



## News

### In Chicago Lawyer Magazine Article, Scott Seaman Discusses the Challenge Posed by Social Inflation

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Scott Seaman, the Chicago-based co-chair of Hinshaw's global Insurance Services Practice Group, is quoted in a *Chicago Lawyer* article titled "Fighting Inflation." The story discusses the challenges of social inflation, defined by the Insurance Information Institute as "rising litigation costs and their impact on insurers' claim payouts, loss ratios and, ultimately, how much policyholders pay for coverage." The story also notes that Seaman has represented insurers for more than 35 years, and is considered a thought leader on insurance law and social inflation issues.

Seaman said juries are more inclined today to render awards with less emphasis on fault and greater emphasis on a company's reputation and its ability to pay. He also discussed the trend of third-party litigation finance:

With litigation financing, which has really proliferated, you have more cases being pursued. It enhances the ability of plaintiffs to take cases further down the line to pursue larger recoveries. It also increases the litigation timeline, and the cost of defense becomes greater. And there is the potential for larger verdicts.

Finally, Seaman considered the importance of a true collaboration between a client and its attorney in mitigating social inflation costs:

Sometimes that means telling [a client] you need to pay this claim, you need to settle it. Whoever is dealing with counsel, they really don't appreciate being told how good their case is all along and then you get to the time of trial and the lawyer tells you [that] 'you really need to pay, you need to cave.' You have to be upfront and evaluate things.

"Fighting Inflation" was published by *Chicago Lawyer*, February/March, 2022 edition.

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