

Could Factors Driving Social Inflation in U.S. Also Drive Up Costs for U.K. Carriers?

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Hinshaw partner Scott Seaman—co-chair of the firm’s global Insurance Services Practice Group—recently co-authored with Simon Laird, global Head of Insurance of RPC, an article published in *Insider Engage* titled “Social inflation: The only way is up – or is it?”

Social inflation has generated considerable buzz among insurers. A *Wall Street Journal* article has described social inflation as “an upward creep in perceptions by an injured party of what they are owed, [and] their willingness to pursue that via the legal system.”

In their article, Seaman and Laird consider whether U.K. insurance carriers could see a similar cost of claims spiral as experienced in the United States. They note the evidence “suggests that Americans, and therefore American jurors, are angrier, more entitled, less trusting of authority, more willing to sue and, ultimately, more susceptible to the combined charms of social media bubbles and an increasingly well-funded plaintiff’s bar.” While there are similar societal pressures in the U.K., the authors argue that social inflation counter-measures in the U.K. are stronger, most obviously in that awards are set by judges. As a result, they predict there will be less scope for social inflation to spiral in the U.K.

[Read the full article](#)

“Social inflation: The only way is up – or is it?” was published by *Insider Engage*, May 6, 2021.

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