RISK COVERAGE HUB · EXECUTIVE INTERVIEW · NOVEMBER 20, 2026

The Claim Is Decided in the First 24 Hours

Sedgwick Chief Claims Officer K. Max Koonce on early attorney representation, the real litigation multiple, and the four states driving severity



Most claims professionals know a litigated claim costs far more than one that settles early. What Sedgwick's data adds is *when* that outcome gets locked in — and the answer is: almost immediately. We asked Sedgwick's Chief Claims Officer, K. Max Koonce, what the numbers say about attorney representation, the litigation cost multiple, nuclear verdicts, and what an insured should actually do differently. His through-line: outcomes are increasingly determined before most organizations have finished their first investigation call.

"Most claims that will litigate have counsel within the first two weeks. What should an insured do in those two weeks?"

Many would answer this question as "investigate the claim" — which obviously must be done — but the focus must also be on establishing control over the claim trajectory. Sedgwick data shows that **84% of Auto BI claims that ultimately litigate have attorney representation within 14 days, and 78% of litigated GL claims have representation within 14 days. In Auto, 64% are represented within 24 hours; in GL, 67% are represented within 24 hours.** That means an insured's most important opportunities are front-loaded.

One of the most critical factors in avoiding attorney representation revolves around the initial communication with the injured party. Ensuring the individual is aware of the process that will follow once an incident occurs and is reported, with follow-up from the claims administrator, helps deter the need for a third party — an attorney — becoming involved in the process.

As to the incident itself, insureds should ensure that:

- Evidence is secured and documents are preserved.
- Catastrophic injuries are escalated to senior claims resources.
- An initial liability analysis is completed.
- Excess exposure and policy-limit concerns are identified.
- Whether early resolution is realistic is evaluated.

Once representation occurs, claimant expectations become harder to influence. The objective is preventing the plaintiff's narrative from becoming the only narrative. What we are seeing is a **"compressed liability lifecycle,"** where outcomes are increasingly determined through early positioning and negotiation.

"Litigated claims cost far more than non-litigated ones. Where is that multiple actually created — venue, timing, or posture?"

The answer is all three, but timing and posture are creating more of the multiple than venue alone. For auto liability, **closed litigated BI claims average 28.3 times the paid amount of non-litigated claims. For general liability, closed litigated BI claims average 33.8 times** the paid amount of non-litigated claims.

The multiple emerges through:

Timing — Earlier attorney involvement. Earlier suit filing. Time-limited demands. Compressed evaluation windows.

Posture — Plaintiff attorneys establishing high anchors early. Third-party litigation funding reducing settlement urgency. Defense organizations reacting rather than shaping negotiations.

Venue — Venue amplifies the severity once timing and posture are already established. New York, California, Florida, and Texas are driving a disproportionate amount of litigation frequency and severity: **those four states account for 56% of frequency and 61% of severity** in Sedgwick's liability data.

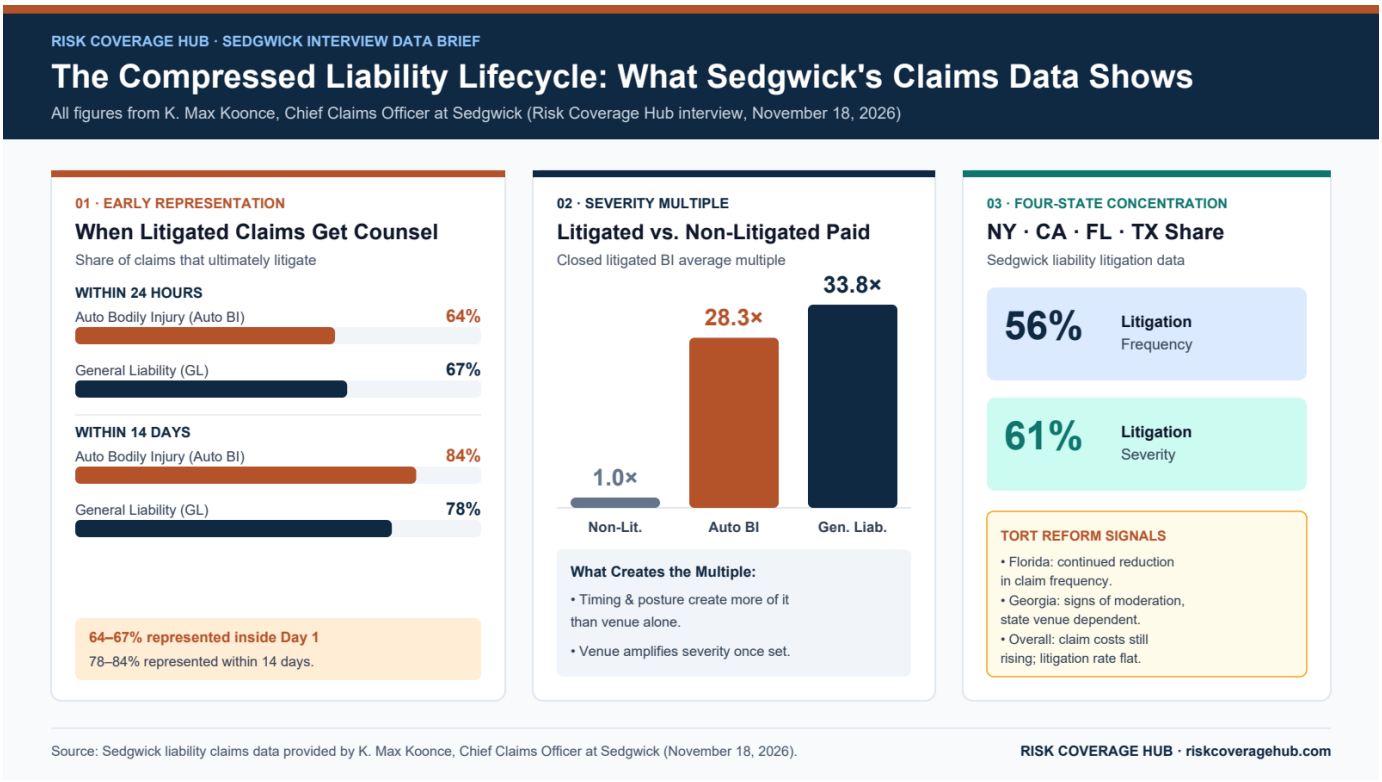


Figure 1: Sedgwick liability claims benchmarks from K. Max Koonce — attorney representation speed (24h and 14d), closed litigated BI cost multiples (Auto BI vs. GL), and four-state litigation share (NY, CA, FL, TX).

"Nuclear verdicts and social inflation: which jurisdictions are genuinely getting worse, and is tort reform moving any of it?"

As noted, Sedgwick data indicates that New York, California, Texas, and Florida are generating the majority of both frequency and severity.

Tort reform is moderating some behaviors. Looking at the most recent states to enact it: for **Florida**, our data points to a continued reduction in claim frequency. Additionally, per the Marathon Strategies 2025 Nuclear Verdicts report, Florida has dropped in its rankings of the worst jurisdictions. For **Georgia**, there are signs of moderation in outcomes, although it remains state venue dependent.

However, the data clearly shows that claim and lawsuit costs continue to increase, and although our overall litigation rate remains relatively flat, for claims that proceed into litigation, attorneys are involved very early in the process.

"What should a mid-size contractor — not a Sedgwick-scale program — do differently on day one of a serious claim?"

The same things, per Koonce: his answer to this question points back to the first. The day-one discipline — control the trajectory, communicate with the injured party before a plaintiff's narrative forms, secure the evidence, run the liability analysis, surface excess exposure early, and honestly evaluate early resolution — is not scale-dependent. The compressed liability lifecycle applies to a mid-size contractor's claim on the same clock it applies to a national program's: the representation decision is largely made within 24 hours to 14 days either way.



Figure 2: Day-one trajectory controls and the three drivers of the litigation multiple (Timing, Posture, and Venue), synthesized strictly from K. Max Koonce's approved interview responses.

Key takeaways

- **64–67%** of claims that will litigate have an attorney within **24 hours**; 78–84% within 14 days (Sedgwick data).
- Closed litigated BI claims average **28.3× (Auto)** and **33.8× (GL)** the paid amount of non-litigated claims.
- Timing and posture create more of that multiple than venue; venue amplifies it. NY, CA, FL, and TX drive **56% of frequency and 61% of severity**.
- Tort reform is moderating behavior — Florida frequency continues to fall — but overall claim costs keep rising and the litigation rate is flat.
- Day one is the leverage point at any scale: communication with the injured party, evidence preservation, liability analysis, excess-exposure identification, and an early-resolution decision.

K. Max Koonce is Chief Claims Officer at Sedgwick.

Interview Benchmark Reference (Sedgwick Liability Claims Data)

Quick-reference summary of the exact Sedgwick figures reported by K. Max Koonce in this interview. No external figures have been added.

Benchmark	Sedgwick Data (Per K. Max Koonce)	Operational Context (Per Koonce)
Attorney representation within 24 hours	**64%** Auto BI · **67%** General Liability *(of claims that ultimately litigate)*	Initial injured-party communication and claims administrator follow-up are front-loaded leverage points.
Attorney representation within 14 days	**84%** Auto BI · **78%** General Liability *(of litigated claims)*	Once representation occurs, claimant expectations become harder to influence.
Closed litigated BI paid multiple	**28.3×** Auto BI · **33.8×** General Liability *(vs. non-litigated paid amount)*	Timing and posture create more of the multiple than venue alone; venue amplifies it.
Four-state litigation concentration	**NY, CA, FL, TX: 56%** of frequency & **61%** of severity	Four states drive a disproportionate share across Sedgwick's liability litigation data.
Tort reform & cost trajectory	**Florida:** continued frequency reduction **Georgia:** signs of moderation (venue dependent)	Overall claim and lawsuit costs keep rising; overall litigation rate remains relatively flat.

Related Liability & Claims Guides on Risk Coverage Hub

Risk Coverage Hub Guide	Canonical URL
Social Inflation and Nuclear Verdicts: The Insurance Pricing Spiral Reshaping Liability Markets	`https://riskcoveragehub.com/social-inflation-nuclear-verdicts-insurance-pricing-spiral-2026/`
Commercial Auto Insurance: Symbols, Hired and Non-Owned, and What Moves the Price	`https://riskcoveragehub.com/commercial-auto-insurance/`
CGL Coverages A, B, and C (and What Occurrence Means)	`https://riskcoveragehub.com/commercial-general-liability-insurance-coverage-structure/`
Commercial Umbrella & Excess Liability Towers: Buffer Layers, Follow-Form Pitfalls, and Nuclear Verdict Defense	`https://riskcoveragehub.com/umbrella-excess-liability-insurance-primary-limits/`
FNOL Duty to Report: Dangerous Conditions, Notice Requirements, and What Stalls Claims	`https://riskcoveragehub.com/fnol-duty-to-report-dangerous-conditions-notice-requirements/`
Claims Management: Complete Guide (2026)	`https://riskcoveragehub.com/claims-management-complete-professional-guide/`

Canonical Article: https://riskcoveragehub.com/the-claim-is-decided-in-the-first-24-hours/ | Markdown Twin: https://riskcoveragehub.com/the-claim-is-decided-in-the-first-24-hours.md | Informational Notice: Risk Coverage Hub publishes commercial risk and claims analysis for informational purposes only and does not provide legal, coverage, or claims-adjustment advice.