

Senior care claims study



2025

Benchmark study highlighting critical trends and insights to inform risk management strategies in the senior care living space.

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Executive summary

We are pleased to present the inaugural edition of our Senior Care Claims Study highlighting critical trends and insights to inform risk management strategies in the senior care living space. Our study provides a comprehensive analysis of senior care claims reported under Liberty Mutual/Ironshore Healthcare policies and resolved within the past 12 years. Fall-related injuries have consistently driven the overall volume of claims, underscoring the ongoing challenges that senior care providers face in managing resident safety. Although claims related to pressure ulcers, abuse, and elopements are less frequent, they present a higher average gross incurred, indicating significant financial exposure for these risks. Additionally, 40% of Liberty Mutual/Ironshore Healthcare's closed claims contain wrongful death allegations, a large driver of claim frequency, which is not surprising given the population being serviced by senior care providers.

We also found a correlation between the level of care provided by facilities and the cost of claims. As the level of care increases, so too does the financial exposure. Our results show that the average indemnity payments in 2023 and 2024 have more than doubled compared to 10 years ago, reflecting these trends. Factors contributing to the increase in average indemnity payments include legal system abuse and plaintiffs' counsel use of reptile theory courtroom tactics to inflame the jury. By focusing on the providers' chronic understaffing and payment of low employee wages, plaintiffs claim gross negligence in an effort to circumvent damage caps.

Notably, approximately 26.5% of Liberty Mutual/Ironshore Healthcare's closed claims consist of expense-only payments, showcasing the organization's proactive stance in addressing the pressures of legal system abuse.

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Dennis Cook

Liberty Mutual/Ironshore
Healthcare, President

“ I'm glad we are able to provide and share this claims data with the market as it is something we've wanted to do for a long time. As the claims environment continues to evolve with legal system abuse and increased costs, it is important to me that we help our clients and brokers with identifying and mitigating risk. Our skilled claims professionals do a great job every day working with our clients to handle these difficult issues. I'm happy that we get to work with senior care providers who do an excellent job of caring for and supporting our seniors.”



Kristin McMahon

SVP, Global Risk Solutions,
North America, US Specialty
Line Claims

“ We are thrilled to share insights gleaned from the last 12 years of closed claim senior care loss data. It is our hope that our Senior Care Claims Study findings - including those with respect to common allegations driving claim volumes and high severity events resulting in resident injury — will raise awareness of potential risk/exposures in senior care facilities and adoption of enhanced risk mitigation strategies. I would also like to take this opportunity to formally acknowledge the unwavering support of our Healthcare senior care claims, product, and data analytics teams; their collective efforts were instrumental in allowing us to publish this inaugural study.”



Significant indemnity payment increase

The average indemnity payment across all care settings has more than doubled over the past 10 years, surging to \$226,028 in 2024, reflecting the ongoing trends of increased severity in the litigation landscape.



Dominance of fall-related claims

Fall-related injuries have consistently driven the overall volume of claims, underscoring the ongoing challenges that senior care providers face in managing resident safety.



Higher costs in specific claims

Although claims related to pressure ulcers, abuse, and elopements are less frequent, they present a higher average gross incurred, indicating significant financial exposure for these risks.



Prevalence of wrongful death claims

Wrongful death allegations make up over 40% of closed claims, underscoring that it is a frequent injury given the population that is being served.



Cost correlation with care level

The overall cost of claims rises significantly with the level of care provided, emphasizing the need for strategic risk assessments in higher-acuity settings.



Impact of legal system abuse

Legal system abuse has substantially increased average claim costs, driven by aggressive legal strategies employed by plaintiffs' attorneys, such as circumventing medical malpractice caps.



Expense-only claims

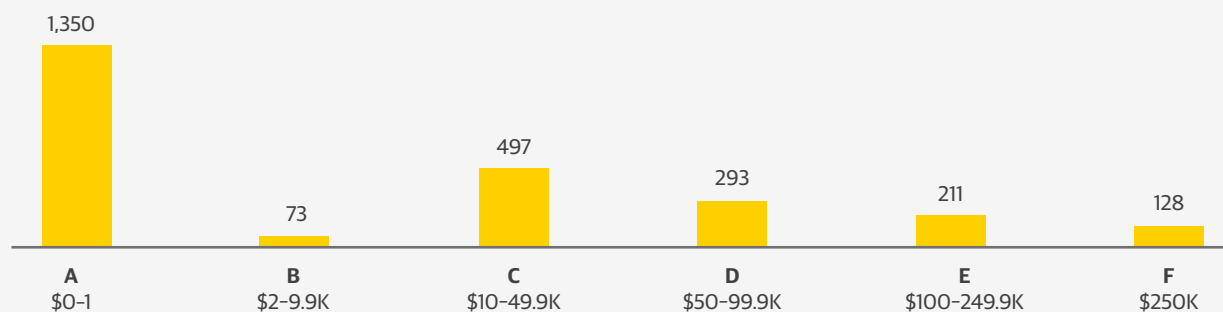
Approximately 26.5% of Liberty Mutual/Ironshore Healthcare's closed claims consist solely of expense payments, highlighting the focus on combating the effects of legal system abuse and proactive claims management.

Dataset, methodology, and definitions

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- The data is valued as of Jan. 31, 2025
- The data only includes Liberty Mutual/Ironshore-insured long-term care (LTC) organizations
- Indemnity and expense payments include only financials paid by Liberty Mutual/Ironshore on behalf of its insureds except where noted that the total incurred is ground up.
- The data includes only asserted claims. Notice only, bordereau files, and coverage litigation matters are excluded.
- The data includes **2,552** claims closed with pay from Accident Year 2008-2024 and with Closed Dates of 2012-2024
- SIR/Ded distribution (See chart)
- **Average gross incurred** refers to indemnity paid + ALAE Paid by Liberty Mutual/Ironshore, divided by the number of claims included in the dataset.
- **Indemnity paid** refers to the dollars paid by Liberty Mutual/Ironshore for the settlement, arbitration award, or judgement of a claim.
- **ALAE paid** refers to expense fees paid by Liberty Mutual/Ironshore related to the adjustment and settlement of the claim
- **Claim count** refers to total number of claims in scope
- **Frequency** refers to the number of claims per policy
- **Facility type** refers to the level of care (independent living, assisted living, or skilled nursing) provided at the time of the incident.
- **Countrywide** refers to all 50 states, including the District of Columbia.
- **Legal system abuse (LSA)** refers to an issue in the litigation system that results in higher damages and settlement costs, ultimately leading to negative economic impacts to society. Examples of forces driving LSA are plaintiff attorney marketing spend, nuclear jury verdicts, changing societal attitudes, and third-party litigation financing.

Count of non-zero dollar claims by SIR/ded bucket



Average projected claim cost for commonly identified primary allegations

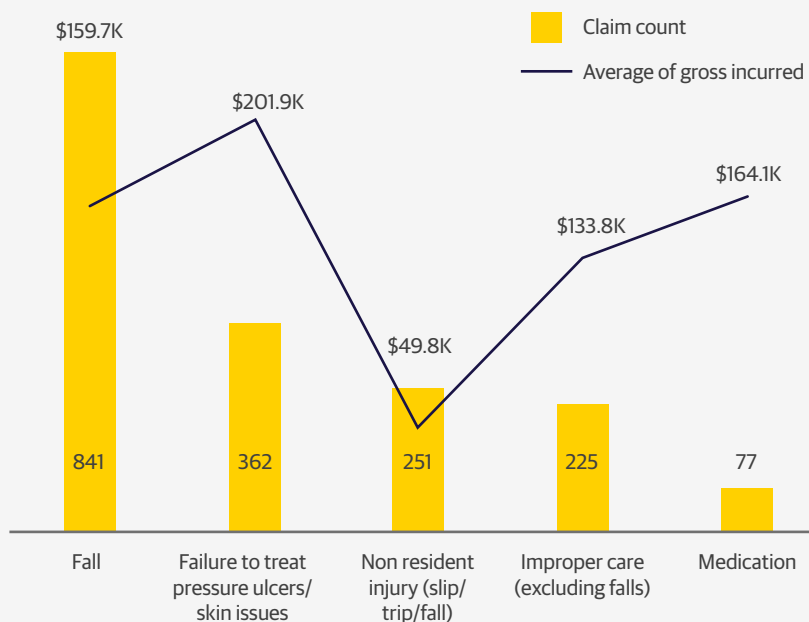
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The most prevalent cause of loss is resident falls, accounting for over 45% of all claims. Given the high volume of fall-related incidents, it is imperative that facilities maintain up-to-date and accurate fall risk assessments at the time of admission and following fall incidents resulting in head injuries or fractures, alongside comprehensive resident care plans and appropriate preventative interventions. Performing a root cause analysis is a best practice to identify the cause of falls including whether fall interventions were effectively implemented or if there were contributing factors such as throw rugs in the assisted living setting or the need to examine the resident's medication regimen in the skilled care setting. Additionally, regular review of the facility's fall prevention program is recommended, including engaging a third-party risk management vendor to perform an independent review. Fall claims frequently involve multiple incidents; if risk assessments and care plans are not promptly updated, and if communication with residents, their family members or representatives regarding expectations is lacking, it can lead to aggravating factors that increase potential for a high jury award and accordingly may increase settlement value. While the incurred costs for nonresident fall cases tend to be lower, there is still a substantial volume of such claims, emphasizing the need for facilities to prioritize the elimination of fall hazards. Nonresident falls also present potential general liability claims, particularly concerning visitor safety in areas such as parking lots and uneven flooring.

Over
45%
of reported claims
are fall-related



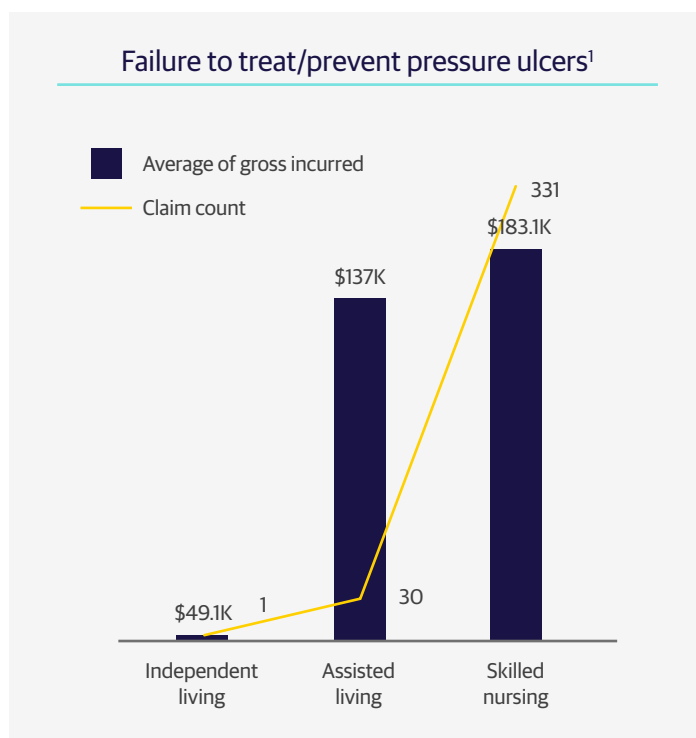
Average gross incurred and claim counts for all senior care facilities¹



¹ Closed claims w/ Incurred (Close Year 2012-24)

Furthermore, the financial implications of pressure ulcer cases necessitate thorough documentation of skin assessments at admission and ongoing evaluations to track skin status and ulcer staging. Although fall-related injuries generate more claims overall, the financial severity (average gross incurred) is notably greater for pressure ulcers, abuse, and elopements. These categories, while fewer in number compared to falls, present significant financial consequences, particularly in skilled nursing facilities, where residents' mobility is often limited due to comorbidities. Consequently, the data underscores the necessity of consistent and meticulous documentation regarding resident assessments for care plans, fall risks, and wound care management, as well as the critical need for comprehensive safety plans. Implementing patient monitoring systems, along with regular training of employees on safety protocols and comprehensive care plan interventions to prevent elopements, is essential to ensure a safe environment. Moreover, ensuring the facility has a plan for locating an eloped resident should be included in the emergency preparedness plan. Additionally, thorough employee screening and background checks are vital for mitigating the risk of abuse cases. The emphasis on effective risk management and documentation practices is critical to mitigating financial liabilities in senior care.

Effective risk management, including thorough documentation, employee training, and safety protocols, is essential in senior care to mitigate the significant financial liabilities associated with pressure ulcers, abuse, and elopements.



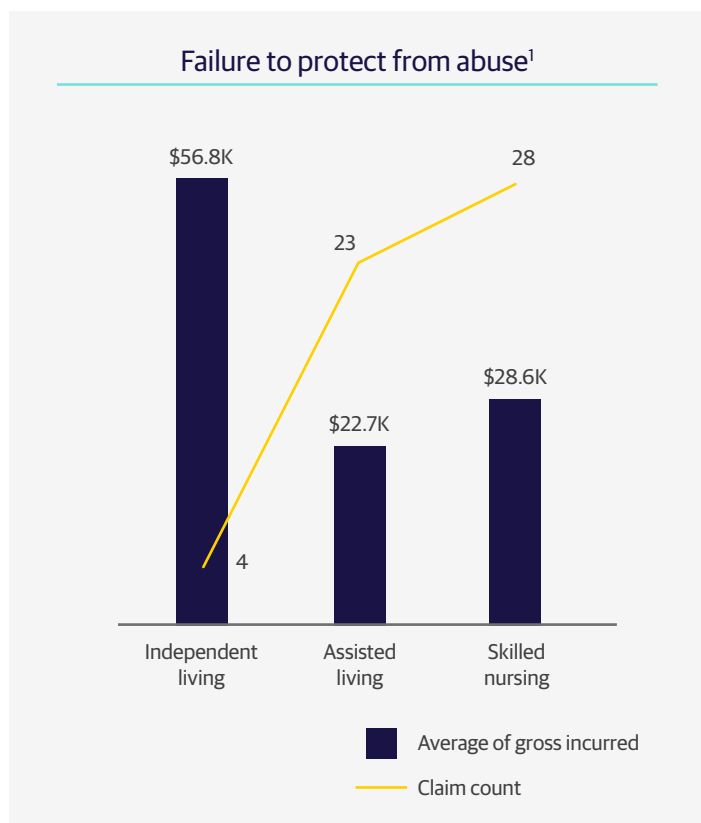
¹ Closed claims w/ Incurred (Close Year 2012-24)

Severe allegation details by facility type: financial severity

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The analysis of severe allegations reveals distinct differences in exposure based on facility type – independent living, assisted living, and skilled nursing. In independent living facilities, any incidents of abuse or elopement can lead to significant financial repercussions, despite the expectation of greater independence of the residents. The severity of the claim becomes even more pronounced in assisted living and skilled nursing facilities, where the expectation for facility management of resident safety is heightened due to the increased level of care provided.



In skilled nursing and assisted living facilities, especially those housing residents with dementia who may exhibit exit-seeking behaviors, the consequences of elopement are particularly severe. Such incidents can result in serious injury or even death, especially under adverse weather conditions, and they evoke strong emotional reactions from juries when presented with the vulnerability of the affected residents. This underscores the need for stringent safety measures, such as the implementation of patient monitoring systems and effective locking mechanisms, which are crucial to preventing such occurrences.

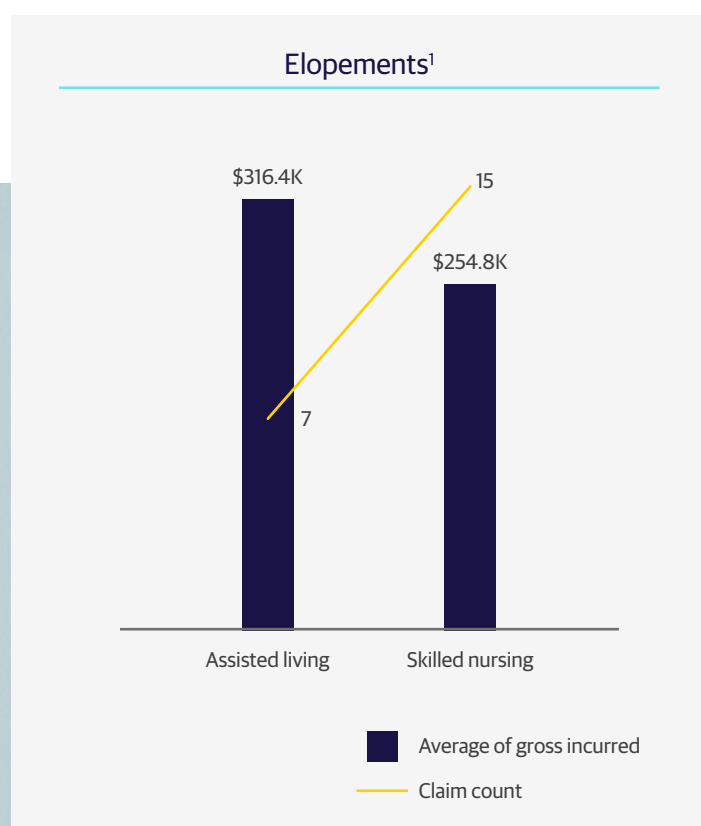


¹ Closed claims w/ Incurred (Close Year 2012–24)

| Facility type and type of abuse | Claim count | Average of gross incurred |
|---|-------------|---------------------------|
| Independent living | 4 | \$568K |
| Abuse – resident on resident (sexual) | 2 | \$115K |
| Abuse – staff on resident (sexual) | 2 | \$1.02M |
| Assisted living | 23 | \$226.8K |
| Abuse – resident on resident (non-sexual) | 14 | \$281.3K |
| Abuse – resident on resident (sexual) | 6 | \$152.9K |
| Abuse – staff on resident (sexual) | 3 | 120.6K |
| Skilled nursing | 28 | \$285.9K |
| Abuse – resident on resident (non-sexual) | 14 | \$112.3K |
| Abuse – resident on resident (sexual) | 7 | \$468.9K |
| Abuse – staff on resident (sexual) | 7 | 450.2K |
| Grand total | 55 | \$281.7K |

Moreover, the financial liabilities linked to allegations of abuse and elopement are viewed through a lens of perceived preventability, particularly in settings with vulnerable populations. This emphasizes the critical importance of regular staff training on the facility's abuse policies, safety protocols, de-escalation techniques and thorough pre-employment screenings to mitigate risks. Facilities must ensure that all security measures are operational and regularly tested, especially in skilled nursing and memory care environments, where the stakes are significantly higher. By maintaining robust safety protocols and effective risk management strategies, these facilities can better protect residents and reduce their exposure to severe allegations.

| Facility | Injury type | Claim count | Average of gross incurred |
|---|--------------------|-------------|---------------------------|
|  Assisted living | Death | 4 | \$449.5K |
| | Freezing | 1 | \$35K |
| | Soft tissue | 1 | \$153.4K |
| | Fracture | 1 | \$228.6K |
|  Skilled nursing | Death | 6 | \$321.2K |
| | Soft tissue | 4 | \$125.6K |
| | Fracture | 1 | \$89.6K |
| | Brain injury | 1 | \$559.1K |
| | Psychiatric injury | 1 | \$5.2K |



¹ Closed claims w/ Incurred (Close Year 2012-24)

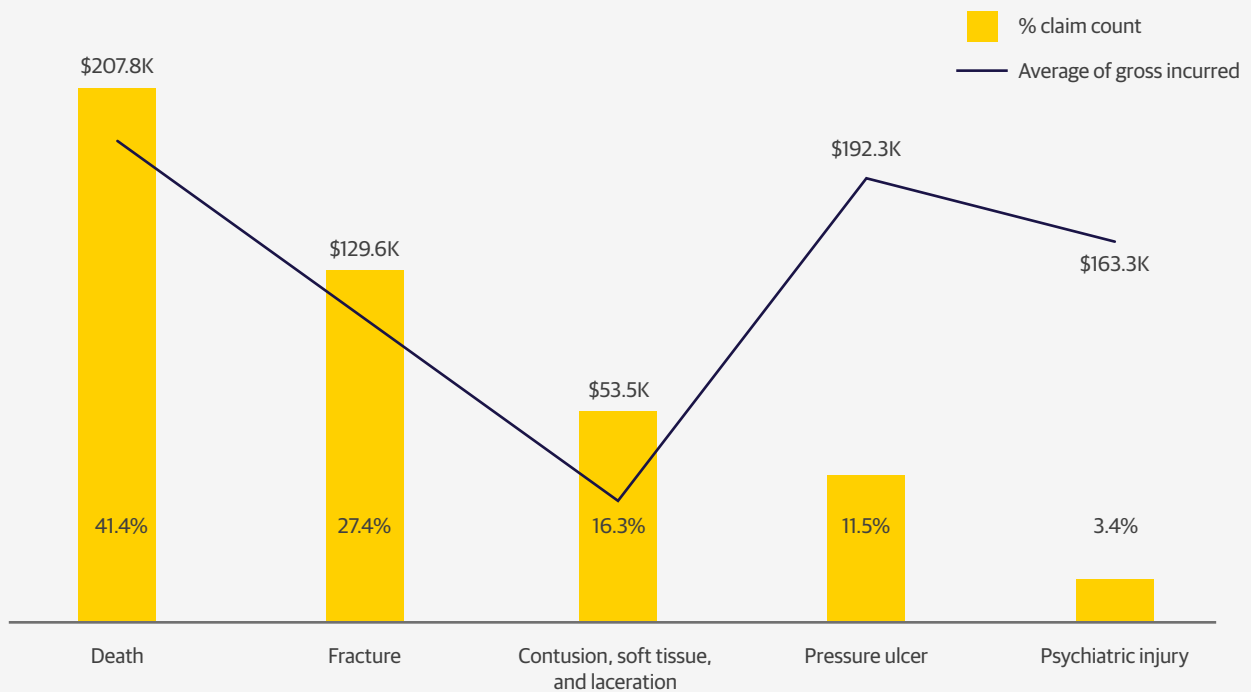
Distribution of closed claims by injury type

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The distribution of closed claims reveals that wrongful death allegations are a significant concern, comprising over 40% of all closed claims managed by Liberty Mutual/Ironshore Healthcare. This high percentage can be attributed to the age, frailty, and comorbidities prevalent within the population served, but may also reflect that events resulting in death are more likely to result in the pursuit of a claim. Given the underlying health complexities of residents in senior care facilities, wrongful death is the predominant injury claimed, with nearly half of the closed claim inventory alleging that the actions or inactions of the facility directly contributed to these tragic outcomes. Notably, fractures account for more than 25% of closed claims with a majority arising from fall incidents. The remaining closed claims are primarily related to soft tissue injuries, pressure ulcers, and emotional distress (psychiatric) injuries, indicating a diverse range of serious concerns within the care environment.



Distribution of closed claims with paid >\$0 by injury type¹



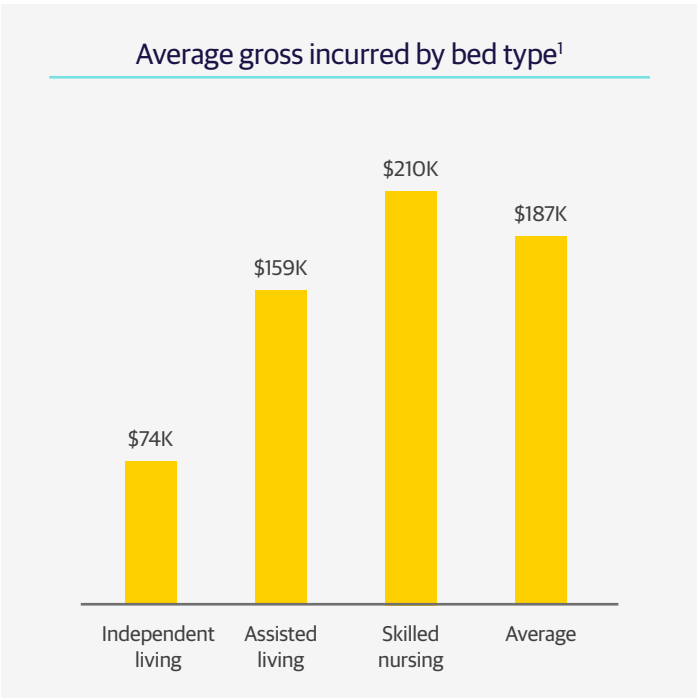
¹ Closed claims w/ Incurred (Close Year 2012-24)

Average gross incurred by bed type (ground up \$)

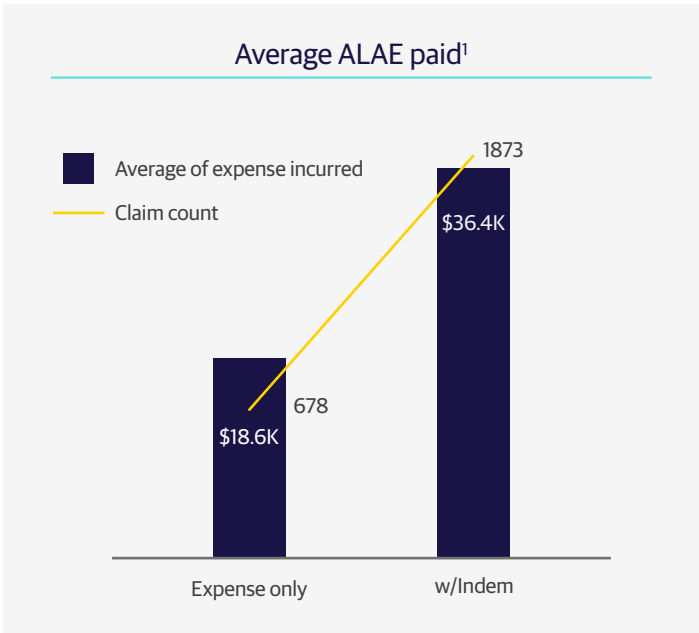
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The analysis illustrates a clear trend: the overall cost of claims escalates in correlation with the level of care provided at a facility. Specifically, claims originating from assisted living facilities incur costs that are twice as high as those from independent living settings. This disparity is largely due to the inherent vulnerabilities of residents in higher levels of care. Although individuals in independent living typically exhibit better health, the most complex and costly cases arise from those requiring more intensive support in assisted living and skilled nursing facilities. Furthermore, as the level of care escalates, so does the complexity and expense of defending and settling claims. This increase in costs can be attributed to several factors, including the necessity for specialized expert witnesses, the thorough review of extensive medical records, and the in-depth analysis required to assess the impact of comorbidities on the value of each claim. Conversely, claims from independent living are less frequently

associated with significant medical care or breaches in the duty of care, resulting in fewer instances requiring the retention of costly experts.



Countrywide ALAE payment metrics: average ALAE paid



The analysis reveals significant trends in the financial dynamics of closed claims. Notably, when indemnity is involved, the associated expenses can double due to the necessity of a robust defense to reach the optimal outcome, which encompasses various costs such as defense counsel fees, court reporter fees for depositions, and expert fees for medical and mediation specialists. This defensive strategy is crucial in addressing the challenges posed by legal system abuse in the claims environment. In fact, approximately 26.5% of Liberty Mutual/Ironshore Healthcare's closed claims consist solely of expense payments, highlighting the organization's commitment to proactively managing and mitigating costs associated with claims. This emphasis on maintaining a strong defense not only reflects the complexities inherent in the claims process and that there are costs associated with any claim but also underscores the ongoing efforts to combat the rising pressures of legal system abuse in the industry.

¹ Closed claims w/ Incurred (Close Year 2012–24)

Countrywide indemnity payment metrics: average indemnity payment

The chart illustrating countrywide average indemnity payments reveals a notable increase in average indemnity payments for the years 2023 and 2024. This increase marks a return to the pre-pandemic upward trajectory seen prior to COVID-19, following a significant drop during and immediately after the pandemic, particularly in 2020 and 2021. The previous lower settlements during that time may have been influenced by both the impact of courts' measures to adapt to pandemic-related challenges as well as a temporary "halo effect" in the public sentiment toward healthcare providers. However, as courts reopened and time has passed from the height of the pandemic, this effect seems to have dissipated, resulting in higher verdicts arising from healthcare liability trials. The average indemnity payment surged to \$226,028 in 2024, driven by increasing jury awards in senior care and a trend of legal system abuse, with plaintiff attorneys becoming increasingly aggressive and unreasonable in their settlement negotiations from 2022 onward. This shift has led to more challenging negotiations and potentially higher costs for insurers and defendants involved in these cases, as plaintiffs often ignore or refuse early negotiation efforts until later in the process. Instead, they often make unreasonable policy limit demands, which drives up defense costs.

Indemnity
payment surged to
\$226K
in 2024



Average indemnity payment²

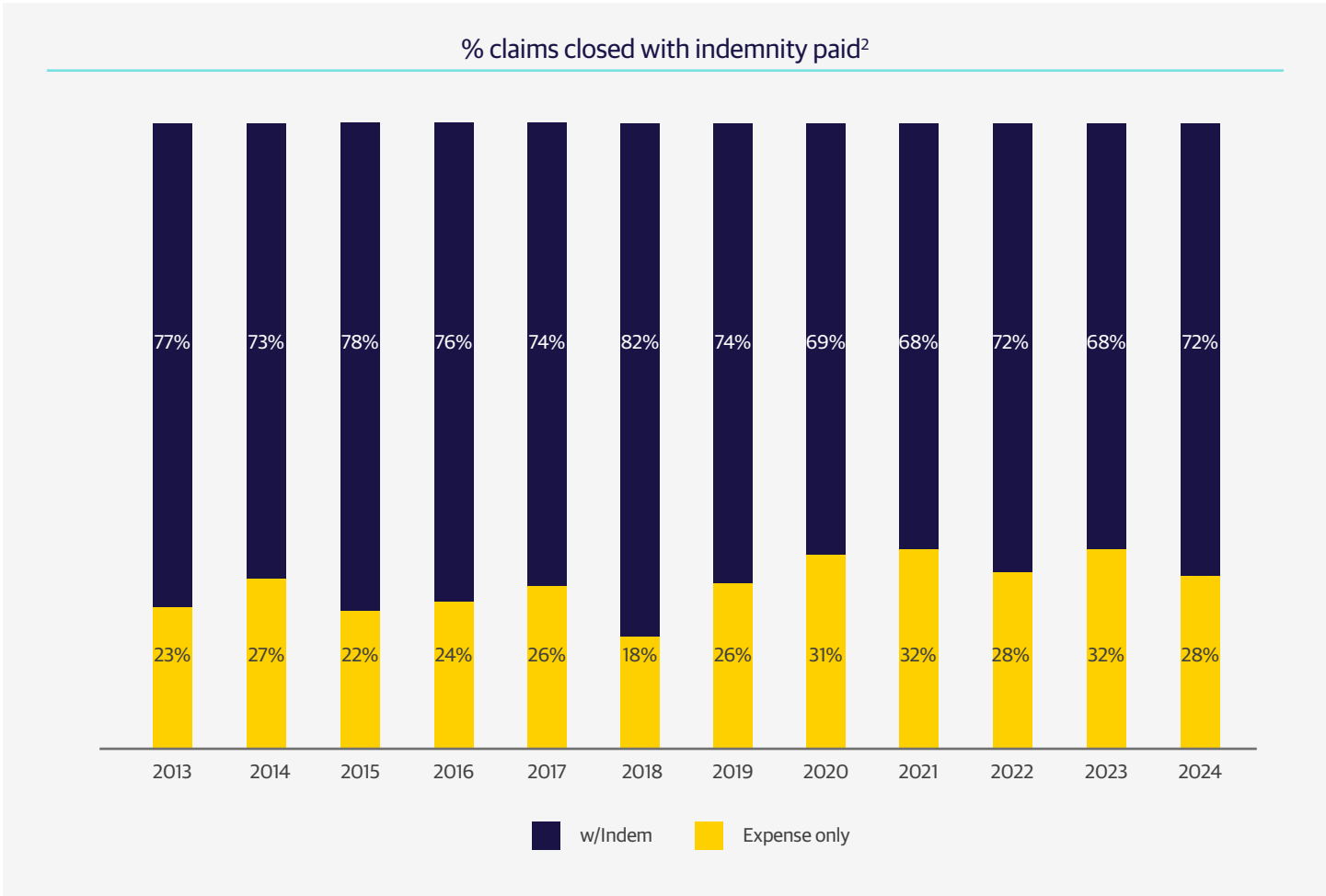


² Closed claims w/ Incurred (Close Year 2013–24)

Countrywide indemnity payment metrics:
% case closed with indemnity paid (by closed date)

The percentage of closed claims resulting in indemnity payments has shown a notable shift over the past five years, with expense-only payments averaging 30.2%, compared to 23.7% in the seven years prior. This upward trend is consistent with the noted impact of legal system abuse on the frequency of claims. This shift, together with the increase in associated defense expense, also highlights Liberty Mutual/Ironshore Healthcare’s heightened awareness of escalating jury awards within the senior care sector and underscores the critical need for enhanced defense strategies early in the claims process. By proactively addressing potential claim scenarios and intensifying defense efforts at the outset, Liberty Mutual/Ironshore Healthcare aims to effectively manage the financial implications of these claims, ultimately seeking to mitigate the risks associated with legal system abuse as well as the risk of significant indemnity payouts. This trend reflects a strategic response to the evolving landscape of claims in senior care, where the stakes continue to rise.

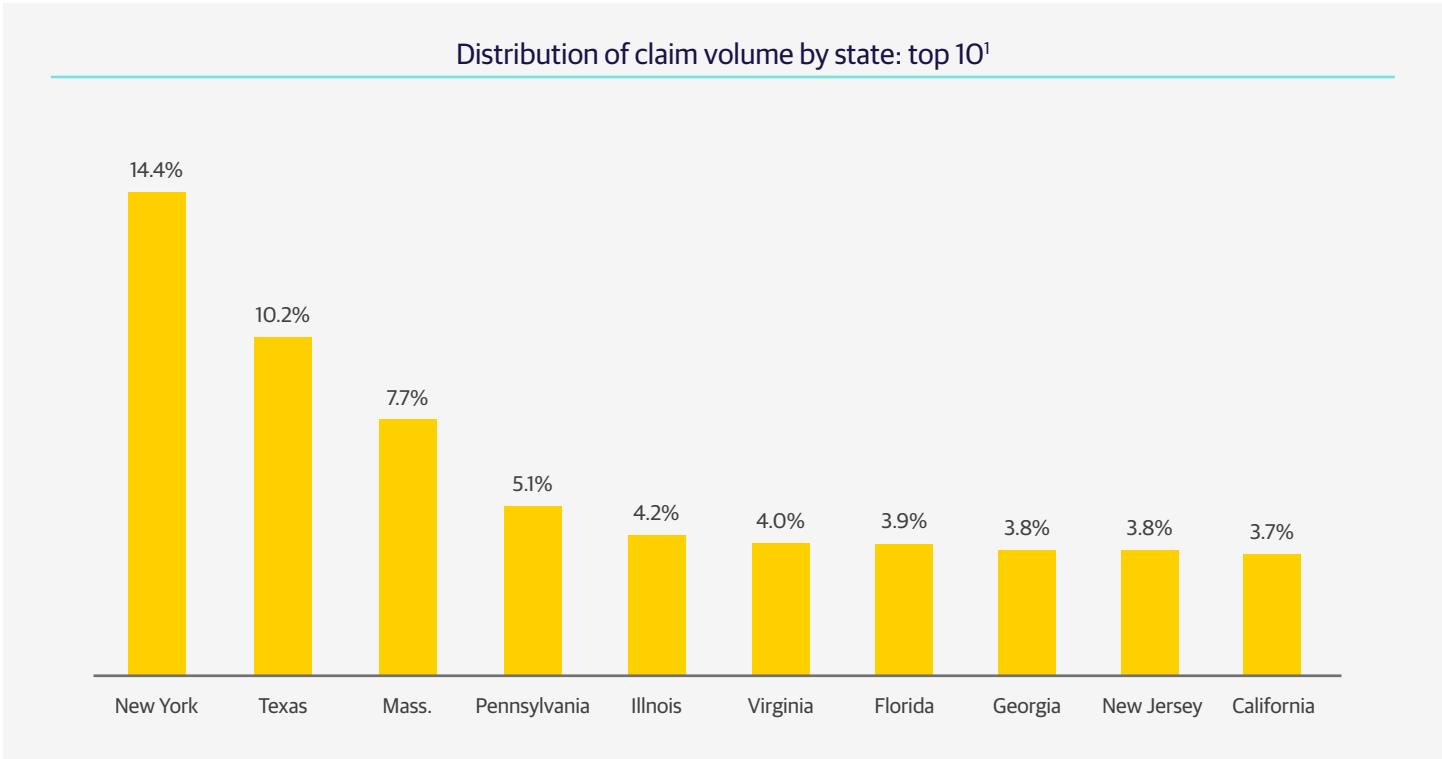
Expense-only payments increased from **23.7%** to **30.2%** over the past seven years.



² Closed claims w/ Incurred (Close Year 2013–24)

Distribution of case volume by state — top 10

The distribution of case volume by state highlights a significant concentration of claim activity with over 60% of the overall claim volume originating from just the top 10 states. Among these, New York, Texas, and Massachusetts stand out, collectively accounting for approximately one-third of the total claim volume. While these three states account for higher volume in Liberty Mutual/ Ironshore Healthcare’s data, it’s important to consider that this trend could be influenced by the significant amount of exposure we write in those areas. This concentration underscores the importance of understanding regional dynamics and trends in these key states, as they play a pivotal role in driving overall claims activity. The data suggests that targeted strategies for managing claims in these high-volume areas may be essential for effectively addressing the challenges faced in the specialty claims landscape.



1 Closed claims w/ Incurred (Close Year 2012–24)

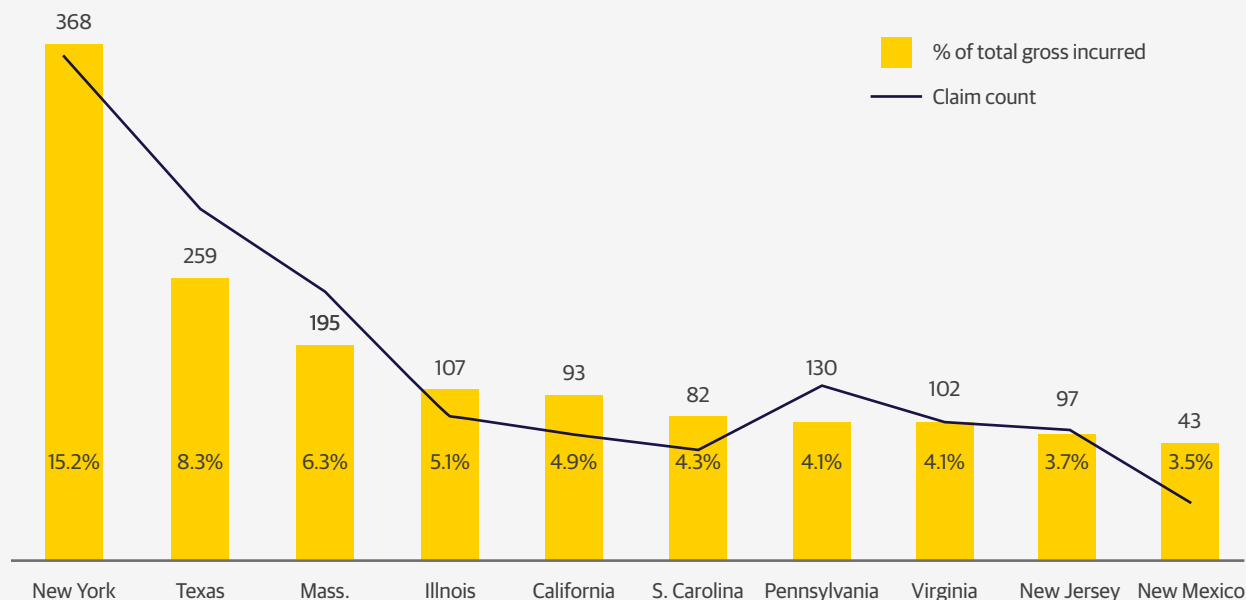
Distribution of closed claims with paid >\$0 by state – top 10

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The distribution of dollars paid by state reveals a significant correlation between high claim volume and the financial implications of litigation, particularly in New York, Texas, and Massachusetts. These states contribute notably to the total dollar amounts due to their robust claim activity with New York facing particularly protracted defense processes. The litigation landscape in New York has been slow to unfold as courts were inundated with claims shortly after the COVID-19 pandemic, and initial complaints do not necessitate detailed allegations — allowing plaintiffs to develop their cases over time before presenting specifics. Notably, nearly 40% of all dollars paid across the country are concentrated in just five states. While our data shows that California has a lower volume of cases, it still ranks among the top five due to its elder abuse statutes, fee-shifting provisions, and an overall environment that favors plaintiffs. Similarly, Illinois, despite a lower claim volume, also ranks in the top five for these reasons. Ultimately, the higher volume of claims in New York, Texas, and Massachusetts serves as the primary driver for their positions at the top of the list regarding total dollars paid.



Distribution of closed claims with paid >\$0 by state – top 10¹



¹ Closed claims w/ Incurred (Close Year 2012–24)



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