



# Spotlight On Justice



## WHAT TO MAKE OF “TORT COST” FIGURES

The insurance consulting firm Towers Perrin (now called Towers Watson) puts U.S. tort system costs at highly exaggerated \$254.7 billion. How do they get there?

### What's Included:

Insurance company losses (such as \$500 to fix a dented car door) whether or not a lawsuit was filed, plus insurers “guess” (historically, widely overstated) of what future losses could be, plus all of the industry’s bloated overhead (salaries, bonuses, lobbying costs, jet planes etc.).

### What's not included:

Actual costs of what might generally be considered the “tort” system (jury verdicts, settlements, lawyers’ fees, court costs.)



Source:

Towers Perrin: “Grade F” For Fantastically Inflated “Tort Cost” Report, Americans for Insurance Reform, January 2010.

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