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International and Complex Casualty
Predictions 2027



Social media addiction litigation set to gain momentum

In 2027, the UK will see social media addiction litigation gain momentum, mirroring the trajectory seen in the United States over the past year. In July 2026, a claimant firm announced a potential action on behalf of individuals in the UK who have allegedly suffered significant harm linked to prolonged social media use. Although the current regulatory framework focuses on online safety and harmful content, there is growing attention on the impact of platform design features, such as infinite scrolling, algorithmic recommendations and engagement-driven notifications. The UK Government has already announced plans to restrict access to major social media platforms for under-16s from spring 2027. The UK action involves a collaboration with the trial lawyer who led the landmark K.G.M. action in the United States, resulting in a $6 million award to a plaintiff. The first significant action of this nature in Australia was also announced in October 2026. Heavily publicised settlements in the United States have also produced agreements on changes to the operation of certain platforms. Similar allegations are likely to be tested before UK courts. As with other large-scale actions, significant legal hurdles remain, but insurers need to start assessing social media addiction claims as an active source of exposure for technology-related litigation in the UK.

Climate litigation set to shift towards compensation claims

Climate litigation across the UK and Europe will become broader, more international and more contested in 2027. Attention will focus increasingly on climate attribution claims, such as Casquejo v Shell in the UK, which seeks to link the impacts of extreme weather in the Philippines to the historical emissions of a major corporate emitter. A similar action is underway in Germany, and success for the affected groups may demonstrate how advances in attribution science can provide claimants with new pathways to pursue claims for damages or sums needed for climate adaptation. As attribution science continues to develop, claimant groups and public authorities will become more confident in pursuing damages claims against organisations alleged to have contributed to climate-related loss.

Litigation funding faces divergent regulatory futures

The lack of a uniform approach to litigation funding on both sides of the Atlantic will be brought into sharper focus in the coming year. The UK direction will be one of normalisation, rather than restriction. Although legislation to reverse the decision in PACCAR has yet to materialise, the UK market continues to operate under a largely self-regulatory model. The Civil Justice Council's 2025 proposals favoured proportionate, 'light-touch' regulation over a comprehensive statutory regime and are now being considered as part of the Law Commission's consumer class action project. The Solicitors Regulation Authority itself has recently concluded a consultation proposing the creation of a regulatory framework for solicitors utilising litigation funding in consumer claims. By contrast, in the United States, regulation has been primarily driven at state level, with several recent state laws establishing licensing requirements, fee caps and disclosure of funding agreements. Some states, such as North Carolina, have expressly restricted 'litigation investment'. There have been several bills proposed that would markedly increase regulation in the funding space, expressly raising concerns about foreign influence on litigation in the United States.

Gaming addiction litigation gains momentum

Gaming addiction may emerge as the next frontier in technology-related collective redress in the UK and Europe. Early claims originated in the United States, where major game developers have been targeted for allegedly designing their products intentionally to encourage compulsive use. However, these claims remain an emerging yet unproven form of action in the United States, with many cases still developing. There is growing regulatory scrutiny in the UK and Europe of loot boxes, persuasive design features, in-game monetisation and the impact of excessive gaming on children. These developments will assist in framing gaming-related harms as a consumer protection and product safety issue rather than an issue of personal responsibility for users and their parents. The recognition of gaming disorder by the World Health Organisation arguably provides claimants with an increasingly credible medical framework for establishing injury. Although significant causation hurdles will arise in such actions, claimant firms will be watching developments closely. For insurers, gaming addiction litigation must be considered alongside the possible technology risks associated with claims alleging harm caused by social media.

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Toxic tort claims set to expand internationally

UK and European courts may see a growing number of 'toxic tort' claims influenced by developments in the United States, particularly where scientific evidence, regulatory findings or large settlements provide a foundation for copycat litigation. In England and Wales, the Johnson & Johnson Baby Powder Group Litigation has demonstrated how such a claim may develop and come to fruition, with similar litigation also progressing in Scotland. The representative action mechanism introduced across the European Union was intended to create an accessible environment allowing claimants to pursue group actions at scale and may encourage similar actions. The prospect of toxic tort claims outside the States has long been perceived as facing causation challenges, and these actions will likely reinforce that view. While legal and procedural barriers remain significant, insurers should expect allegations involving contamination, environmental exposure and emerging substances to become increasingly international in scope. The key challenge will be identifying cumulative and cross-border exposures as toxic tort risks evolve from local liabilities into global litigation capable of generating claims across multiple jurisdictions and policy years.

Concussion claims hit professional sport in Australia

Concussion-related liabilities will become a growing exposure for professional sport in 2027. Increasing awareness of the connection between repeated head trauma and neurological disease will drive claims alleging that sporting organisations failed to manage or communicate concussion risks. The Australian Football League (Aussie Rules) and its clubs already face a class action involving more than 100 former players, while regulatory scrutiny of concussion management is increasing. As these matters progress, sporting bodies may face significant defence costs, damages exposure and pressure to strengthen return-to-play protocols, medical oversight and recordkeeping. Casualty insurers should expect greater underwriting scrutiny of historic practices and the policies engaged, with disputes likely to centre on causation, limitation and how responsibility should be shared across the sporting and medical organisations involved.

Mining growth in Ecuador will sharpen environmental scrutiny

Environmental cover in Ecuadorian mining will come under sharper scrutiny in 2027, particularly regarding the gap between liability cover and losses from project suspension. Recent investment decisions by mining companies in Ecuador point to continued growth, but the Constitutional Court's 2021 Los Cedros ruling on the rights of nature continues to shape expectations around environmental protection and prior consultation. The central question, therefore, will be whether cover extends to losses arising from permit disputes or suspension without insured physical damage, as distinct from clean-up costs and third-party damage. Baseline environmental evidence and the allocation of responsibility between operators and contractors will become more important at placement of the cover.

Supreme Court ruling may reshape US climate litigation

Climate change litigation in the United States brought by states against fossil fuel companies may find a significant roadblock following an expected Supreme Court decision in 2027. For years, state and municipal governments have been seeking to hold fossil fuel companies accountable for their alleged contribution to climate change. These claims are typically brought under state law. Some state and federal courts have held that such claims are pre-empted by federal law. However, the Colorado Supreme Court reached the opposite conclusion, and that decision is now before the United States Supreme Court, which heard arguments on the issue in October 2026. If the Court reaches the merits of the case, it may conclude that efforts to hold fossil fuel companies liable under state law are pre-empted by federal law.



Scottish group proceedings set to gain momentum

Group proceedings in Scotland are expected to gain momentum in 2027. The Johnson & Johnson Baby Powder litigation that has attracted considerable attention in England is subject to a parallel action commenced in Scotland. This should be viewed as part of a wider trend rather than a standalone development. The case demonstrates that Scotland's group proceedings regime will become an increasingly viable mechanism for pursuing large-scale product liability, consumer and environmental claims. The statutory framework introduced in 2018 has created a platform capable of supporting more ambitious group proceedings. Claimant firms and litigation funders are becoming increasingly familiar and comfortable with the procedure. Although Scotland is unlikely to experience growth in claims akin to other jurisdictions, the direction of travel is clear. Awareness of group proceedings will grow, particularly if actions are pursued successfully. Insurers should anticipate a broader range of coordinated claims and a continued expansion of group proceedings north of the border in the coming year.

Spain's catastrophe compensation model faces scrutiny as climate losses rise

As Spain's exposure to extreme weather events continues to grow, the Consorcio de Compensación de Seguros (CCS) safety net for extraordinary risks and insurance gaps will play an increasingly prominent role within the Spanish insurance market. This was demonstrated by the response to the devastating floods caused by an extreme weather event in October 2024 that affected the Valencian Community and other parts of Spain. By November 2025, the CCS had received more than 250,000 claims and paid over €4 billion in compensation for property damage and business interruption losses. With natural catastrophes becoming both more frequent and more severe, the relationship between the CCS and private insurance markets will play a growing role in determining how large-scale losses are absorbed and managed. The increased use of parametric insurance is likely to form part of the private insurance market's response to these evolving risks. This type of cover is particularly suited to sectors vulnerable to weather-related disruption that are critical to the Spanish economy, including agriculture, renewable energy, infrastructure, logistics and tourism.

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