

Online Appendix

This Internet Appendix provides supplemental and robustness tests to accompany the results presented in the paper:

Does Privacy Matter? Evidence from a Legal Reform

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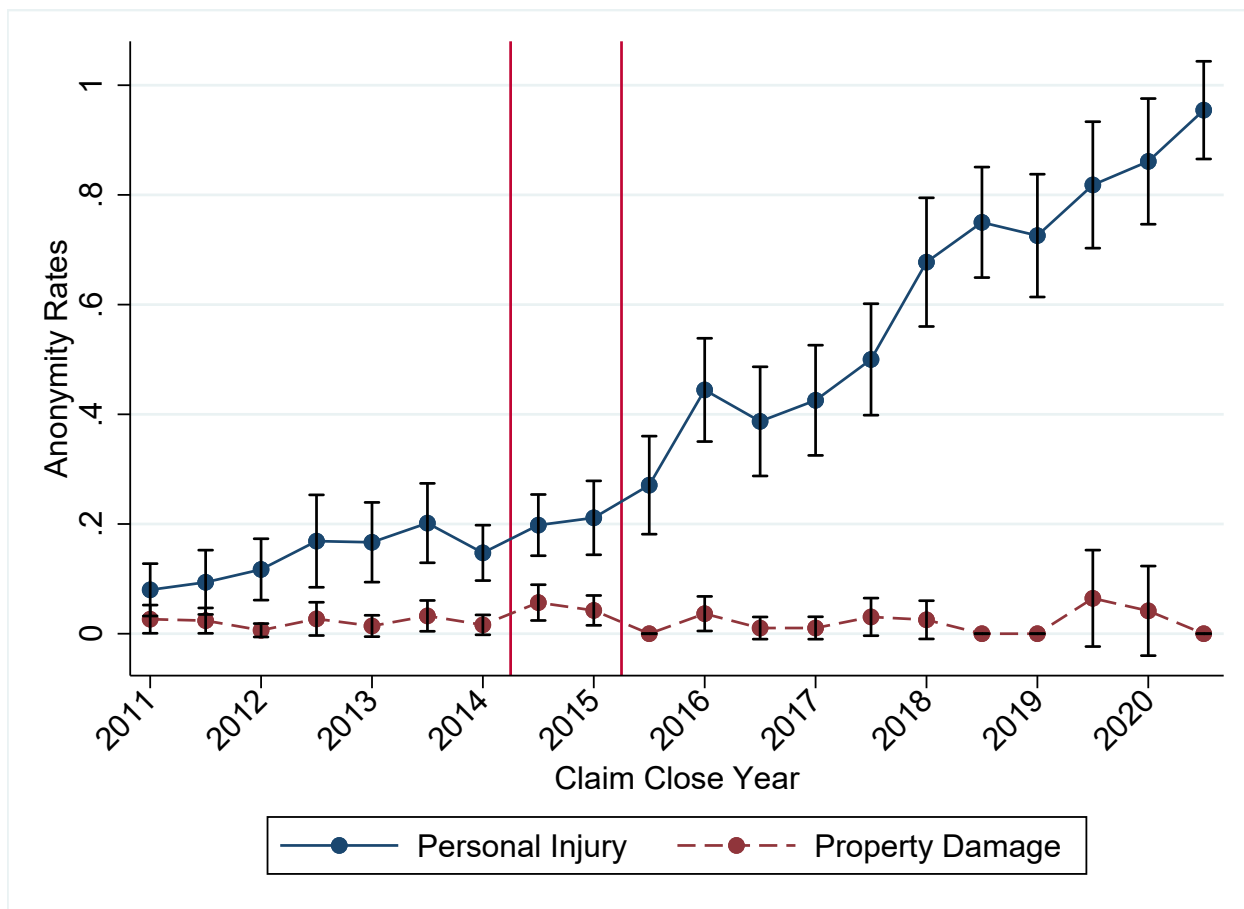
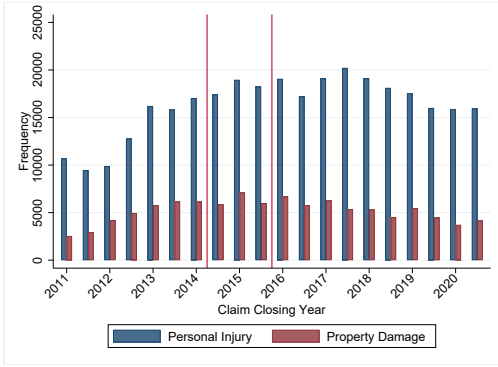
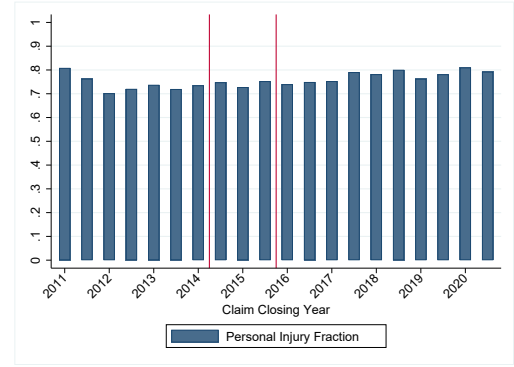


Figure A1 Court Decision - Anonymity Rate (Cases Submitted Pre-Reform Implementation)

Notes: This figure maps the fraction of anonymous court cases out of total court rulings for personal injury and property damage cases by closing date for cases submitted prior to the implementation of the reform (August 2015). The two vertical lines delineate the announcement of the legal reform (July 2014) and its implementation (August 2015).



(a) The Number of Disputed Cases



(b) The Fraction of Disputed Personal Injury Cases

Figure A2 Disputed Personal Injury & Property Damage Cases over Time

Notes: Panel (a) maps the number of closed disputed personal injury and property damage claims over time. Panel (b) maps the fraction of personal injury cases out of all closed disputed car accident cases over this period. The two vertical lines delineate the announcement of the legal reform (July 2014) and its implementation (August 2015).

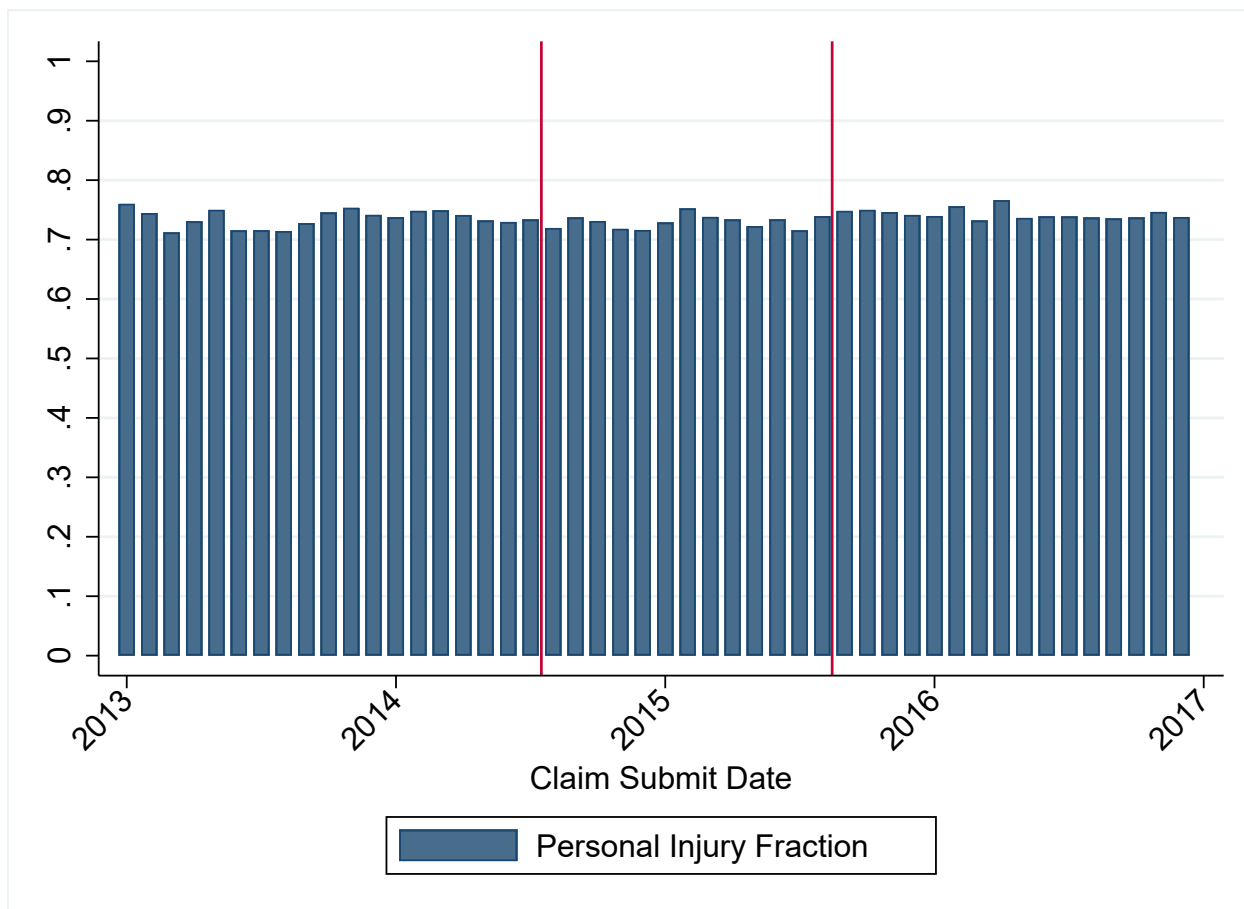
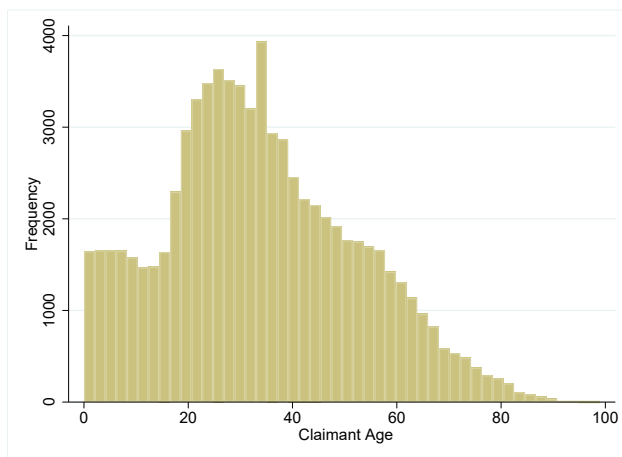
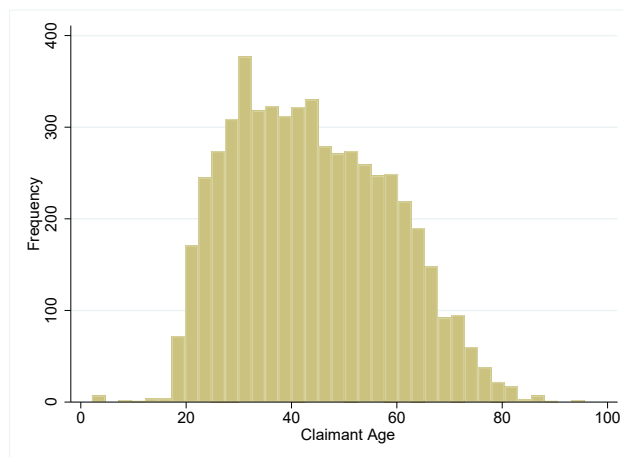


Figure A3 The Fraction of Submitted Personal Injury Cases

Notes: This figure maps the fraction of personal injury cases out of all disputed car accident cases submitted in the 18 months leading up to the reform and following the reform. The two vertical lines delineate the announcement of the legal reform (July 2014) and its implementation (August 2015).



(a) Personal Injury



(b) Property Damage

Figure A4 Age histograms

Notes: Panel (a) provides a histogram of the distribution of claimant age in personal injury cases in the pre-reform period. Panel (b) provides a histogram of the distribution of claimant age in property damage cases in the pre-reform period.

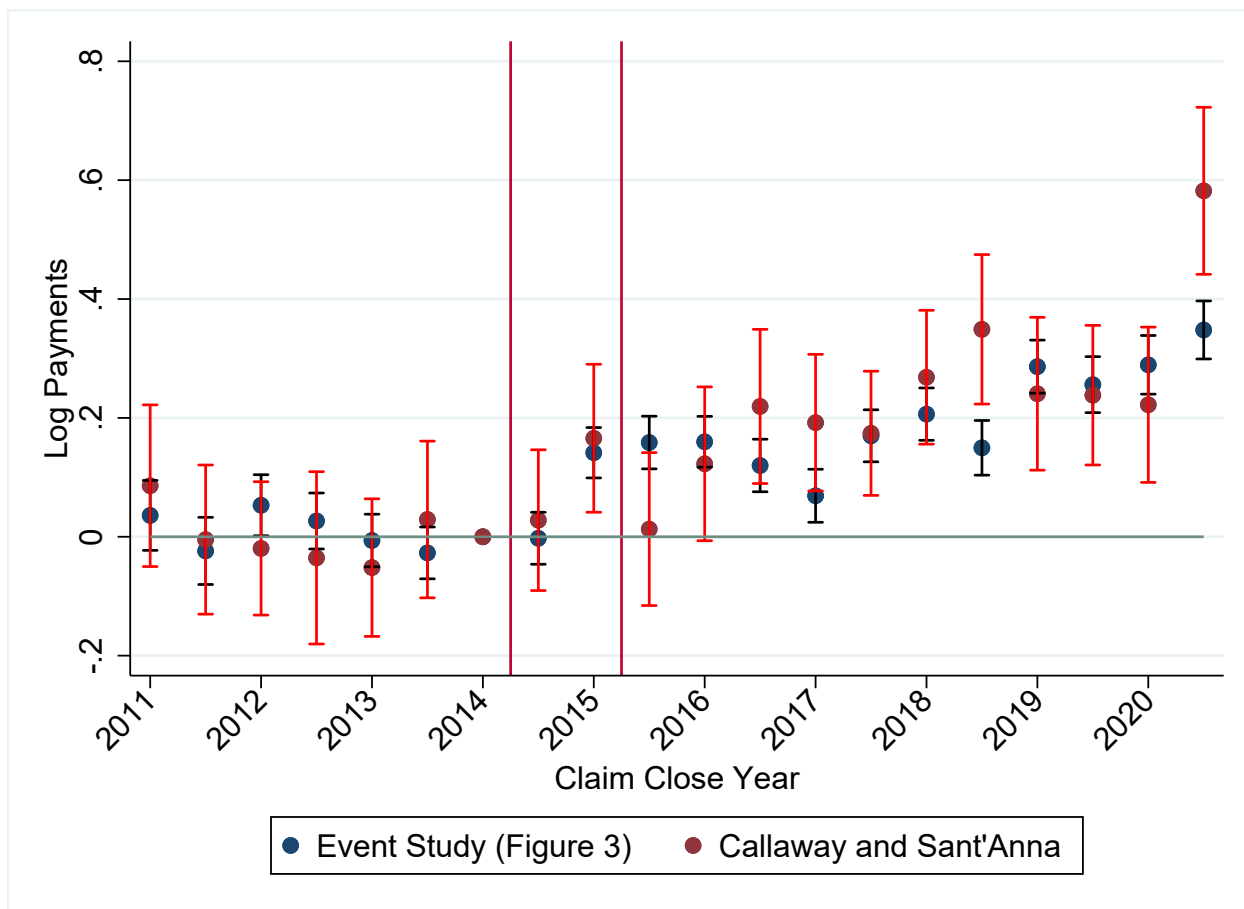


Figure A5 Applying Callaway and Sant'Anna Approach

Notes: This event study figure maps the change in the log payment gap between personal injury and property damage cases relative to the gap observed in the first 6 months of 2014 (prior to the announcement of the reform) when applying the Callaway and Sant'Anna method. The figure displays the coefficients on the interaction terms Personal Injury x 6-Month-Period and their 95% confidence interval for all claims closed between January 2011 and December 2020. An indicator for the first 6 months of 2014 is excluded from the regression and thus, serves as a baseline. The two vertical lines delineate the announcement of the legal reform (July 2014) and its implementation (August 2015).

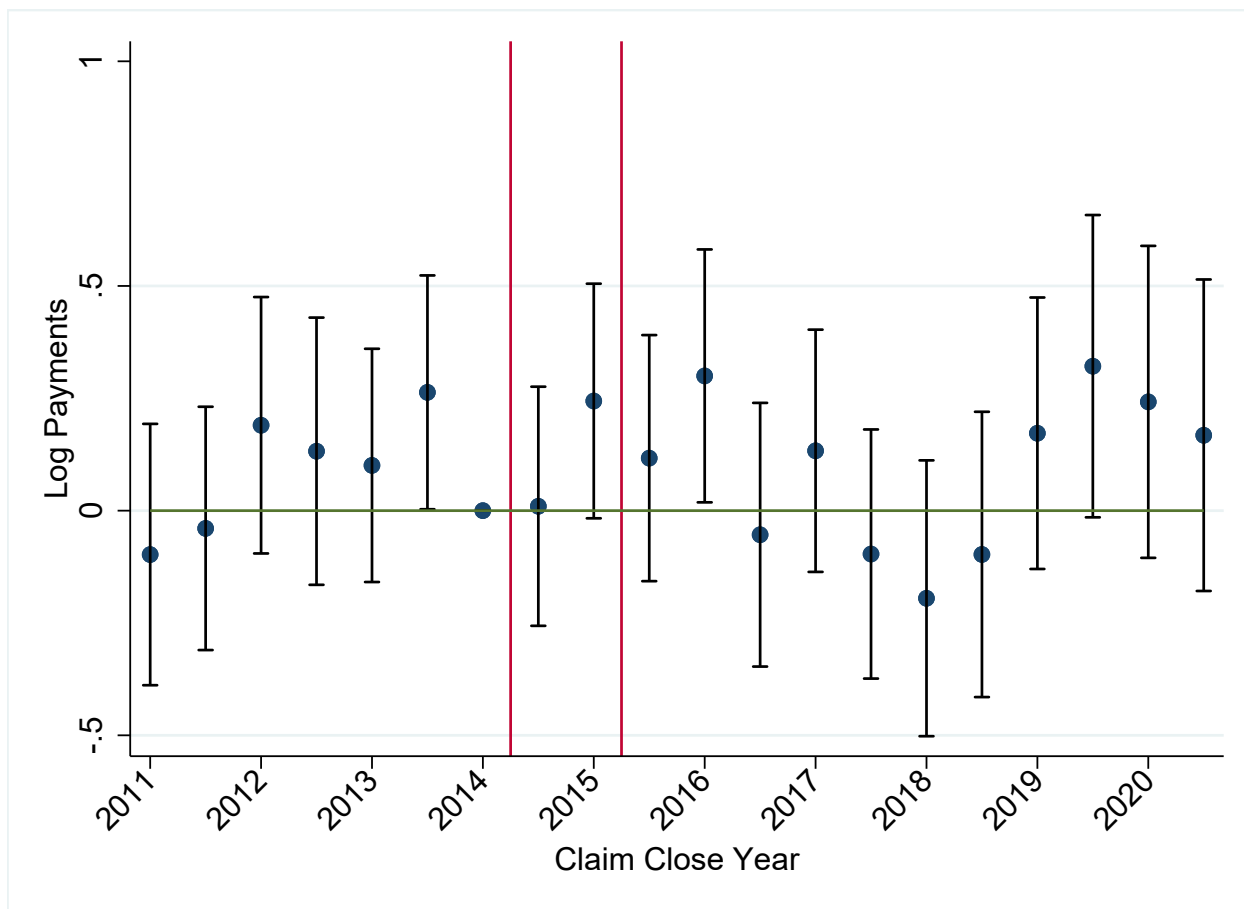
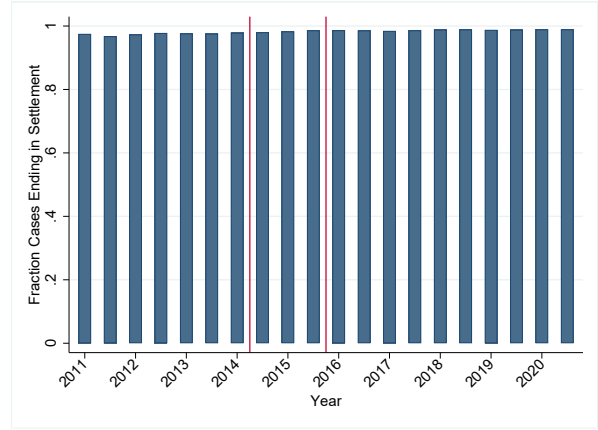
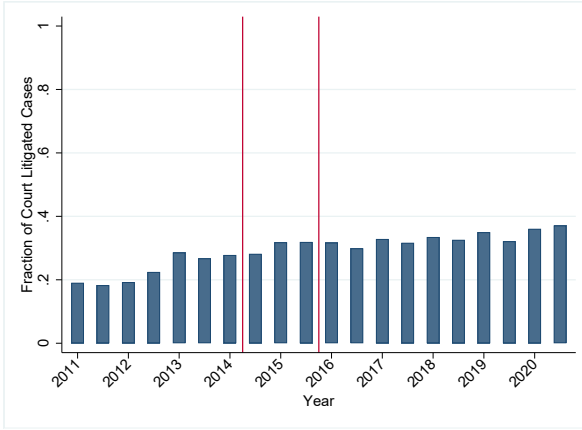


Figure A6 The Effect of the Privacy Legislation on Payments (Cases Ending in Court)

Notes: This event study figure maps the change in the log payment gap between personal injury and property damage cases relative to the gap observed in the first 6 months of 2014 (prior to the announcement of the reform) for cases resolved through a court ruling. The figure displays the coefficients on the interaction terms Personal Injury x 6-Month-Period and their 95% confidence interval for all claims closed between January 2011 and December 2020. An indicator for the first 6 months of 2014 is excluded from the regression and thus, serves as a baseline. The two vertical lines delineate the announcement of the legal reform (July 2014) and its implementation (August 2015).

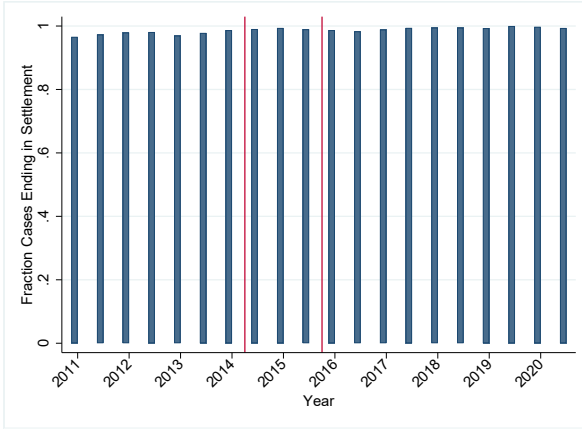


(a) Fraction of Cases Litigated

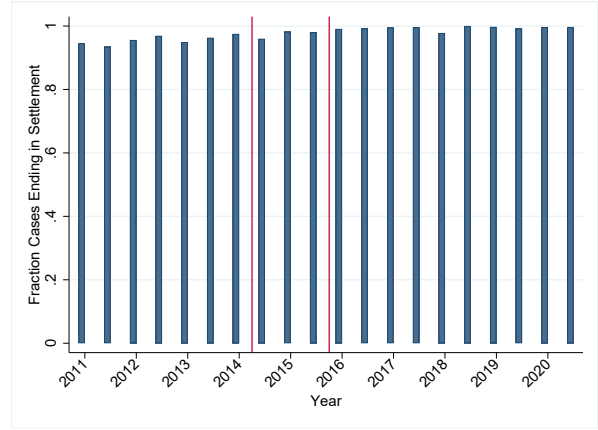
(b) Fraction of Cases Ending in Settlement

Figure A7 Outcomes of Personal Injury Cases

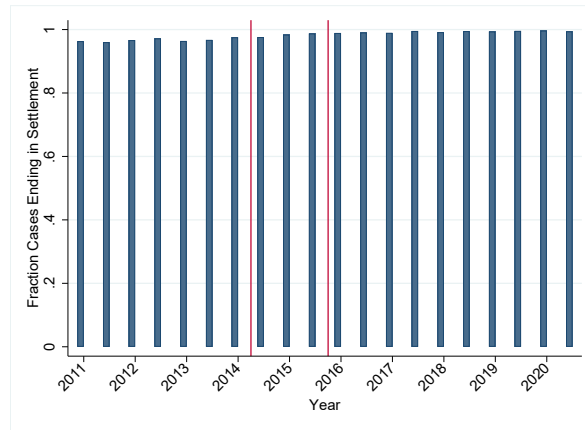
Notes: Panel (a) provides the fraction of personal injury cases litigated in court over time (ending in either a settlement or court ruling). Panel (b) provides the fraction of personal injury cases ending in a settlement over time.



(a) Non-Jewish Localities



(b) Ultra-Orthodox Localities



(c) Low-income Localities

Figure A8 Fraction of Cases Ending in Settlements Across Population Groups

Notes: Panel (a) provides the fraction of personal injury cases ending in a settlement over time for non-Jewish localities. Panel (b) provides the fraction of personal injury cases ending in a settlement over time for ultra-Orthodox localities, Panel (c) provides the fraction of personal injury cases ending in a settlement over time for localities with below-median income.

Table A1 Expanded Summary Statistics

	mean	sd	min	p10	p50	p90	max	count
Payment (1,000s of NIS)	35.6	143.7	0.0001	3.3	9.4	72.9	11743.7	428094
Case Duration (Years)	2.2	2.1	0.005	0.5	1.6	4.9	30.5	428094
Settlement (%)	87.4	33.1	0	0	100	100	100	428094
Represented by Lawyer (%)	84.1	36.5	0	0	100	100	100	421842
Top Law Firm (%)	3.5	18.4	0	0	0	0	100	421842
Claim Litigated in Court (%)	43.9	49.6	0	0	0	100	100	351822
Claimant Age	34.8	18.8	0	10	33	61	100	252927
Male (%)	54.3	49.8	0	0	100	100	100	190510
Avg. Income (1,000s of NIS)	71.1	23.7	15.4	49.6	65.2	100.9	208	94388
College Educated (%)	38.2	16.1	0	17	38.2	59.7	88.1	94388
Jewish (%)	80.1	39.9	0	0	100	100	100	94388
Ultra-Orthodox (%)	11.2	31.6	0	0	0	100	100	75622
Socioeconomic Rank	825.9	422.1	2	253	836	1409	1624	77479

Notes: This table reports summary statistics for the main variables used in the analysis. The number of observations varies across variables due to differences in data availability across administrative sources. Payment amounts, case duration, and whether the case ended in a settlement are observed for all claims. Information on legal representation is missing for a small number of claims because the relevant insurance firms did not report whether the claim was handled by a lawyer. These observations are therefore coded to missing for both lawyer representation and top law firm indicators. One insurance firm did not report whether claims were litigated in court prior to settlement, and this variable is coded as missing for all claims submitted to that firm. Demographic characteristics (age and gender) are missing when this information was not provided by the insurance provider. Income, education, and religion are observed only for claimants whose address information could be linked to the Central Bureau of Statistics (CBS) data. Ultra-Orthodox status is coded as missing for non-Jewish localities. Socioeconomic rank is available only for a subset of the localities appearing in the data.

Table A2 Database Variables

<i>Panel A: Insurance Databases</i>	Definition
Insurance Company	Random ID of insurance company where claim was submitted
Claim ID	Random ID used to track submitted claims
Date submit	Date claim was submitted
Date close	Date claim was closed and payment was made
Post-reform	Defined as 1 if claim was closed on or after July 1, 2014
Claim type	Defined as property damage or personal injury
Payment	Payment on claim in 2023 NIS
Lawyer representation	Defined as 1 if claimant was represented by lawyer
Claimant ID	Random ID used to track the same claimant over time
Claimant statistical area	Statistical area where claimant resides
Claimant age	Age of claimant
Claimant gender	Gender of claimant
Litigated in court	Defined as 1 if claim was ever litigated in court
Settlement	Defined as 1 if claim was resolved in a settlement
<i>Panel B: Central Bureau of Statistics</i>	Definition
Statistical area	CBS Statistical area
Average income	Average income at statistical area
Higher education	Fraction of men in statistical area with at least 13 years of education
Socioeconomic rank	Socioeconomic ranking of statistical area as defined by CBS based on demographic characteristics, education, income, housing characteristics, employment, and economic difficulties.
Ethnicity	Arab or Jewish is defined by the majority religion in statistical area
ultra-Orthodox	Defined as 1 if the majority of residents in statistical area define themselves as ultra-Orthodox
<i>Panel C: Dun's 100 Top Law Firms</i>	Definition
Top Firm	Defined as 1 if claimant is represented by top 100 law firm

Notes: This table lists the variables available in each of the original datasets used to compile our database.

Table A3 Heterogeneity Results - Alternative Sample Definitions

	Full Sample Difference	Subsample Difference
Panel A: Working Age		
Working Age X Personal Injury X Post	0.218*** (0.057)	0.204*** (0.056)
Observations	428,094	190,186
Panel B: Represented by Top Lawyer		
Top Lawyer X Personal Injury X Post	0.087* (0.047)	0.105** (0.047)
Observations	428,094	354,881
Panel C: Long Case Duration		
Long Duration X Personal Injury X Post	0.264*** (0.018)	0.264*** (0.018)
Observations	428,094	428,094
Panel D: Male		
Male X Personal Injury X Post	0.005 (0.043)	0.010 (0.043)
Observations	428,094	190,510
Panel E: High Income		
High Income X Personal Injury X Post	-0.041 (0.049)	-0.035 (0.050)
Observations	428,094	94,388
Panel F: Jewish		
Jewish X Personal Injury X Post	-0.097 (0.082)	-0.092 (0.083)
Observations	428,094	94,388
Panel G: Ultra-Orthodox		
Ultra-Orthodox X Personal Injury X Post	0.047 (0.092)	0.042 (0.093)
Observations	428,094	75,622

Notes: The dependent variable in all specifications is log(payment). Each estimate reports the coefficient from the the triple interaction (panel characteristic=1 x personal injury x post). The first column includes all observations and controls for missing values on the panel characteristic and interactions with personal injury and post. The second column restricts the sample to observations with non-missing values for the panel characteristic and corresponds to the difference specification reported in Table 3. Robust standard errors reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A4 The Effect of Privacy Legislation on Payments (by Lawyer Expertise)

	Regular Firms	Top Firms	DDD
Personal Injury	0.319*** (0.012)	0.356*** (0.069)	0.314*** (0.012)
Personal Injury X 2015	0.153*** (0.018)	0.221*** (0.072)	0.153*** (0.018)
Personal Injury X 2016	0.169*** (0.018)	0.496*** (0.078)	0.168*** (0.018)
Personal Injury X 2017	0.260*** (0.018)	0.597*** (0.082)	0.258*** (0.018)
Personal Injury X 2018	0.283*** (0.019)	0.446*** (0.080)	0.281*** (0.019)
Personal Injury X 2019	0.422*** (0.019)	0.551*** (0.081)	0.420*** (0.019)
Personal Injury X 2020	0.386*** (0.019)	0.596*** (0.084)	0.384*** (0.019)
Personal Injury X 2015 X Top Law Firm			0.044 (0.070)
Personal Injury X 2016 X Top Law Firm			0.284*** (0.075)
Personal Injury X 2017 X Top Law Firm			0.301*** (0.079)
Personal Injury X 2018 X Top Law Firm			0.187** (0.078)
Personal Injury X 2019 X Top Law Firm			0.100 (0.078)
Personal Injury X 2020 X Top Law Firm			0.212*** (0.082)
Mean Payments	38118.69	71746.82	39516.86
Observations	340126	14755	354881
Adjusted R-squared	0.099	0.167	0.103

Notes: The dependent variable in all specifications is log(payment). The right-hand side variables contain a personal injury case indicator, year fixed effects, and the interaction between the two for all years after the reform announcement (2014). Additional controls include claimant gender, age, age squared, a fixed effect for the insurance company where the claim was submitted, and location fixed effects. The first specification reports the coefficients when including only claims litigated by lawyers outside the Dunn's 100 list of top law firms in Israel. The second specification reports these same coefficients for claims litigated by lawyers listed within the Dunn's 100 list of top law firms in Israel. The third specification reports the coefficient on interaction terms and the triple difference interaction terms (top firm x personal injury case indicator x year). Robust standard errors reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A5 The Effect of Privacy Legislation on Payments (by Submit Date)

	Estimate
July - December 2012	-0.027 (0.024)
January - June 2013	-0.043* (0.024)
July - December 2013	0.006 (0.023)
Baseline (January - June 2014)	
July - December 2014	0.062*** (0.023)
January - June 2015	0.082*** (0.023)
July - December 2015	0.059** (0.023)
January - June 2016	0.050** (0.023)
July - December 2016	0.053** (0.024)
Year FE	Yes
Firm FE	Yes
Location FE	Yes
Mean Payments	21298.36
Observations	149415
Adjusted R-squared	0.062

Notes: This event study is based on claim submission dates and restricts the sample to single claims submitted either up to 18 months before the reform was announced in July 2014 or after the reform was implemented in August 2015. To ensure that the types of cases observed by submission date are balanced before and after the reform, we focus on claims that close within three years. The dependent variable is $\log(\text{payment})$. The estimates report the coefficients on the interaction between the personal-injury case indicator and each period indicator, with January–June 2014 omitted as the baseline period. Additional controls include a personal injury case indicator, claimant gender, age, and age squared. Robust standard errors reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$