

**Transform Your
Claims Litigation
Management with
Structured Data**

Introduction

Litigation in the property casualty claims industry continues to be both a source of frustration and opportunity for claims and litigation management leaders. Approximately half of all claims organizations continue to report escalating litigation costs on a per-file basis. A full 80% of claims executives say that a majority of their litigated claims settle later in the process “than is necessary.”¹

Claims executives have repeatedly demonstrated that they can strengthen any process, eliminate any inefficiency and improve any outcome with the right data elements.

For many claims organizations, attorneys’ fees and expenses exceed the unallocated expenses required to maintain the claims department itself. And despite the significance of litigation costs, they pale in comparison to what is spent on the indemnity side of the fence — the amount spent to resolve the cases themselves. It is no wonder that more than seven out of 10 senior claims executives reports having had a conversation with their CEO about litigation management effectiveness in the last 12 months.¹

Why is this the case? How can costs continue to rise, and cases continue to linger, when there is a now an entire \$500+ million industry focused exclusively on legal invoice review and legal e-billing software?

In our view, as we explain below, it is because there remains too much unstructured data in the litigation management process.

Claims executives have repeatedly demonstrated that they can strengthen any process, eliminate any inefficiency and improve any outcome with the right data elements. Without the right data, however, these improvements are challenging at best. Which attorney is the right one for this case? In this venue? Which attorney is most likely to win at dispositive motions? Which ones get the plaintiff deposed most quickly? Which are best at pursuing early resolution strategies? Which get the best outcomes? Which do best in front of this judge? With this plaintiff counsel?

These are the data points that claims executives need to affect true change. Without these answers, and with only invoice-centric data to work from, claims executives are forced to focus on which attorneys are the least expensive (not which ones get the best outcomes). Perhaps this is why claims leaders today rate the “helpfulness” of their current litigation metrics at a lukewarm 55 out of 100.¹

¹2019 CLM Litigation Management Study (Claims and Litigation Management Alliance)

Unstructured Data vs. Structured Data

Let's talk quickly about data. Simply put, unstructured data is anything (files, text data, documents, communications, imaging, media, etc.) that isn't stored in a structured database format. Unstructured data is the data you collect that is not captured and managed in a transactional system.

All industries suffer from some level of unstructured data collection, and claims litigation management is no different. Every report, every email and essentially every communication from counsel — all the information contained in those formats — is unstructured.

In the claims litigation world, examples of unstructured data include:

- ✓ *Email conversations where important dates, decisions, results and other information is buried in the text of the communication*
- ✓ *Documents that contain critical claims information and are attached to emails or other forms of communication where, like email, the data is embedded in the document and not easily accessed*
- ✓ *Invoices that themselves contain important information related to the case and all the legal professionals providing services, explained line by line*

- ✓ *And many would argue, individual file strategies. File strategy is essentially a series of agreed-upon next steps and activities. What are they? When are they due? Have they been completed? In today's current environment, the answers to these questions remain unstructured.*

Structured data, in comparison, is data that you are able to capture in specific fields in a database. Field-centric data, and particularly the ability to see how each data element has changed over time, can be used in reports, correlated with one another, and analyzed.

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Said another way, everything of importance that you wish to measure, report on, correlate or analyze needs to reside somewhere specific. Data critical to measure your claims litigation management performance needs a home.

As you can see in our example below, claims organizations currently receive a wealth of valuable data points and informational elements during the course of their litigation. The problem is, the vast majority of the most important

data points are received in an unstructured format. They cannot be correlated, measured or analyzed.

How Structured Data can be Transformative

Let's talk about a real-world example in another industry. In 1999, a former Oracle executive, Marc Beninoff, and a collection of partners launched Salesforce.com. This SaaS-based customer relationship management service intended to structure the data around new customer acquisition, customer service, marketing automation, analytics and other services.

...the final outcome and the data provided from a structured platform far outweigh the adoption challenges. Now, a company cannot be seen as competitive without one.

One of the challenges they faced as they approached mid-sized and enterprise sales organizations with their offering was, "How can we convince them to move their sales team and sales management data to a structured system where the users would be required to enter information about everything they do?"

For most organizations, a sales teams' toolbox consisted of a Rolodex, email communications

and an immense amount of Post-It notes. Sales managers utilized Excel spreadsheets, a loosely knit team of administrative staff, and intuition to guess and document what was going on in the field and to report results to company leadership. Very little of their data was structured or actionable.

By convincing their sales team over time to capture prospect information in Salesforce.com and communicate through that system, managers could now start to view activity, ensure that sales personnel were following best practices, measure their pipelines and better understand historical aspects of revenue recognition. They could generate reports for senior leadership, affect the sales process quickly where necessary, intervene where they could help deals close faster, and use analytics to predict future revenue impact to their organization, providing information that was previously unavailable to them.

With over 100,000 organizations now on Salesforce.com, it seems unlikely to find a business that takes their sales function seriously not using a customer relationship management platform to structure their sales data. It took each organization work to change internal attitudes and enforce system usage, but the final outcome and the data provided from a structured platform far outweigh the adoption challenges.

Now, a company cannot be seen as competitive without one. Sales personnel learned that by using the CRM properly, they were more efficient, targeted the proper prospects more accurately, and built pipeline more effectively, making their jobs easier and more lucrative.

Imagine if almost all claims litigation departments utilized a similar system and had access to the data it provides? Then imagine you joined an organization that operated without a system that structured data. How competitive would you feel, and how disadvantaged and inefficient would your employees be?

A Real World, Claims Litigation Example

Reflect back on the last time that you looked at a closed litigation file. Think briefly about the wealth of information that counsel provided to you about the case. (They provide these data points, and more, on just about every case that you assign to them to defend):

- ✓ *What venue was the case in?*
- ✓ *Who was the judge?*
- ✓ *Who was the plaintiff attorney?*
- ✓ *What was the last demand?*
What were past demands?
- ✓ *What was our last offer?*
What were past offers?
- ✓ *Was there a dispositive motion in this case?*
What was the outcome?

- ✓ *When were the key depositions? How many times did those dates change? Why?*
- ✓ *Did mediation occur? Who was mediator? What was the outcome?*
- ✓ *Which experts were used? Were they helpful? How helpful?*
- ✓ *What's was the predicted exposure on the file? How accurate was that prediction?*
- ✓ *What was the initial expense budget? What was ultimately spent on the file?*
- ✓ *What is the agreed-upon strategy of activities on the file? Were those activities executed? How quickly?*

Claims organizations want their professionals to be making strategic decisions about resolving the file, focusing on coverage, liability, causation and damages, not re-keying data.

You might think that with all this data in the file, meaningful analytical work would be a breeze. But, of course it isn't, and that's because the data is not actionable in its unstructured form. It sits right where it came in, in a letter or an email.

True, the claims organization could ask its claims professionals to pluck out the key data points and re-key them into a claims system in some way, but this is a terribly inefficient

and expensive activity. Claims organizations want their professionals to be making strategic decisions about resolving the file, focusing on coverage, liability, causation and damages, not re-keying data.

Instead, picture an environment in which counsel provided all of the data elements they are currently providing, but did so in a structured way. Instead of writing a long letter, they complete a series of templated forms, and then add their softer analysis and comments elsewhere. No extra work; just a different way of sharing the information.

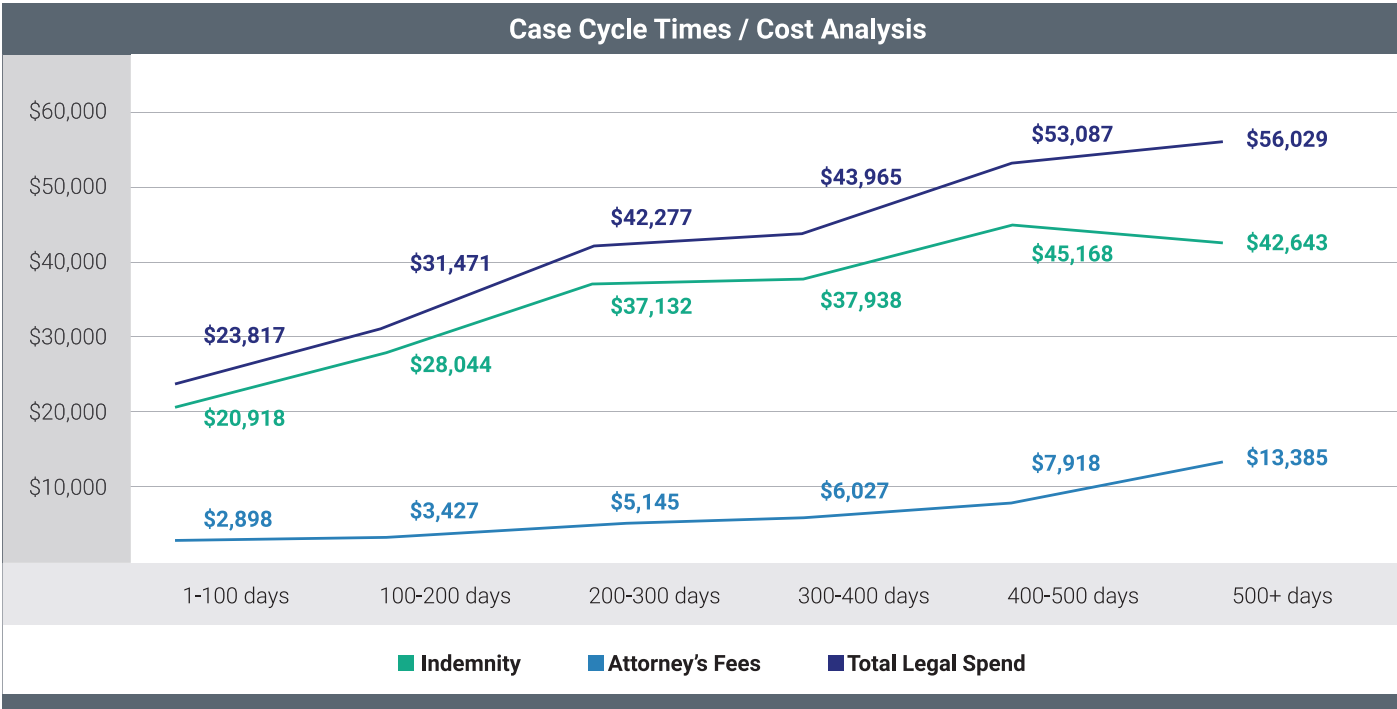
This changes dramatically how claims executives can see the big picture and how

claims professionals can then start intervening where appropriate, guiding existing cases toward best practices to get to faster case closures and improved outcomes.

Big Picture Data Example – Cycle Time

At CaseGlide, we supply our customers with benchmarking data to help them measure their organization’s programs against others who also use our platform. One of the more informative data sets we provide is a measurement of case cycle times and how that affects both indemnity costs and attorneys’ fees.

Not only is this a great example of what structured data can provide, but it’s also a way to understand in a real-world situation what



financial impact you can have on your case results by using a structured data platform to increase efficiencies and close cases faster.

This simple example shows that when even a small claims organization (only 100 litigated files) reduces their cycle time from 300-400 days to 100-200 days, and uses structured data to match the right attorneys to the file, they experience legal fee decreases of \$260,000 and indemnity decreases of \$989,400.

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How do you suppose a company’s leadership team would respond to saving over \$1.2 million because they adopted a structured data system that allowed for faster case closure and improved indemnity outcomes? You would expect the response to be positive.

According to CaseGlide’s Director of Analytics, Andrea Stachnik, “We find that once we implement a new claims organization on the platform, they’re able to analyze their data and close around 10% of their current cases immediately due to more closely understanding the specific aspects of the cases.”

That’s what structured data can do. Much like how Salesforce.com revolutionized the way companies conduct their sales efforts, structured data in a claims litigation setting can provide the data intelligence you need to improve how you drive success in your organization.

A Future for Claims Litigation Management

Though it seemed daunting to some at the time, organizations were successful in meeting the challenge to get their sales leaders and personnel to adopt Salesforce.com in exchange for better results, actionable data and analytics, and increased efficiency. Claims litigation management leaders are equipped to do the same.

Think of the various data elements we’ve described above: venue, plaintiff counsel, judge, exposure predictions, demands and offers, dispositive motions, file defensibility, file severity, scheduled depositions, expert utilization, use of mediation, expense budgets, and amounts spent to date – the list goes on and on.

The range of use-case scenarios for deploying these data points is extensive. They can be correlated and analyzed at both macro- and micro-levels. They can be used to identify developing trends over time. They can help to identify the best firms for certain types of cases, or the best attorney.

But they can also be used proactively to drive cycle time and improve outcomes by affecting earlier resolution strategies. Some simple examples:

- ✓ *Show me all cases where the offer and demand are within X% of one another, or within \$Y of one another.*
- ✓ *Show me all cases where the delta between demand and offer are less than the remaining expense budget.*
- ✓ *Show me all cases with a high-severity rating and poor defensibility rating.*
- ✓ *Show me all cases where counsel is behind in the execution of our agreed-to strategy.*
- ✓ *Show me all upcoming scheduled plaintiff depositions (maybe I'd like to make an offer after that event).*

These are just five of many, many use-case scenarios of an extensive list. Every litigation executive can think immediately of five reports they'd like to see but can't currently retrieve.

Perhaps as importantly, think about the efficiency gains for every claims professional who needs to know exactly what's happened in the case, what is overdue, and what is scheduled to happen, at a moment's notice. Every data point in its place, logically organized. No more searching through the last reports, emails and correspondence.

By requesting that counsel provide the data they already deliver to you in a structured platform, you're not only organizing the data better, your

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driving efficiency in the process and building for the future.

That is why CaseGlide believes this to be the future for claims litigation management. We're applying the principles and technology that other industries have used for years to drive efficiencies to the claims litigation industry. With a platform that drives better collaboration, better alignment between the claims organization and counsel, and better control over budgeting and legal invoice review, you can almost instantaneously see improved results and better outcomes.