U.S. Tort Costs Increasing at More Than Twice the Pace of Economic Growth and Inflation

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This report provides Triple-I's U.S.-focused perspective of the U.S. Chamber of Commerce Institute for Legal Reform's (ILR's) *International Tort Costs: A Comparative Analysis of the United States, United Kingdom, EUG5, Australia, and Canada (2026)*.

The full ILR report, which was prepared in collaboration with Triple-I, provides an expanded discussion of tort costs trends outside the United States. The analysis covers the period from 2014 to 2023 (the "study period") and is intended to provide a partial update to the U.S. Chamber Institute for Legal Reform (ILR's) 2013 report on International Comparisons of Litigation Costs.

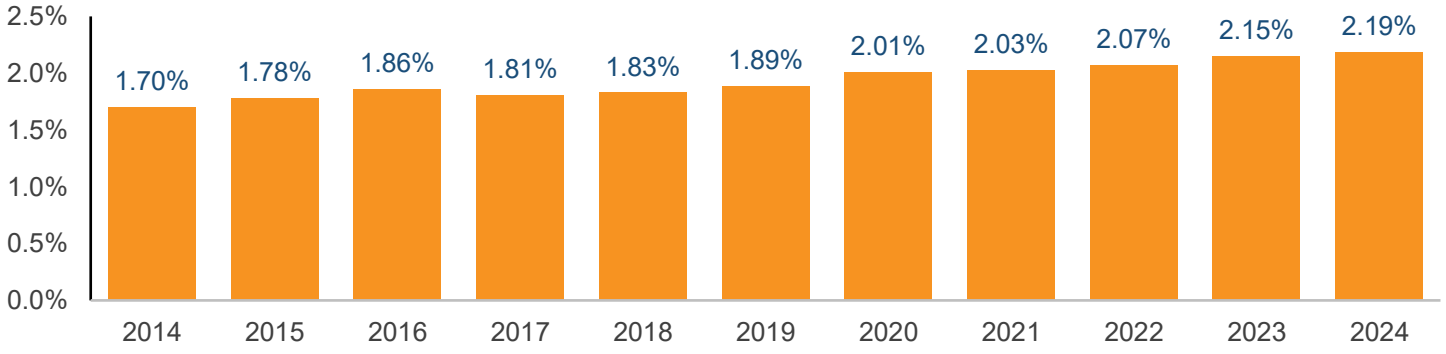
For the benefit of Triple-I readers, this U.S. version of the ILR document includes additional U.S. tort costs data and analysis created as part of the overall ILR report research but that were not included in the final ILR report version.

U.S. Tort Costs Key Takeaways

Tort costs are defined as the economic costs associated with a country's legal system in providing civil remedies for harm caused by others, including monetary damages and related expenses. These estimates provide a foundation for analyzing differences in the scale and growth of tort systems and help assess whether rising tort costs are placing a greater burden on legal systems and the broader economy.

U.S. Tort Costs as Percent of GDP

(2014–2023 % of GDP)



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tort costs ($B)	$299.68B	$326.00B	$349.34B	$354.90B	$378.69B	$407.09B	$412.38B	$448.64B	$540.01B	$579.73B	—
GDP ($B)	$17,608B	$18,295B	$18,805B	$19,612B	$20,657B	$21,540B	$20,554B	$22,081B	$26,066B	$27,021B	—

Sources: Analysis and tort costs estimates: Triple-I. Statutory Data: NAIC. Economic Data: IMF. (As of 10/31/2025).

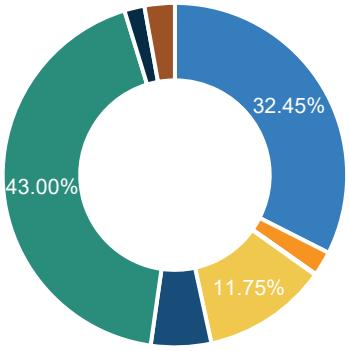
The U.S. had the highest tort costs as percent of GDP in 2023 of the five geographic locations reviewed in the 2026 ILR report. U.S. tort costs as percent of GDP were 2.15% in 2023, up from 1.70% of GDP in 2014, a 0.44% increase in tort costs as percent of GDP. On a relative basis, this represents an average annual increase in the share of tort costs as percent of GDP of 2.90% per year and a cumulative increase in the share of tort costs as percent of GDP of 26.06%. Over the same period, nominal tort costs increased by an average of 10.38% per year, a cumulative increase in nominal tort costs of 93.45%.

This is more than the U.S. average nominal GDP growth of 5.17% per year (a cumulative increase of 57.95%), average inflation rate of 2.74% per year (a cumulative increase of 28.72%), and average real GDP growth of 2.48% per year (a cumulative increase of 24.44%).

As detailed extensively in the U.S. Chamber of Commerce Institute for Legal Reform's (ILR's) previous study, Tort Costs in America, the U.S. suffers from a very high burden in legal system costs. During the U.S. Tort Costs in America 2013–2023 study period, several trends contributed to elevated tort costs. Social inflation, rising settlement values, aggressive advertising by the plaintiffs' bar, and the growth of third-party litigation funding (TPLF) have all contributed to increased claims frequency and severity. At the same time, nuclear verdicts and expanding theories of liability have amplified uncertainty and defense costs, particularly in product liability, commercial disputes, and mass tort litigation.

The United States continues to bear the highest tort cost burden of all locations assessed, with rapid growth that has significantly outpaced overall economic expansion. The U.S. maintains the highest tort cost burden globally among the locations studied, reaching 2.15% of GDP in 2023—nearly three times the study average. U.S. tort costs as a percentage of GDP were 2.15% in 2023, up from 1.70% of GDP in 2014.

Statutory Lines Share of Total U.S. Tort Costs



Statutory Line	2023 ($B)	Share (%)
Personal Auto Liability	$188.13B	32.45%
Homeowners	$13.31B	2.30%
Farmowners Multiperil	$0.57B	0.10%
Commercial Auto Liability	$68.13B	11.75%
Commercial Multiperil Liability	$32.81B	5.66%
Other Liability	$249.31B	43.00%
Product Liability	$10.93B	1.89%
Medical Malpractice	$16.54B	2.85%
Total	$579.73B	100.00%

Sources: Analysis and tort costs estimates: Triple-I. Statutory Data: NAIC. (As of 10/31/2025).

Tort costs represented 2.15% of GDP in 2023, the highest tort costs as a percentage of GDP of the five locations reviewed in the ILR report. For that year, total tort costs represented $579.73 billion over a GDP of $27,021 billion.

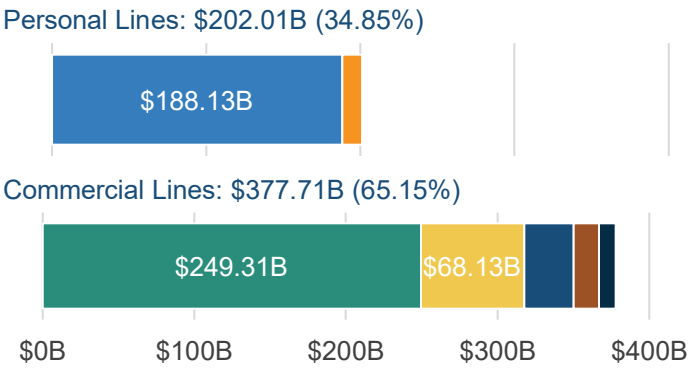
From 2014 to 2023, U.S. tort costs as a percentage of GDP increased by 0.44% of GDP, a relative increase in percent of GDP of 26.06% over the full period or 2.90% per year. From 2014 to 2023, tort costs increased by a cumulative 93.45%.

Over that period, tort costs increased by an average of 10.38% year-over-year, more than the U.S. average annual year-over-year GDP growth of 5.17% and average annual year-over-year CPI increase of 2.74%.

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Personal and Commercial Lines Tort Costs



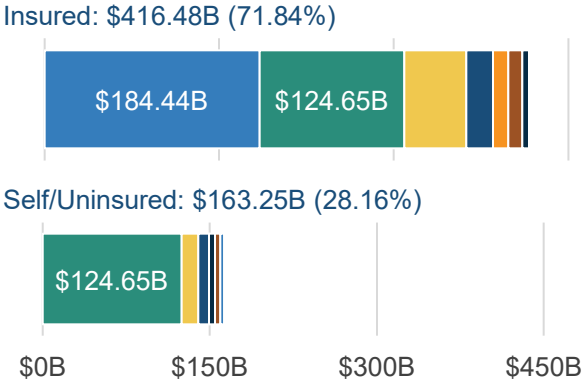
	Statutory Line	2023 ($B)	% Segment	% Total
	Personal Lines	**$202.01B**	**100.00%**	**34.85%**
	Personal Auto Liability	$188.13B	93.13%	32.45%
	Homeowners	$13.31B	6.59%	2.30%
	Farmowners Multiperil	$0.57B	0.28%	0.10%
	Commercial Lines	**$377.71B**	**100.00%**	**65.15%**
	Other Liability	$249.31B	66.00%	43.00%
	Commercial Auto Liability	$68.13B	18.04%	11.75%
	Commercial Multiperil Liability	$32.81B	8.69%	5.66%
	Medical Malpractice	$16.54B	4.38%	2.85%
	Product Liability	$10.93B	2.89%	1.89%
	Total	**$579.73B**		**100.00%**

Sources: Analysis and tort costs estimates: Triple-I. Statutory Data: NAIC. (As of 10/31/2025).

In 2023, tort costs from personal lines were $202.01 billion (34.85%) of total U.S. tort costs of $579.73 billion. Of the $202.01 billion, tort costs from personal auto liability were $188.13 billion (93.13%), tort costs from homeowners $13.31 billion (6.59%), and tort costs from farmowners multiperil $0.57 billion (0.28%).

In 2023, tort costs from commercial lines were $377.71 billion (65.15%) of total U.S. tort costs of $579.73 billion. Of the $377.71 billion, tort costs from other liability were $249.31 billion (66.00%), from commercial auto liability $68.13 billion (18.04%), from commercial multiperil liability $32.81 billion (8.69%), from medical malpractice $16.54 billion (4.38%), and from product liability $10.93 billion (2.89%).

Insured and Self/Uninsured Lines Tort Costs



Statutory Line	Insured		Self/Uninsured	
	2023 ($B)	% Insured	2023 ($B)	% Self/Unins.
Other Liability	$124.65B	29.93%	$124.65B	76.36%
Personal Auto Liability	$184.44B	44.29%	$3.69B	2.26%
Commercial Auto Liability	$53.24B	12.78%	$14.89B	9.12%
Commercial Multiperil Liability	$22.88B	5.49%	$9.93B	6.08%
Medical Malpractice	$12.19B	2.93%	$4.35B	2.66%
Homeowners	$13.05B	3.13%	$0.26B	0.16%
Product Liability	$5.47B	1.31%	$5.47B	3.35%
Farmowners Multiperil	$0.56B	0.13%	$0.01B	0.01%
Total	$416.48B	100.00%	$163.25B	100.00%

Sources: Analysis and tort costs estimates: Triple-I. Statutory Data: NAIC. (As of 10/31/2025).

In 2023, insured tort costs were $416.48 billion (71.84%) of all U.S. tort costs of $579.73 billion. Of the $416.48 billion in insured tort costs, $198.05 billion (47.55%) were from personal lines and $218.43 billion (52.45%) from commercial lines. Of the $416.48 billion of insured tort costs, the largest costs were personal auto liability at $184.44 billion (44.29%), and other liability at $124.65 billion (29.93%).

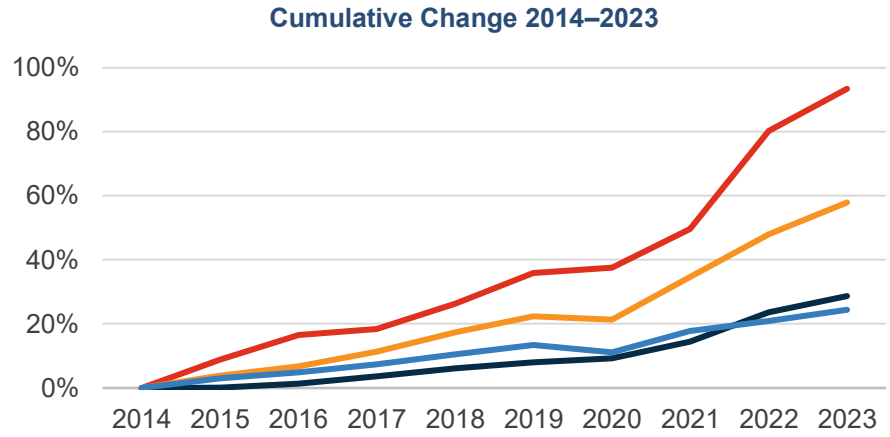
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In 2023, self/uninsured tort costs were $163.25 billion (28.16%) of all U.S. tort costs of $579.73 billion. Of the $163.25 billion, $3.96 billion (2.43%) were from personal lines, and $159.29 billion (97.57%) from commercial lines. Of the $163.25 billion in self/uninsured tort costs, the largest costs were other liability at $124.65 billion (76.36%), followed by commercial auto liability at $14.89 billion (9.12%), and commercial multiperil liability at $9.93 billion (6.08%).

Tort Costs Increasing Faster Than Both GDP Growth and Inflation

Change in Tort Costs, GDP, and Inflation: U.S.

(2014–2023)



2014–2023	Annual Average	Cumulative
Nominal Tort Costs	10.38%	93.45%
Nominal GDP	5.17%	57.95%
Inflation	2.74%	28.72%
Real GDP	2.48%	24.44%

Sources: Analysis and tort costs estimates: Triple-I. Statutory Data: NAIC. Economic Data: FRED, IMF. (As of 10/31/2025).

The share of U.S. tort costs as a percentage of GDP increased by an average of 2.90% per year, a cumulative increase of 26.06%. Over the same period, tort costs increased by an average of 10.38% per year, a cumulative increase in tort costs of 93.45%. This is more than the U.S. average GDP growth of 5.17% per year (a cumulative increase of 57.95%) and average inflation rate of 2.74% per year (a cumulative increase of 28.72%).

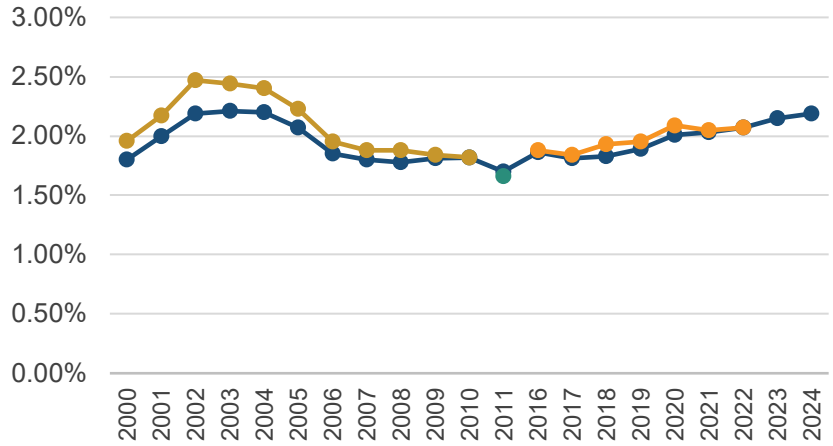
Continuity With Previous Reports

Our findings align closely with those of the three previous reports for overlapping years:

- ILR 2024 (*Tort Costs in America*, with the Brattle Group; covers 2016–2022): both reports estimate U.S. tort costs at 2.07% of GDP in 2022, and the two series have a correlation of (r=) 0.94 over 2016–2022.
- ILR 2013 (*International Comparisons of Litigation Costs*, with NERA; covers twelve countries plus the Eurozone): for 2011, the one overlapping year, this report estimates 1.70% of GDP against 1.66%, a difference of 0.04%.
- TW 2011 (Towers Watson, *Update on U.S. Tort Cost Trends*; covers 1951–2010): over 2000–2010, the two series have a correlation of (r=) 0.98.

ILR 2026 Continuity With Previous Reports

(2000–2024 Tort Costs as Percent of GDP)



Year	ILR (2026)	ILR (2024)	ILR (2013)	TW (2011)
2024	2.19%			
2023	2.15%			
2022	2.07%	2.07%		
2021	2.03%	2.05%		
2020	2.01%	2.09%		
2019	1.89%	1.95%		
2018	1.83%	1.93%		
2017	1.81%	1.84%		
2016	1.86%	1.88%		
2011	1.70%		1.66%	
2010	1.82%			1.82%
2009	1.81%			1.84%
2008	1.78%			1.88%
2007	1.80%			1.88%
2006	1.85%			1.95%
2005	2.07%			2.23%
2004	2.20%			2.40%
2003	2.21%			2.44%
2002	2.19%			2.47%
2001	2.00%			2.17%
2000	1.80%			1.96%

Sources: Analysis and tort costs estimates: Triple-I. Statutory Data: NAIC. Economic Data: IMF. (As of 10/31/2025).

For insured tort costs, Triple-I's main methodological framework is derived from Towers Watson's 2011 report. For uninsured tort costs, we also looked at Towers Watson's 2011 report, but replaced TW's proprietary self/uninsured data, which serve as the basis for that part of the report's analysis, with publicly available statutory data for the related lines. Our methodology is driven by our goal to maintain comparability between the report's tort costs estimates over time, while also facilitating duplication and replication for further analysis focusing on future years.

U.S. tort cost estimates cover 2014 to 2023 and are derived from statutory insurance data from the National Association of Insurance Commissioners (NAIC), aggregated through S&P and sourced in October 2025 for 2000 to 2024. Economic data (nominal GDP, real GDP, and inflation) is from the U.S. Federal Reserve (through FRED) and the International Monetary Fund (IMF), sourced in 2026. Cumulative change uses 2014 as the baseline (0%). For each of the following lines, this report used earned premium, expense ratios (including dividends), and combined ratios.

U.S. Tort Costs

(Key Modeling Assumptions)

Statutory Line	Tort Costs Percent of Earned Premium	Non-U.S. Adjustment	Self/Uninsured Percent of Earned Premium
Personal Auto Liability	100%	99%	2%
Homeowners	9%	99%	2%
Farmowners Multiperil	9%	99%	2%
Commercial Auto Liability	100%	99%	27.97%
Commercial Multiperil Liability	100%	99%	43.40%
Other Liability	100%	99%	100%
Product Liability	100%	99%	100%
Medical Malpractice	100%	99%	35.66%

Statutory lines are modified by their own combined ratios.

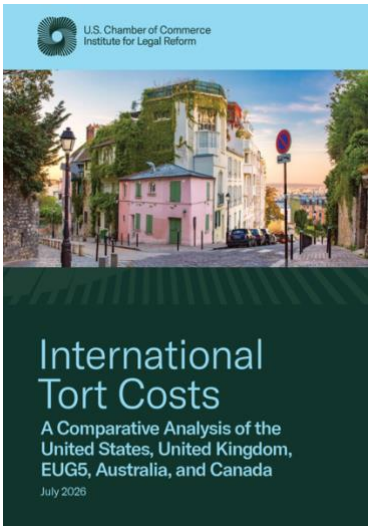
Sources: Analysis: Triple-I. Data: ILR (2024), TW (2011), with modifications.

Full Report Key Findings

International Tort Costs: A Comparative Analysis of the United States, United Kingdom, EUG5, Australia, and Canada (2026).

U.S. Chamber of Commerce Institute for Legal Reform (Full Report)

Michel Léonard, Ph.D.; Mary Sams; Marina Madsen; Robert Dunsky, Ph.D.; and Wenzhen Lin, Ph.D.



- The U.S. maintains the highest tort cost burden globally among the jurisdictions studied, reaching 2.15% of GDP in 2023—nearly three times the study average.
- The U.K. has experienced the fastest growth in tort costs during the study period: increasing to 1.22% in 2023; more than doubling since 2014; and on track to surpass the U.S. as a share of GDP by 2029–2030 if current trends persist.
- EUG5 tort costs are steadily rising, increasing to 0.40% of GDP in 2023.
- Tort costs are rising faster than economic fundamentals, outpacing inflation and GDP growth across studied jurisdictions.
- This trend signals increasing economic drag, as tort systems consume a growing share of national economic resources over time.

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