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'Nuclear' Jury Verdicts Rise Alongside American Anger

The insurance industry says more U.S. cases are ending with outsize damage awards against corporations. Victims' lawyers say the amounts are justified.

By [Richard Vanderford](#) [Follow](#)

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The so-called nuclear verdict phenomenon isn't new, but American corporations worry that it is growing. PHOTO: ANDREW KELLY/REUTERS

Juries are going “nuclear” with greater frequency, imposing outsize verdicts on U.S. companies as they seek to stand up for the little guy, according to some studies, a trend that is making some insurance policies more costly and harder to come by.

The number of cases with a corporate defendant that had a jury award of more than \$10 million—what businesses and insurers call a nuclear verdict—grew more than 27% in 2023, continuing a general upward trend, according to research by Marathon Strategies, a communications and research firm.

Chubb, one of the world's largest insurers, intends to appoint a full-time executive to handle what it sees as a mounting problem of inflated verdicts, Chief Executive Evan Greenberg told an audience of industry insiders at a recent trade event. Chubb in a recent report also said the number of nuclear verdicts is going up. The U.S. Chamber of Commerce said in a recent report that the number of verdicts above \$100 million reached a record in 2023, up nearly 400% from 2013.

The so-called nuclear verdict phenomenon isn't new, but American corporations worry that it is growing.

"Folks vote two ways: in the ballot box and in the jury box," said Seth Gillston, the head of North America industry practices for Chubb. "People are just desensitized to the numerical value, [and] that's coupled with the fact that people are angry."

The U.S. has long been an outlier for its litigiousness, and damage awards into the hundreds of millions or even north of \$1 billion represent a particularly American response to losses or tragedies. Most of the damages stem from difficult-to-quantify factors, such as the value of a life, rather than out-of-pocket expenses.

A Philadelphia jury, for example, in May ordered Exxon Mobil to pay \$725 million to a service station mechanic who developed acute myeloid leukemia after being exposed to benzene in gasoline. Last month, a California jury said entertainment billionaire Alki David should pay \$900 million to a former employee who brought sexual battery claims.

In 2022, a Texas jury hit Charter Spectrum with a \$7.37 billion verdict after one of its cable repairmen murdered an elderly woman, though the amount was later reduced by a judge.

Andrew DuPont and Patrick Wigle, lawyers for the man who won the lawsuit against Exxon, said his pain and suffering was immeasurable and the jury verdict was based on common sense. Exxon said it would ask the court to reduce that verdict, calling it "irrational." Chris Hamilton, the lead trial lawyer for the plaintiff in the Charter case, said big verdicts always happen for a reason.

“Lawsuits are good for society,” said Gary Dordick, a lawyer who secured the \$900 million verdict in the Alki David case. “Lawsuits and the right to hold corporations accountable are what make them do the right thing. Left to their own devices, they would not.”

The verdicts often come from tragic circumstances, but large awards can drive up the cost of goods and services and affect the cost and availability of insurance, the U.S. Chamber of Commerce has said.

Advocates for victims say corporations are whining about a relatively small number of cases involving horrific events.

“The insurance industry’s use of the phrase ‘nuclear verdicts’ is them throwing a temper tantrum when they don’t like the results of a case,” said Linda Lipsen, chief executive of the American Association for Justice, an association of trial lawyers.

Victims often are forced to pursue cases because corporations are reluctant to pay for legitimate claims, Lipsen said. Most cases that land in state courts are contract cases, often companies suing other companies, according to data provided by her association.

But some insurance industry players say the growth in large verdicts is limiting businesses’ ability to buy insurance at reasonable rates.

“The raw price of \$1 of insurance has gone up and less of it is available,” said Eric Joost, the chief operating officer of CAC Specialty, an insurance broker.

CAC data show that damage awards topping \$10 million mostly come from product liability claims, auto crashes and medical liability cases, which together make up nearly three-quarters of these awards. Businesses can buy lines of insurance to cover those kinds of claims.

Observers point to several factors driving the trend. Many Americans are angry at big companies and the jury box is perhaps the only place they can punish them for bad behavior.

“It’s becoming more and more like class warfare, where the 99% is against the 1% and the corporate defendant is seen as the 1% and the juries are using their jury

service as an opportunity to affect change in society and to balance power,” said Jason Bloom, a Dallas-based jury consultant who has worked for both plaintiffs and defendants.

Bloom, who worked for the defense team of former professional baseball player Roger Clemens in a 2012 perjury case and has also worked on a number of corporate cases, said he uses focus groups of up to 50 people to try to understand how a real jury might decide on a case. The practice is increasingly common—insurer Chubb also uses mock trials.

Clever plaintiffs’ lawyers try to activate jurors’ fear, a technique known as reptile theory, and then say the risk can be addressed by sending a message to a defendant, Bloom said.

The increasing availability of outside funding to sustain cases has also played a role in driving nuclear verdicts, said James Whittle, chief claims counsel to the American Property Casualty Insurance Association, an insurance trade group.

Victims’ advocates counter that the funding helps level the playing field against deep-pocketed corporations.

Whittle also pointed to the U.S. system of each side paying its own costs as a possible driver of litigation. Other jurisdictions, such as the U.K. and Canada, force the losers of a lawsuit to pay the legal expenses of the winner in most cases.

Insurers have long pushed states to change their legal systems to bring down costs, but in the short term, businesses might have to cope with less insurance availability, said Chubb’s Gillston.

“You’re going to have this disconnect where the claims are going to keep going up, and the industry might not be there to provide adequate limits,” he said. “That is going to be very, very tough for some of these businesses.”

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