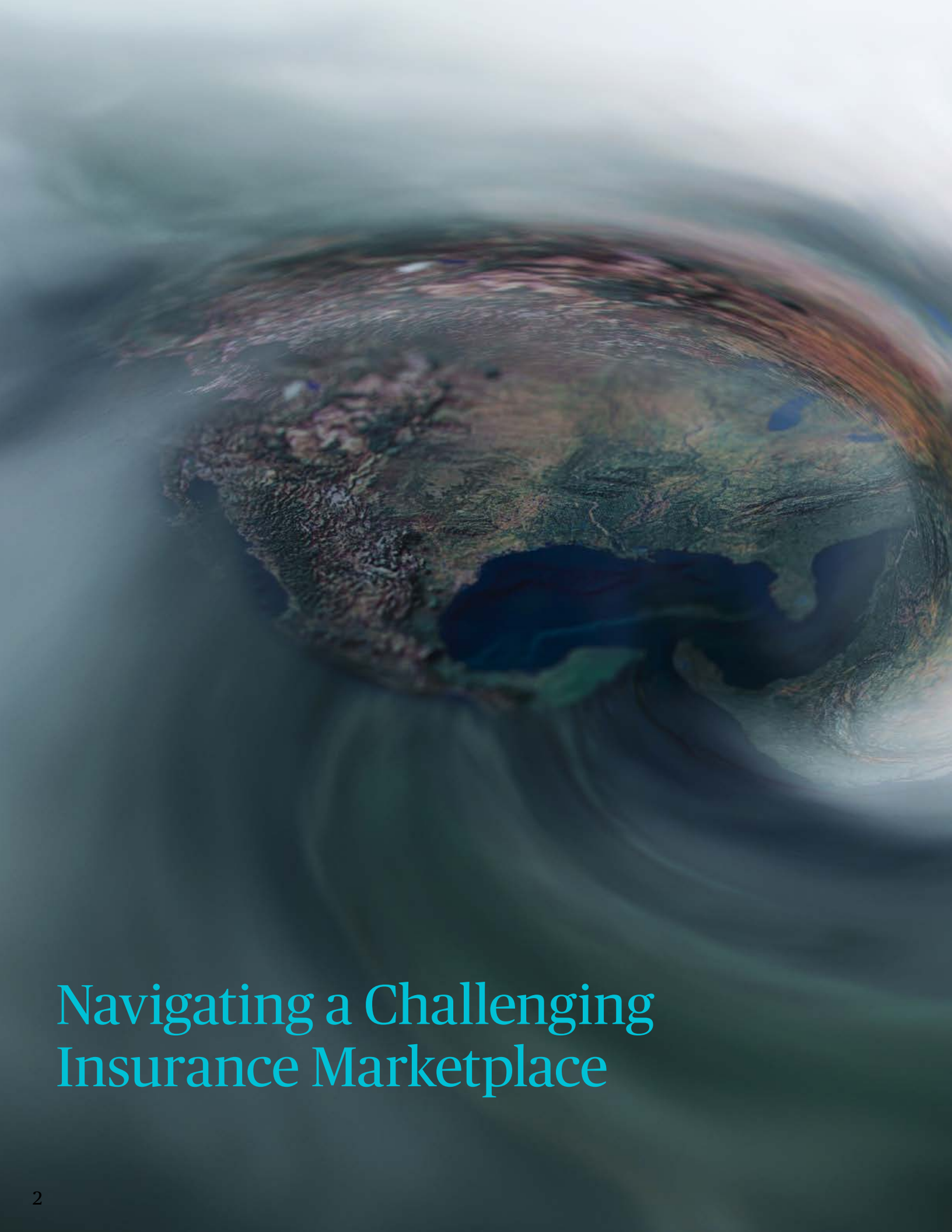


CHUBB®

# Liability Limit Benchmark & Large Loss Profile by Industry Sector 2021

Continuing to Navigate  
a Challenging Insurance  
Marketplace



# Navigating a Challenging Insurance Marketplace

2020 was marked by one catastrophic event after another. Most dramatically, the COVID-19 pandemic upended the lives of billions worldwide, radically altering the way business, jobs, and daily life were conducted. The pandemic's financial toll remains uncertain but cost estimates north of \$100 Billion will make it the largest catastrophe ever faced in the history of the (re)insurance industry. The impact on every area of our lives will also continue to be felt for years to come.

---

The global pandemic was, however, only one part of the story in 2020. It was another record year for weather-and-climate-related disasters<sup>i</sup>. Catastrophic wildfires devastated Australia and the western states in the United States. Hurricanes and massive flooding struck the United States, Latin America, and the Caribbean. These and other environmental perils flashed across headlines during the year and drove 2020 to become the *sixth consecutive year* of ten separate \$1 Billion disasters in the United States.<sup>ii</sup>

<sup>i</sup> <https://www.noaa.gov/stories/record-number-of-billion-dollar-disasters-struck-us-in-2020>.

<sup>ii</sup> <https://www.statista.com/statistics/429012/incurred-losses-for-commercial-insurance-usa/>

## Jury Awards Continue to Skyrocket

---

As the industry and the world experienced impacts from all sides in 2020 by a global health crisis, civil and social unrest, and frequent natural catastrophes, there was no respite from the continuing escalation in loss cost trends as a result of the prevailing social inflation factors of the last two years. An ongoing distrust of corporations, combined with aggressive litigation funding, multidistrict suits, and other factors, resulted in a continued and marked increase in high-dollar settlements and jury awards.

The legal profession's need to pivot to a virtual platform, like other businesses, did not have any meaningful impact on the magnitude of jury awards. As you will discover in this year's report, the phenomenon of nuclear and even super-nuclear verdicts continues.

## New Industry Sector Additions to this Year's Report

---

Based on specific customer feedback, we have, this year, included two new industry sectors in our report. Both illustrate the ongoing 'frequency of severity' risk and exposure landscape we continue to operate within.



The first is **Road Transportation** which we added due to the startling number of large jury verdicts that have been handed down for *single-vehicle* auto accidents as well as the critical relevance of this sector to *every* business with a fleet exposure. You will note in this year's report that the median total limits purchased by road transportation companies have actually *contracted* over the past year which, in light of the skyrocketing frequency and severity of large auto accidents, could be indicative of a concerning trend towards an unintended underinsurance of fleet liability exposures.



The second new industry addition to this year's report is **Construction** where there has been a significant uptick in the number of jury verdicts and/or penalties awarded within this sector, most notably for *single and non-fatal* plaintiff injuries. As economic conditions start to recover and we see an increase in the resumption of large construction project activity, this trend bears watching when determining the appropriate size of total liability limits to purchase.

## A Commitment to Long-term Partnerships

---

We know this market continues to pose challenges for many of our customers but we're here to help. We encourage you to consider your risk management strategies and insurance-purchasing options well in advance of your renewal deadline and let us partner with you to craft customized solutions to maintain or expand your liability program.

We hope our 2021 Liability Limit Benchmark and Large Loss Report will provide you with meaningful data insights and continue to serve as an additional tool for evaluating your limits and exposures against industry peers.

*Your feedback is always welcome. Please reach out to your Chubb representative to share comments or ask questions about this report.*



## Industry Sectors

---

	Chemical	6
	Consumer Products	8
	Healthcare	10
	Life Sciences	12
	Manufacturing	14
	Oil & Gas	16
	Transportation	18
	Real Estate & Hospitality	20
	Utilities	22
	Construction	24



## Chemical

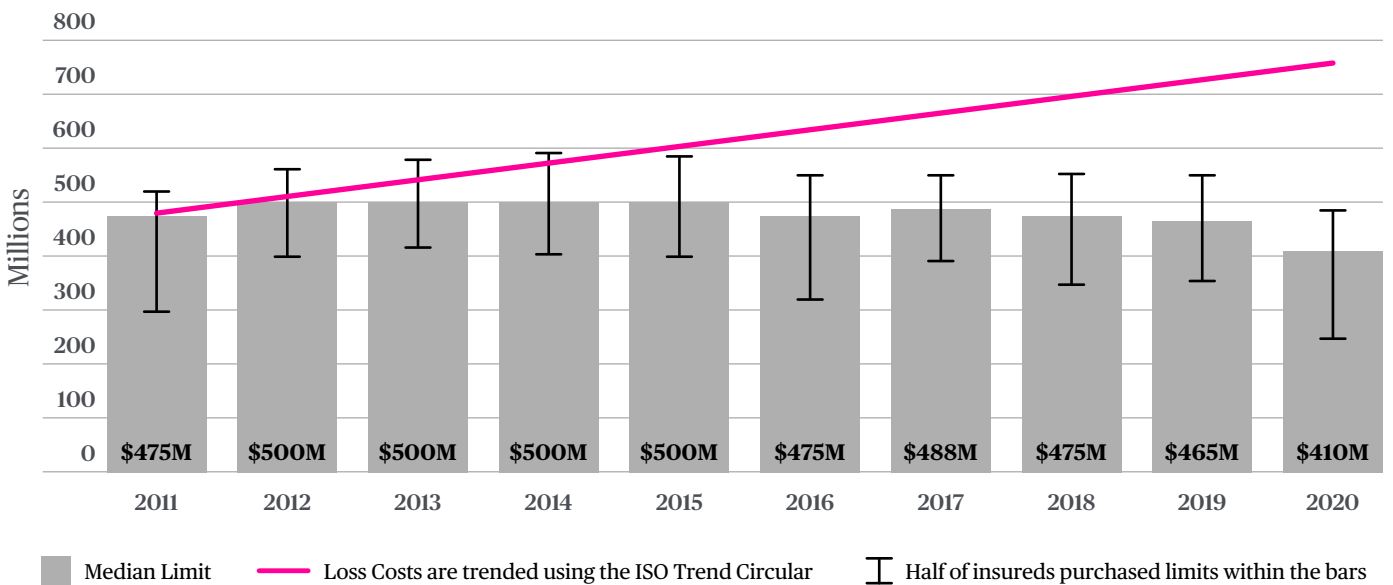
Companies engaged in research, development, manufacturing, marketing, and distribution of petrochemicals, basic and specialty chemicals, agricultural chemicals, and chemical intermediates.

## Chemical Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2017 <sup>1</sup>	Exposure to toxic chemical in drinking water alleged to have caused cancer	USA	\$13M
2017	Class action settlement for personal injuries resulting from exposure to chemical	USA	\$671M
2018 <sup>2</sup>	Toxic product to be removed from homes	USA	\$60M
2019 <sup>3</sup>	Wrongful death verdict for two workers exposed to toxic solvents	USA	\$21M
2019 <sup>4</sup>	Private citizen's lawsuit alleging illegal pollution discharge into waterways	USA	\$50M
2019 <sup>5</sup>	Groundwater contamination alleged from application of pesticide fumigants	USA	\$63M
Various	Potential class action from thousands of claimant allegations that an agrichemical causes personal injuries	USA	\$11.22B <sup>6</sup>
2020 <sup>7</sup>	Crop damage resulting from third party use of herbicides	USA	\$75M
2020 <sup>8</sup>	Deceptive marketing of glyphosate, an ingredient in herbicide	USA	\$36M

<sup>1</sup>Disposition date   <sup>2</sup>Date of settlement   <sup>3</sup>Disposition date   <sup>4</sup>Disposition date   <sup>5</sup>Disposition date   <sup>6</sup>Defense settlement offer   <sup>7</sup>Disposition date   <sup>8</sup>Date of settlement

## Chemical Limits Purchased vs. Loss Costs





## Consumer Products (includes F&B)

Companies engaged in the manufacturing, marketing distribution, and sale of consumable goods, food and beverages - including food service providers.





## Consumer Products (includes F&B) Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2015 <sup>1</sup>	Restaurant's service of alcohol to an underage patron resulted in car crash with life-altering injury	USA	\$60M
2016 <sup>2</sup>	Explosion at food plant killed four and injured over 60	USA	\$109M
2016 <sup>3</sup>	Alleged concussion-related injuries	USA	\$1B <sup>4</sup>
2016 <sup>5</sup>	Defective infant car seat design led to spinal injury	USA	\$34M
2017	Faulty refrigerator alleged to have contributed to a deadly fire that killed 79	UK	Pending
2018 <sup>6</sup>	Defective furniture killed three children	USA	\$50M
2018 <sup>7</sup>	Faulty vehicle seat design injuries to two children	USA	\$209M
2018/2019/2020 <sup>8</sup>	Talc litigation	USA	\$5B
2019 <sup>9</sup>	Federally-approved seat-belt design considered defective	USA	\$37M <sup>10</sup>
2019	Wrongful death caused by use of tobacco products	USA	\$157M
2019 <sup>11</sup>	Grocery store's failure to provide adequate security led to mugging injury	USA	\$70M
2020 <sup>12</sup>	Defective furniture design leads to wrongful death single plaintiff lawsuit	USA	\$46M
2020 <sup>13</sup>	Concealment of cell phone throttling and battery degradation	USA	\$310M - 500M + potential \$113M

<sup>1</sup>Disposition date  
<sup>7</sup>Disposition date

<sup>2</sup>Disposition date  
<sup>8</sup>Date of verdicts

<sup>3</sup>Date of settlement  
<sup>9</sup>Disposition date

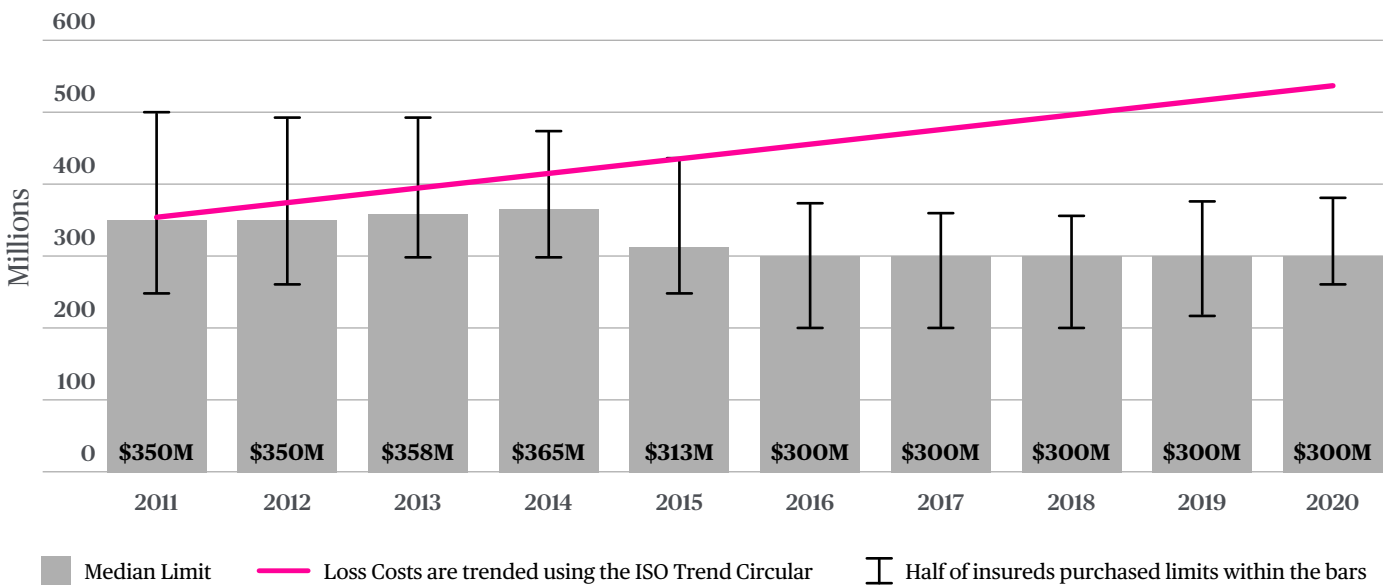
<sup>4</sup>Estimate of class action settlement over 65 years  
<sup>10</sup>Single plaintiff verdict

<sup>11</sup>Disposition date

<sup>5</sup>Disposition date  
<sup>12</sup>Date of settlement

<sup>6</sup>Date of settlement  
<sup>13</sup>Date of settlement

## Consumer Products (includes F&B) Limits Purchased vs. Loss Costs





## Healthcare

Organizations including hospitals, teaching universities/medical schools, long-term care/assisted living facilities, managed care organizations, and clinical trial/contract research organizations.



## Healthcare Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2016 <sup>1</sup>	Lawsuit alleged 20 missteps by doctors and nurses resulting in serious permanent injury	USA	\$52M
2018 <sup>2</sup>	Doctor's negligence resulted in severe permanent injury	USA	\$73M
2018 <sup>3</sup>	University physician alleged sexual abuse and harassment	USA	\$215M
2018 <sup>4</sup>	Clinic's negligence with a medical device resulted in wrongful death	USA	\$384M <sup>5</sup>
2018 <sup>6</sup>	University sports physician sexually abused girls and women	USA	\$500M
2019 <sup>7</sup>	Hospital liability for infant brain damage	USA	\$50M <sup>8</sup>
2019 <sup>9</sup>	Catastrophic infant brain injury caused during delivery	USA	\$205M <sup>10</sup>
2019	Hospital's negligence in treating shooting victim, resulting in death	USA	\$30M
2019	Medical malpractice resulting in infant sustaining brain damage at birth	USA	\$101M
2020	Alleged sexual battery by university physician	USA	\$73M

<sup>1</sup>Disposition date

<sup>2</sup>Disposition date

<sup>3</sup>Final approval of settlement in 2020

<sup>4</sup>Disposition date

<sup>5</sup>Verdict

<sup>6</sup>Disposition date

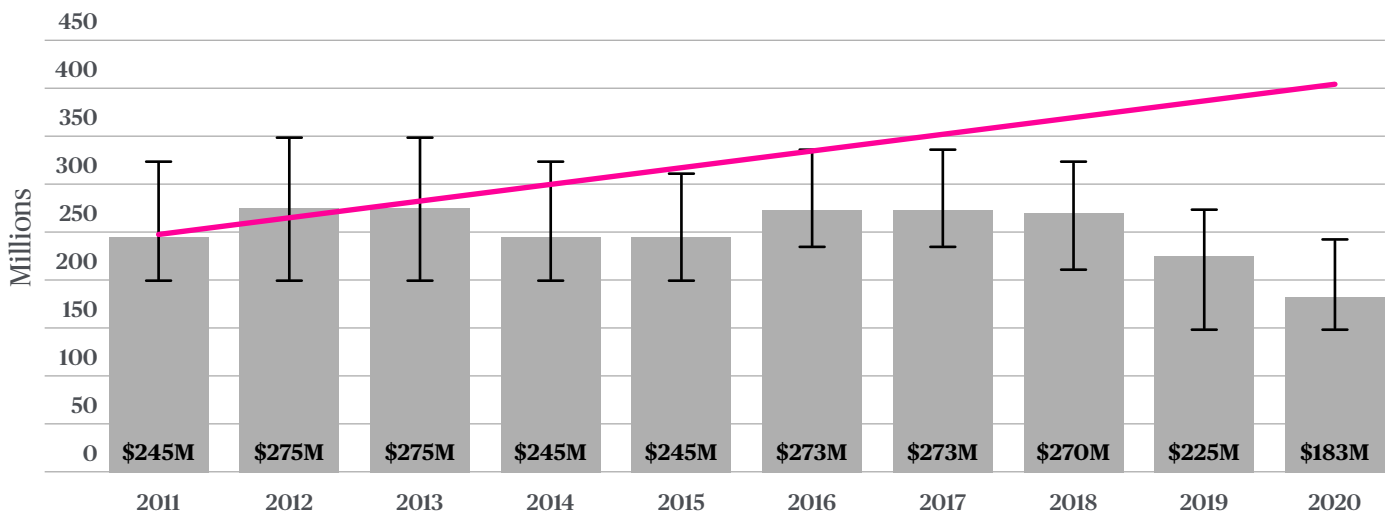
<sup>7</sup>Date of verdict

<sup>8</sup>Reduced by settlement from \$101M jury verdict

<sup>9</sup>Disposition date

<sup>10</sup>Reduced from \$229M verdict

## Healthcare Limits Purchased vs. Loss Costs



■ Median Limit

— Loss Costs are trended using the ISO Trend Circular

⊥ Half of insureds purchased limits within the bars



## Life Sciences

Companies engaged in the research, development, manufacturing, marketing, distribution or sale of pharmaceuticals, biologics, and medical products/devices, including biomedical research/technology.

## Life Sciences Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2015	Contaminated equipment used during surgery alleged to cause severe and life-threatening infections	USA	\$215M
2016 <sup>1</sup>	Schizophrenia and bipolar disorder drug caused disturbing side effects	USA	\$70M
2017 <sup>2</sup>	Design defects of the implanted medical device caused severe personal injuries	USA	\$57M
2017	Blood pressure drug caused gastrointestinal injuries	USA	\$300M
2019	Blood thinning drug alleged to cause internal bleeding, stroke and death	USA	\$775M
Various	17 patients with alleged personal injuries from defective metal-on-metal hips	USA	\$941M
Various	Opioid litigation	USA	\$48B <sup>3</sup>
Various	Hernia mesh litigation	USA	\$241M
2019 <sup>4</sup>	Laboratory technician developed mesothelioma from exposure to biopharmaceutical equipment containing asbestos	USA	\$70M
2020 <sup>5</sup>	Class action alleging injuries associated with transvaginal mesh devices	Canada	\$21.5M CAD
2020	Class action alleging injuries from coil birth control device	USA	\$1.6B

<sup>1</sup>Disposition date

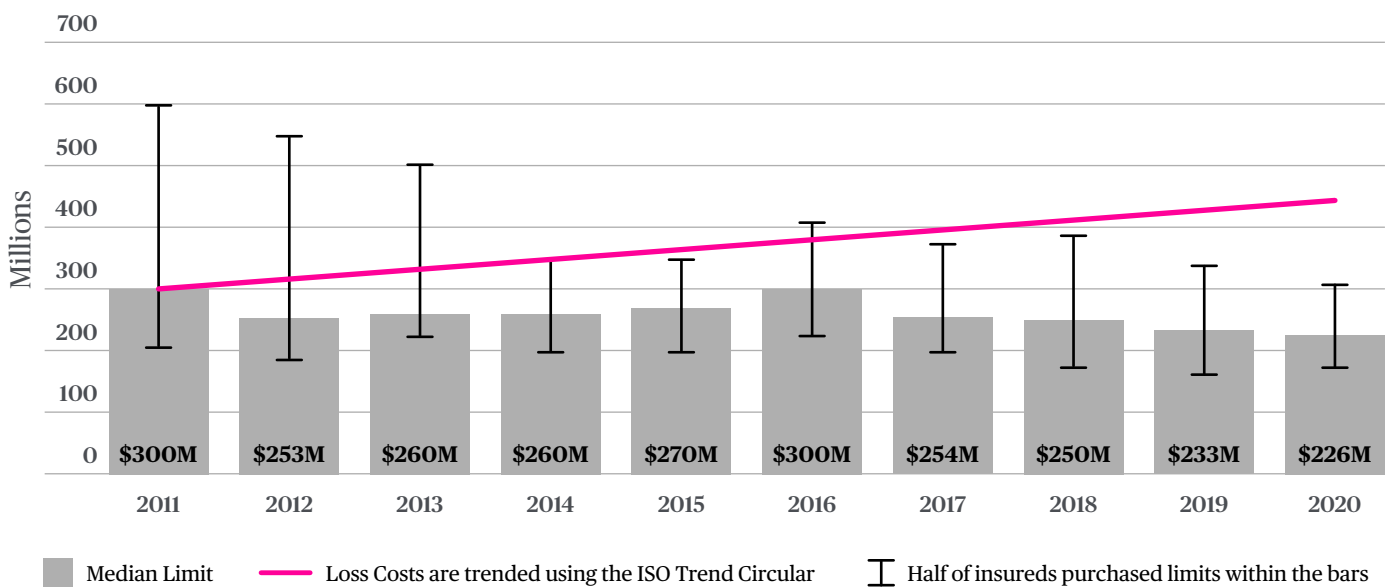
<sup>2</sup>Disposition date

<sup>3</sup>Proposed settlement

<sup>4</sup>Jury verdict

<sup>5</sup>Date of settlement

## Life Sciences Limits Purchased vs. Loss Costs





## Manufacturing

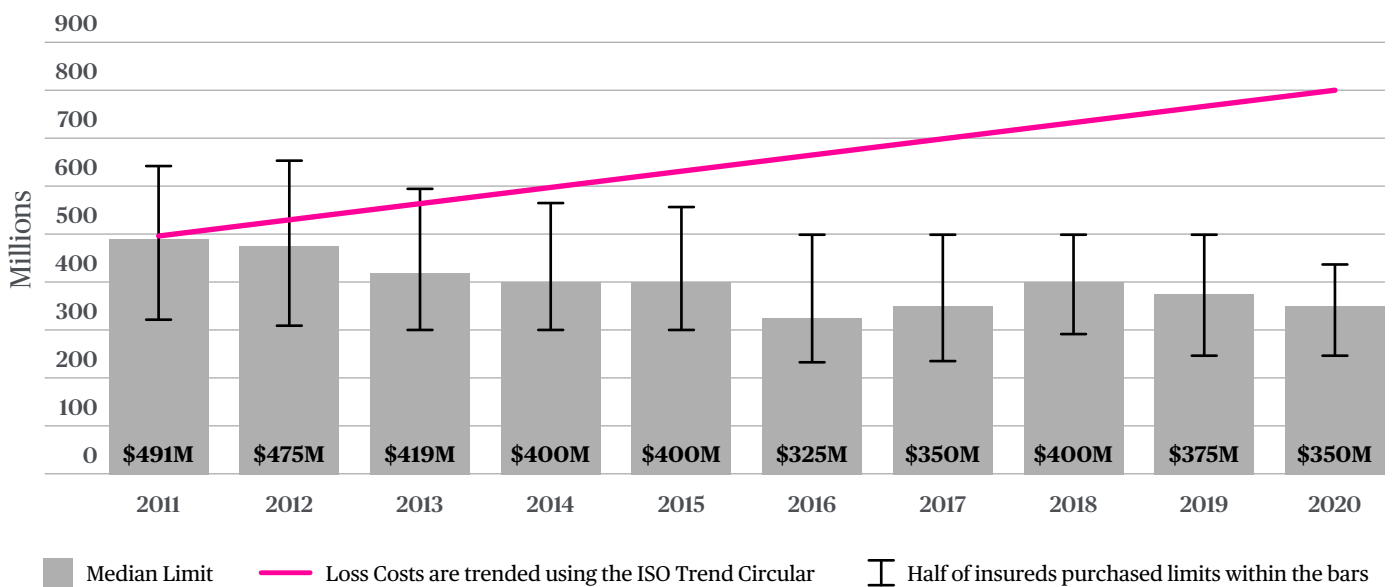
Companies engaged in the design, development, assembly, manufacturing, marketing, distribution and sale of industrial equipment, motor vehicles, and component parts used in various industries.

## Manufacturing Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2016	Car seat defects caused injury to children during a collision	USA	\$213M
2017	Cladding alleged to fuel a building fire causing multiple fatalities	UK	Pending
2017 <sup>1</sup>	Car accident caused by faulty brakes	USA	\$24M
2018 <sup>2</sup>	Bankruptcy judge approved a fund for victims of exploding airbag inflators	USA	Up to \$137M
2018 <sup>3</sup>	Industrial emissions from processing plant effected neighboring properties	USA	\$51M
2019 <sup>4</sup>	Vehicle accident caused by safety defect resulted in paralysis	USA	\$151M
2019 <sup>5</sup>	Refinery explosion resulting from alleged manufacturing defects	USA	\$317M <sup>6</sup>
2019 <sup>7</sup>	Engine defect litigation	USA	\$758M
2020 <sup>8</sup>	Auto suspension defect class action litigation	USA	\$57M
2020 <sup>9</sup>	Class action alleging improper emission controls in vehicles	USA	\$700M
2020 <sup>10</sup>	Consumer safety suit brought by multiple states over defective frontal air bags	USA	\$96M
2020	Negligently designed driver seat caused additional injury in vehicle accident	USA	\$32M <sup>11</sup>

<sup>1</sup>Disposition date    <sup>2</sup>Disposition date    <sup>3</sup>Date of settlement    <sup>4</sup>Disposition date    <sup>5</sup>Date of settlement    <sup>6</sup>Reduced to \$195M by settlement prior to jury verdict  
<sup>7</sup>Date of proposed settlement    <sup>8</sup>Date of settlement    <sup>9</sup>Date of settlement    <sup>10</sup>Date of settlement    <sup>11</sup>Jury verdict

## Manufacturing Limits Purchased vs. Loss Costs





## Oil & Gas

Companies engaged in the exploration, production, refining, processing, marketing, and distribution of natural gas, oil, liquids, and derived products – including contract drilling and other oilfield products and services.





## Oil & Gas Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2014 <sup>1</sup>	Contractor error in the provision of services allegedly impacting sub-sea well blowout	USA	\$1.1B
2015 <sup>2</sup>	Workers burned in refinery explosion and fire	USA	\$159M
2015 <sup>3</sup>	Owner of sub-sea well blowout with multiple fatalities	USA	\$211M
2016	Gas pipeline explosion kills two and injures several	USA	Pending
2017	Gas truck struck a motorcyclist, causing injuries	USA	\$46M
2018 <sup>4</sup>	Oil services company truck driver plowed into the back of a pickup truck	USA	\$33M
2019	Natural gas pipeline built in the 1950s exploded	USA	Pending
2019 <sup>5</sup>	Coastline damage allegedly caused by oil and gas drilling	USA	\$100M
2019 <sup>6</sup>	Alleged willful misconduct in management of oil processing facility and gas well drilling	USA	\$74.1M
2020 <sup>7</sup>	Oil spill from pipeline closed beaches and damaged environment	USA	\$61M

<sup>1</sup>Disposition date

<sup>2</sup>Disposition date

<sup>3</sup>Disposition date

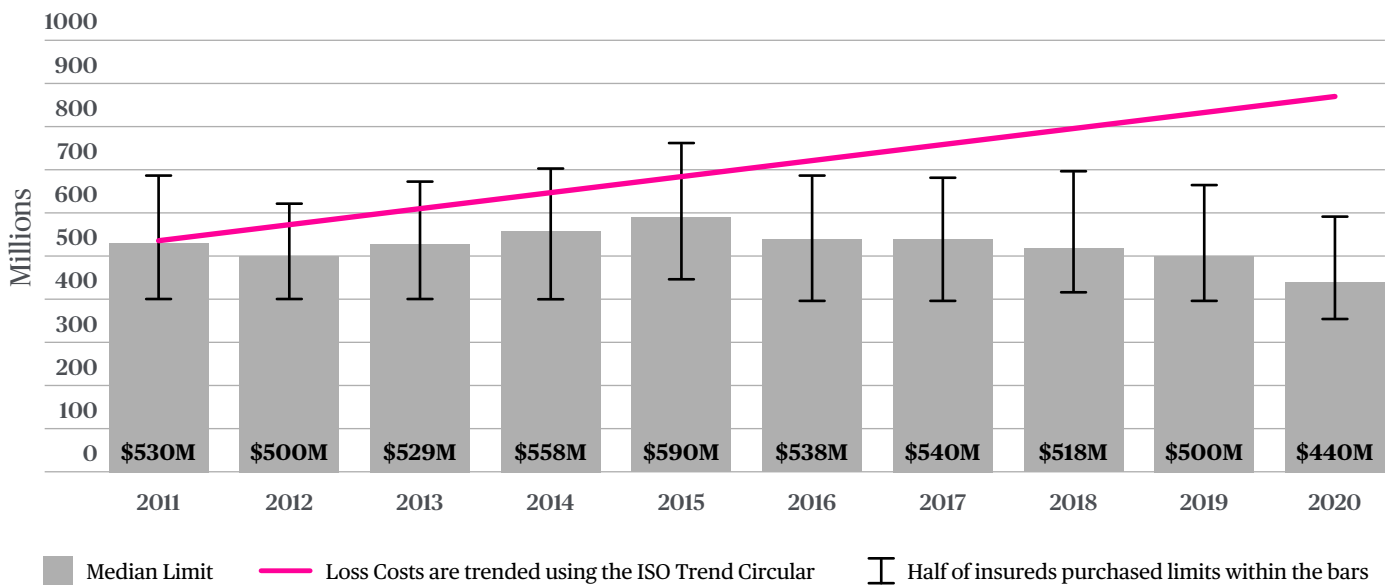
<sup>4</sup>Disposition date

<sup>5</sup>Date of settlement

<sup>6</sup>Verdict date. Judge declined to reduce verdict in 2019. Pending appeal in 2020.

<sup>7</sup>Date of settlement

## Oil & Gas Limits Purchased vs. Loss Costs





## Transportation

Companies engaged in the transportation of passengers and/or products by roadway or rail.

### Transportation Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2015	High-speed derailment kills eight and injures over 200	USA	\$265M
2016 <sup>1</sup>	Train strikes car at railroad crossing killing one and severely injuring four	USA	\$38M
2017	Train derails on newly opened route killing three and injuring about 100	USA	\$32M
2018 <sup>2</sup>	Railroad worker exposed to toxic fumes from leaking railcar	USA	\$15M
2019	Train derails into a river, killing three crew members	Canada	Pending
2019 <sup>3</sup>	Single vehicle crash involving a concrete barrier at a railroad crossing results in severe injuries	USA	\$17M
2019	Head-on collision between tractor trailer and SUV killing 5	USA	\$280M
2019 <sup>4</sup>	Commercial freight hauler crashed into vehicle, injuring family	USA	\$70.5M
2020 <sup>5</sup>	Cyclist injured by vehicle driven by temp agency employee	USA	\$54M
2020 <sup>6</sup>	Train derailed at curve, killing three passengers and injuring about 80	USA	\$10M
2020	Pedestrian killed by trailer that disconnected from truck	USA	\$21M
2020 <sup>7</sup>	Motorcycle driver paralyzed after crashing into tractor trailer stopped in emergency lane.	USA	\$412M
2020 <sup>8</sup>	Intersection collision involving dealership vehicle, resulting in injuries requiring amputation	USA	\$16M

<sup>1</sup>Disposition date

<sup>2</sup>Disposition date

<sup>3</sup>Disposition date

<sup>4</sup>Jury verdict

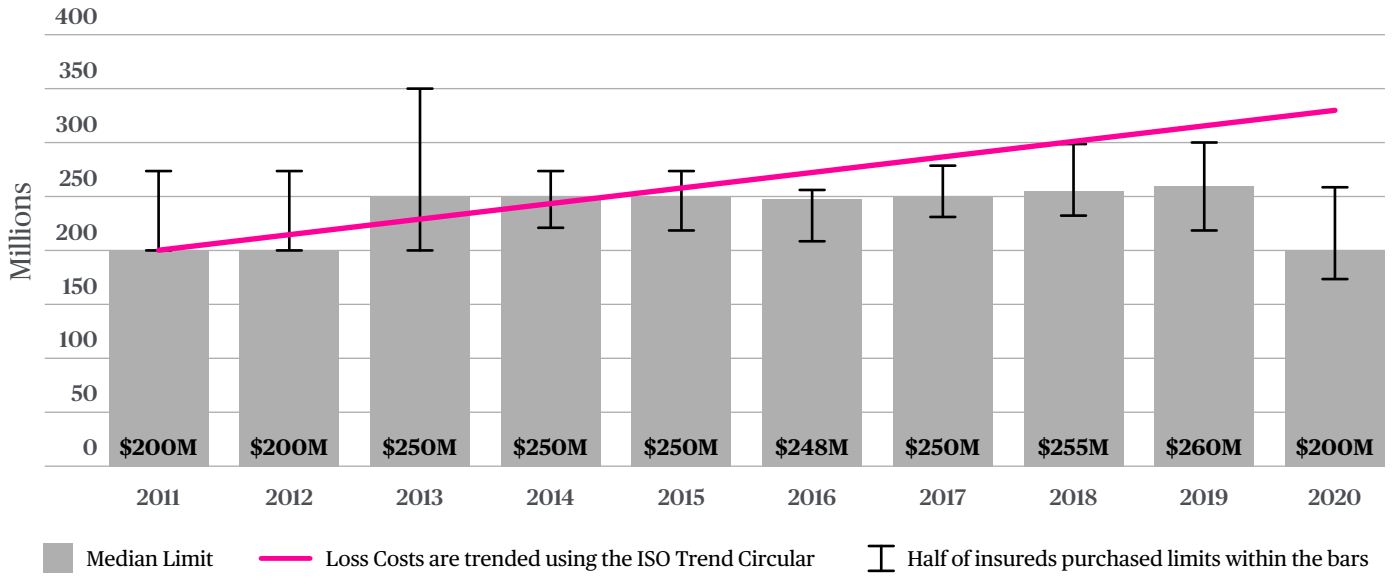
<sup>5</sup>Verdict

<sup>6</sup>Jury verdict

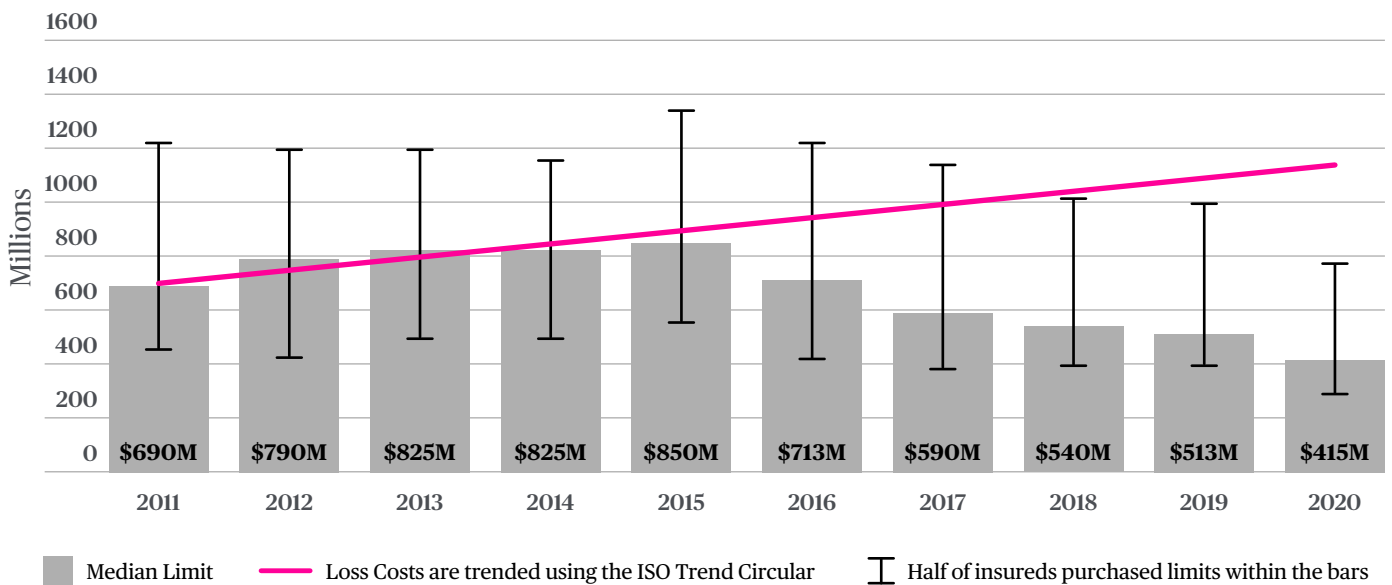
<sup>7</sup>Jury verdict

<sup>8</sup>Date of settlement

### Transportation - Road Limits Purchased vs. Loss Costs



### Transportation - Rail Limits Purchased vs. Loss Costs





## Real Estate & Hospitality

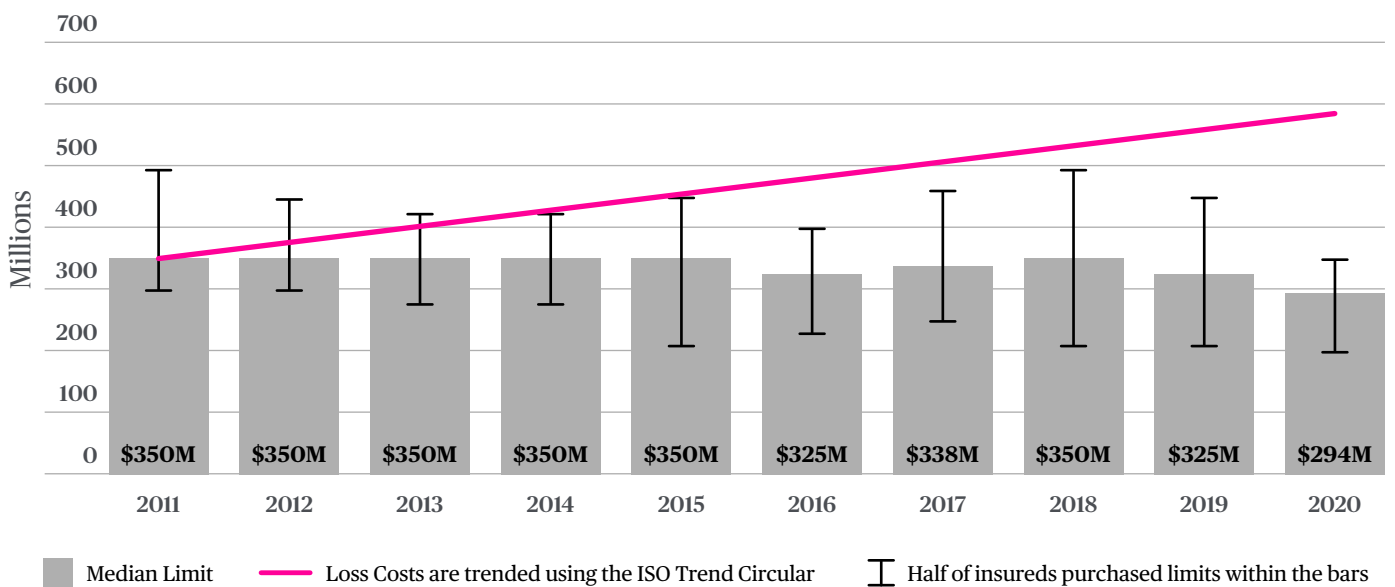
Companies engaged in the ownership, operation or management of all types of premises/occupancies, including commercial and residential buildings, hotels, and arenas/stadiums.

## Real Estate & Hospitality Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2015 <sup>1</sup>	Second story apartment floor and balcony collapsed	USA	\$25M
2015	Hotel guest secretly videotaped in the shower	USA	\$100M
2015	Pedestrian shelter collapsed at the airport	USA	\$115M
2016	The construction of illegal partition walls blocked access to fire escape, resulting in fatalities	USA	\$183M
2017 <sup>2</sup>	Hotel nightclub security alleged to have caused VIP guest's traumatic brain injury	USA	\$161M <sup>3</sup>
2018 <sup>4</sup>	Hotel liable for failure to respond to murder in guestroom	USA	\$41M
2018 <sup>5</sup>	Hotel failed to intervene in ongoing domestic abuse	USA	\$42M
2019 <sup>6</sup>	Property association liable for bicyclist's crash into improperly place pole	USA	\$41M
2019 <sup>7</sup>	Apartment's substandard living condition lead to death	USA	\$125M
2019 <sup>8</sup>	Tour operator crash killing 5 and injuring 60	USA	\$123M

<sup>1</sup>Disposition date    <sup>2</sup>Disposition date    <sup>3</sup>\$161M verdict    <sup>4</sup>Disposition date    <sup>5</sup>Disposition date    <sup>6</sup>Disposition date    <sup>7</sup>Disposition date    <sup>8</sup>Disposition date

## Real Estate & Hospitality Limits Purchased vs. Loss Costs





## Utilities

Companies engaged in the generation, transmission, and distribution of electricity, including transmission or distribution of gas.



## Utilities Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2015	Natural gas leak resulted in alleged illness and mandatory evacuations	USA	\$1B <sup>1</sup>
2016 <sup>2</sup>	Utility employee alleged negligence led to an explosion when plaintiff lit cigarette at home	USA	\$20M
2017	A loose wire on a utility pole became electrified killing one worker and causing a double amputation to another	USA	\$100M <sup>3</sup>
2017 <sup>4</sup>	Child electrocuted while climbing trees near power lines	USA	\$24M
2017/2018	Wildfires allegedly caused by power and distribution lines, conductors and failure of power poles	USA	\$12B-24B
2018	Alleged negligence in vegetation management when a tree falls on a child who loses a leg	USA	\$48M
2018	Gas leak and explosion kill one, injure over 25 and impact over 8,000 customers	USA	Over \$790M
2019	Three individuals injured by electric ground box shock	USA	\$25M <sup>5</sup>
2020 <sup>6</sup>	Individual injured by falling utility pole	USA	\$125M
2020 <sup>7</sup>	Wildfire allegedly caused by poorly maintained trees that damaged power lines due to negligent tree trimming	USA	\$20M

<sup>1</sup>Estimate

<sup>2</sup>Disposition date

<sup>3</sup>Demand

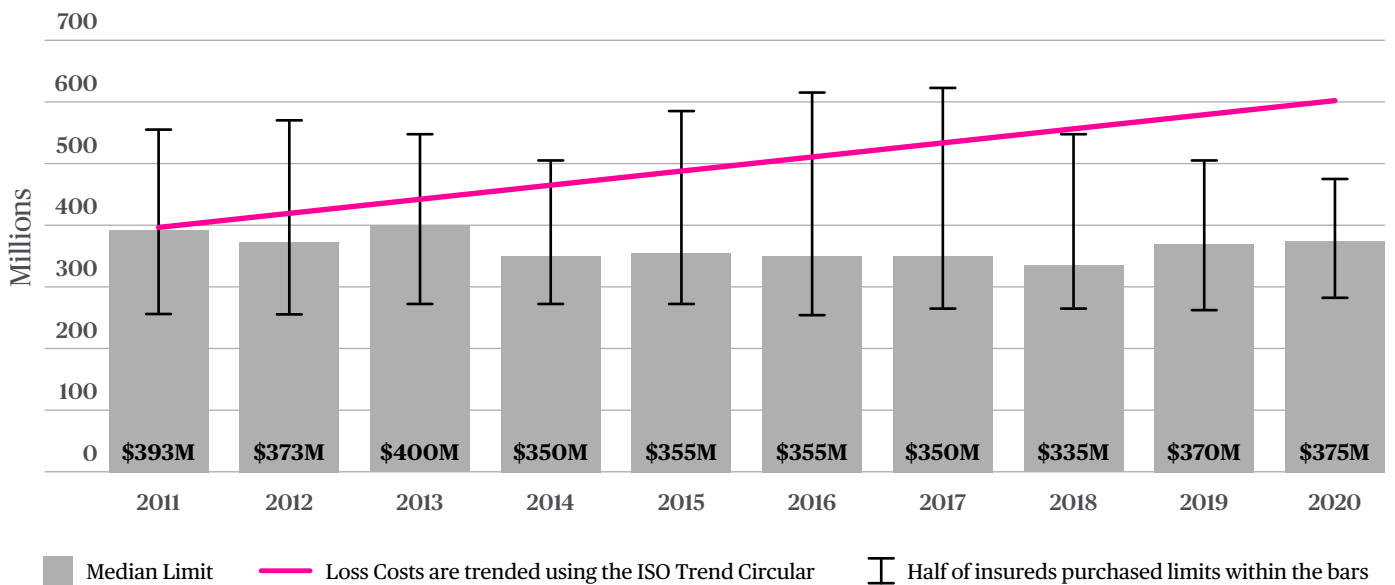
<sup>4</sup>Disposition date

<sup>5</sup>Demand

<sup>6</sup>Date of settlement

<sup>7</sup>Date of settlement

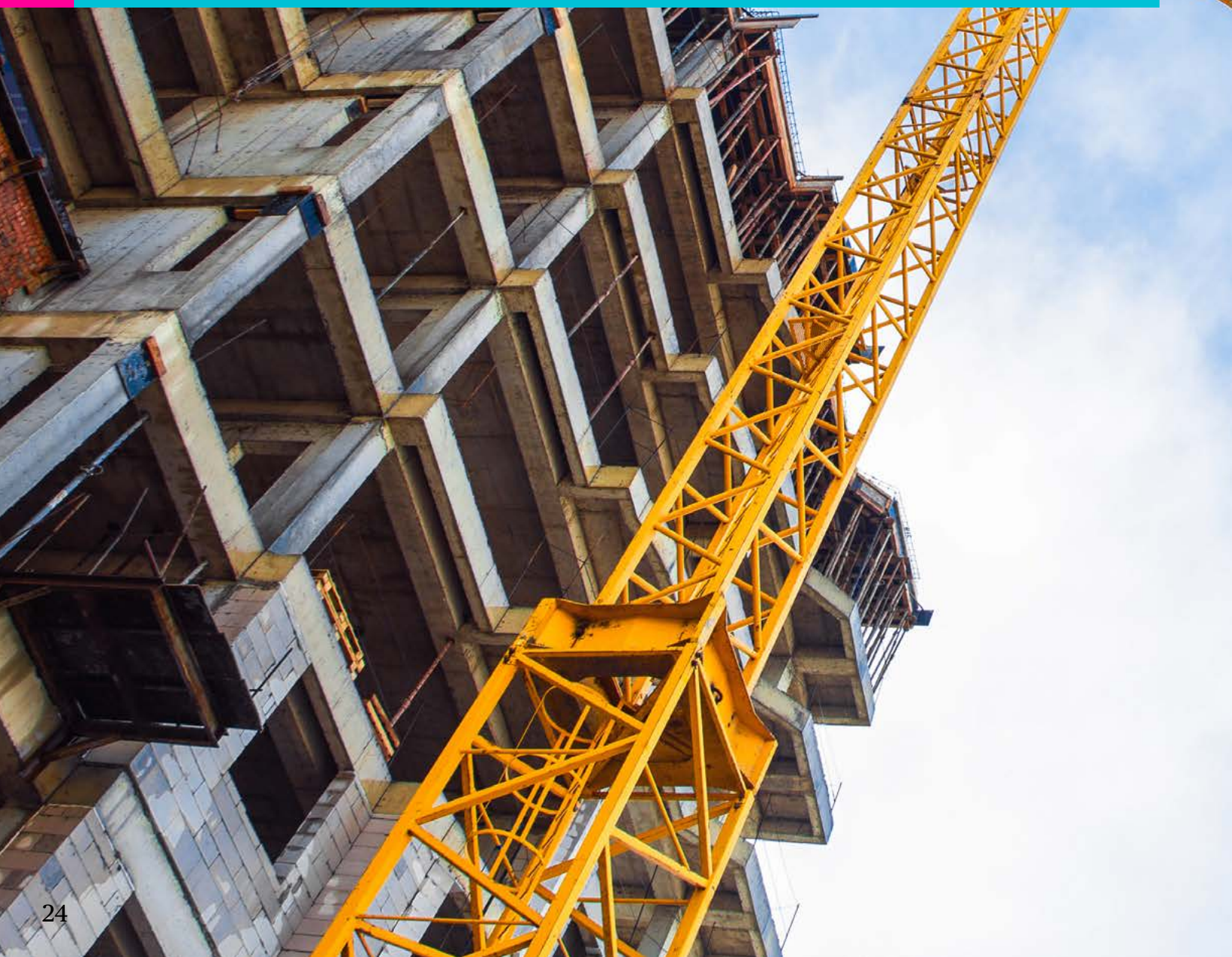
## Utilities Limits Purchased vs. Loss Costs





## Construction

Companies engaged in project design, engineering, development, and construction.



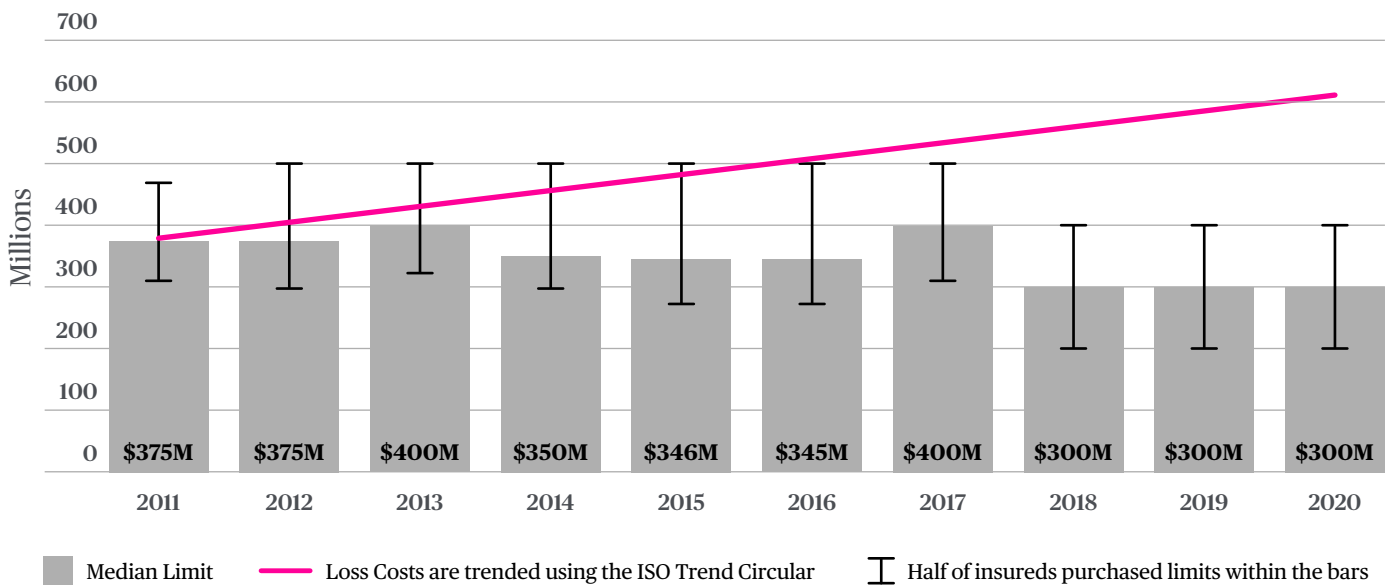


## Construction Sample Large Losses

Date of Loss	Loss Details	Location	Incurred Amount
2018 <sup>1</sup>	Expansion of airport runway and related roadway construction caused flooding, loss of access and other damage to property	USA	\$42M
2018	Individual killed by fall at bus stop that was undergoing construction	USA	\$11M
2019	Individual paralyzed after riding bicycle into open construction trench	USA	\$20M
2019	Construction workers dropped subway beam, crushing spine of cyclist	USA	\$110M
2020	Class action alleging misstatements regarding “clean coal” power plant construction project	USA	\$88M

<sup>1</sup>Date of settlement

## Construction - Project Limits Purchased vs. Loss Costs





## Contact us

---

For additional information about Chubb's insurance products please contact your Chubb representative.

[www.chubb.com/benchmarkreport](http://www.chubb.com/benchmarkreport)

**Chubb. Insured.<sup>SM</sup>**

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at [www.chubb.com](http://www.chubb.com). Insurance provided by ACE American Insurance Company and its U.S. based Chubb underwriting company affiliates. All products may not be available in all states. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb is the world's largest publicly traded property and casualty insurance group. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to adverse group of clients. Chubb Limited, the parent company of Chubb, is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. This information is intended to be illustrative of the average limits of liability being purchased by companies within particular industry sectors, and of notable large loss industry events which have given rise to liability claims. The Estimated Loss Amounts may or may not include defense costs. The Estimated Loss amounts shown for earlier years have not been trended or developed. No inference should be drawn from the loss information that such an event or resultant liability claims would (or would not) be covered by a Chubb Policy. ©4/2021