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Navigating the Reinsurance Landscape of Social Media Addiction Litigation

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The ongoing bellwether trial in California has brought renewed attention to an unprecedented wave of lawsuits targeting social media companies. These actions allege that major platforms are intentionally engineered to foster addiction and that such addiction causes tangible harm—particularly to children and adolescents. Beyond their societal implications, these cases present novel and potentially far-reaching challenges for insurers and reinsurers.

Background of the Social Media Addiction Litigation

Litigation against social media companies is broad and multifaceted, encompassing individual, class, and public entity claims. Plaintiffs include individuals (often minors or their guardians), school districts, municipalities, and state attorneys general. Defendants are typically major social media companies, including Meta (Facebook and Instagram), ByteDance (former owner of TikTok U.S.), and Snap Inc. (Snapchat). At the core of these actions are allegations that platforms are deliberately designed to maximize user engagement through algorithms, notifications, and features such as “infinite scroll,” resulting in compulsive use. Many complaints emphasize the vulnerability of children and adolescents, alleging that companies knowingly targeted these groups despite heightened risks. Plaintiffs further allege failures to warn users and parents of known dangers, as well as inadequate parental controls and user protections.

Based on these allegations, plaintiffs assert a range of claims, including negligence and gross negligence for failure to protect users from foreseeable harm; product liability, on the theory that platforms constitute defective and unreasonably dangerous products; fraud and misrepresentation based on

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alleged concealment or misstatement of risks; consumer protection claims under state unfair trade practices statutes; and public nuisance claims brought by school districts and municipalities seeking recovery for increased educational and mental health costs. Claimed injuries include depression, anxiety, sleep disorders, eating disorders, self-harm, and suicide.

Defendants have responded with several threshold defenses, including reliance on the Communications Decency Act, which they argue bars claims premised on third-party content (an argument plaintiffs counter by framing their claims as design-based rather than content-based). Defendants also challenge plaintiffs' ability to establish causation between platform features and individual injuries, and they contend that efforts to regulate algorithmic design implicate First Amendment concerns.

Procedural Status: The Bellwether Trial and Current Developments

Procedurally, these cases are advancing through coordinated proceedings. In October 2022, the U.S. Judicial Panel on Multidistrict Litigation centralized numerous actions in the Northern District of California as *In re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation* (MDL No. 3047). In parallel, school districts nationwide are seeking damages for increased counseling, absenteeism, and disciplinary costs, while several state attorneys general have initiated investigations and enforcement actions under consumer protection statutes.

The social media addiction litigation has reached a significant milestone with the commencement of the first bellwether trial in California, signaling a new phase in these coordinated proceedings. The trial began in the Superior Court of Los Angeles County in February 2026 in the case of *A.H. v. Meta Platforms, Inc., et al*. This case is widely viewed as a bellwether for the thousands of similar lawsuits pending against social media giants, including Meta, Snap, ByteDance, and others. The plaintiff, a teenage girl, alleges that her prolonged use of Instagram and Snapchat, both designed to be addictive, led to severe mental health issues including depression and self-harm.

This trial is being closely watched as the first to test before a jury the central theories of liability advanced in the broader litigation: that social media platforms are intentionally engineered to maximize engagement and that these design choices foreseeably cause addiction and harm, especially to minors. The outcome will likely influence settlement dynamics, discovery rulings, and the legal strategies of both plaintiffs and defendants in the federal multidistrict litigation. Given the potential impact of this landmark case, Meta's CEO Mark Zuckerburg testified during the trial this week to defend the company's practices.

The trial follows a series of procedural developments in both state and federal courts. In the MDL, Judge Yvonne Gonzalez Rogers has overseen consolidated pretrial proceedings, including motions to dismiss, discovery disputes, and the selection of additional bellwether cases to be tried. The court has

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allowed many claims to proceed past the pleading stage, rejecting broad immunity arguments under Section 230 of the Communications Decency Act where plaintiffs allege harm arising from platform design rather than a social media company functioning as a publisher and distributor of third-party content. Also being examined are First Amendment defenses to claims arising from inadequacies in Meta's platform design, including its failure to implement adequate parental controls and options to limit screen time. Meanwhile, outside the MDL, school districts and public entities continue to file new actions seeking recovery for the costs of addressing student mental health crises allegedly linked to social media use.

The California bellwether trial is expected to last several weeks and will provide the first public airing of evidence regarding platform design, internal company communications, and the alleged link between social media features and adolescent mental health outcomes. Its outcome may set the tone for future trials, influence the scope of discovery, and shape the prospects for global resolution or settlement of the broader litigation.

Insurance Coverage Considerations

The proliferation of social media addiction claims has prompted heightened scrutiny of potential coverage under Commercial General Liability (CGL), Directors & Officers (D&O), and Cyber Liability policies. Some of these issues have been a focal point in the pending coverage litigation between Meta and its CGL insurers.

Bodily Injury and Mental Injury Coverage: Plaintiffs frequently allege psychological injuries, including depression and self-harm. Depending on policy language and jurisdiction, such injuries may or may not fall within the definition of "bodily injury," or the damages sought are otherwise insufficiently tied to the alleged "bodily injury." The treatment of mental and emotional harm is therefore likely to be a key coverage battleground.

Occurrence Requirements and Intentional Acts or Injuries Exclusions: Insurers may argue that allegations of deliberate platform design do not qualify as an accident necessary to trigger occurrence-based CGL coverage in the first instance or trigger exclusions for intentional, expected, or deliberate acts or injuries. Policyholders, in turn, may contend that the claims sound in negligence and, thus, any harmful outcomes were unintended.

Product Liability and Professional Services Exclusions: Given the framing of many claims as product liability actions, insurers may rely on product or professional services exclusions to limit or deny coverage. The applicability of these exclusions will depend heavily on how courts characterize social media platforms and their underlying services.

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Notice, Trigger, and Claims Made Issues: The evolving and potentially latent nature of alleged mental health injuries raises questions about when claims are deemed made, when injury occurs for trigger purposes, and whether notice obligations have been satisfied.

Defense and Settlement Obligations: Even when indemnity coverage is disputed, the duty to defend may be triggered, exposing insurers to significant defense costs in complex, multi-year litigation.

Reinsurance Implications

For reinsurers, these cases present distinct and evolving challenges.

Aggregation of Claims

A core challenge for reinsurers in the social media addiction litigation is the aggregation of claims. The question is whether thousands of lawsuits—potentially spanning multiple policy periods and jurisdictions—should be treated as arising from a single "occurrence" or "event" for purposes of reinsurance limits and retentions. This is particularly complex where claims are based on similar or identical platform features (e.g., infinite scroll, push notifications) and uniform company-wide conduct. The answer will depend on the specific wording of both underlying policies and reinsurance treaties, as well as applicable state law.

Exhaustion and Attachment

As primary insurers pay out defense costs and settlements, questions will arise as to when reinsurance layers attach. The high defense costs associated with protracted, multi-defendant litigation can quickly erode primary policy limits, potentially triggering excess and reinsurance layers. Disputes may arise over whether coverage is triggered on a per-claimant, per-policy-year, or aggregate basis, and whether defense costs erode limits for purposes of exhaustion.

Long Tail Exposure

The nature of the alleged injuries—mental health harms that may not manifest until years after exposure—creates classic "long tail" exposure for both insurers and reinsurers. There is the potential for claims to be reported under multiple policy years, raising issues of allocation across periods and towers of insurance and reinsurance.

Policy Wordings and Exclusions

Many reinsurance contracts were not drafted with social media or technology-driven mass torts in mind. As a result, there may be ambiguity regarding the applicability of traditional exclusions to these

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claims. Some treaties may lack clear aggregation provisions or may not define "occurrence" in a way that addresses the unique features of social media litigation.

Allocation of Losses Across Policy Years and Towers

With claims spanning multiple years, allocation across policy periods and insurance towers (primary, excess, umbrella) becomes complex. Disputes may arise over allocation methodology.

Concurrent Causation and Overlapping Claims

Social media addiction claims may overlap with other litigation (e.g., cyberbullying, privacy breaches). This can lead to concurrent causation issues, implicating different coverage lines and treaties, and raising "other insurance" disputes.

Coverage for Punitive or Exemplary Damages

Some jurisdictions allow punitive damages, which many treaties exclude or restrict by law. Large punitive awards in bellwether trials may trigger disputes over reinsurance obligations.

Follow the Settlements/Follow the Fortunes Clauses

The evolving nature of social media litigation may test the boundaries of these clauses, especially if reinsurers believe settlements are excessive or not clearly covered.

Claims Cooperation and Information Rights

Reinsurers may assert rights to participate in claims handling, require updates, or approve settlements. Disagreements on strategy or reserving may arise.

Conclusion

Social media addiction litigation is rapidly evolving and testing established principles of tort law, insurance coverage, and reinsurance structure. As courts grapple with novel factual and legal issues, insurers and reinsurers alike will need to closely monitor developments and engage proactively with policyholders and counsel to manage emerging risks. The outcome of the current California bellwether trial, and those that follow, will be critical in shaping the future landscape for all stakeholders involved.

Contact us

If you have reinsurance questions pertaining to Social Media Addiction Litigation or seek more information, please contact Michael Robles, Brian O'Sullivan, Patrick Todd, or your Husch Blackwell attorney.

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