



THE RISE OF "NUCLEAR VERDICTS"

What It Means for Your Personal Insurance

In recent years, lawsuit verdicts exceeding \$10 million ("nuclear verdicts") have skyrocketed. These massive awards are no longer rare news headlines; they are frequent occurrences. And while corporations are often the target, individuals are not immune from nuclear verdicts, and personal liability policies—including umbrella and excess coverage—are now playing a greater role in protecting personal assets.

What's fueling these trends, and what does it mean for you?



Social and External Factors

Income Inequality and Public Perception –

The growing wealth gap has shifted

how juries view financial responsibility. High-net-worth individuals may be seen as having "deep pockets," making them more vulnerable to excessive awards.

Social Media Influence – News of massive jury awards spreads instantly, reinforcing a culture where high-dollar settlements and verdicts are normalized.

Anti-Wealth Sentiment – Juries are increasingly inclined to award higher damages against individuals with significant assets.

Trial Tactics Drive Larger Verdicts

Reptile Brain Theory – Attorneys appeal to jurors' emotions rather than focusing on the facts, triggering instinctive, empathy-based decision-making.

Anchoring Strategies – Attorneys introduce excessively high damage amounts to influence jury expectations.

The Rembrandt Effect – If a painting can be worth \$30-50 million, what is a personal or emotional injury worth? Attorneys use this tangible comparison to justify astronomical awards.



The Role of Lawyer Advertising

Growth of Legal Advertising – Annual legal advertising now exceeds \$1.2 billion. Attorneys are no longer just on billboards and buses—TV, digital, and social media ads make access to legal representation easier and cheaper.

Increase in Lawsuits – More people are inclined to pursue lawsuits, even for seemingly minor claims, as aggressive advertising promotes contingency-based representation with messages like "no fees unless we win."

The Rise of Third-Party Litigation Funding

Private Investors Fueling Lawsuits – Hedge funds and private equity firms invest in lawsuits, expecting 20-30% returns. This financial backing enables plaintiffs to afford top experts and prolong cases.

Reduced Likelihood of Settlements – With financial backing, many cases become harder to settle, increasing the risk of drawn-out litigation and higher payouts.



Legislative and Judicial Gaps

Limited Regulation – Many states have been slow to regulate third-party litigation funding or cap damage awards.

Judicial Discretion – Judges have the power to prevent some of these trial tactics, discussed above, but often allow them to continue, shaping the litigation landscape.

What This Means for You and Your Insurance Coverage

With the rise in nuclear verdicts, personal liability coverage—including umbrella and excess liability policies—has become more essential than ever. Standard primary policies offering up to \$5M in liability coverage may no longer provide sufficient protection against today's high-stakes litigation environment.

B. F. Saul Insurance specializes in customized personal liability solutions to help safeguard your assets and financial future.

Contact our team today to review your coverage and ensure you have the right protection.

