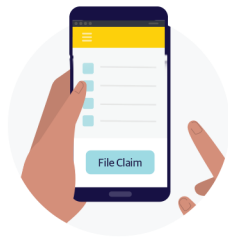


Why are umbrella rates on the rise?

The frequency and severity of umbrella claims have significantly increased over the past decade.



SINCE 2010



Umbrella claims frequency
has more than doubled¹

Umbrella claim payouts have
increased 67%, reaching an
average payout of **over \$500,000**¹

AUTO ACCIDENTS

A strong economy, affordable gas prices and a growing elderly population have led to more vehicles on the road² - and more accidents³. Vehicles now have safety features that may allow people to survive accidents but with disabling injuries which may require a lifetime of care.



80% of umbrella claims are the result of an auto accident¹



Pedestrian deaths have **increased 53%** since 2009; that represents **17% of all vehicle fatalities**⁴



In 2017, **9% of all traffic fatalities** were linked to distracted driving (cell phones, eating/drinking, etc.)⁵

LIABILITY CLAIMS

Health insurance and medical care costs have increased rapidly over the past couple decades⁶, which has had a significant impact on umbrella claims.



The cost of dog bite claims has **increased by 134%** from 2003 to 2019⁷



Falls and auto accidents are the leading causes of traumatic brain injuries, which **increased 53%** between 2006 and 2014⁸



Claims regarding slander, internet libel, personal defense, slip-and-falls and social host liability have **increased over the last 10 years**¹

LEGAL TRENDS

Juries have become desensitized to large verdicts, with many jurors feeling a sense of social obligation to ensure the injured are financially compensated, regardless of negligence⁹. Jury awards in excess of \$1 million are no longer noteworthy.



Liability claims with attorney representation **increased by nearly 10%** between 2014 and 2018¹



Legal services advertisement spending **more than tripled** between 2007 and 2017¹⁰



Law firms reported a **414% increase** in the use of litigation finance between 2013 and 2017¹¹

Contact your local Safeco[®] independent agent for more information.

¹Safeco claims data

²Federal Highway Administration, Highway Statistics 2018

³National Highway Traffic Safety Administration, 2020 Report

⁴Insurance Institute for Highway Safety, Fatality Facts 2018

⁵National Highway Traffic Safety Administration, Distracted Driving in Fatal Crashes 2017

⁶Centers for Medicare & Medicaid Services, National Health Expenditures 2019

⁷Insurance Information Institute, Spotlight on: Dog bite liability

⁸Centers for Disease Control and Prevention, Traumatic Brain Injury & Concussion

⁹Insurance Information Institute, Advisen Conference: Claims are getting bigger and nastier

¹⁰U.S. Chamber Institute for Legal Reform, Bad for Your Health: Lawsuit Advertising

Implication and Solutions

¹¹Burford Capital, 2017 Litigation Finance Survey