

# The Rise of Nuclear Verdicts:

Why Higher Liability Limits Are  
Essential in Today's Litigation Climate

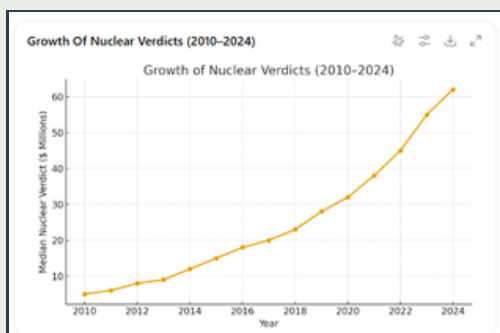
## Executive Summary

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Liability verdicts in the United States have entered a new era. “Nuclear verdicts”—jury awards exceeding \$10 million—are becoming increasingly common across personal and commercial liability claims. With both the frequency and severity of claims rising, traditional liability limits often fall far short of providing adequate protection.

This paper explores the forces behind this trend, real-world examples of escalating verdicts, and why successful families and individuals must consider higher liability limits to safeguard their wealth, reputation, and financial future.

## Understanding the Trend: The Rise of Nuclear Verdicts



### Frequency and severity are increasing:

Verdicts above **\$10 million** are no longer rare. A large broker reports that the median nuclear verdict has surged in recent years, with some cases topping \$100 million.

### Litigation financing & plaintiff bar strategies:

MarshBerry notes that litigation funding has become a multi-billion-dollar industry, fueling plaintiffs' ability to pursue lengthy cases and target higher awards.

### Broader categories of damages:

Juries are awarding higher sums not just for physical injury, but also for **non-economic damages** such as emotional distress, PTSD, and reputational harm.

### Jury sentiment shift:

Post-pandemic societal distrust of corporations and wealthy defendants is influencing jury decisions, normalizing excessive awards.

### Legal advertising:

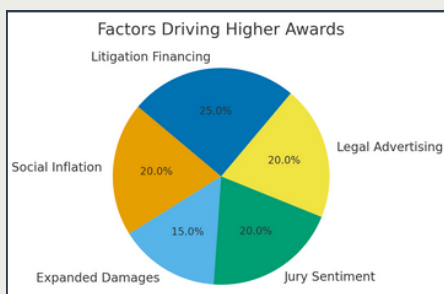
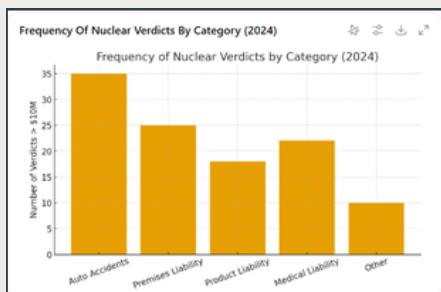
Annual spending by plaintiffs' attorneys now exceeds \$1 billion, which normalizes expectations of "big money" lawsuits.

## Case Studies Illustrating the Risk

### From real-life claim files:

- Pool party tragedy – \$15.5 million plaintiff demand after a guest suffered a traumatic brain injury.
- Distracted driving – \$10.5 million plaintiff demand when a cyclist was struck.
- Underinsured motorist accident – \$9.75 million plaintiff demand, mitigated only because the insured carried excess uninsured/underinsured motorist coverage.

These examples underscore how quickly liability costs can exceed standard home or auto policy limits.



## The Coverage Gap: Why Standard Liability Isn't Enough

- **Most home and auto policies** carry liability limits between **\$300,000–\$500,000**.
- Despite rising risks, **only 36% of affluent households** have excess liability insurance, even though **92% express concern** about being targeted.
- Verdicts in the **\$10–\$20M range** can bankrupt families who fail to purchase adequate excess limits.
- **Personal excess liability policies** (umbrella) provide an additional \$1M–\$100M in coverage, filling the gap

## Recommendations for High-Net-Worth Families & Individuals

- ➊ **Review current liability coverage** annually in light of evolving litigation risks.
- ➋ **Increase personal excess liability limits** to align with total assets, lifestyle, and visibility.
- ➌ **Consider specialized coverage** (e.g., uninsured motorist excess, libel/slander coverage, domestic staff liability).
- ➍ **Engage advisors** who understand the nuances of nuclear verdicts and can benchmark coverage against today's risk environment.

## Conclusion



The rise of nuclear verdicts is not a temporary phenomenon—it is a structural shift in the litigation landscape. Families who fail to adjust their liability coverage are exposing themselves to catastrophic financial loss. By maintaining higher liability limits through personal excess policies, individuals can protect their assets, their legacy, and their peace of mind.