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Why this Portland attorney took on the insurance industry and the gig economy



Tyler Staggs and his colleagues at Spooner Staggs won a $16 million verdict against Instacart from a Multnomah County jury.

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Tyler Staggs represented larger clients for two decades. After retooling their business model, Staggs and his mentor have no qualms taking on seemingly hard-to-win cases.

Tyler Staggs spent 20 years defending insurers, working alongside his mentor Ralph Spooner, who had decades of experience in that legal specialty.

Then in early 2024, the Beaverton-based law firm did something highly unusual. Turned off by what they saw as the insurance industry's increasingly impersonal, data-driven and drawn-out tactics for settling claims, the partners switched sides. Spooner Staggs Trial Lawyers began advocating on behalf of plaintiffs, seriously injured victims, suing the same companies the partners used to defend.

The timing was fortuitous, coming shortly after the Oregon Supreme Court's verdict in the so-called "Moody" case. The decision opened the door to negligence claims and emotional distress damages against insurers who act in bad faith in denying claims, not just the amount specified under the contract.

Staggs and his partners have since filed 12 "Moody" lawsuits and used it as leverage to settle 25 more cases – but they occasionally branch into

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other areas of the law.

Notably, they settled a case against Doordash in 2023, the first time an Oregon court allowed for a gig economy company to be held "vicariously liable" for the actions of its "so-called independent contractor," Staggs said.

And then in February, Spooner Staggs secured a $16 million verdict from a Multnomah County jury against Instacart on behalf of the estate of Peter Pellegrin. The 74-year-old Portland man was hit by an Instacart driver and died in the hospital after enduring three weeks of agonizing pain.

Instacart wants the court to nullify the verdict and has moved to reduce the $14 million non-economic award to $500,000 under the state's wrongful death damages cap. Either way, the case will be appealed, Staggs said.

He also testified in February before a legislative committee about House Bill 4098, which died on the House floor. The bill would have bolstered consumer protections against deceptive or unfair practices by insurers, so plaintiffs would not have to solely rely on the Moody decision.

We spoke with Staggs about the message the Instacart verdict sends and why he values the work he's taken on over the past two years.

First, what do you make of the failure of HB 4098? I think the insurance lobby is extremely powerful.

How did you get involved in advocating for the bill? I learned about it through the Oregon Trial Lawyers Association. They asked me to get involved because I have a unique perspective. I could speak to what I saw inside the industry and the changes I saw in my career.

Why was it important to you? It would have democratized the ability to hold insurers accountable. It had an attorney fee provision, so lawyers would be able to take on smaller matters, knowing their attorney fees would be paid. Now if you challenge an insurance company using Moody, you better make darn sure you have the facts to win because the insurance companies hire major law firms, national level law firms, sometimes two or three of them, and they'll spend an incredible amount of money to fight. So you could end up fighting for a number of years, only to have your case dismissed, and there just aren't that many firms that are built to withstand that. These cases are very expensive on the plaintiffs' side – they cost a lot to put on and come with an uncertain outcome.

Do you take a lot of Moody cases? We're the tip of the spear on Moody cases in Oregon, and it's still early days. We're litigating lots of them in federal and state court in Oregon. There are rulings already out of courts that have broadened it, that make it clear that it doesn't just involve life insurance. Those cases aren't necessarily precedential. We will ultimately need direction from the appellate courts. The industry knows we are looking for test cases. Many cases get settled confidentially, which isn't always our preference. But we have to do what's best for our clients. The (insurers') primary defense is to tear our clients' lives apart.

How did you go from that to suing Instacart? I see a throughline. It's a broader sounding of the alarm for public safety, corporations vs. people. A big frustration with insurers is their reliance on big data and AI to make decisions. Both are examples of tech that sounds good in theory that can create unfair and unsafe decisions when applied in the real world. Our firm had handled a case against Doordash and had got it ready for trial, but it settled the day before for a confidential amount. This is the first time in Oregon, and one of the few nationally, where a gig economy company has been held vicariously liable for the tort of a so-called independent contractor.

Tell me about the Instacart case. The central dispute was whether Instacart is responsible for the negligence of a delivery driver. (Driver Melina Torres) testified she never saw Peter Pellegrin. She immediately admitted fault. He had $1.5 million in medical expenses from OHSU, lived for 24 days, had many surgeries for broken bones in his body, massive internal bleeding. They would wake him up to test sensation and could only give him enough pain medication to allow him to continue breathing. He was in extraordinary pain. His wife was with him the entire time. We had an orthopedic surgeon testify at trial about these surgeries who said he would have expected Peter Pellegrin to be experiencing 13 out of 10 on the pain scale.

What was contested? Only two things: what are the noneconomic damages for the pre-death pain and suffering of Peter Pellegrin and the non-consortium to (his widow) Nanci Klinger. The other issue was whether Instacart is liable for Torres' damages. Instacart says it's not liable because of the independent contractor agreement. Our theory was whether or not the agreement is enforceable, Instacart exercised enough control over the driver that it ought to be liable under a theory in Oregon law, vicarious liability for a nonemployee agent. The jury resoundingly rejected Instacart's defense and awarded the full prayer, every penny that Nanci Klinger asked for.

How would you describe the larger significance of the verdict? What it means is that in Oregon, gig economy companies should be on notice they'll be held responsible for their drivers' negligence, and they should act accordingly, which means properly vetting and training their drivers and instituting safety policies and procedures. Most drivers that sign up have no idea what they're getting into. If they're doing that company's business and they're negligent, the company's going to hang them out to dry. Most drivers have no idea their personal policy won't cover them while working. These drivers, most likely, have the minimal policies under Oregon law.

What would you say to someone who says you're just anti-tech? I can sound like I'm against technology. I'm not. These tools are wonderful and the future, but we need to reckon with fact these companies that have massive reach; they're very powerful and putting drivers on road, and they need requisite safety laws to counterbalance that. To me, this isn't about the money, but when you're dealing with corporations, they won't change until it affects their pocketbook. We need those big verdicts to wake them up and do something.

Was it intimidating to take on this big corporation and all its lawyers? No expense was spared on the defense side. It's why we set up our firm the way we did. It's unusual to have five plaintiffs lawyers at one firm all with an insurance industry background. We've been very successful since we started on this side and have amassed a war chest that allows us to fight with the biggest players on other side. We're lean and we can make decisions quickly, pivot quickly. I learned a long time ago from my mentor Ralph Spooner that it doesn't matter how fancy the other firm is, it's just a competition of who's willing to work harder. Usually, we are.

So no regrets on switching sides? It was the right decision. My friends on the plaintiffs side told me I'd work less. I want to strangle them! I'm working harder, but I'm super excited to get up every morning and to be making a difference in people's lives.

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