



# The General Liability (GL) Environment

Legal, medical, and emerging trends affecting liability losses

Higher legal and medical costs have contributed to an industry combined ratio over 100 since 2014. There are a number of legal and medical issues that, when combined, can drive liability costs even higher.

### What can you do?

**Partner** with an insurance carrier who understands your industry and your unique risks and can create a tailored solution specific to your business.

**Get extra protection** when you need it most. Make sure you have appropriate umbrella and excess liability coverage.

**Disaster preparedness planning** can help you identify vulnerabilities and dependencies in the event disaster strikes.

**Expert claims management** for the best possible outcome can impact your total cost of risk.

**Risk control resources** and a packed calendar of webinars and in-person training can help you identify and mitigate risk. Topics include contractual risk transfer, industry-specific risk improvement tools, product liability, and more.

### Industry combined ratio

Over 100 for the last five years<sup>1</sup>



#### Legal

##### Escalating verdicts

- Cases going to trial result in higher paid costs.

##### Litigation funding

- Outside investors are fronting legal fees, resulting in more cases going to trial, which can drive up claim severity.

##### Traumatic Brain Injury (TBI)

- Plaintiff attorneys are including TBI at the onset of claims, leading to more medical costs and life care plans.<sup>2</sup>



#### Medical

##### Medical inflation<sup>1</sup>

- 3.3 percent increase in hospital cost inflation

##### Opioids

- Average costs are higher when patients are dependent on opioids.<sup>3</sup>

##### Wellness

- The aging population and overall decline of our health and well-being is putting pressure on costs.

##### Inability to manage medical

Unlike workers compensation claims, insurance carriers have little influence on how medical is managed.



#### Emerging trends

##### Violent events

- Active shooters and other crisis situations are causing organizations to reassess their risk and readiness.

##### Technology

- Technology and data are disrupting how we do things. From AI and autonomous vehicles to data-driven environments, these advancements can help us be safer, but not without risk.

##### Sharing economy

- The lack of clarity in where coverages begin and end in the sharing economy is driving the need for custom insurance solutions.

1. Conning Insurance Segment Report – Conning Total Industry Forecast 2018 Q4

2. Carolina Law Evolution of the TBI Case <https://carolinaweb.com/our-firm/resources/evaluation-of-traumatic-brain-injury-cases/>

3. Opioids: Managing Costs by Managing Risk <https://www.optum.com/resources/library/managing-opioid-costs-managing-risks.html>

Resources for more information:

## Legal

- [\\$5M is the new \\$1M](#) when it comes to umbrella.
- [Staying Ahead of Troubling Traumatic Brain Injury Trends](#) discusses why TBI-related claims are growing and outlines our approach.
- [Escalating Legal Verdicts](#). While headlines have focused on auto liability, we see this impacting general liability as well.

## Medical

- [How to Manage Opioids and Medical Marijuana in Claims](#). New treatments can create challenges for employers if not managed effectively.
- [Understanding Opioids' Impact on Claims](#)
- [Managing Risk in a Changing Landscape](#) outlines some of the risks facing businesses today.
- [Control Costs by Reining in Physical Medicine](#) describes how the increase in co-morbidities and preference for nonsurgical and nonopioid treatments are driving use of physical medicine therapies.
- [Controlling Claims Costs: 3 Ways to Put Big Data to Good Use](#) explains how data and modeling can be effective tools for examining claims to better manage these costs.

## Emerging trends

- [The Evolution of Wearable Technology: Workplace Safety and Productivity](#) includes information on how technology-sensor-loaded gear, in the form of vests, glasses, gloves, and more, may help improve workplace safety and productivity. But it's also in its infancy, so you should review information carefully and identify objectives and potential impacts before moving forward.
- [Technology Trends in Manufacturing: Keep the Advances, Avoid the Risks](#) looks at the advantages and risks associated with technology such as 3-D printing and wearables.

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Additional resources and training are available on Liberty Mutual SafetyNet,™ a secure portal that can help protect your business with a wide variety of risk control tools and resources such as:

- GL Incidence Response Kit
- Invasion of Privacy: Data Breach includes a self-assessment checklist
- Preventing Employment Practices Liability
- Sponsorship Liability
- Contracts Management Process Assessment helps you improve your contract management effectiveness.
- Contracts — Risk Transfer Audit helps you to audit contracts and associated certificates of insurance (COIs).
- Guidelines for Selecting Service Providers helps you identify liability risks associated with vendors.
- Core Elements of a Safety and Health Program
- Slips, Trips, and Falls Toolkit can help you manage a leading cause of loss.
- Workplace Violence Model Safety Plan helps you develop a program specific to your operation and exposure.