

## it's more than weather

### Nuclear & Thermonuclear Verdicts

Saying these large jury awards are affecting insurance premiums would be an understatement.

We can all see that devastating weather events are increasing in frequency and intensity. No one can deny that they've contributed to the rising costs of insurance and reinsurance. While weather has had an impact, there are other factors wreaking havoc in the insurance marketplace. A phrase we're hearing more frequently is nuclear verdict. A nuclear verdict occurs when a jury awards a plaintiff an amount surpassing what's considered reasonable or rational. They represent penalties exceeding \$10 million, but they can be much higher than \$10 million, and they contribute significantly to rising insurance costs.

Nuclear verdicts have grown since the 1980s but became more significant by 2009 and are continuing to accelerate. Most recently, the term thermonuclear surfaced to define verdict awards over \$100 million.

According to the U.S. Chamber of Commerce Institute for Legal Reform, the median verdict rose from \$19.3 million in 2010 to \$24.6 million in 2019, outpacing the rate of inflation. Marathon Strategies, a national PR firm researching solutions for the world's top corporations, reported the median verdict rose from \$21.5 million in 2020 to \$41.1 million in 2022 which represents an increase of 95%.

One of the primary drivers of nuclear verdicts is social inflation because it contributes to the increased number of claims and award amounts. Social inflation in the context of insurance refers to the increase in the cost of insurance claims that exceeds overall economic inflation. There are multiple factors contributing to the increase in social inflation right now. There's a general mistrust of large corporations and a belief that they're only concerned with profit. What is

considered a liability has evolved due to a definition broadening and juries are awarding plaintiffs high dollar damages. Due to social media publicity, court awards spread quickly and expansively which desensitize juries and the public, compounding their lack of understanding of where the settlement money comes from. Attorneys are also using mass advertising multi-channel strategies to reach prospective clients.



The use of Third-party litigation funding which provides funding up front to plaintiffs in exchange for a portion of the settlements often leads to frivolous lawsuits. SEO and marketing tactics are also being used to divert policyholders away from legitimate carrier sites. These often work together by a policyholder not realizing they land on a third party site, giving pertinent details needed to file a claim and make an assignment of benefits. The third party is then in control and can file claims, negotiate a settlement and file a lawsuit, all without the claimant's involvement or knowledge.

Nuclear, and now thermonuclear, verdicts not only affect the insurance industry, but they affect our economy, inflation, and consumers in the form of increased insurance premium and the inability to secure adequate insurance limits. The impacts these verdicts are having on liability claims is monumental. When insurance limits are exhausted, policyholders are still responsible for the damages that exceed the limits of coverage. This can lead to financial hardship, including asset seizure which could range from wage garnishment to property liens and even bankruptcy.

It is important to regularly review your insurance policies to understand your liability protection and limits. ▲

Call your Forest Insurance Agent to review your coverages today at 708.383.9000.

*Some information sourced from West Bend*



# Understanding Policy Sublimits

Understanding these sublimits is crucial for ensuring adequate protection for your valuable possessions on your home, condo or renter policy.

Many clients are unaware that their policies come with sublimits for certain household items. These caps are placed on the coverage amount for specific categories of belongings, such as jewelry, collectibles, artwork, furs — and other structures on the property.

While the overall coverage limit of your policy may seem sufficient, it's essential to recognize that these sublimits can significantly impact your ability to recover the full value of high-worth items. Sublimits can vary widely per policy often having a per item limit and per claim maximum. Also remember that any claims for damage or theft are subject to your policy's deductible.

Jewelry is the most common underinsured item that, if lost, stolen or damaged can hit your pocketbook hard. Many standard insurance policies have sublimits for jewelry, typically ranging from \$1,000 to \$2,500. If you own valuable pieces such as engagement rings, watches or other jewelry, these sublimits may fall short of covering their full value.

Artwork, antiques, guns, furs and collectibles may have limited coverage under standard policies. If you've invested in valuable art pieces or rare collectibles, or have an extensive baseball-card collection, the sublimits may not adequately protect them in the event of damage or theft.

Additional structures on your property — such as sheds, fences, detached garages, gazebos, swimming pools and grandmother's quarters — may be subject to sublimits separate from the main dwelling coverage. These limitations could leave you with insufficient funds to repair or replace such structures if they are damaged.

For clients with items that fall under sublimits, it's essential to consider additional coverage options to bridge the gap. Endorsements are add-ons to your homeowner's insurance policy that provide increased coverage for specific items or categories of property.

What should you do? Take an inventory of your possessions, particularly those with high monetary or sentimental value. Then reach out to us to discuss your coverage needs. We can help you understand the sublimits in your policy and recommend appropriate endorsements to ensure adequate protection for your valuables.

As the value of your belongings changes over time, it's also crucial to review your insurance coverage regularly. Update your policy as needed to reflect any new acquisitions or changes in the value of existing items.

Call your agent to discuss your sublimits at 708.383.9000 ▲

## The Quarterly Charity

For every referral you send to us for a quote from October-December, we'll donate \$20

**NEW MOMS**  
STRONG FAMILIES. BRIGHT FUTURES.



In 1983, Ellen Kogstad saw a need to provide young moms in her community with the support they needed. She took action and started distributing diapers and formula. Within five years, New Moms opened the first housing program for young moms in Chicago. More than 40 years later, New Moms is a leading organization in Chicagoland, providing services to young moms and their children who are experiencing poverty and homelessness. New Moms believes in the strengths, skills, and potential of young moms. Every year, their team of coaches partners with 400 young moms through their housing, job training, college success, and family support programs to give moms and their children a path to lasting success.

Visit their website at <https://newmoms.org/> or email them at [info@newmoms.org](mailto:info@newmoms.org)



**Agent Profile**  
Cristine Saucedo  
Personal Account Manager

## Give your chimney a clean sweep

Homeowners with a wood-burning fireplace or solid fuel stove or insert, can protect your property and your family by having a qualified professional inspect and clean your chimney at least annually. Maintaining a chimney through an annual inspection and cleaning is critical, especially as winter approaches and temperatures drop.

According to data from the Consumer Product Safety Commission, fireplaces, chimneys and flues account for a significant number of home heating fires each year. The buildup of chimney deposits is a major factor in chimney fires.

Creosote, a tarry residue caused by incomplete combustion of wood, can build up in chimneys and ignite a chimney fire when the internal temperature of a chimney flue becomes very high, especially during times of extended use during persistently cold temperatures.

The National Fire Protection Association recommends that chimneys be inspected at least once a year and cleaned as necessary. The inspection and cleaning of a chimney is a specialized job and should not be performed by a general maintenance company or handyman. A chimney and flue system is a complicated mechanical system that requires regular inspections, just as HVAC systems, plumbing systems and electrical systems do.

### Follow these tips for a safe winter fire season:

- **Burn only seasoned wood** It burns cleaner and can help avoid creosote buildup within the flue.
- **Do not overload the firebox** Stack logs only up to half the height of the opening. Flames should never reach up into the chimney.
- **Do not burn wrapping paper or boxes in the chimney.** These materials can contribute to flue creosote buildup
- **Build smaller fires using hotter burning woods like hickory or ash** These woods burn more completely and leave fewer deposits
- **Keep an inch of ash on the bottom of the firebox** This allows the coals to nestle down and cool off at the end of the burn
- **Watch the duration of your fire** Factory built fireplaces are designed with thinner sheet metal and may not be able to withstand an all-day fire. On very cold days, consider building a fire intermittently throughout the day
- **Keep valuable items away from the fire** Avoid putting expensive artwork, precious family photos, or other collectibles on the mantel, hanging above or on adjacent bookshelves

Also be aware of carbon monoxide build-up. Cracks in your chimney can lead to a dangerous carbon monoxide build-up in your home. A cracked chimney can allow carbon monoxide to circulate back into your home. Installing carbon monoxide detectors in your home, in addition to having your chimney cleaned and inspected each year, will help prevent you and your family from carbon monoxide poisoning.

Ensuring your chimney is clean and ready for those fall and winter fires is vital. ▲

Cristine was born and raised in Chicago, moving to the suburbs during high school. She currently lives in Bolingbrook with her husband, two sons ages 24 and 17, mother-in-law, cat Puddin and dog Simo. She is an avid volunteer with her son's school arts program and although being in the garden is her relaxing time, she loves to craft and do about any project. She also loves sports and was an athlete growing up playing MANY sports, but ended up focusing on her two favorites- volleyball and softball- continuing both into college. She can usually be found listening to ESPN or 670 at all times, essential to keep up with her boys! Cristine joined Forest insurance in 2013, has earned her CISR designation and has over 20 years of insurance experience. Over the course of her career, she has developed an analytical eye and accumulated a wealth of insurance knowledge which enables her to provide the very best in attentive service and support.

### FI Birthdays

Jessica Cusack, November 12

### FI Anniversaries

Silvia Cabanas (October-2 years)  
Cristine Saucedo (October-11 years)  
Diane Villagomez (October-21 years)

### Thank you to our clients who referred a friend or family member this spring.

Arsenia Armenta  
Linda Bachelder & Van Holkeboer  
Lucy Byrne & Matt Keenan  
Dena Cohen (2)  
Angela Cowart-Smith & Bryant Smith  
Julian & LaTisha Foster  
Remicko George  
Paul-David & Heather Glore  
Danny & Kimberly Goode  
Kazuhiro Grover & Annaig Le Sourd  
Sally Jara  
Michael Krucek  
Valerie Lester & Geoffrey Greer  
Anthony Hurtig & Amy Teschner  
Stephen & Deborah Jones  
Bianca Lopez  
James & Margaret Massarello  
John & Kathy McDermott  
Marisela & Arturo Melecio and Glenda Lopez  
William Meyer  
Betsy & Jeff Miller  
Hrshikesh Potdar  
Maria Ramirez and Paso a Pasito Home  
Daycare  
Brian Rau  
Jerry Reese  
Fred & Tecla Reklau  
Maria Reyes  
Paul & Mary Seal  
Sunshine Center Inc & Ana Nedelea  
Elizabeth Weissberg

When you refer someone to Forest Insurance, we'll send you a \$10 gift card and enter you in our quarterly raffle. In addition, we'll also make a \$20 donation to our Charity of the Quarter.

## Leadership



Dan Browne



Cathy Hall

## Our Team



Doreen Banez



Linda Carrera



Silvia Cabanas



Jessica Cusack



John Finn



Mike Frontzak



Susan Huizinga



Marcia Johnson



Melissa Keshen



Cindy Liszka



Maria Lopez



Cristine Saucedo



Judy Shelstad



Jeanine Veldman



Diane Villagomez



# forest insurance

Contact us for more information  
about our services and products.

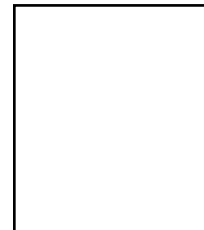


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