

UNLOCKING THE LEGAL INVOICE

Looking to streamline the relationship between claims handlers and defense counsel? Communication, close collaboration, and most importantly, objective performance metrics, is key to successful case management.

IMPACT OF A LEGAL METRICS PROGRAM

When applied correctly, a legal metrics program can make a measurable, long-term impact on an insurer's litigation expenses. **Here's one example.**

THE CLIENT Commercial insurance carrier working with 10 different firms in 1 particular state.

METRICS MEASURED Total number of cases, total hours performed, total billed amounts and line-item charges from each firm over the previous 3 years.

ANALYSIS Data broken down by firm and individual attorney is used to calculate average cost per claim, cost per hour and hours billed per claim.

Among the 10 firms, cost per claim ranged from \$12,000 to \$64,000, and cost per hour ranged from \$160 to \$250. A look into utilization lead to better insight and a data driven strategic approach to claim assignment.

THE PLAN Assign new claims to better-performing firms slowly to prevent disruption. Continually monitor performance to ensure new claim assignments are truly going to the best firm of the day.

METRICS BRING MUTUAL BENEFIT FOR INSURERS AND ATTORNEYS

Identifying pain points, outliers and trends requires two things: a platform capable of ingesting, aggregating, and analyzing invoice data, and perhaps more importantly, buy-in from both claim organizations and defense firms. Trust and transparency must be maintained so that attorneys do not feel they are being micromanaged or penalized for investing time and resources into difficult cases.

THE FIRM A Law Firm Member of The Gavel

METRICS MEASURED Total number of cases, total hours performed, total billed amounts and line-item charges from each attorney of the firm over a specified time period.

ANALYSIS Data broken down by attorney and used to calculate average cost per case, cost per hour and hours billed per case.

Among the attorneys, billing per case ranged from \$5,000 to \$90,000, and billing per hour ranged from \$125 to \$295. A look into time management lead to better insight and a data driven strategic approach to case assignment.

THE PLAN Assign new cases to better-performing attorneys slowly to prevent disruption. Continually monitor performance to ensure new case assignments are truly going to the best attorney. Provide mentoring, education, and training to lower-performing lawyers.