

CHUBB®

Liability Limit Benchmark & Large Loss Profile by Industry Sector 2024

Navigating an ever-escalating
liability landscape

Chubb Bermuda



2023 was yet another eventful year, with devastating natural disasters, increasing geopolitical unrest and catastrophic man-made events dominating the headlines.

Without a doubt, the world today is a very risky place. Against this backdrop of heightened risk and ever-escalating volatility, businesses must “expect the unexpected” and put protections in place to mitigate their risks.

One such protection is determining how much liability insurance to purchase and why it is a more important decision today than ever before. This is our 16th annual Liability Limit Benchmark & Large Loss Profile by Industry Sector report, which provides data on liability limits purchased, overlaying ISO loss trends, and large losses to support well-informed insurance-purchasing decisions.

This information is critical for building adequate liability towers that can adequately protect clients and their businesses, especially in the face of economic and social inflation, litigation funding, and nuclear verdicts, all of which continue to drive elevated liability-related loss costs. The number of nuclear jury verdicts – that is, verdicts for awards of more than \$10 million – is rising rapidly as cases that had been pending due to the pandemic continued making their way back into court. In 2022, nuclear verdicts totaled more than \$18.3B, a significant jump from \$4.9B in 2020.¹ That number continues to trend upwards.

The frequency of severity of liability losses continues to worsen – and yet the data in this year’s Liability Limit Benchmark & Large Loss Profile report shows little change to the limits purchasing trends we have seen over the past several years. The delta between liability loss cost trend and median limits purchased continues to widen at an alarming pace. This is true across all 10 sectors spotlighted in this year’s report, although it is more pronounced in some industries than others. In the Healthcare sector, for example, the median limits purchased are the lowest we’ve seen in the last 10 years, nearly 32% lower than they were

in 2014 – and it’s worth noting that \$1 USD in 2014 would have the purchasing power of \$1.32 in 2024.²

The current business environment is more volatile than ever. Catastrophic losses are no longer a rare occurrence, they are commonplace. New exposures are emerging all the time. Advancements in technology and science, forever chemicals, climate change and the legal environment are all increasing liability risks and must be prepared for. This is something we understand keenly at Chubb.

We have built our entire infrastructure around helping our clients adeptly navigate risk. Our underwriters partner with our clients and distribution partners to build programs that address their unique exposures and insurance coverage needs. Our risk engineers leverage the latest research and technology to develop best-practice loss mitigation solutions. Our claims professionals are deeply experienced and service oriented. Our long tenure in the insurance industry gives us access to decades of historical data and knowledge and we use all the tools in our toolbox to make sure we understand the full picture when developing insurance solutions. Our reputation in the industry is strong, in fact, P&C Specialist recently reported that Chubb was the most recognized large market insurer in our peer group.³ And, as a world leader in insurance, Chubb is in the position to provide consistent, financially strong and large-block liability capacity to our clients.

As always, our aim with this report is to help answer the question at the core of all insurance purchases:

How much liability limit is enough?





Navigating an ever-escalating liability landscape

SOURCES

- ¹<https://core.verisk.com/Insights/Emerging-Issues/Articles/2023/April/Week-2/nuclear-verdict-trends-and-social-inflation-trends-in-property-casualty-insurance>
- ²<https://data.bls.gov/cgi-bin/cpicalc.pl>
- ³https://filecache.mediaroom.com/mr5mr_chubbus/181463/Chubb-PCSC-4.19.2024.pdf

Our **16th Annual Liability Limit Benchmark & Large Loss Profile by Industry Sector report** highlights liability exposure and loss data on 10 industry sectors.

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*Click a sector to
jump to that section*

For each sector,
the report shows:



- ▶ A sampling of large losses seen in the industry
- ▶ Median liability limits purchased over a 10-year period based on Chubb's 2023 year-end portfolio data
- ▶ ISO loss cost trends compared to median liability limits

And new to the report this year is a deep dive into the punitive damages liability landscape ([page 18](#)), including key insights from Chubb Industry Experts across several market sectors.

To access further resources related to this year's report, visit chubb.com/benchmarkreport.

Navigating an ever-escalating liability landscape



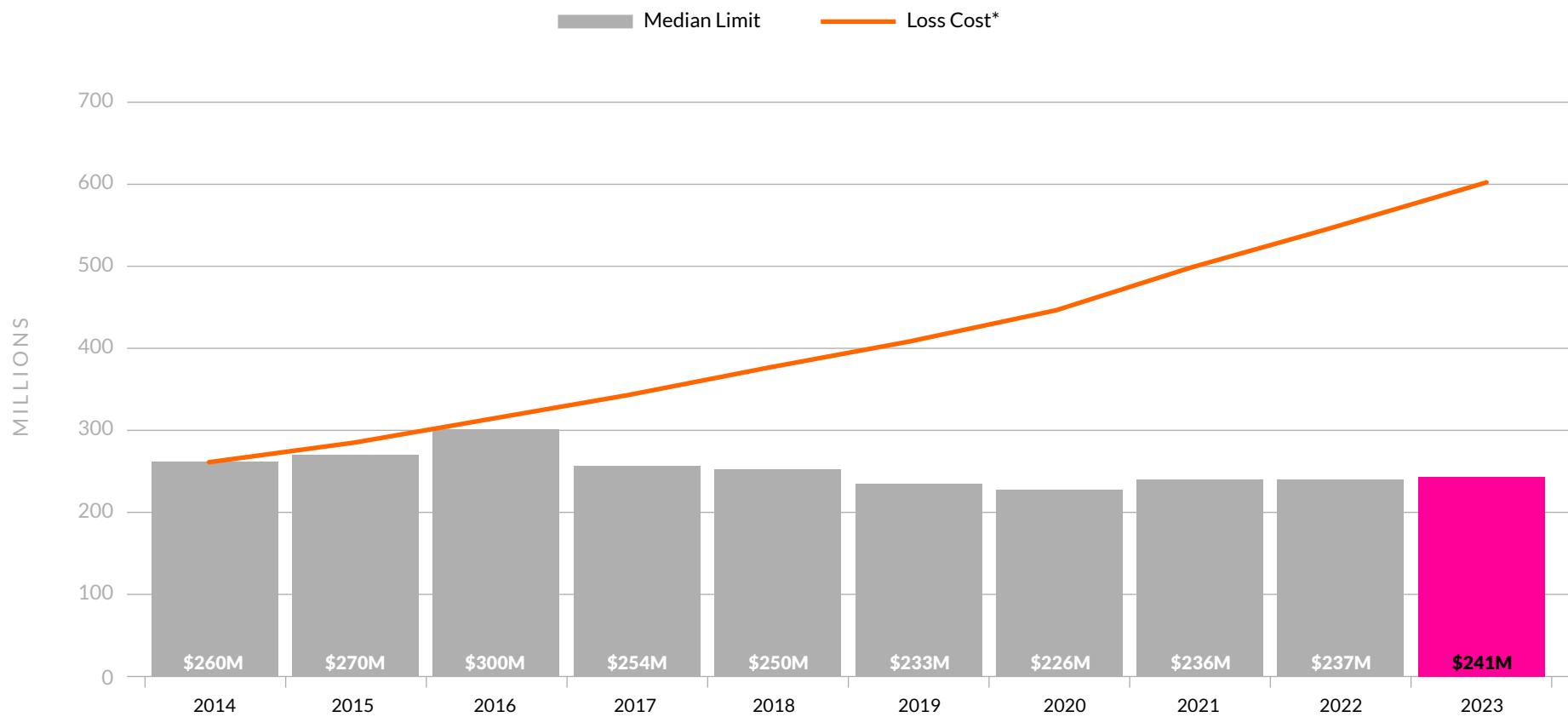
Life Sciences

- | Companies engaged in the research, development, manufacturing, marketing, distribution or sale of pharmaceuticals, biologics and medical products/devices, including biomedical research/technology.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
Various	Patients with alleged personal injuries from defective metal-on-metal hips	USA	\$941M
Various	Opioid litigation	USA	\$48B+
Various	Hernia mesh litigation	USA	\$241M
2019	Laboratory technician developed mesothelioma from exposure to biopharmaceutical equipment containing asbestos	USA	\$70M
2020	Class action alleging injuries associated with transvaginal mesh devices	Canada	\$21.5M CAD
2020	Class action alleging injuries from coil birth control device	USA	\$1.6B
2021	Opioid litigation brought by NY state	USA	\$1.18B
2021	Opioid public nuisance litigation	USA	\$200M
2021	Defective batteries in implantable heart devices and false statements to the FDA regarding the same	USA	\$27M
2022	Diagnostics company copied screening method for genetic abnormalities from fetal DNA test maker	USA	\$272.5M
2023	Defendants willfully infringed on medical device patents	USA	\$59.5M
2023	Competitor infringed endoscopic-clip patents	USA	\$158.1M
2023	Company infringed on DNA sequencing patent	USA	\$83.4M
2023	Plaintiff alleged infringement of medical tech patents.	USA	\$42M

Life Sciences // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Healthcare

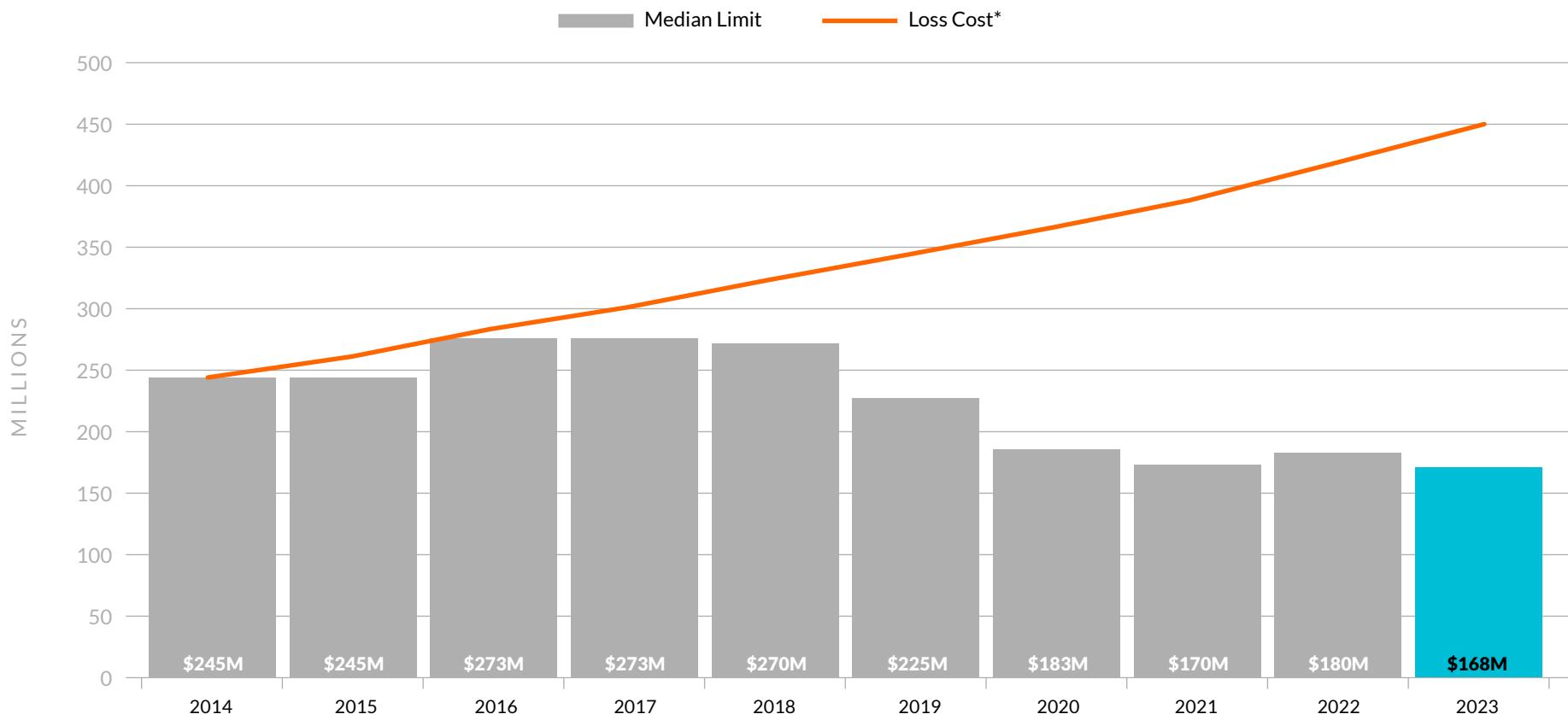
- | Organizations including hospitals, teaching universities/medical schools, long-term care/assisted living facilities, managed care organizations and clinical trial/contract research organizations.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2020	Alleged sexual battery by university physician	USA	\$73M
2022	Brain injury stemming from multiple doctors mistreating severe hyponatremia	USA	\$68.6M
2022	Wrongful death against addictive treatment center for abrupt discharge of patient	USA	\$77.2M
2022	ER doctors fail to provide immediate treatment to stroke victim causing paralysis	USA	\$75M
2022	Hospital caused plaintiff to be born prematurely and with developmental disabilities	USA	\$80M
2022	Medical malpractice stemming from broken leg from playing soccer	USA	\$111M
2022	Birth injury	USA	\$97.4M
2023	Lawsuit claimed defendants placed foster child with known abuser	USA	\$485M
2023	Hospital staff imprisoned, battered child patient	USA	\$261.5M
2023	Delayed treatment led to baby's cerebral palsy	USA	\$182.4M
2023	Jail failed to provide medical care to inmate	USA	\$82M
2023	Mismanaged labor, delivery caused injuries to newborn	USA	\$55.5M
2023	Locked-in syndrome caused by medical negligence	USA	\$47M
2023	Doctor failed to prescribe prophylactic antibiotic	USA	\$44.5M
2023	Nurse fired as retaliation	USA	\$41.5M

Over 30% decline in median limits purchased over the last 10 years.

Healthcare // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Consumer Products

Companies engaged in the manufacturing, marketing distribution, and sale of consumable goods, food and beverages, including food service providers.

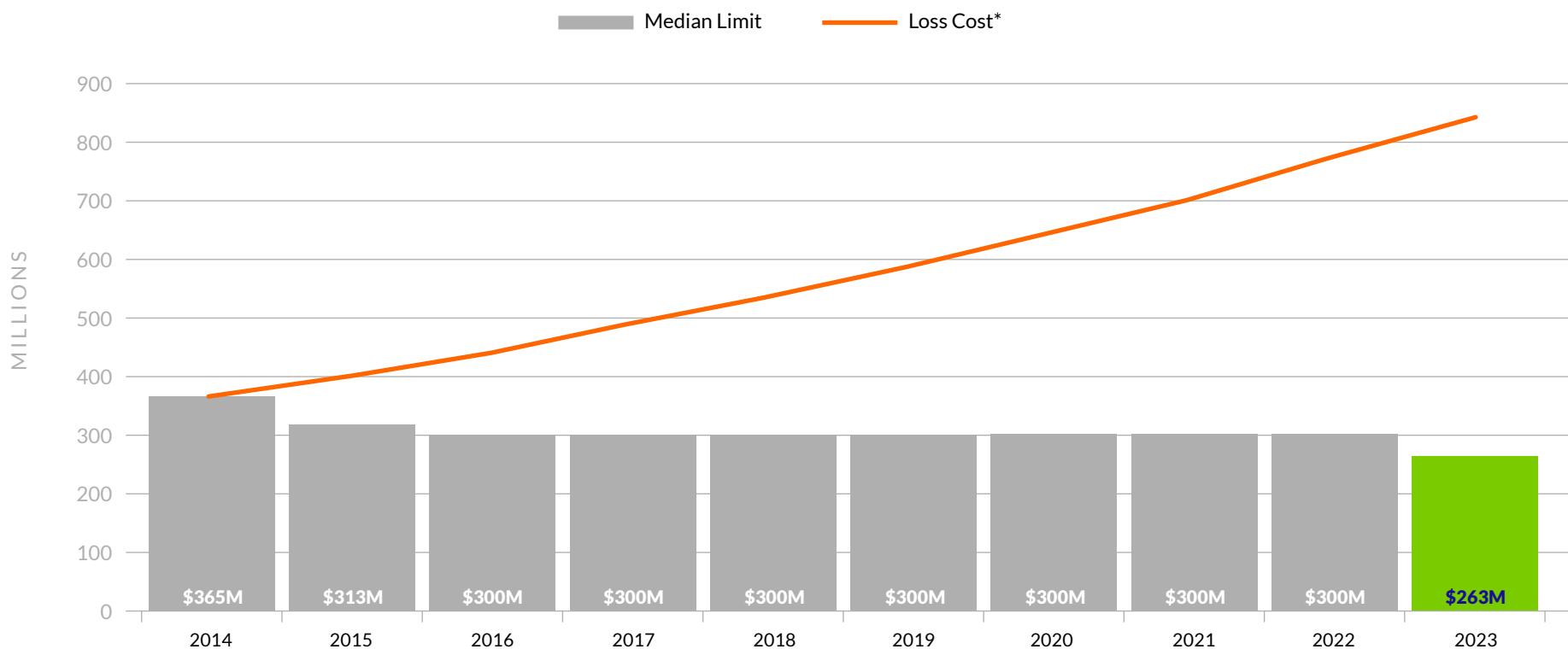
Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2018/2019/2020 ¹	Talc litigation	USA	\$5B
2019 ²	Grocery store's failure to provide adequate security led to mugging injury	USA	\$70M
2020 ³	Concealment of cell phone throttling and battery degradation	USA	\$310M - 500M + potential \$113M
2021	Contamination of property and groundwater by chicken plant	USA	\$205M
2021	Class action alleging defective design of microwaves resulting in smoke damage	USA	\$103M - \$113M
2022	Cable television/internet provider held liable for murder by cable field technician where it ignored red flags and forged service agreement	USA	\$1.147B
2022	Hearing damage stemming from defective earplugs (three separate suits)	USA	\$50M-\$110M
2023	Company aware product caused cancer	USA	\$332M
2023	Plaintiff argues motorcycle maker knew of defect	USA	\$161.M
2023	Decedent not warned of asbestos in product	USA	\$107.3M
2023	Exercise machine caused injury which hospitalized senior.	USA	\$40M
2023	Exploding oven caused severe blast injuries.	USA	\$30.5M
2023	Child died of asphyxia after becoming stuck in a bunk bed	USA	\$787M

¹Date of verdicts²Disposition date³ Date of settlement

More than 25% decline in median limits purchased over the last 10 years.

Consumer Products // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Real Estate & Hospitality

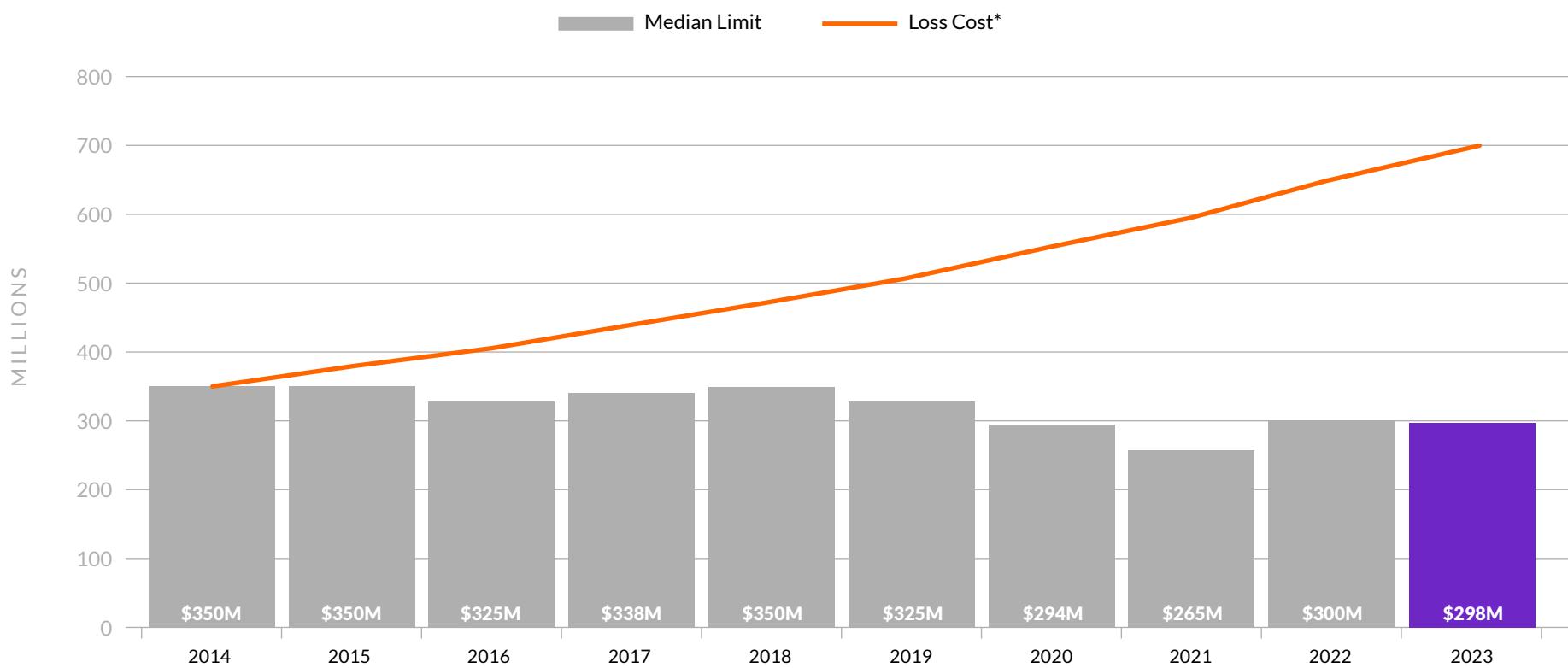
Companies engaged in the ownership, operation or management of all types of premises/occupancies, including commercial and residential buildings, hotels and arenas/stadiums.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2019 ¹	Property association liable for bicyclist's crash into improperly place pole	USA	\$41M
2019 ²	Apartment's substandard living condition led to death	USA	\$125M
2019	Hotel settlement to victims of 2017 mass shooting that killed 58 people and injured others	USA	\$800M
2020 ³	Event worker suffered brain injury at concert venue	USA	\$53.7M
2021	Convenience store employee's lack of training and security resulted in escalation of robbery causing traumatic injury to plaintiff	USA	\$91M
2022	Defamation claim brought against radio personality for lies about elementary school shooting	USA	\$965M
2022	Environmental cost recovery suit against developer for contamination in residential neighborhood	USA	\$133.3M
2022	Woman died from cerebral aneurysm rupture in hotel room and failed to investigate after call from spouse	USA	\$60.5M
2022	Negligent serving of alcohol against bar that served inebriated driver causing fatal automobile accident	USA	\$95.5M
2023	Neighboring facility failed to install adequate erosion control	USA	\$135.5M
2023	Insurers acted in bad faith in processing damage claim relating to flooded manufacturing plant	USA	\$112.2M

¹Disposition date² Disposition date³Verdict reduced from \$102.1M

Real Estate & Hospitality // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

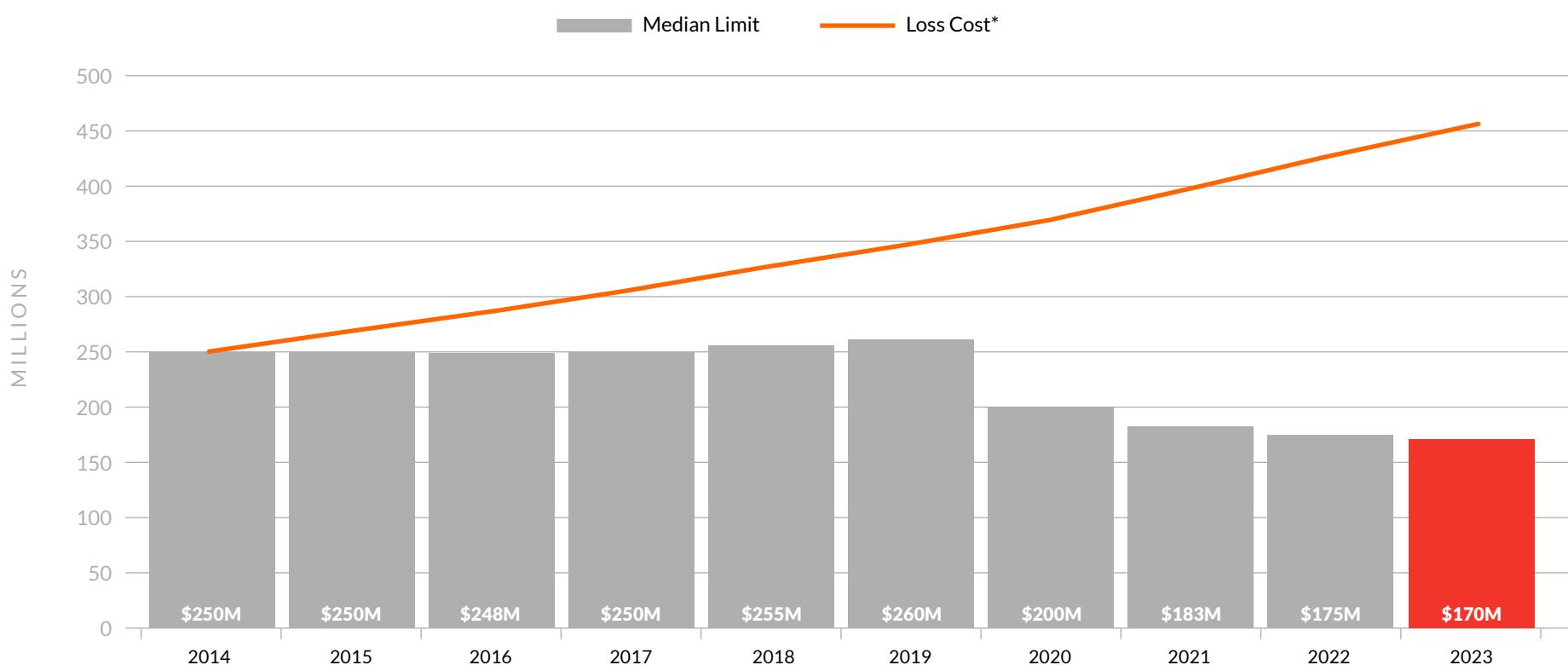
Transportation Road

Companies engaged in the transportation of passengers and/or products by roadway.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2021	College student killed as a result of two crashes caused by truck drivers' negligence	USA	\$1B
2021	Multiple-vehicle crash caused by tractor-trailer resulting in extensive injuries to plaintiff	USA	\$43M
2021	Airline employee suffered paralysis after being hit by truck	USA	\$352M
2022	Retaliation verdict against transportation company that fired employee complaining of discrimination	USA	\$366M
2022	Lawsuit against truck driver and employer for traumatic brain injury caused by roadway collision	USA	\$52.3M
2023	Under the influence driver kills nurse	USA	\$745M
2023	Truck driver was high at time of fatal crash	USA	\$409.1M
2023	Road worker injured by sleep-deprived driver	USA	\$103.5M
2023	Hit-and-run crashes left plaintiff with severe injuries	USA	\$100.6M
2023	Father and son killed in collision with 18-wheeler	USA	\$83.9M
2023	Drunk driver caused physical and psychological injuries	USA	\$77.5M

Transportation – Road // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Transportation Rail

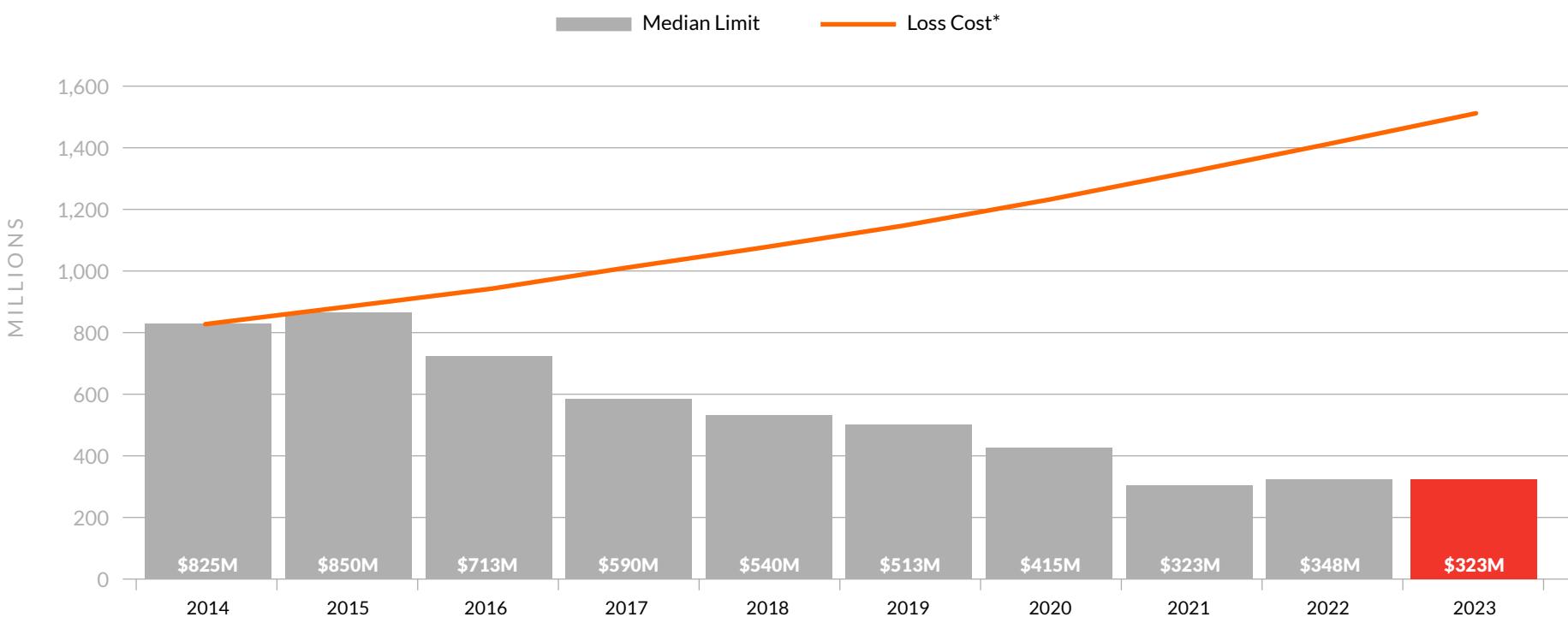
Companies engaged in the transportation of passengers and/or products by rail.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2017	Train derails on newly opened route killing three and injuring about 100	USA	\$31.7M
2019	Train derails into a river, killing three crew members	Canada	Pending
2020 ¹	Train derailed at curve, killing three passengers and injuring about 80	USA	\$10M
2022	Remote control operator in rail yard sues employer after falling leg amputated from falling off train	USA	\$21M
2023	Plaintiff claimed she suffered severe injuries after being hit by train	USA	\$557.1M
2023	Broadside by train led to injuries and fatality	USA	\$13M
2023	Train engineer collapsed due to excessive heat in cab	USA	\$11.6M
2023	Man shot and killed on Amtrak train	USA	\$158M

¹Jury verdict

Transportation – Rail // Limits Purchased vs. Loss Costs



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Digging Deeper Into Punitive Damages

Much has been written about the rise of nuclear verdicts and the social and economic causes that contribute to juries awarding punitive damages, from increased social consciousness and the desire to punish corporations for perceived negligent behavior to ideological divides and desensitization to awards in the billions of dollars.

Chubb periodically reviews the U.S. punitive damages liability landscape to spotlight trends in this space. Punitive Damages are “intended to punish the defendant for its outrageous, wanton, or willful conduct and to deter the defendant from engaging in similar behavior in the future.”¹ However, the objective measures that dictate the amount of compensatory damages awarded to a plaintiff (such as actual medical costs, lost wages, etc.) are non-existent in the assessment of punitive damage.¹ As such, and as our most recent report shows, the risk, the prevalence and the quantum of punitive damage awards continue to increase.¹

With the number of punitive damages awards increasing, many organizations and businesses are looking to mitigate risk via their insurance coverage. Unfortunately, there are many states in which punitive damage insurance is restricted. In California, Colorado, New York, Rhode Island, and Utah, one cannot purchase insurance that protects against punitive damages.¹ The states where insurance for punitive damages is restricted or unavailable are also the states where the majority of U.S. economic activity occurs and where nearly all punitive damage awards are made.¹

However, there are solutions available for organizations looking to mitigate the risk of punitive damages, even in areas where punitive damages insurance is restricted. Organizations can seek out punitive damage wrap (puni-wrap) policies, which are separate, standalone policies procured and issued outside of the United States. A puni-wrap provides more certainty of coverage for an insured looking to protect against the unknown.

SOURCE

¹https://www.chubb.com/content/dam/chubb-sites/chubb-com/microsites/global/global/documents/pdf/ChubbBermuda_PuniDamagesWhitePaper_061322_Digital_ilHEz4.pdf



Read the most recent edition of A Review of the U.S. Punitive Damages Liability Landscape by scanning the QR code.

A photograph taken from a low angle looking up at a series of classical stone columns, likely Corinthian, with intricate carvings. The columns are light-colored and stand against a bright blue sky filled with wispy, white clouds. The perspective creates a sense of height and grandeur.

Navigating an ever-escalating liability landscape

Expert Insights

Factors contributing to punitive damages across industries

Different market segments each have their own unique exposures and risk factors that contribute to the risk of nuclear verdicts and punitive damages. Three Chubb experts weighed in on the factors impacting their industries.

Construction

"One of the factors driving nuclear verdicts in the Construction industry is the sheer size of the projects. They just keep getting bigger. The cost of materials is increasing, the amount of labor needed to complete the project is increasing, and there are more and more projects out there that cost multiple billions of dollars. From a liability perspective, if something goes wrong or there's a catastrophic event, there is a lot of money on the line. When jurors see the amount that goes into a project, that can color the amount that they believe a plaintiff is entitled to."

Lyndsey Christofer, Construction and Real Estate & Hospitality Practice Leader, Chubb

Healthcare

"Plaintiffs used to shy away from the complexities of medical malpractice cases, but over the past several years have become very practiced in bringing complex medical cases and explaining the care and treatment in such a way that inflames the jurors, opening a potential for very large awards. They're organized, sophisticated, and they're learning from each other. At Chubb, our claim handling expertise provides a strong response in the face of these well-funded and organized opponents. It takes new methods to combat the rising severity we are seeing in the marketplace."

Caroline Clouser, Healthcare Industry Practice Leader, Chubb

Life Sciences

"In the Life Sciences industry, it is especially important that jurors receive the full, factual scientific picture when it comes to product liability cases. In both state and federal cases, standards have been established through case law, and codified in rules of evidence that makes judges the gatekeepers of scientific information and its admissibility in court. In many instances, it is difficult for judges to decide what should be admissible, and that could lead to the admissibility of junk science. In those cases, jurors could be taking a paid expert's opinion as fact, leading to excessive jury verdicts."

Lee Farrow, Life Sciences Industry Practice Leader, Chubb



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Construction

Companies engaged in project design, engineering, development and construction.

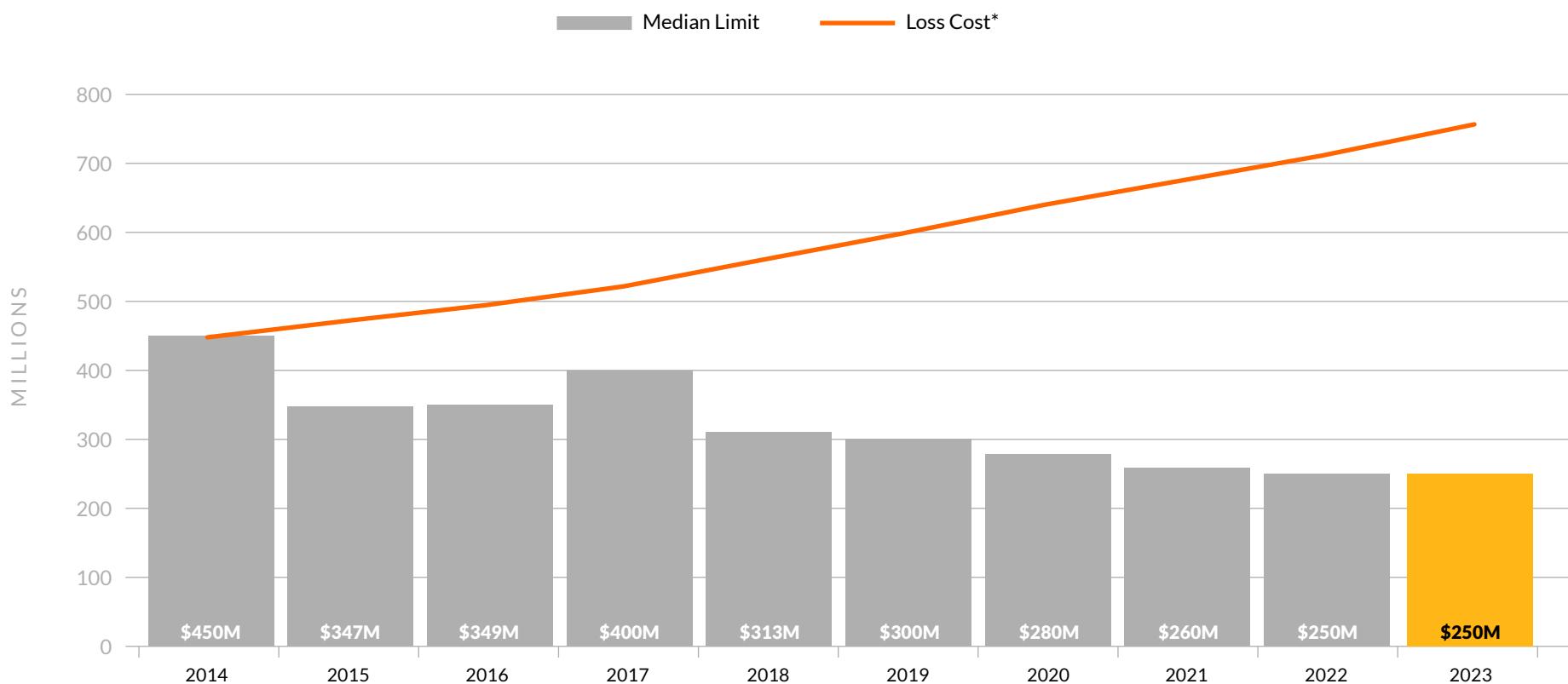
Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2018 ¹	Expansion of airport runway and related roadway construction caused flooding, loss of access and other damage to property	USA	\$42M
2019	Individual paralyzed after riding bicycle into open construction trench	USA	\$20M
2019	Construction workers dropped subway beam, crushing spine of cyclist	USA	\$110M
2020	Class action alleging misstatements regarding “clean coal” power plant construction project	USA	\$87.5M
2021	Mason suffered spinal injuries after falling from scaffolding	USA	\$26.6M
2021	Worker backed up construction vehicle on highway, causing collision and brain injuries to truck driver	USA	\$18.9M
2022	Death from being hit with falling tree while on dirt bike due to excavator improperly on track	USA	\$22M
2022	Spinal injuries to worker who fell due to improperly placed temporary wooden staircase	USA	\$48M
2023	Improperly set crane led to woman’s death	USA	\$860M

¹Date of settlement



Construction // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Manufacturing

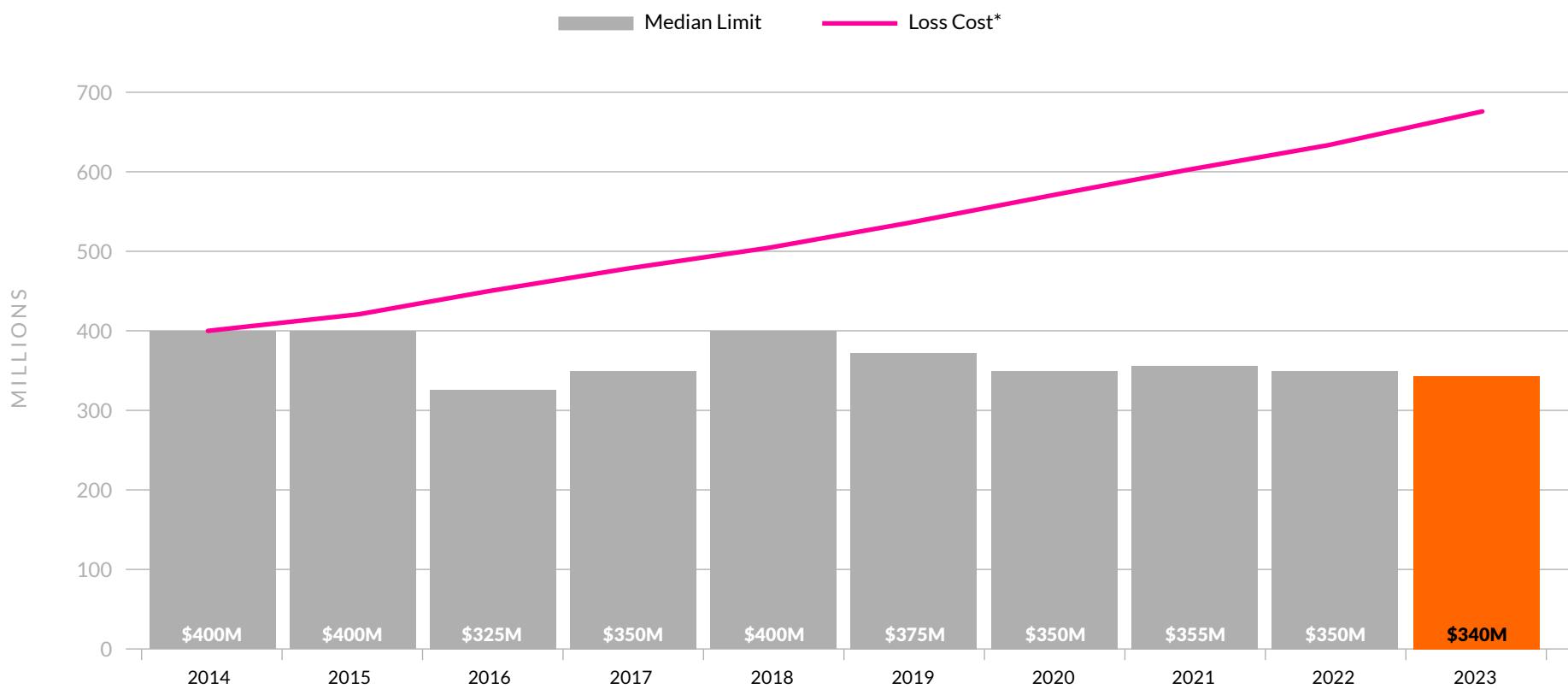
- Companies engaged in the design, development, assembly, manufacturing, marketing, distribution and sale of industrial equipment, motor vehicles and component parts used in various industries.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2019 ¹	Vehicle accident caused by safety defect resulted in paralysis	USA	\$151M
2019 ²	Refinery explosion resulting from alleged manufacturing defects	USA	\$317M ³
2019 ⁴	Engine defect litigation	USA	\$758M
2020 ⁵	Consumer safety suit brought by multiple states over defective frontal air bags	USA	\$96M
2021	Class action alleging underlying defect in failure-prone engines that could catch fire	USA	\$889.6M - \$1.3B
2021	Faulty batteries for electric vehicles increased risk of fire	USA	Up to \$1.9B
2021	Failure to warn of faulty boat design, resulting in death of child	USA	\$200M
2022	Cancer caused by exposure to ethylene oxide plant emissions	USA	\$363M
2022	Engine defects that caused problems including stalling and premature breakdowns	USA	\$102.6M
2022	Faulty propulsion systems made by electrical equipment manufacturer that failed on cruise ships	USA	\$158.8M
2022	Warehouse worker injured by a toppled load of lighting equipment	USA	\$100M
2022	Defect in truck's roof caused deaths of two people	USA	\$1.7B
2023	Defective restraint system caused driver's quadriplegia	USA	\$976.5M
2023	Plaintiff claimed crane should have been used to lift AC unit	USA	\$53.5M

¹Disposition date²Date of settlement³Reduced to \$195M by settlement prior to jury verdict⁴Date of proposed settlement⁵Date of settlement

Manufacturing // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Oil & Gas

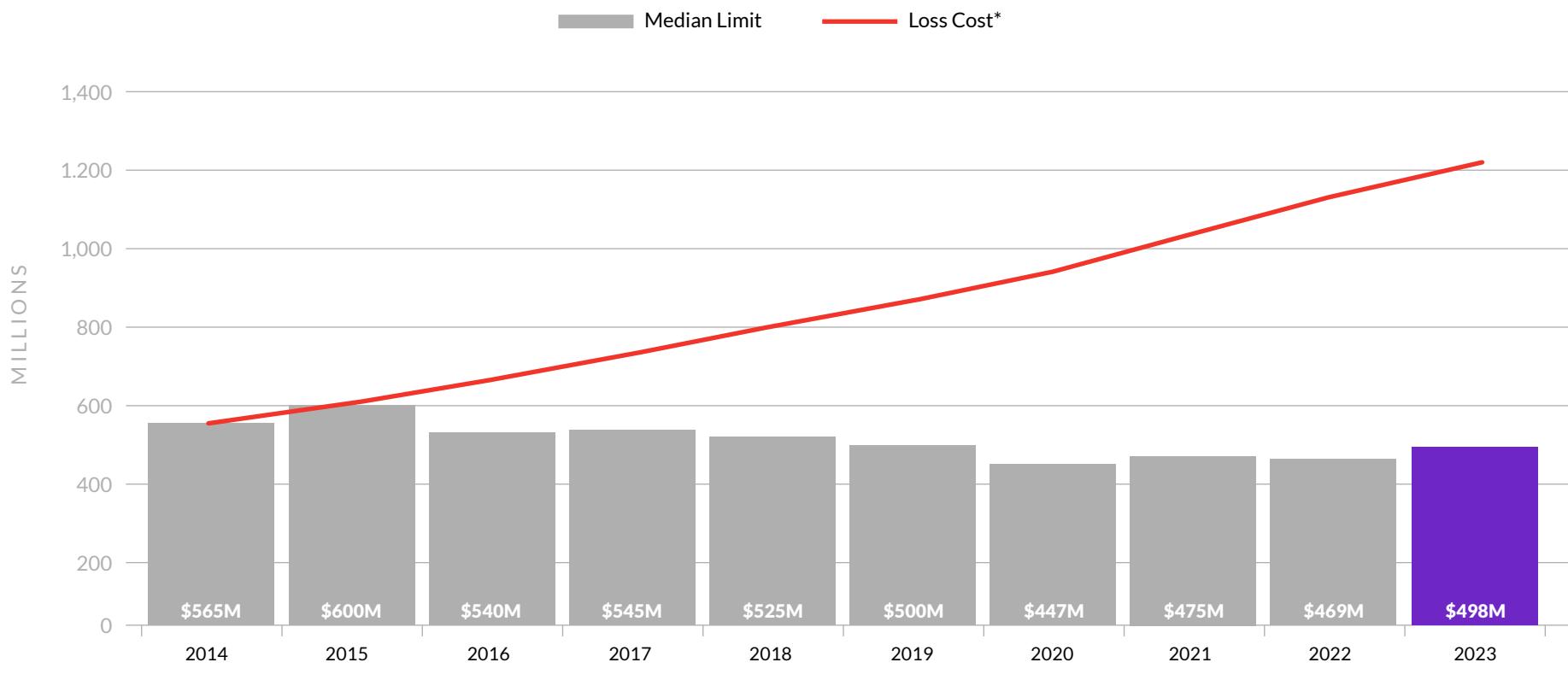
- Companies engaged in the exploration, production, refining, processing, marketing and distribution of natural gas, oil, liquids and derived products, including contract drilling and other oilfield products and services.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2019	Natural gas pipeline built in the 1950s exploded	USA	Pending
2019 ¹	Coastline damage allegedly caused by oil and gas drilling	USA	\$100M
2019 ²	Alleged willful misconduct in management of oil processing facility and gas well drilling	USA	\$74.1M
2020 ³	Oil spill from pipeline closed beaches and damaged environment	USA	\$60.6M
2021	Additional environmental damage from 2006 oil spill	USA	\$19.7M (in addition to \$97M in earlier fines)
2021	Groundwater contamination by gas additive MTBE	USA	\$25M
2021	Pipeline wastewater spill resulting from hydraulic fracturing (fracking)	USA	\$35M
2021	Failure to investigate multiple leaks of natural gas storage facility	USA	\$1.1B
2022	Employee gas turbine technician was killed after he was struck by a fuel filter cover that blew off the equipment he was working on	USA	\$150M

¹ Date of settlement² Verdict date. Judge declined to reduce verdict in 2019. Pending appeal in 2020.³ Date of settlement

Oil & Gas // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Utilities

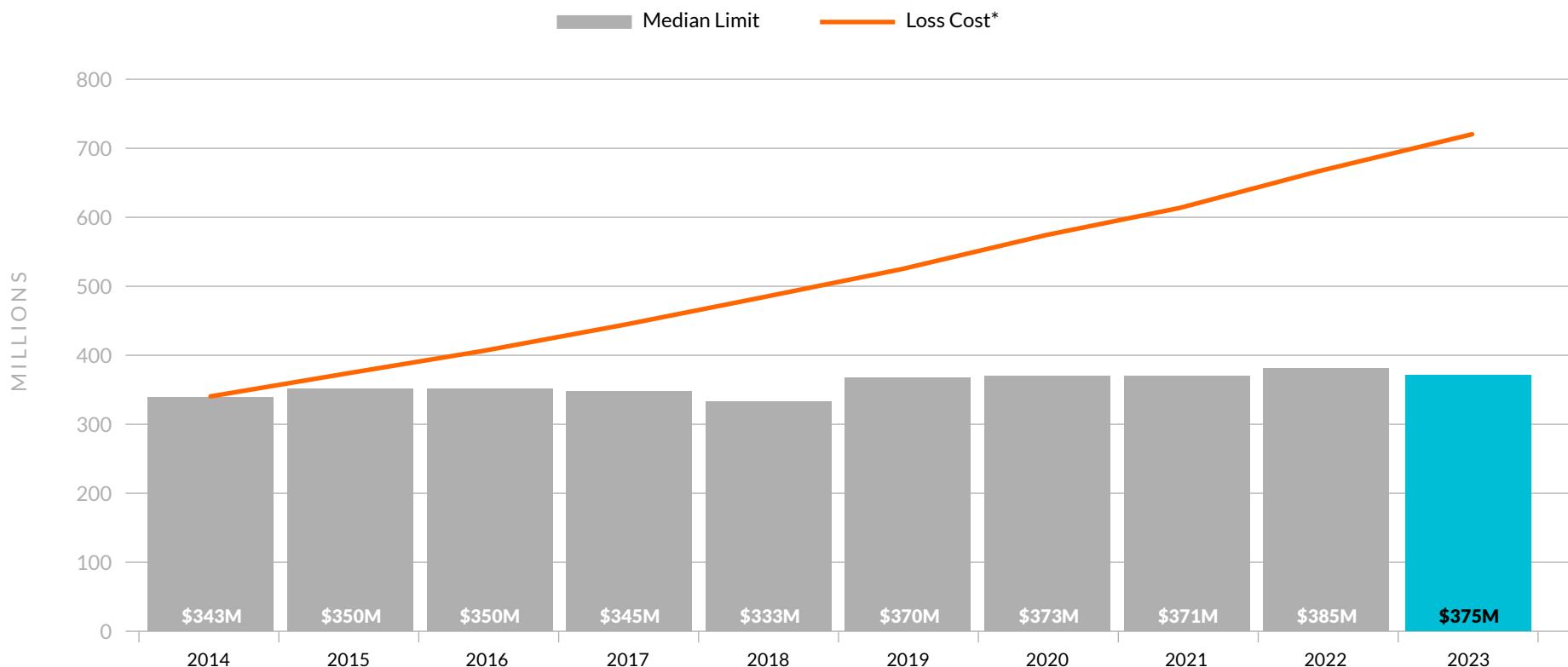
Companies engaged in the generation, transmission and distribution of electricity, including transmission or distribution of gas.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2019	Three individuals injured by electric ground box shock	USA	\$25M ¹
2020 ²	Individual injured by falling utility pole	USA	\$125M
2020 ³	Wildfire allegedly caused by unmaintained trees that damaged power lines due to negligent tree trimming	USA	\$20M
2021	Child struck and killed by garbage truck	USA	\$38.8M
2021	Piping maintenance company failed to repair faulty relief valve resulting in scalding death of worker	USA	\$220M
2022	Workers at electricity supply company forced out of jobs complaining about sexual and racial harassment	USA	\$464M
2022	Garbage collector struck by car and seriously injured while crossing street to collect a can	USA	\$14M
2023	Tree trimming near power lines led to severe electric shock	USA	\$54M
2023	Negligence of cement company caused worker's death	USA	\$50.5M
2023	Department failed to maintain electrical equipment	USA	\$38M
2023	Laborer disabled in negligent demolition project	USA	\$12.2M

¹Demand²Date of settlement³Date of settlement

Utilities // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits



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Chemical

- | Companies engaged in research, development, manufacturing, marketing and distribution of petrochemicals, basic and specialty chemicals, agricultural chemicals and chemical intermediates.

Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2019 ¹	Private citizen's lawsuit alleging illegal pollution discharge into waterways	USA	\$50M
2019 ²	Groundwater contamination alleged from application of pesticide fumigants	USA	\$63M
Various	Potential class action from thousands of claimant allegations that an agrichemical causes personal injuries	USA	\$11.2B ³
2020 ⁴	Crop damage resulting from third party use of herbicides	USA	\$75M
2022	Exposure to dangerous and long-lasting chemicals (PCBs) at local school	USA	\$82M
2022	Students and teachers exposed to PCBs caused neurological injuries	USA	\$275M
2022	Dry cleaning chemicals contaminated city's soil and groundwater	USA	\$56.3M
2023	PCB exposure caused brain damage, cancers	USA	\$165 M
2023	Homeowner unaware land was previously chemical pit	USA	\$63M
2023	Mesothelioma death linked to products by man's estate	USA	\$40.6M
2023	Company accused of knowingly exposing worker to asbestos	USA	\$40M
2023	Students and parents exposed to PCBs	USA	\$857M ⁵

¹Date of settlement

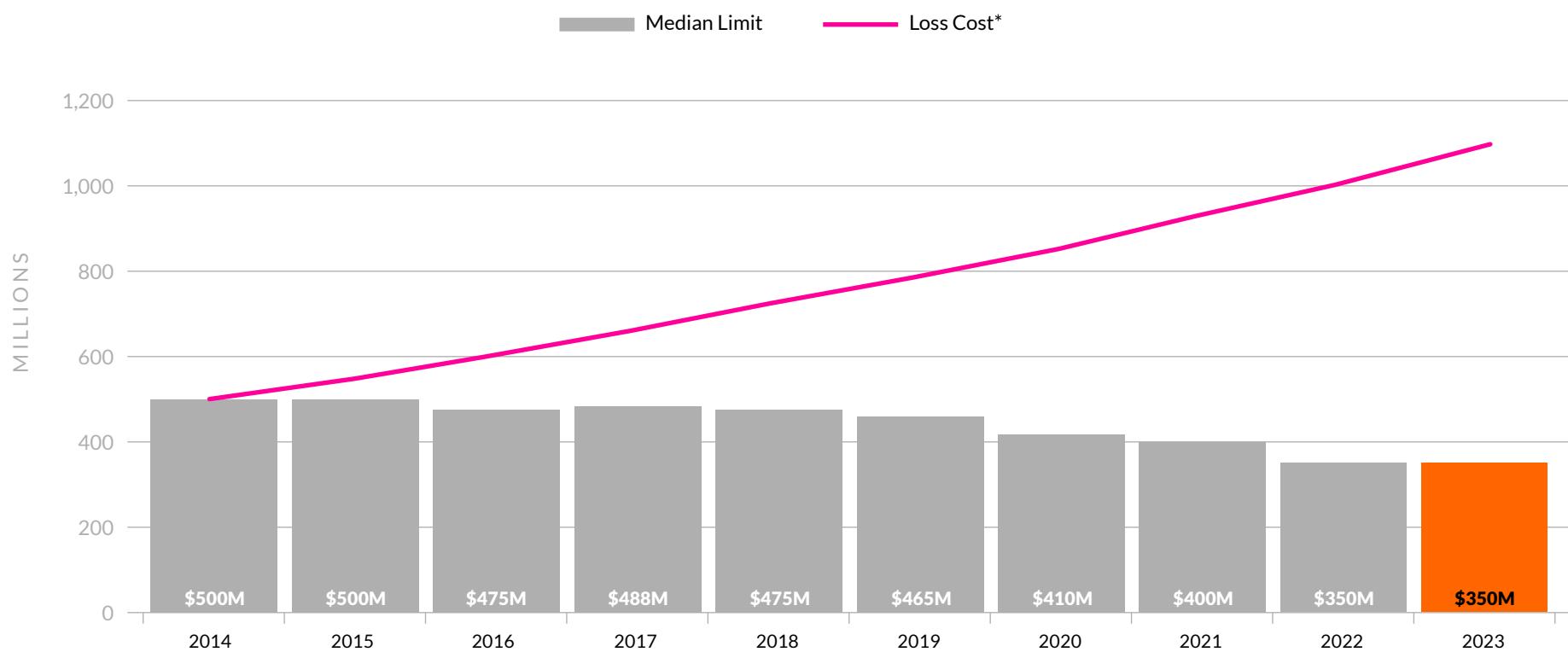
²Disposition date

³Disposition of settlement offer

⁴Disposition date. Court modified punitive damages to \$60M and upheld \$15M compensatory damages in Nov 2020

⁵\$73M compensatory damages, \$784M punitive damages

Chemical // Limits Purchased vs. Loss Costs



*Loss Costs are trended using the ISO trend circular and are indexed to 2014 limits

Contact Us

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<https://www.chubb.com/bm-en/chubb-bermuda-benchmark-report.html>

The verdict and settlement amounts referenced in the report are pulled from various publicly available case summaries and news sources.

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