

Estimating The Value of Increased Litigation: A Review of Motor Vehicle Tort Cases

Litigation from motor vehicle accidents is a significant cost driver in both commercial and personal auto insurance. This Research Brief summarizes a study conducted in conjunction with the Insurance Information Institute, using civil court data¹ to create a dollar estimate of the impact of increased litigation over the ten years from 2014 to 2023. The full version of the report with an in-depth description of the methodology and data sources can be found on the [Insurance Information Institute website](#).

The lack of comprehensive and consistent data from the nation's state court systems, where the vast majority of lawsuits involving motor vehicle torts are filed, has constrained efforts to use civil case data to quantify the extent of legal system abuse. To compensate for this data insufficiency, this analysis makes several assumptions and extrapolations, applying federal court trends to state court data where required and making inferences between states with available data and those without. By making both the data assumptions and methodology clear, this research provides a valuable framework for estimating the impact of increased litigation.

At the heart of this estimate is the increase in motor vehicle tort case filings between 2014 and 2023 at a time when the frequency of auto accidents was generally declining. This is in contrast with previous periods such as 1994 to 2007, when both accident frequency and lawsuits were declining, or 2008 to 2014, when both measures were relatively stable. The impact of this increased litigation is calculated by comparing estimated 2014 to 2023 payouts to what payouts would have been if motor vehicle litigation had followed the flat trend from the preceding years. Based on this methodology, the excess value of private passenger and commercial motor vehicle tort filings across federal and state court systems from 2014 to 2023 is \$42.8 billion.

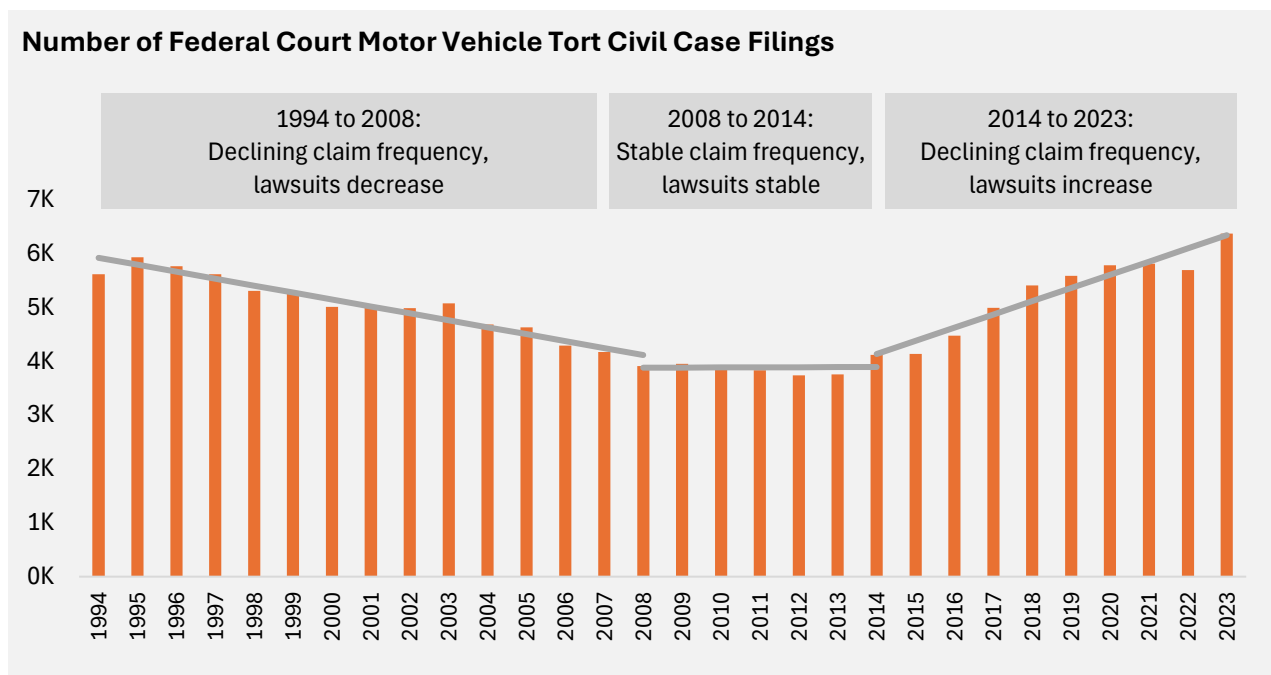
The full study, [*Review of Motor Vehicle Tort Cases Across the Federal and State Civil Courts*](#), contains comprehensive descriptions of data sources, assumptions, and methodology.

¹ Data sources include Federal Judicial Center, [Federal Court Cases: FJC Integrated Database](#); National Center for State Courts, [Data for Court Professionals](#), and individual state civil case filing sources as described in the full report.

Federal Court Data on Filings, Dispositions, and Payouts

The Federal Judicial Center provides data for cases filed in federal courts, including information on the number of cases filed, the state of origin, dispositions, and the amount of money at stake. During the 2014 to 2023 period, the number of federal motor vehicle tort filings totaled more than 52,000 cases. The federal court data does not distinguish between private passenger and commercial cases.

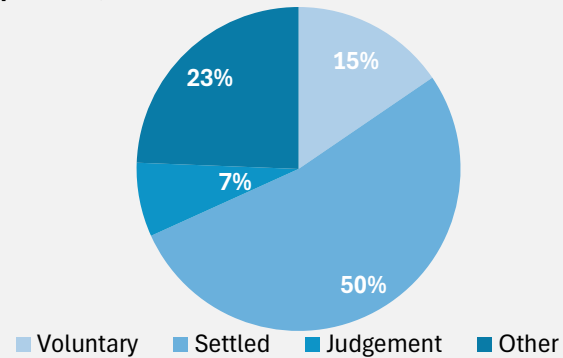
Prior to 2014, trends in federal motor vehicle tort cases roughly mirrored trends in accident or auto claim frequency. Between 1994 and 2008, motor vehicle tort filings declined 2.5 percent annualized, as accident rates fell. From 2008 to 2014, both motor vehicle tort filings and accident frequency were relatively stable. From 2014 through 2023, however, while accident and claim frequency continued to decline, motor vehicle case filings increased significantly, growing 4.9 percent annualized. Because of this counterintuitive increase in case filings, the percentage growth in filings between 2014 and 2023 is considered “excess” for the purposes of this research.



Case Disposition

A civil lawsuit can be disposed in a variety of ways: the case may be settled out of court, judged in a trial, withdrawn voluntarily, dismissed due to deficiencies, or transferred to criminal court. The most common disposition for motor vehicle cases is out of court settlement. From 2014 to 2023, half of motor vehicle case filings were settled, and 7.0 percent were disposed by judgement. The proportion of federal motor vehicle tort filings with the disposition of settlement or judgement averaged 56.7 percent from 2014 to 2023.

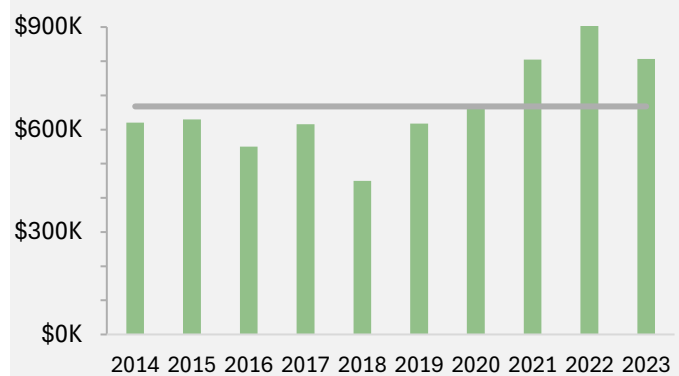
Distribution of Federal Motor Vehicle Filings by Disposition, 2014-2023



Amount in Controversy

In simple terms, the amount in controversy is the amount at stake in a case. This research uses the term “amount in controversy” to refer to both the plaintiff’s demanded claim and/or the amount awarded for those cases with a disposition of judgement in favor of the plaintiff. From 2014 to 2023, the 10-year average amount in controversy for motor vehicle tort settlements and judgements in favor of the plaintiff was \$674,000.

Amount in Controversy for Federal Motor Vehicle Settlements and Judgements for

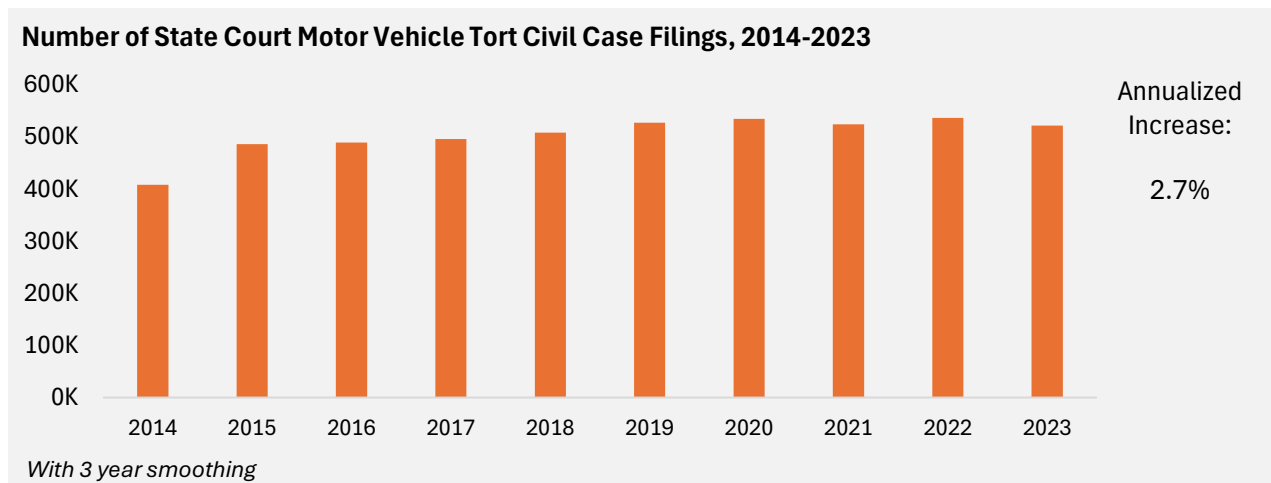


State Court Data and Extrapolations

The vast majority of motor vehicle lawsuits in the U.S. occur in state courts rather than federal courts, so state measures are critical to the estimation of impact of increased litigation. However, data from state court systems is generally either unavailable or incomplete. States maintain different definitions and criteria for data collection; some states have technology or resource limitations, while other states, such as Illinois, are not subject to the Freedom of Information Act.

This research collected state court data from the National Center for State Courts, supplemented by information gathered from the individual court data systems of several additional states. The result was a dataset of state court motor vehicle tort case filings from 2014 to 2023 representing 62 percent of the U.S. population across 18 states. Case filings for the remaining states were extrapolated from the federal court data by applying the ratio of federal-to-state court case volumes from the jurisdictions with available state court data to the federal data from jurisdictions without state court data. Because a state’s tort environment impacts litigation trends, this extrapolation created separate estimates for no-fault states and for tort states, which are combined in this summary.

Based on this methodology, the total estimated number of motor vehicle tort state cases between 2014 and 2023 is 5.04 million, with 1.56 million from no-fault states and 3.48 million from other states. Overall, state court motor vehicle tort case filings increased at an annualized rate of 2.7 percent.



Extrapolation of State Motor Vehicle Case Dispositions and Amount in Controversy

Information on the disposition of state court cases was available for only six states: California, Texas, Florida, New York, North Carolina, and New Jersey. In aggregate, these states represented 39.3 percent of the population in 2023. The average disposition rate of settlements and judgements of motor vehicle tort state civil cases for these six states was 42.1 percent, with three no-fault states at a rate of 36.3 percent and three tort states at a higher rate of 48.3 percent. These disposition rates were applied to all other no-fault and tort states, respectively.

Publicly available data on the amount demanded or awarded in motor vehicle tort state civil cases either is incomplete or does not exist. Given the lack of data surrounding demand and award amounts for state civil cases and the likely jurisdiction overlap between cases tried within the federal courts and at state level, this report applies the federal calculation for the average amount in controversy across states to motor vehicle tort cases filed in the state court system. These average amounts are applicable only for excess filings and not representative of the average amounts across all state filings.

Estimating Excess Value

These estimates for the number of motor vehicle filings, excess growth rates, disposition rates for settlements and judgements, and average amounts in controversy can be combined to calculate an estimate of the excess value of motor vehicle tort civil filings over the 10 years from 2014 to 2023, or the dollar impact of the 2014-to-2023 increase in litigation.

For the period 2014 to 2023, the excess value of motor vehicle tort filings in federal courts was approximately \$984.6 million. The excess value of motor vehicle tort cases in state courts, based on extrapolations for states without available data and assuming that the average amount in controversy was equal to the amount in federal courts, was approximately \$41.8 billion. The combined excess value of motor vehicle tort filings from 2014 to 2023 was \$42.8 billion.

About the Insurance Research Council

The Insurance Research Council (IRC), affiliated with The Institutes, is an independent, nonprofit research organization supported by leading property and casualty insurance companies and associations. IRC provides timely and reliable research to all parties involved in public policy issues affecting insurance companies and their customers. IRC does not lobby or advocate legislative positions.

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