



**INSURANCE
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Social Inflation

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What They're Saying...

A broadening definition by society and juries of what is covered by insurance policies

Warren Buffett, Letter to Shareholders 1977



“Excessive inflation in claims.”

- ▲ Occurs when development defies key assumption: Loss Development is RV about stable mean

James Lynch, Former Tripe-I Chief Actuary

But the industry has developed a new term for their old target, blaming ‘social inflation’ in courtrooms for problems that really result from unrelated economic conditions facing the industry.

Robert Hunter
Consumer Federation of America
Press Release, March 9, 2020

Runaway Litigation



Runaway Litigation



- **Nuclear Verdicts**
- **Class Action & Litigation Funding**
- **Tort Reform Rollbacks**

COVID-19: Real Time Experience

1,300+ COVID-19-related employment complaints filed in federal and state courts in 2020.



Get Involved Contact

Keeping promises made to Main Street, ensuring fairness for all customers.

FAIR Future of American Insurance & Reinsurance

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Changing insurance contracts would threaten the ability of insurers to cover claims for paying policyholders.



FAIR Future of American Insurance & Reinsurance

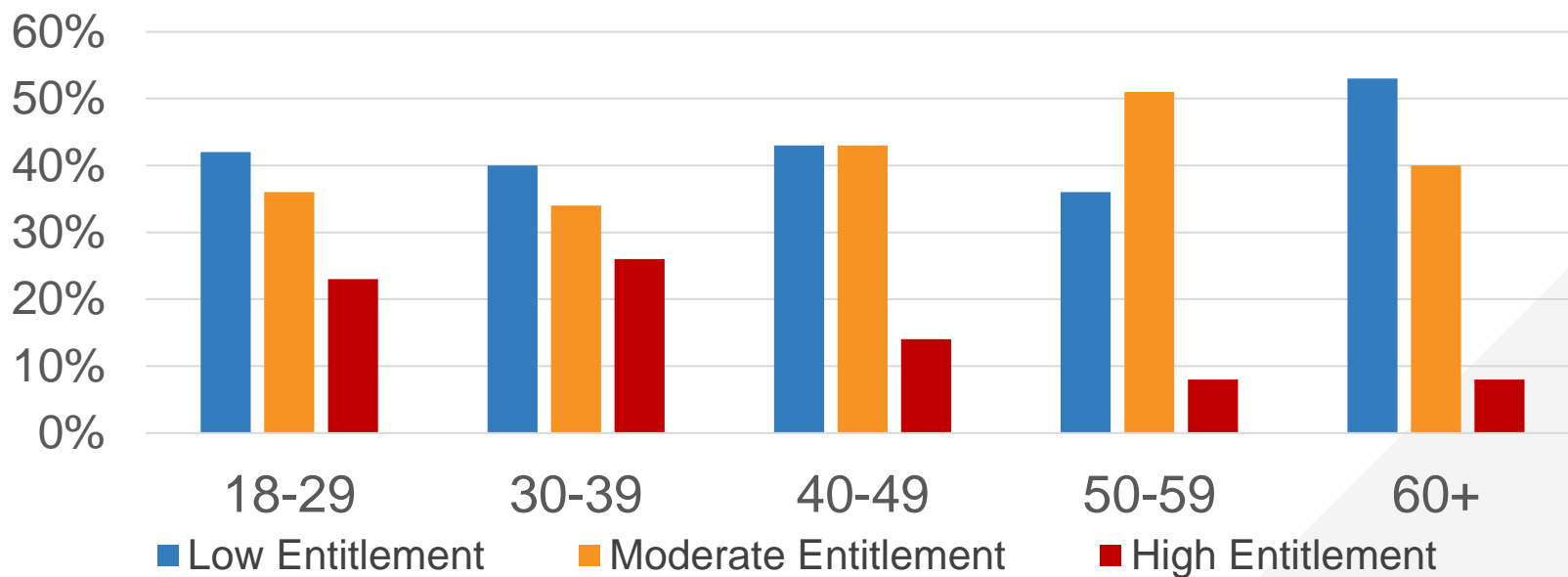
FAIR Future of American Insurance & Reinsurance

Insurers are keeping their promises to Main Street.
See how.



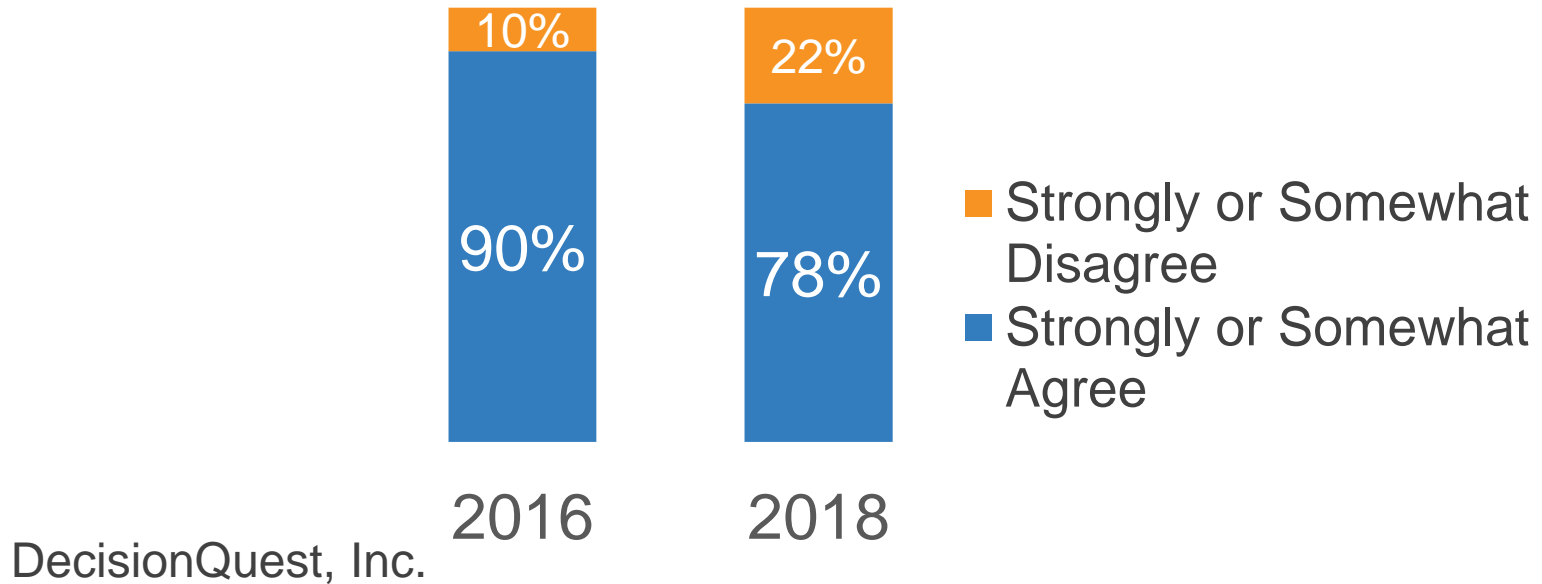
Entitlement attitudes, by age

I honestly feel I'm more deserving than others. I deserve more things in my life. People like me deserve an extra break now and then.



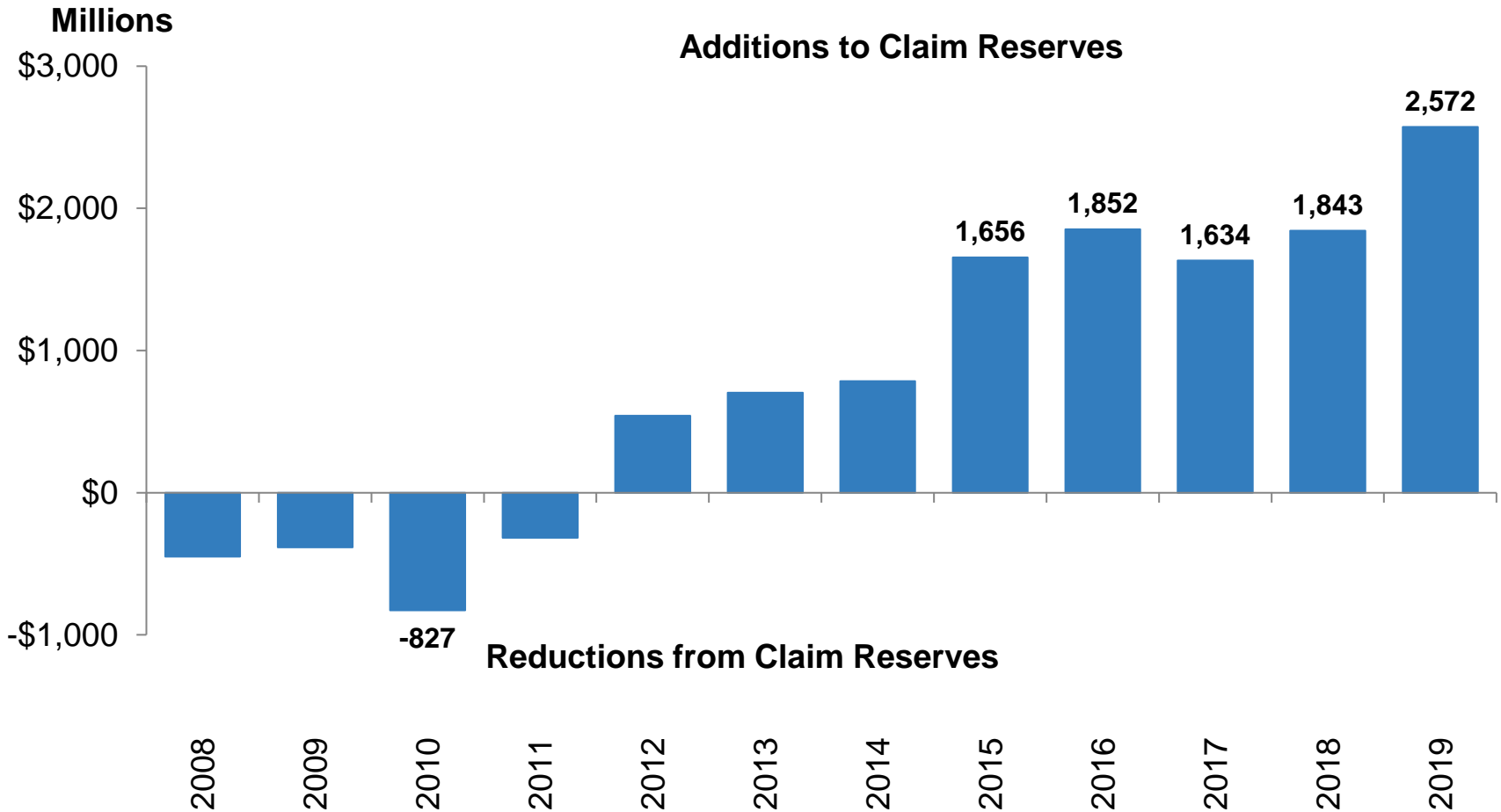
American Jury Centers

Fewer people think there are too many lawsuits



Social Inflation: The Toll

Reserve Development, Commercial Auto Liability

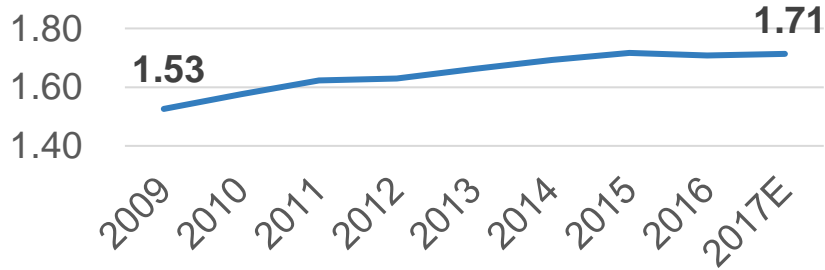


Sources: NAIC data sourced from S&P Market Intelligence; Insurance Information Institute.

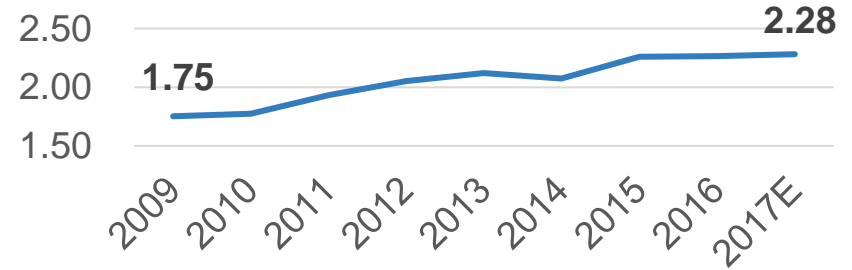
It's Not Just Auto

12:36 Loss Development Factors by Year, Long-Tailed Lines

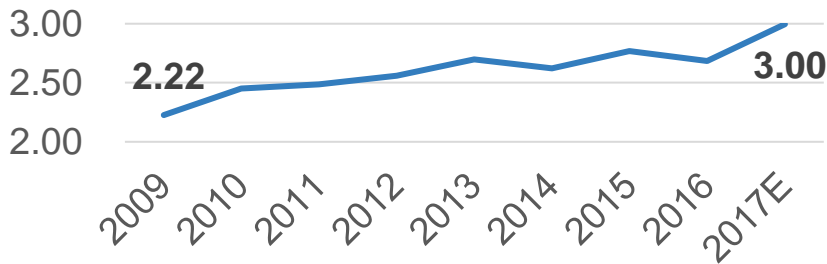
Commercial Auto



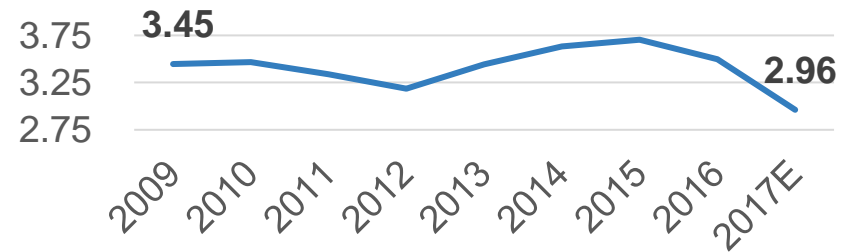
MedMal Claims-Made



Other Liability Occurrence



Other Long-Tailed Lines*



• Medical Malpractice Occurrence, Other Liability Claims-Made, Products Liability Occurrence, Products Liability Claims-Made.
Estimate assumes 24:36 Factor is straight average of previous three years.
Source: NAIC data, sourced from S&P Global Market Intelligence; Insurance Information Institute.





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Thank you!