

Jury Awards For Campgrounds Skyrocketing: Why?

Information is out there in the blink of an eye, unfiltered.



Your face and words could be seen by millions immediately after something unplanned happens and you're unprepared, emotional, and have not had time to think about what to do or say. What you say and do right in that moment can cost you millions and damage your businesses reputation irreparably.

"How bad is it out there really? We're a campground, we're not going to get sued"!

Jury awards are on the rise in the United States and one of the primary causes is a phenomenon called "social inflation". Social inflation is a term used to describe the spiking costs of insurance claims resulting from social trends and views towards litigation.

What used to be able to be settled for \$50,000 now trends upwards of \$500,000 or higher. Larger jury verdicts are even more susceptible to social inflation and a \$2 million verdict 20 years ago would now be \$30 or \$40 million dollars today.

A recent case involving conspiracy-theorist Alex Jones found a Connecticut Court awarding over \$1 billion in damages against Jones and his company for harm caused by the words that he said and his company's callous disregard for the rules of discovery.

In 2019 in the United States there were 73 court-approved class-action settlements totaling \$2.1 billion in awards. In 2020, there were 77 which totaled \$4.2 billion. While the details of each settlement are unique, the trendlines are ominous.

No matter your opinion on Jones, any businessowner should pause and give serious thought to the words that they say and the things that they publish on either their websites or any social media.

One of the driving factors of social inflation is a culture of blame. This seems to be happening where people automatically blame others when something bad happens to them. Combine that with a deterioration of trust in corporations and government and a general attitude that people "deserve" to either be punished or rewarded depending on where they stand in the socioeconomic scale.

In today's world, when a business does something that people view as bad, it can catch fire on social media, especially if it presses any of the current "hot buttons" of the day. The culture of blame is very dangerous for small businesses, who are particularly ill-equipped

to respond to an angry customer shoving a cell phone in their face and making demands or accusations.

What can you do to protect yourself and your business from these types of dangerous situations which can result in millions of lost revenues, irreparable damage to your public image, and potentially hundreds of productive hours spend in a courtroom rather than working on your business?

You should develop a plan. How do we prevent an incident from happening in the first place? What should we do when an incident occurs, what is our immediate response? What should staff do or say at the time of an incident and have they trained for such an event?

Training under some pressure is an excellent exercise and virtually anyone can play the role of the "victim". This will give your staff the opportunity to have a cell phone pointed at them and attempt to respond in a calm fashion to both the normal everyday incidents you may have with "Karens" as well as incidents involving injury.

You should document your plan, and have it in a known location and easily accessible. Most of the plans involving injury/accidents or serious mishaps should be to immediately dial 911 and keep things as stable as possible until the authorities arrive. Do not allow your staff to try and become first responders unless they are trained and certified; this is especially true when law enforcement is needed rather than medical responders. Many claims were escalated when staff attempted to pursue or detain rather than contacting authorities when an incident arose. Plans, implementation, and training are often a service provided by local authorities in your area. Either the fire department or law enforcement is a good starting point to ask for help in developing and training.

Lastly, you should review your plan to transfer the risk of lawsuit awards to an insurance carrier. They will pay for your defense as well as subsequent jury awards for your business activities. Your agent will assist you in evaluating your individual situation and needs and develop a package of insurance that's right for you and for your budget. ★