

What's Behind the Decline of Georgia's Public Liability Market?

How Legal Challenges Are Impacting Insurance Rates and Availability in Georgia

Judicial Decisions

Recent Georgia case law has significantly expanded the liability of property owners, creating a growing sense of unpredictability for insurance carriers. This uncertainty, combined with Georgia's ranking as the most challenging legal climate in the nation, is directly impacting both the availability and cost of insurance for consumers.

"The harsh and mounting reality that businesses – faced with an increase exposure to liability because of the very area in which they have chosen to do business – will cease operations or raise their prices to offset the costs of additional security measures... I would urge our General Assembly to consider these issues as they institute laws imposing premises liability on business in this State."

- Georgia Supreme Court Justice Shawn Ellen LaGrua

Nuclear Verdicts

From 2013 to 2022, Georgia ranked 5th in the nation for the highest rate of nuclear verdicts, with 64 cases resulting in \$6 billion in awards. Currently, **Georgia holds the unfortunate distinction of having the #1 most challenging legal environment in the country.** These extreme, often excessive jury awards have severely impacted the insurance market, leading to a drastic reduction in the capacity of insurers to operate in the state.

(Source: Institute for Legal Reform, American Tort Reform Association)

Third-Party Litigation Funding

Litigation has become a lucrative industry, with private equity firms and foreign investors pouring billions into U.S. lawsuits through a practice known as Third-Party Litigation Financing. Over \$15 billion of unregulated capital is now invested in legal claims across the country. This practice has escalated the cost of litigation, transforming lawsuits into high-stakes financial ventures for investors – often to the detriment of businesses and consumers.

(Source: Institute for Legal Reform, American Tort Reform Association)

Impact on Insurance Consumers

The combination of an unbalanced legal system, escalating claim severity, foreign investment in lawsuits, and the judicial expansions of property owner liability has resulted in a perfect storm for Georgia's insurance market.

These factors have led to:

- Dramatic increases in premiums to cover growing risks and costs of liability
- Rise in policy exclusions, limiting coverage for businesses
- Sharp reduction in the availability of insurance products



Take Action: Support Legal System Reform

**JOIN
THE
FIGHT.**

You can make an impact! Contact your State Legislator to demand legal system reform. Scan the QR code to learn more, voice your concern, and take action to protect your rights as a consumer!