

Employment litigation growth and the potential for structured settlement brokers



The structured settlement industry continues to be strong, providing claimants with financial security. Structured settlement brokers seeking opportunities to grow their businesses can tap into the growing taxable structured settlements market. Whereas most brokers may be familiar with structured settlements for physical injury cases, the taxable structured settlements market, which focuses on non-physical injury cases, is accelerating in growth.

Key findings from our market research

To gain deeper insights into the size, scope, and entrance opportunities for growing the taxable structured settlement market, our research team interviewed dozens of attorneys, mediators, and other experts and examined several leading legal market studies. Our findings conclusively show that there is significant untapped potential for brokers to explore. For structured settlement brokers who are looking to pursue promising growth opportunities, our research indicates that the employment litigation space is an excellent place to start.

A wave of cases creates massive potential

Over the past year, we noted a marked increase in **employment litigation cases**. In 2020 alone, these types of cases generated **\$20 billion in overall legal services revenue**¹, while the individual employment litigation settlement values amounted to \$2.9 billion — a considerable increase of 18% in comparison to the \$2.4 billion generated in 2019.²

Among the different types of employment litigation cases, employment discrimination was the driving force behind the overall growth.² In the fiscal year of 2020, 67,448 of workplace discrimination charges were filed with the U.S. Equal Employment Opportunity Commission (EEOC).³

We believe that the unprecedented changes that the pandemic brought to the workforce has contributed to the increase in employment litigation cases. As the pandemic took hold in 2020, litigation of all types of workplace issues spiked.³ **Some of the main cases for employment litigation involved concerns about workplace safety, wrongful termination, retaliation, or wrongful denial of leave cases.**¹ There were also scenarios where employees felt that their workplaces showed a **failure to comply** with new state and federal laws that required employers to provide the resources necessary for protection against COVID-19.

As the pandemic continues to affect professional work environments, the number of COVID-related lawsuits continues to increase. At the end of 2020, 1,235 COVID-related lawsuits were filed against employers. From January 1, 2021 to June 8, 2021, the number of COVID employer-related cases more than doubled. During that five-month period alone, there were 2,560 lawsuits, including 200 class actions.⁴

It is a well-documented fact that only a small percentage of employment litigation cases go to trial. For example, legal research service Lex Machina conducted a detailed analysis of 54,810 cases from January 2009 to July 2017. Most of these cases (78%) were dismissed by either the employee or both the employee and employer; Lex Machina assumes that most of those 42,742 cases ended in a settlement.

For structured settlement brokers, this is an opportune time to connect with claimants and their advisors and offer meaningful taxable structured settlement solutions that can help settle their cases more successfully.

Recommendations for reaching the taxable structured settlement market

The statistics from the past few years highlight the extraordinary untapped potential in the employment litigation market. Structured settlement brokers seeking more avenues to increase their business portfolio should seriously consider making taxable structured settlements part of their growth strategy.

Here are three methods that you can use to bolster your reach in the employment litigation market:

- **Network with a broader set of claimant influencers, beyond attorneys.** As a broker, you know that providing claimant education is important in helping claimants make the right choice for themselves. Make meaningful connections with attorneys and others who hold influence in a claimant's life, such as CPAs and financial advisors, to educate them about taxable structured settlements.
- **Emphasize that taxable structured settlements are a strong negotiating tool.** If defendants want to save their time and money while also avoiding the potential from a large costly verdict, taxable structured settlements can be a win-win for all parties. With taxable structured settlements, cases can settle faster and with more ideal outcomes.
- **Use our NQA Resource Center.** Visit [metlife.com/nqa](https://www.metlife.com/nqa) for informational slipsheets, product guidelines, and videos.

Tap into the growing taxable structured settlements market

Now more than ever, taxable structured settlements provide opportunities for structured settlement brokers to expand their businesses and provide their clients with innovative solutions.

As the first on-shore, U.S.-based company to offer taxable structured settlements, and a trustworthy leader in structured settlements, you can look to us to equip you with the knowledge and tools to successfully make this part of your business portfolio.

Still have questions about taxable structured settlements and their potential to expand your business? For more information, visit our [NQA Resource Center](https://www.metlife.com/nqa), or contact the Sales Team at 800.638.0051, ext. 2.

1. MetLife analysis of data sourced from Mordor Intelligence. Mordor Intelligence market size figures indicate the revenue generated from legal service entities. Legal services entities are defined as self-employed, independent practitioners and law firms that address legal service requirements for clients.
2. Seyfarth Shaw LLP's 17th Annual Workplace Class Action Litigation report
3. "EEOC Releases Fiscal Year 2020 Enforcement and Litigation Data," EEOC, <https://www.eeoc.gov/newsroom/eeoc-releases-fiscal-year-2020-enforcement-and-litigation-data>
4. "Coronavirus Lawsuits More Than Double in 2021; Those Against Healthcare Providers Steadily Increase," Dorsey and Whitney LLP, <https://www.jdsupra.com/legalnews/coronavirus-lawsuits-more-than-double-3975643/>

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