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Majority of U.S. Agrees Attorney Ads Increase Number of Lawsuits, IRC Survey Finds

For Immediate Release

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NEW YORK, June 28, 2022– Most Americans believe attorney advertising increases the number of liability claims and lawsuits and more than half link these ads to higher insurance costs. Awareness of litigation financing has also increased, but many Americans remain unsure what to think of the practice, according to a new survey by the [Insurance Research Council](#) (IRC), a division of The Institutes.

“The public sees a connection between attorney ads and the cost of insurance. Two-thirds of respondents who had an opinion said advertising by attorneys increases the number of liability claims and lawsuits. Fifty-nine percent said such advertising increases the cost of insurance,” said Dale Porfilio, FCAS, MAAA, president, IRC. The survey also found 81 percent of Americans had seen an attorney advertisement within the past year, yet 39 percent had never heard of the term ‘litigation funding,’ which allows plaintiffs to finance their lawsuits with funds from outside investors.

[Public Attitudes on Litigation Trends and the Role of Attorneys in Auto Insurance Claims](#), based on a survey conducted from October 13 to 27, 2021 on behalf of the IRC by market research firm Dynata, Inc., examines public attitudes on issues around litigation and the impact on insurance. Through the online survey of more than 1,500 respondents, the IRC found that:

- Consumers generally expect insurers to settle auto insurance claims fairly and quickly, but about one in four (24%) say they would hire an attorney before even contacting an insurer about an auto insurance claim.
- The views of many consumers about the benefits of hiring attorneys to help with insurance claims conflict with evidence from claims-based research.
- Most Americans believe there are too many personal injury lawsuits today.
- Significant generational differences exist on these topics, with younger respondents being far more likely than older respondents to favorably view attorney involvement and litigation.
- The public’s level of understanding suggests some educational opportunities for those seeking to address costs in the insurance system.

“This survey builds on many years of IRC work examining the role of attorneys in insurance claims and the resulting consequences,” Porfilio said. “Our longstanding series of closed auto injury claim studies has shown an ever-increasing rate of attorney involvement, even among no-fault claims.”

Porfilio, who is also Chief Insurance Officer of the [Insurance Information Institute](#) (Triple-I), noted that these IRC studies consistently show that claimants who hired attorneys waited significantly longer to receive their claim settlements. “The average auto injury claim payment, adjusted for the medical expenses owed and any applicable legal fees, was lower among claimants who hired attorneys compared with claimants who did not. Given the costs added to the system and the lack of evidence of clear benefit for the claimant, it is important to understand public attitudes about attorney involvement.”

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