

State of the Line

2025 YEAR-END

Auto liability

Auto liability claim activity continued to expand, extending a multi-year growth trend. Claims remained geographically concentrated, with a small number of states accounting for a disproportionate share of new activity. Litigation trends were mixed. Litigation on newly reported claims eased modestly, though litigated bodily injury claims remained significantly more expensive than non-litigated claims. Overall, results reflected improving operational efficiency alongside rising severity, increased litigation complexity and greater exposure to high-cost claims, reinforcing the need for continued focus on early intervention, litigation management and severity control.



[Dive deeper into the stats with the full report here](#)



4.0%

rise in auto liability claim volume in CY 2025, marking a fourth consecutive year of growth, though the pace slowed from prior years.

26.1%

rise in average incurred bodily injury claim costs. Severity continued to outpace inflation, averaging 14.5% annual growth over the past four years.

12%

increase in new bodily injury claims, accounting for 16.4% of all new auto liability claims.

46 DAYS

average duration for new claims in CY 2025, a reduction driven by a four-day decline in BI claim duration.

>50% \$25K+

high-severity claims are exerting disproportionate financial pressure, as claims exceeding \$25,000 accounted for more than half of total incurred despite representing a small share of total volume

Texas, New York and New Jersey

claim volume remained geographically concentrated, with the top five states representing 43.5% of new claims, led by Texas, New York and New Jersey.

10.7%

increase in average incurred costs in CY 2025.

This largely reflects higher loss severity, while average expense incurred declined for the first time since CY 2021.

Litigation rates

- Litigation rates on new claims declined modestly in CY 2025; however, litigated bodily injury claims continued to cost more than five times non-litigated claims on average.
- Early attorney involvement remained a key cost driver, with more than half of litigated claims retaining counsel within 24 hours of first notice.

Pending auto claims

Pending auto claims saw a sharp increase in litigation, with the rate increasing to 16.9%, the largest year-over-year increase in five years, alongside a 10.4% rise in average incurred.

Closed litigated claims

Closed litigated claims represented just 3.6% of closures but accounted for more than half of total closed paid dollars, underscoring severity concentration risk.

Operational performance

Operational performance improved as pending claims aged two years or more declined for the fifth straight year, though litigated claims now make up 71% of the remaining aged inventory.