loss – 1990-1H24

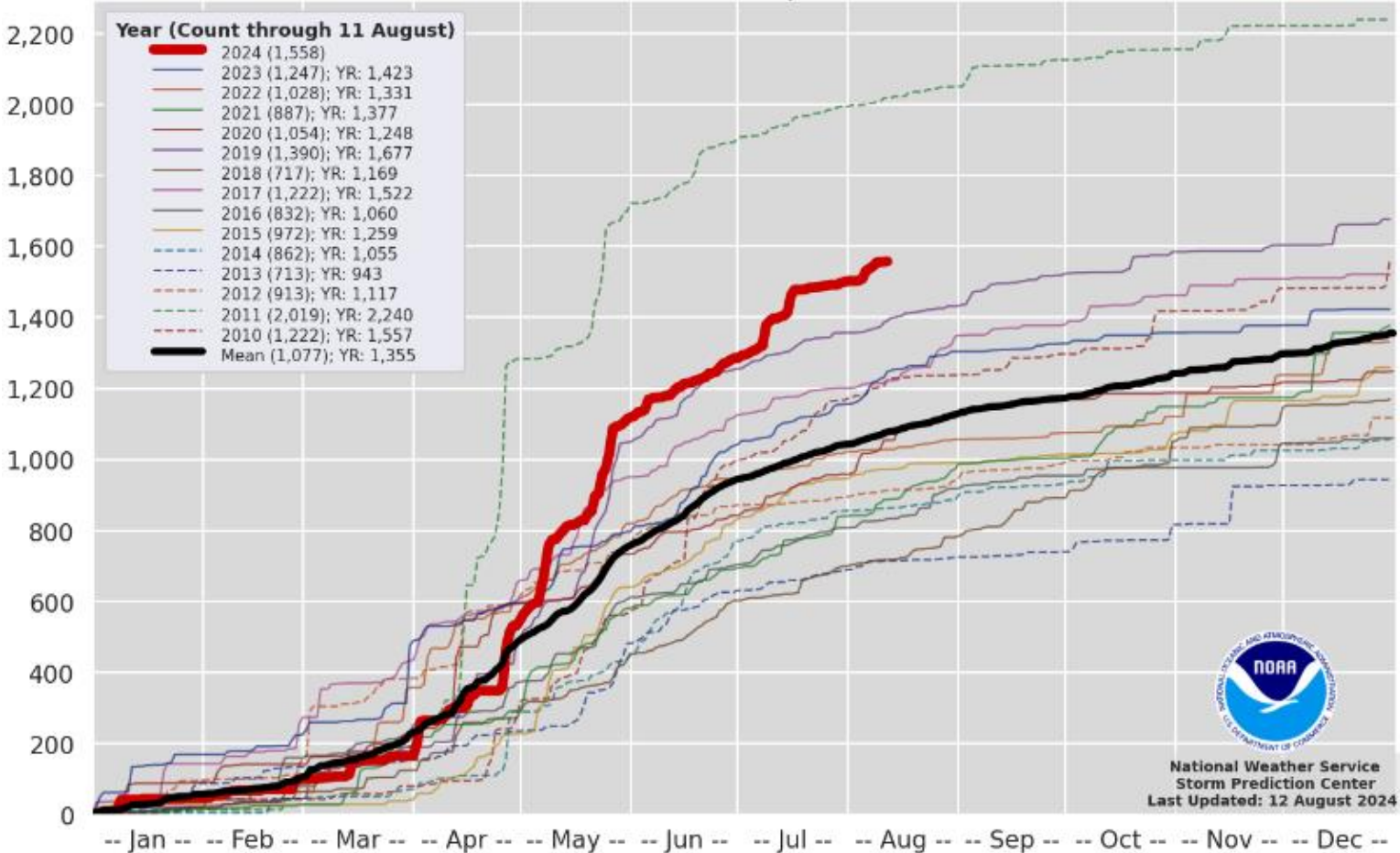


Sources: Arthur J. Gallagher & Co. and [https://www.iii.org/sites/default/files/docs/pdf/triple-i\\_state\\_of\\_the\\_risk\\_convective\\_storms\\_10232023.pdf](https://www.iii.org/sites/default/files/docs/pdf/triple-i_state_of_the_risk_convective_storms_10232023.pdf). Natural Catastrophe and Climate Report: H1 2024 (ajg.com)

# Severe Convective Storms – Tornadoes

## Annual Tornado Count – 2010 to Mid-August 2024 United States Annual Counts of Tornado LSRs\*

\*Preliminary sightings/events from NWS Local Storm Reports (LSRs)  
Annual Mean is based on Preliminary LSRs from 2010 to 2023



National Weather Service  
Storm Prediction Center  
Last Updated: 12 August 2024

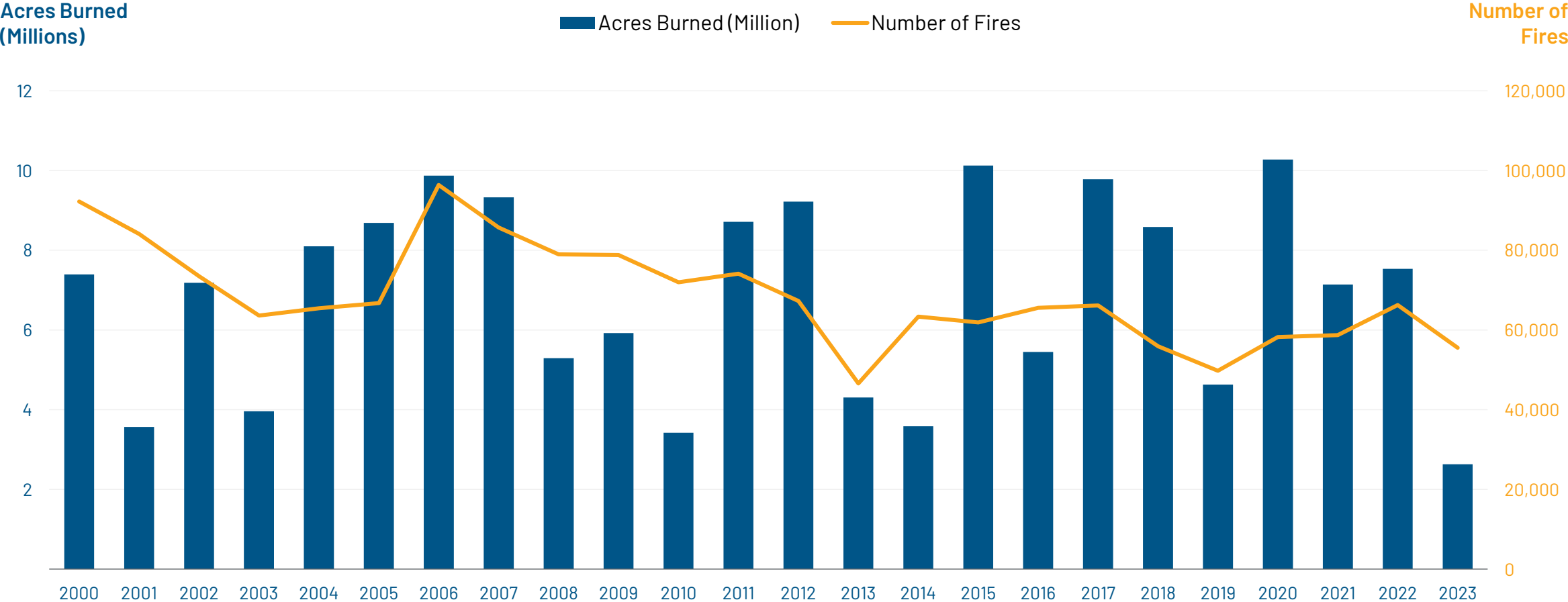


Sources: Storm Prediction Center Maps, Graphics, and Data Page (noaa.gov)



# Wildfires

## U.S. Wildfires – 2000-2023



Source: National Center for Environmental Information (NCEI), U.S. Wildfires

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# Wildfires

## 2024 Wildfire Activity

### Texas

**Smokehouse Creek Fire**  
Acres Burned ➔ 1.1 Million

### California (through July)

**Number of Wildfires: 4,700**  
Acres Burned ➔ 775,000

### United States (through July)

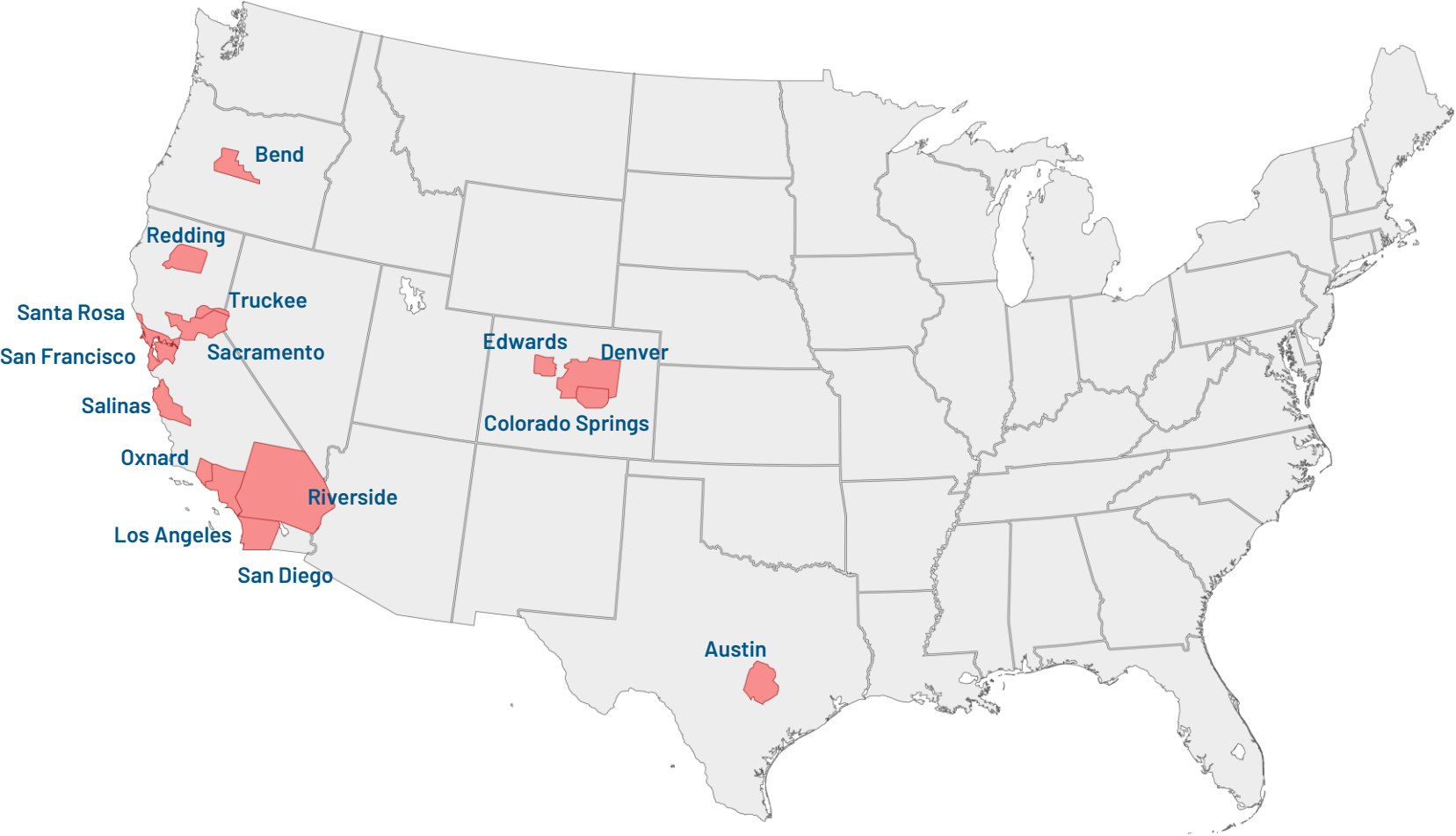
**Number of Wildfires: 28,649**  
Acres Burned ➔ 4.5 Million

Source: California's early explosive wildfire season is nearly 1,500% ahead of last year so far | Fox Weather/Statistics | CAL FIRE/National Fire News | National Interagency Fire Center (nifc.gov)



# Wildfires

## Wildfire Risk – Top 15 Metro Areas



Metropolitan Area	Rank	Residence Count
Los Angeles, CA	1	185,763
Riverside, CA	2	166,372
San Diego, CA	3	123,060
Sacramento, CA	4	91,475
San Francisco, CA	5	56,985
Oxnard, CA	6	39,918
Austin, TX	7	64,768
Denver, CO	8	57,371
Truckee, CA	9	43,674
Colorado Springs, CO	10	39,854
Santa Rosa, CA	11	23,920
Salinas, CA	12	18,380
Redding, CA	13	28,271
Bend, OR	14	24,755
Edwards, CO	15	13,506



Source: Top 15 US Metros With Exposure to Wildfire Risk | CoreLogic®

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# Wildfires

## Wildfire Risk – Top 4 Metro Areas

Metro Area	Rank	Total Homes at High-Extreme Risk		Total RCV Amount in Millions	
		2019	2024	2019	2024
Los Angeles–Long Beach–Anaheim, CA	1	121,589	185,763 <span>53% ↑</span>	\$71.00	\$143.24 <span>102% ↑</span>
Riverside San Bernardino–Ontario, CA	2	108,787	166,372 <span>53% ↑</span>	\$40.94	\$86.65 <span>131% ↑</span>
Sand Diego–Chula Vista Carlsbad, CA	3	75,096	123,060 <span>64% ↑</span>	\$35.81	\$75.57 <span>111% ↑</span>
Sacramento Roseville– Folsom, CA	4	68,056	91,475 <span>34% ↑</span>	\$27.50	\$53.17 <span>93% ↑</span>

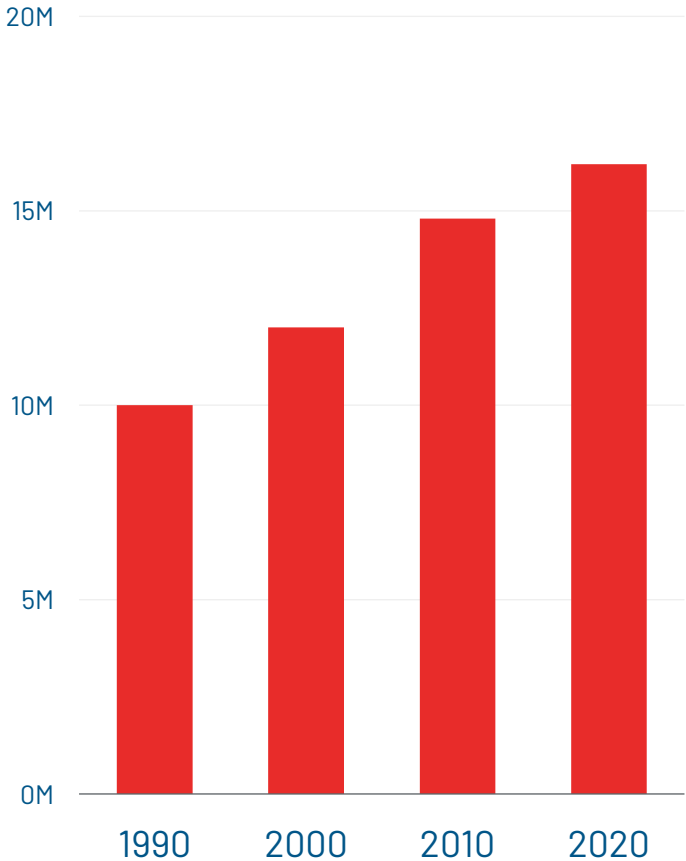


Source: Top 15 US Metros With Exposure to Wildfire Risk | CoreLogic®

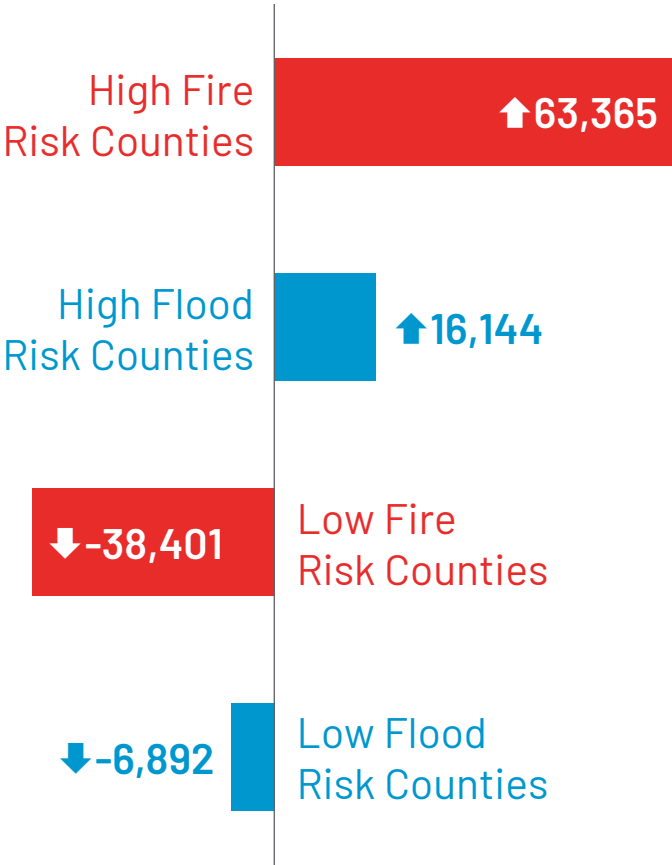
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# Demographics

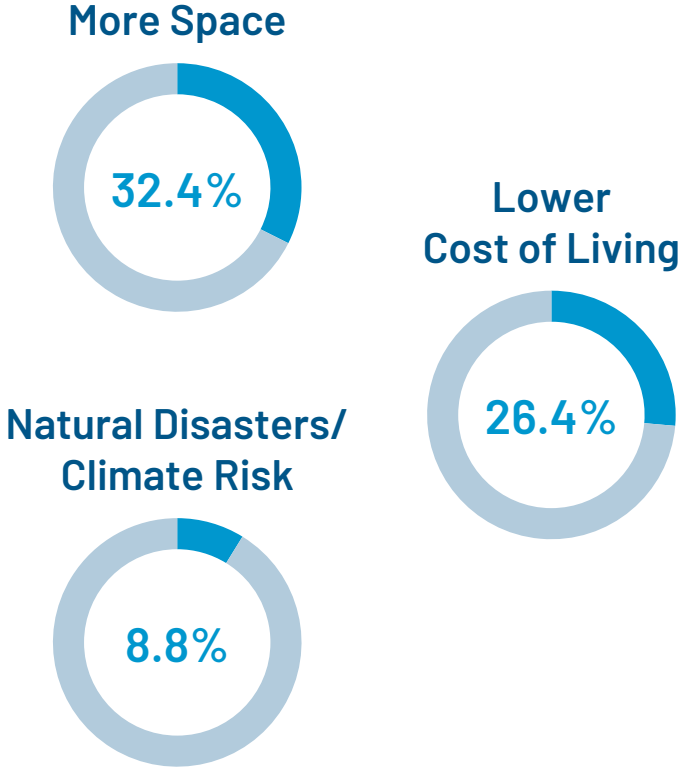
## Housing Units in High Fire Risk Areas



## 2023 - Population Migration



## Reasons for Moving



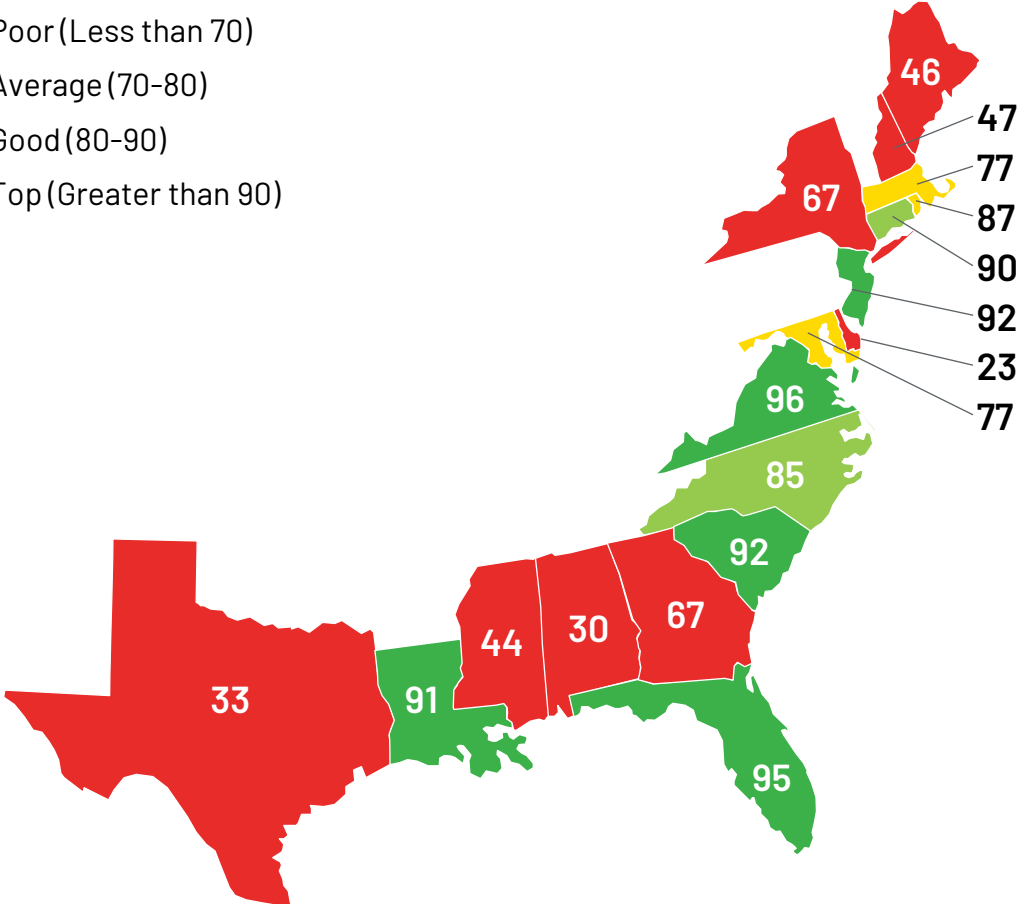
Source: Wildland-Urban Interface (WUI) Change 1990-2020 - SILVIS LAB - UW-Madison (wisc.edu), Thousands More People Are Moving In Than Out of Fire- and Flood-Prone America, Fueled by Migration to Texas and Florida, Redfin Corporation (RDFN)



# Preparedness – Building Codes

## Rating the States: Building Code Assessment

- Poor (Less than 70)
- Average (70-80)
- Good (80-90)
- Top (Greater than 90)



### 2024 Rankings

- |                   |                   |
|-------------------|-------------------|
| 1. Virginia       | 10. Maryland      |
| 2. Florida        | 11. New York      |
| 3. South Carolina | 12. Georgia       |
| 4. New Jersey     | 13. New Hampshire |
| 5. Louisiana      | 14. Maine         |
| 6. Connecticut    | 15. Mississippi   |
| 7. Rhode Island   | 16. Texas         |
| 8. North Carolina | 17. Alabama       |
| 9. Massachusetts  | 18. Delaware      |



Source: Rating the States 2024 – Insurance Institute for Business & Home Safety (ibhs.org)

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# Preparedness – Building Codes – Florida/Roofs

## Built in 1987

- Asphalt shingle roof
- Roof Age unknown

## Dec 2020

- Asphalt shingle roof replacement

## March 2010

- Asphalt shingle roof replacement

# Preparedness – Resilient Engineering – Babcock Ranch, FL



## Resiliency Features

- Underground Utilities
- Solar Powered
- Retention Ponds
- Drainage Ponds
- High Point Construction
- 50% Green Space
- Metal Shutters



Source: *Engineers vs. hurricanes: How to protect people, mitigate damage* | ASCE

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Casualty

Nuclear Verdicts

# Nuclear Verdicts – 2013–2022: The Data

## Study

U.S. Chamber of  
Commerce Institute for  
Legal Reform

## Data

All personal injury & wrongful  
death verdicts **\$10M**  
and up from 2013–2022

## Nuclear Verdicts

**1,288**  
(10 years)



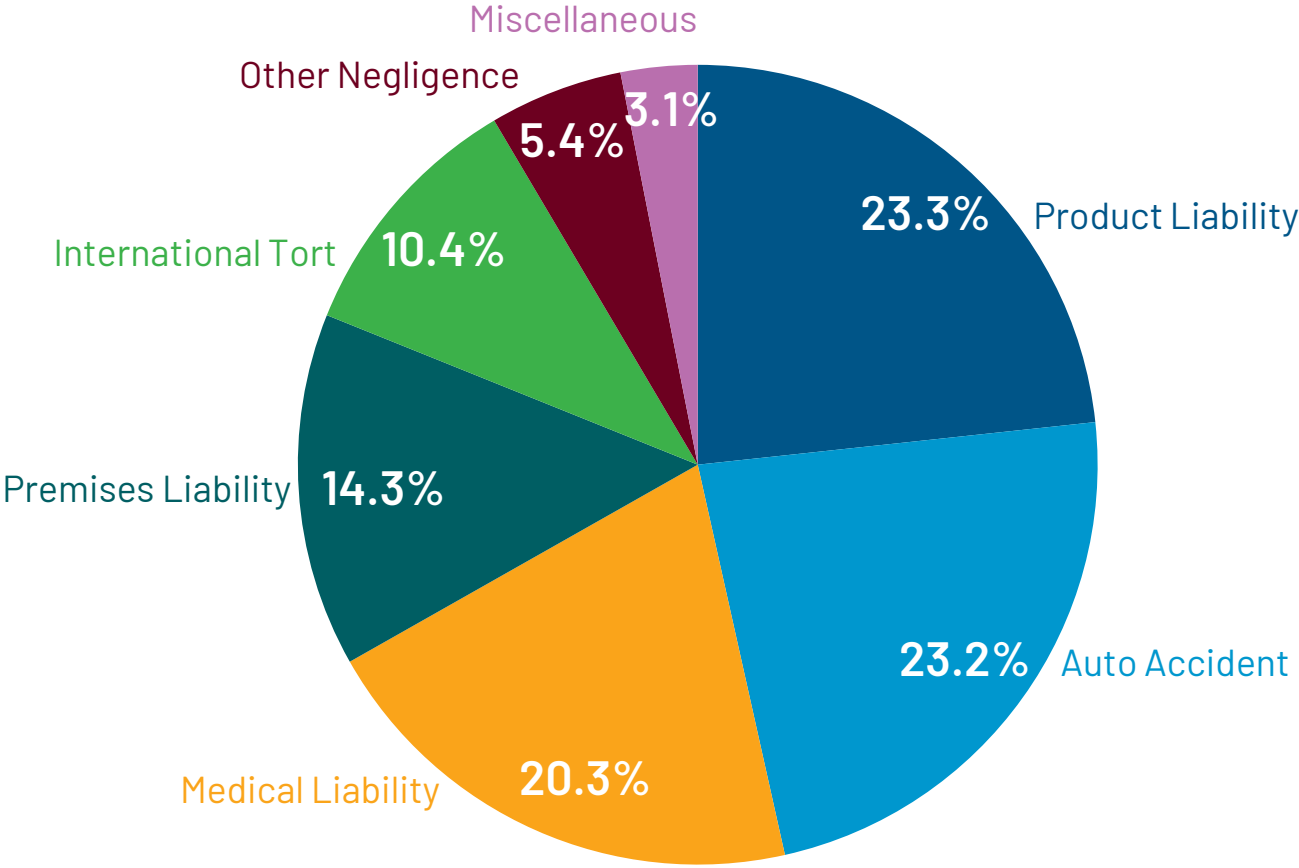
**129**  
per year

**10.8**  
per month

**1**  
every 3.5 days

# Nuclear Verdicts – 2013–2022

## Case Breakdown



### The Big Three

- Product Liability ➔ 23.3%
- Auto ➔ 23.2%
- Medical ➔ 20.3%

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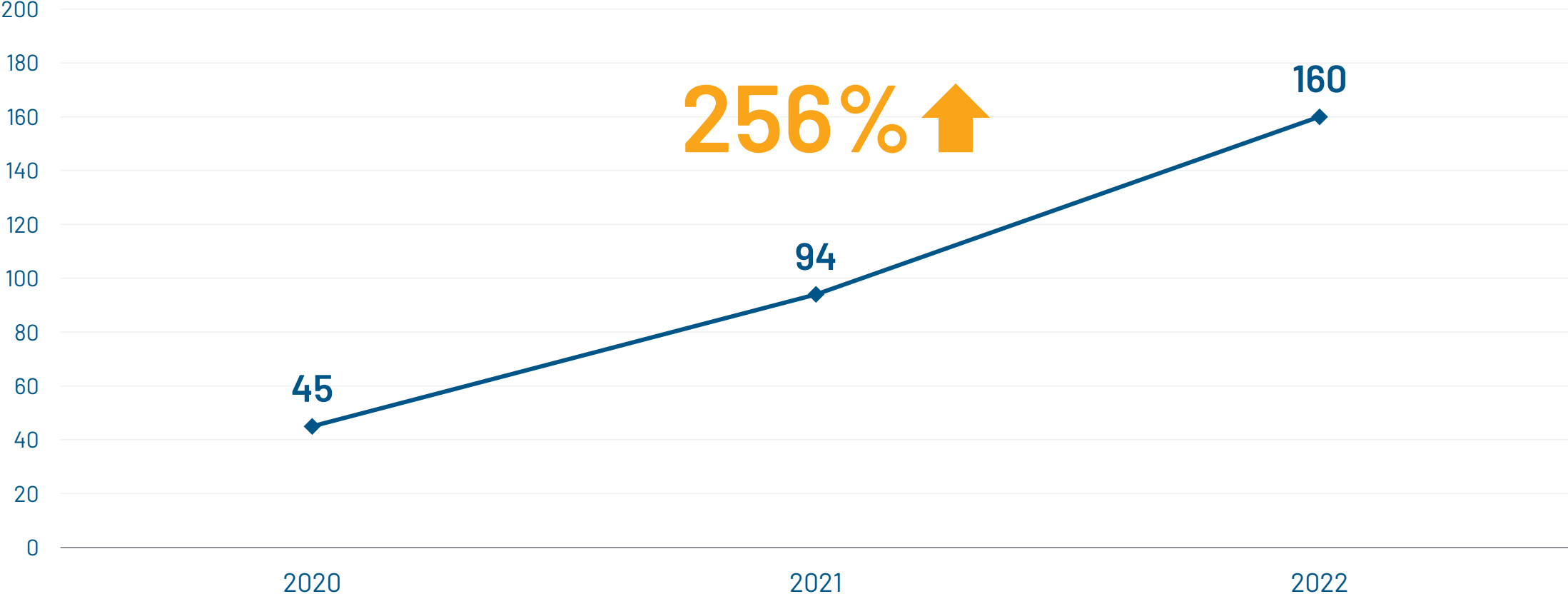
**TOTAL ➔ 66.8%**



Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions - ILR (institutelegalreform.com)

# Nuclear Verdicts – 2013–2022

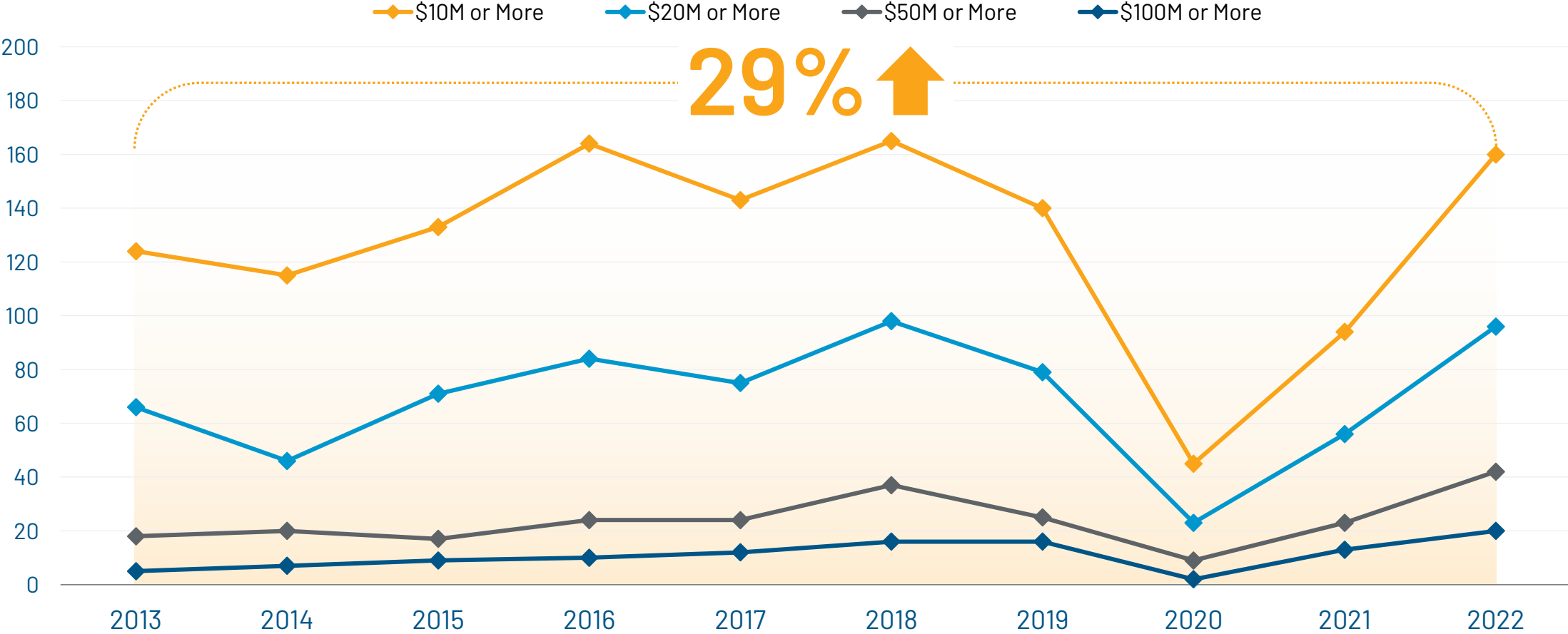
## Number of Nuclear Verdicts – 2020–2022



Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions - ILR (institutelegalreform.com)

# Nuclear Verdicts – 2013–2022

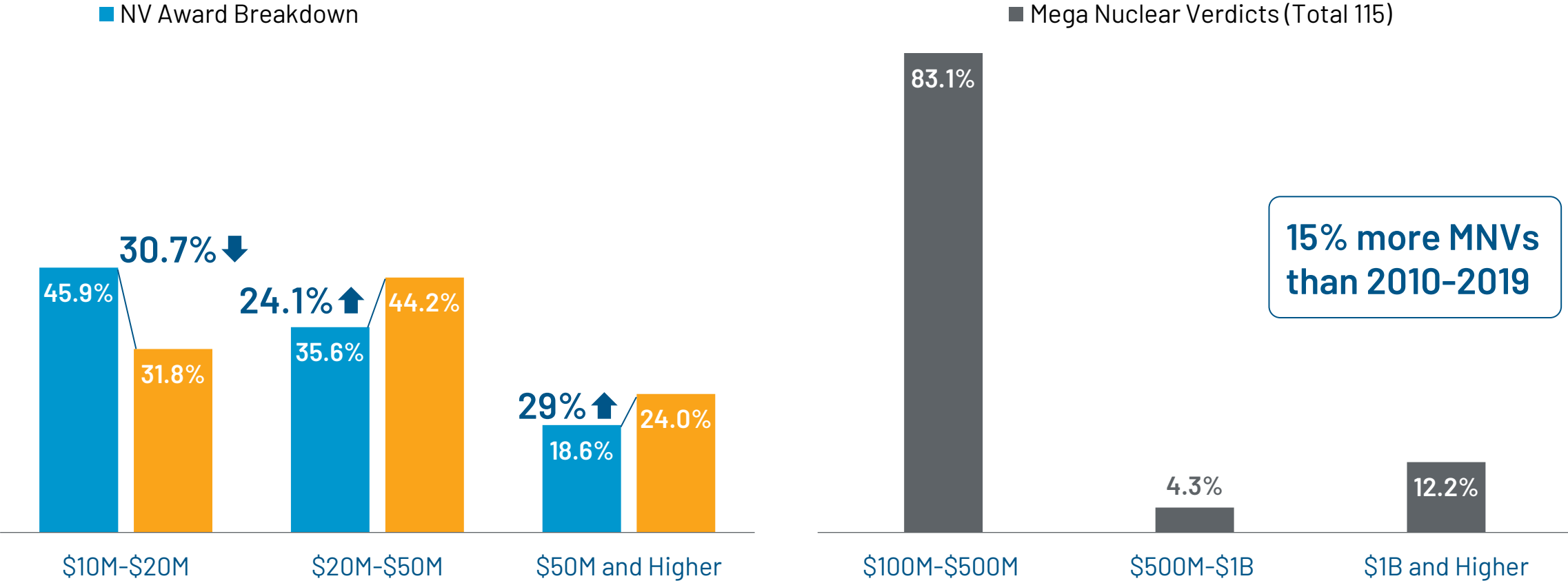
## Number of Nuclear Verdicts



Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions - ILR (institutelegalreform.com)

# Nuclear Verdicts – 2013–2022

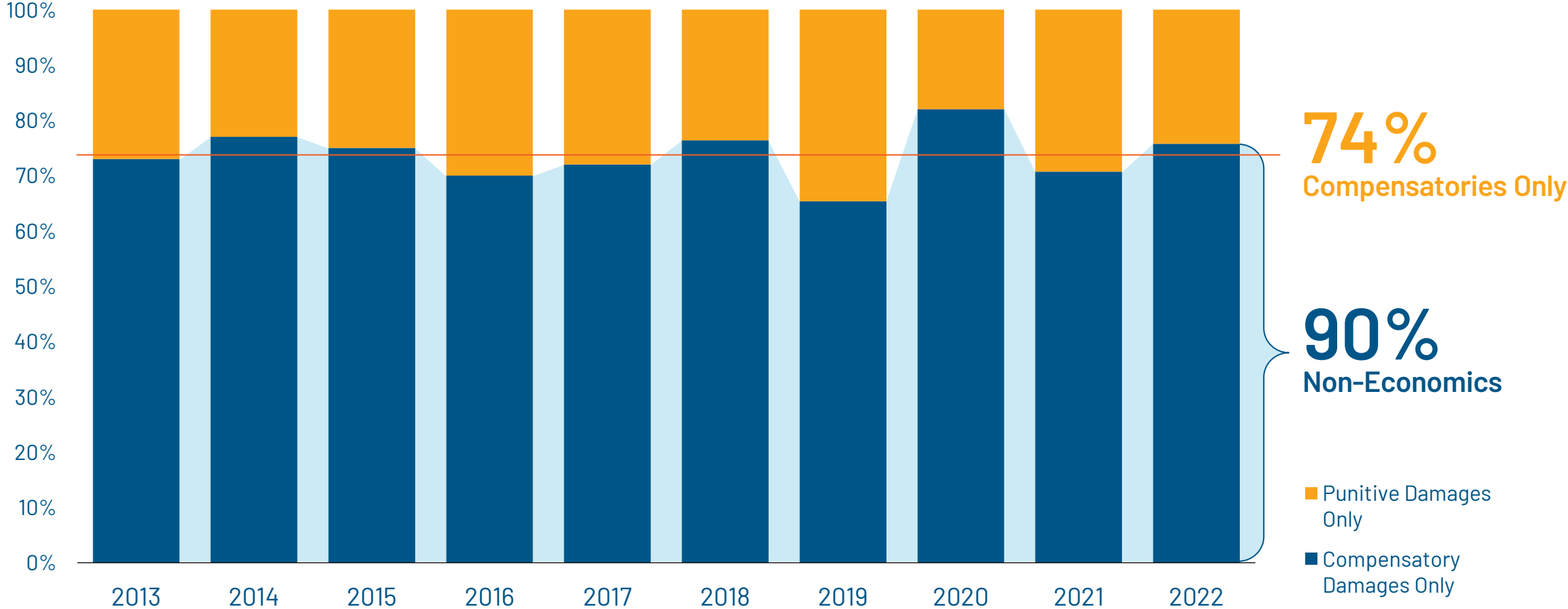
## Nuclear Verdict Awards – Range Distribution



Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions - ILR (institutelegalreform.com)

# Nuclear Verdicts – 2013–2022

## Nuclear Verdict Damages Makeup – Punitives vs Compensatories

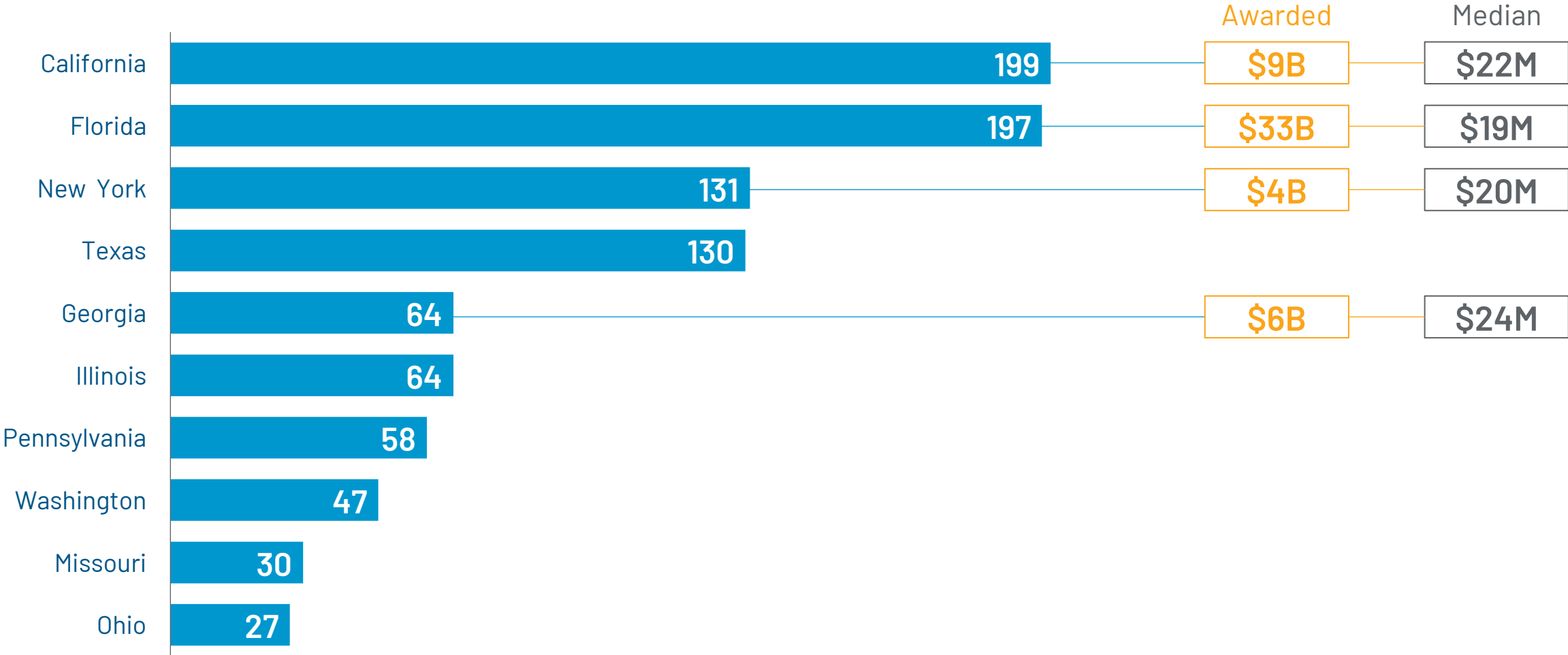


Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions - ILR (institutelegalreform.com)

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# Nuclear Verdicts – 2013–2022

## State Nuclear Verdicts – Top 10



Source: Nuclear Verdicts: An Update on Trends, Causes, and Solutions - ILR (instituteoflegalreform.com)





# Nuclear Verdicts – 2013–2022

## State Nuclear Verdicts – Top 10 per Capita

State	Per Capital Rank	Cumulative Rank (prior slide)	Average State Population	Nuclear Verdicts per 100K people	
Florida	1	2	20,975,886	0.939	42% ↑
New York	2	3	19,741,604	0.664	
Washington	3	8	7,429,799	0.633	
Georgia	4	5 (tie)	10,461,694	0.612	
<b>New Mexico</b>	<b>5</b>	-	<b>2,096,622</b>	<b>0.572</b>	<b>Dropped Out - TX, OH and PA</b>
<b>Rhode Island</b>	<b>6</b>	-	<b>1,068,310</b>	<b>0.562</b>	
<b>Wyoming</b>	<b>7</b>	-	<b>581,307</b>	<b>0.516</b>	
California	8	1	39,182,465	0.508	
Illinois	9	5 (tie)	12,770,239	0.501	
Missouri	10	9	6,116,383	0.490	

# Nuclear Verdicts – 2013–2022

## Nuclear Settlements





Casualty

Social Inflation

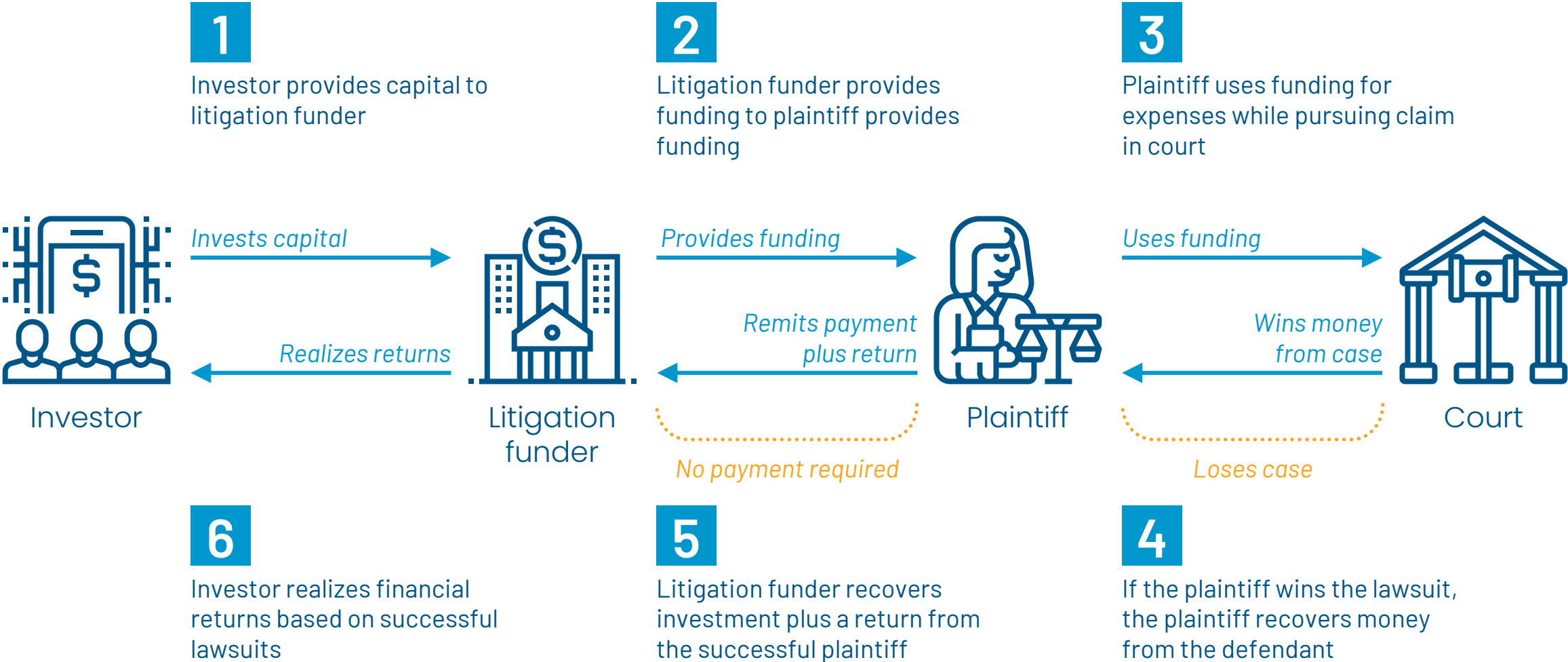
# Social Inflation

## Contributing Factors



### Third Party Litigation Financing

# Social Inflation – Third Party Litigation Financing



Source: <https://www.gao.gov/products/gao-23-105210>

# Social Inflation – Third Party Litigation Financing

## Impact

No Transparency

Prolongs Lawsuits/Wastes  
Judicial Resources

More Verdicts

Increased Legal Costs

2016 – 2022:

Defense Costs: 30%↑

Complex Cases: 60%↑

Changes Settlement  
Evaluation

Vicious Cycle

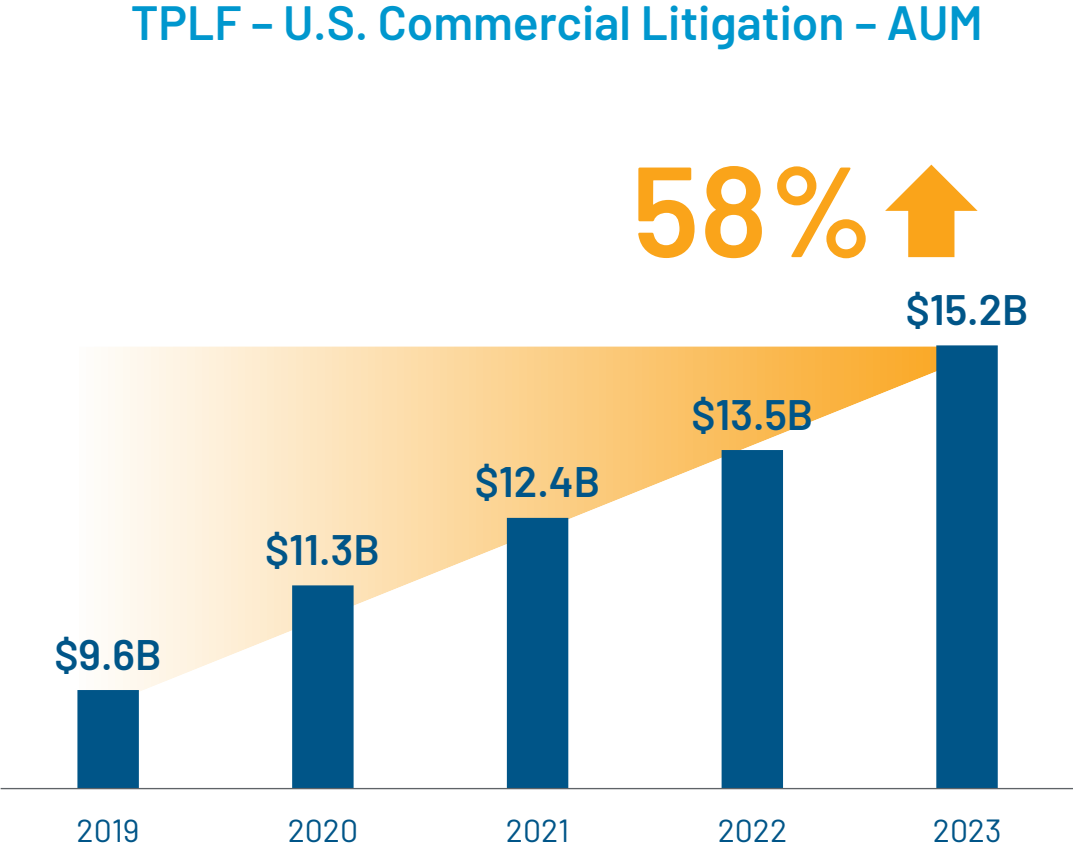
National Security  
Concerns



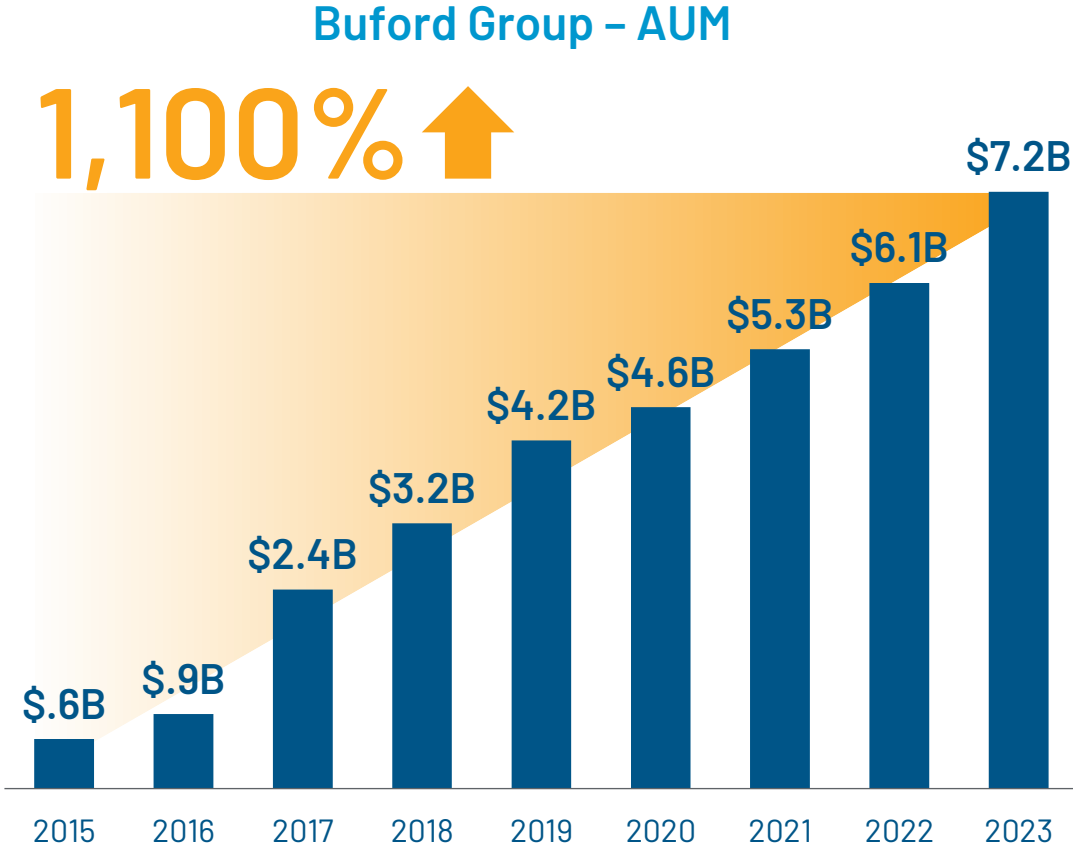
# Social Inflation – Third Party Litigation Financing

## Assets Under Management

TPLF – U.S. Commercial Litigation – AUM



Buford Group – AUM



Source: The Westfleet Insider, Reuters, 2022 Litigation Finance market Report and Buford Capital.

# Social Inflation

## Contributing Factors



**Third Party  
Litigation Financing**



**Advertising/Social  
Media Impact**



# Social Inflation – Plaintiff Attorney Advertising

**INJURED?**

WE'VE RECOVERED OVER  
**\$220 MILLION**  
IN COMPENSATION FOR OUR CLIENTS

John Sample, Esq.  
PERSONAL INJURY LAWYER

HAVE YOU BEEN THE VICTIM OF:

SLIP & FALL · MALPRACTICE · ANIMAL ATTACK · WORKPLACE INJURY · AUTO ACCIDENTS  
DEFECTIVE PRODUCTS · NEGLIGENT BUSINESS SAFETY PRECAUTIONS

CALL ME  
AND I'LL  
HAMMER!

Stanley  
H  
0-208-CASH  
Room

**INJURED?  
WRECK?**

CALL  
**JIM ADLER**

IN A JANUARY 26, 2024 VERDICT,  
**\$2.25 BILLION DOLLARS**  
WAS AWARDED TO A MAN WHO CLAIMED  
HE DEVELOPED CANCER DUE TO USING  
ROUNDUP BRANDED WEED KILLER.

MONSANTO ROUNDUP LEGAL HELPLINE<sup>SM</sup>  
800-276-0660

CALL C

SA  
LAW

**BUTT HURT**  
469-13

PERSONAL INJURY

Before choosing a lawyer, ask for more information about the lawyer's legal qualifications.

432-1138

**INJURED?  
GET THE GORILLA!**

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**\$2 Billion**  
to Talcum Powder victims

White Heart  
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1-800-416-9800

VERDICT/JUDGMENT  
**\$1.25 BILLION** SEXUAL ASSAULT  
INJURY TO A MINOR

AUSTIN · CORPUS CHRISTI · DALLAS · SAN ANTONIO

**THOMAS J HENRY**

**INJURED?**

Don't pull your hair out!

My

HAVE YOU BEEN  
**INJURED?**

ATTORNEYS WILL COME TO YOU!  
FREE OR HOSPITAL VISITS AVAILABLE

DEDICATED TO  
PERSONAL INJURY LAW

NO FEE UNLESS YOU WIN!

PHOTO OF THREE LAWYERS

EVENTS · SLIP AND FALLS · WORKPLACE & CONSTRUCTION INJURIES · FALSE ARREST & ASSAULTS  
MALPRACTICE · NURSING HOME NEGLIGENCE · LANDLORD NEGLIGENCE · ELEVATOR ACCIDENTS

**\$500 MILLION RECOVERED FOR OUR CLIENTS**

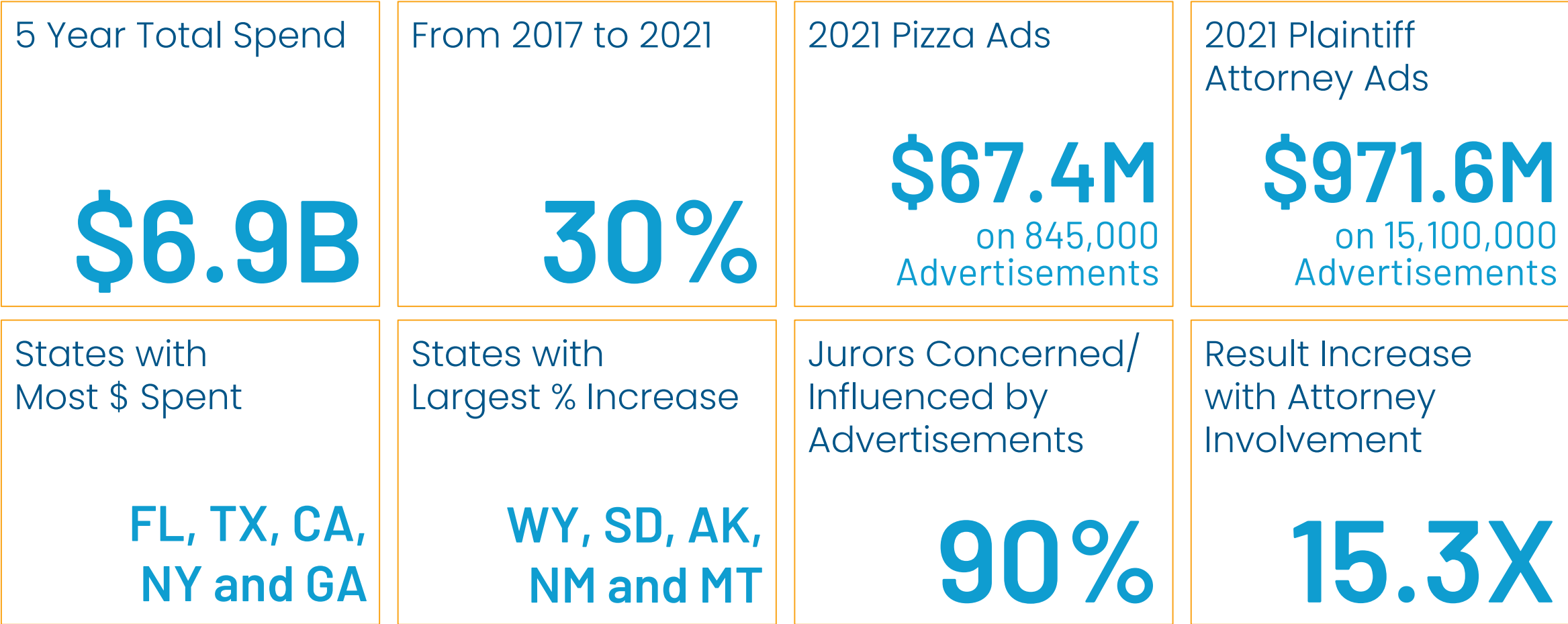
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# Social Inflation – Plaintiff Attorney Advertising

2017-2021

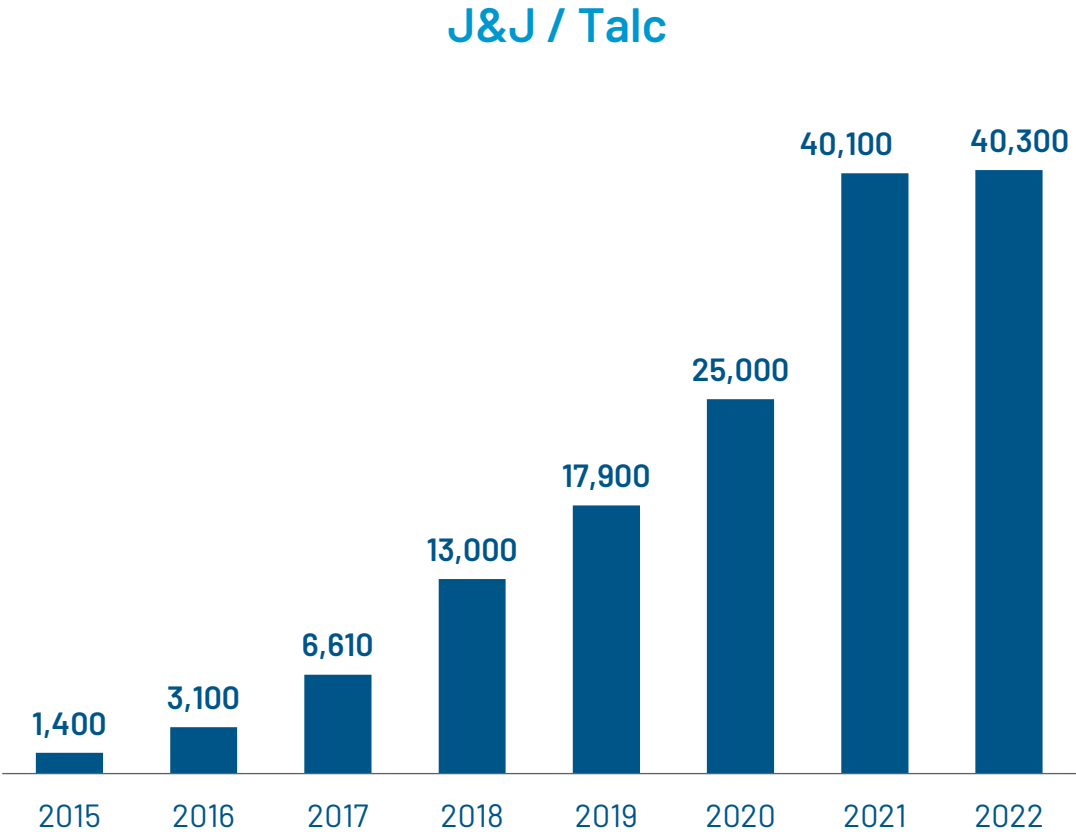


Sources: Legal-Services-Advertising-Report-United-States-ATRA-2017-2021 and <https://www.apci.org/attachment/static/5542>

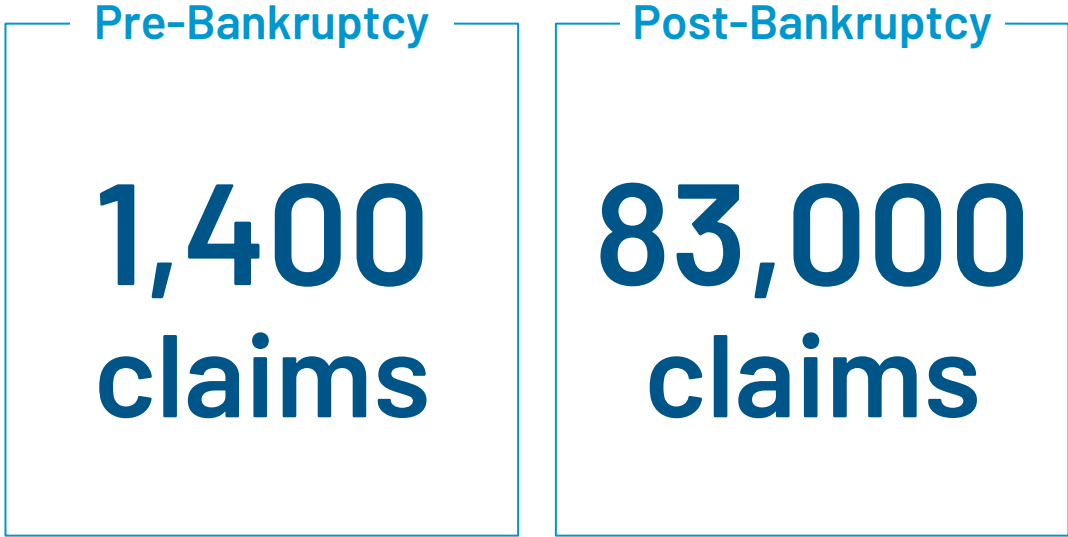
# Social Inflation – Plaintiff Attorney Advertising

## National Advertising – Claim Volumes

J&J / Talc



Boy Scouts / Sexual Molestation



Source: J&J 10-Ks; Boy Scouts Bankruptcy Documents.

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# Social Inflation

## Contributing Factors



**Third Party  
Litigation Financing**



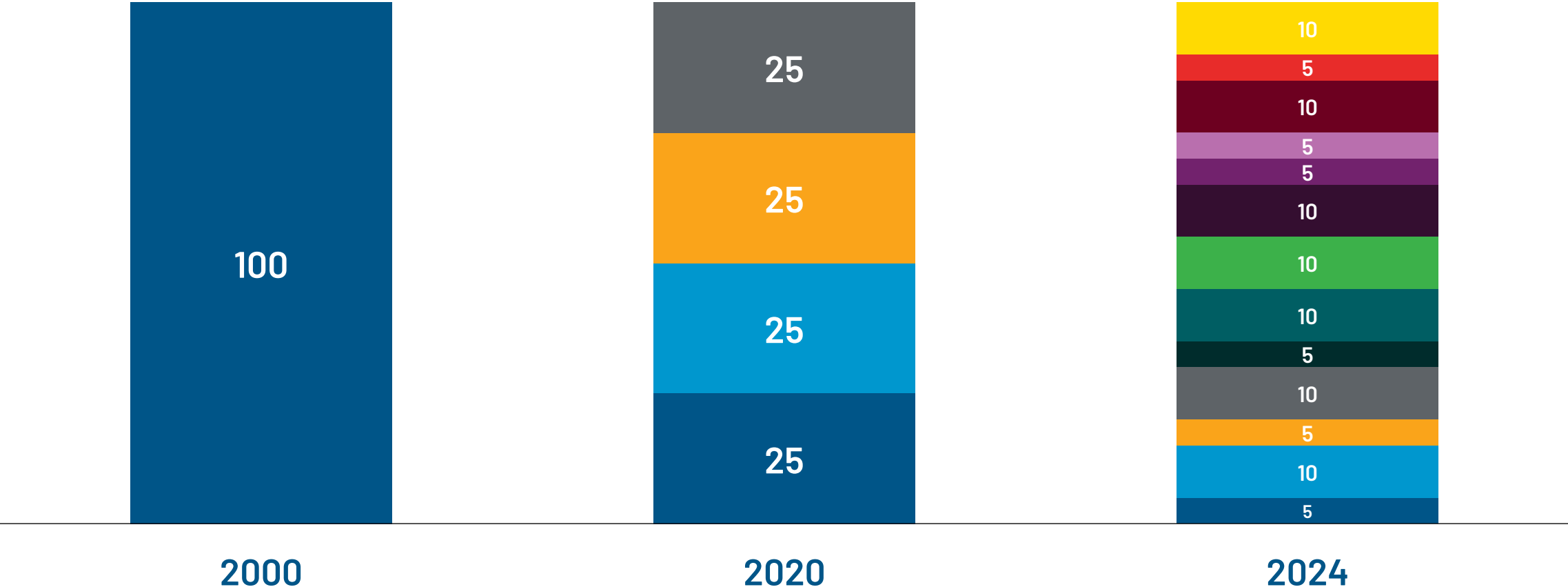
**Advertising/Social  
Media Impact**



**Limits  
Compression**

# Social Inflation – Limits Compression

## \$100M Umbrella/Excess Layer



Source: Sedgwick, Liability Litigation Observations and Trends (2024); LexisNexis Risk Solutions – 2023 Survey



# Social Inflation

## Contributing Factors



**Third Party  
Litigation Financing**



**Advertising/Social  
Media Impact**



**Limits  
Compression**



**Plaintiff Trial  
Strategies**

# Social Inflation – Plaintiff Trial Strategies

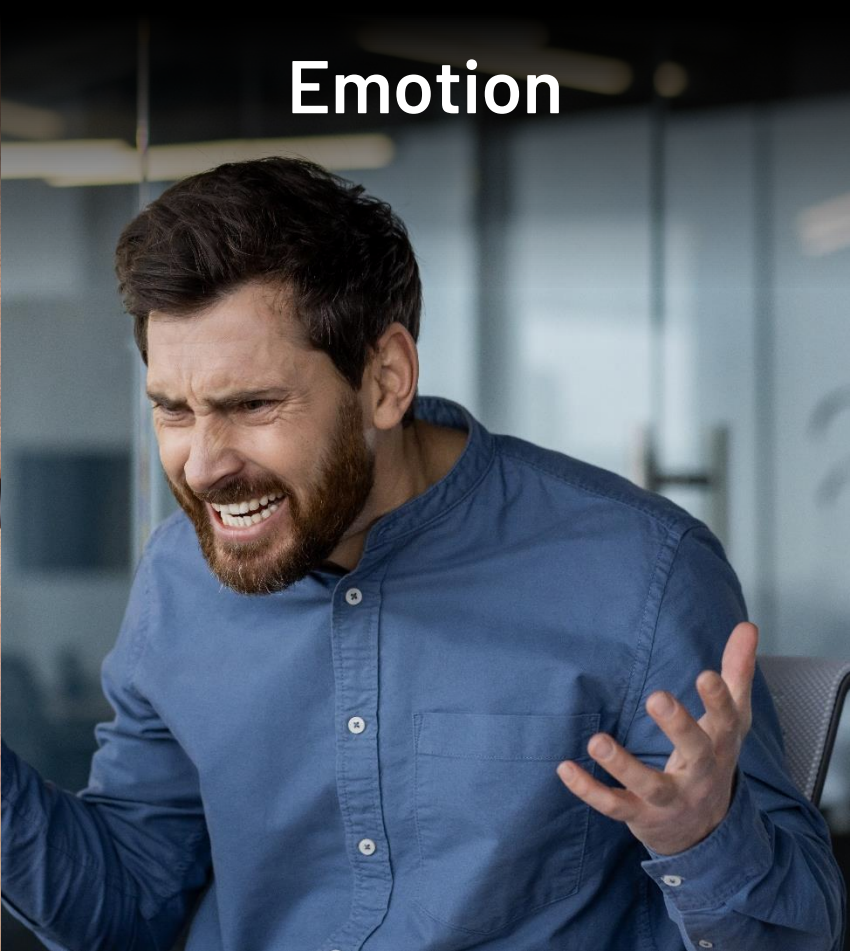
Reptile Theory



Anchoring



Emotion



# Social Inflation

## Contributing Factors



**Third Party  
Litigation Financing**



**Advertising/Social  
Media Impact**



**Limits  
Compression**



**Plaintiff Trial  
Strategies**



**Changing Juries:  
The New Normal**



# Social Inflation – What Can We Do??

## 2023 Tort Reform

### Pro-Defendant

**TPLF Disclosure**  
*IN, LA, MT WV, WI*

**Florida (HB 834)**  
*Changes Comparative Negligence*

**Iowa (SF 228)**  
*Damages Cap for Trucking Companies*

**West Virginia (HB 3270)**  
*Non-Economic Damages Cap on Injured Workers*

### Pro-Plaintiff

**Wrongful Death Liability Expansion**

**Maine**  
*Increased amounts recoverable*

**Delaware and Illinois**  
*Punitive Allowed*

**Minnesota**  
*Permit Recovery Beyond Economic Losses*

**Rhode Island**  
*Raised Minimum Award Amount*

# Social Inflation – What Can We Do??

## Litigation Strategies

**Pick Better  
Juries**

**Anchor  
Damages**

**Be Most  
Reasonable/  
Accept  
Responsibility**

**Personalize  
the Insured/  
Defendant**



## Q&A / Thank You!



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203 328 6266

[genre.com](http://genre.com)