



2015 CLM Annual Conference

Palm Desert

Risk Management and Metrics That Matter

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TPA

1. Client Handling Instructions
 - a. Standard Elements
 - i. Contacts
 - ii. Client background information
 - iii. Policy information (lines, deductibles, SIR's, etc.)
 - iv. Claims Notification/Reporting (practice and thresholds)
 - v. Recorded statements
 - vi. Surveillance
 - vii. Litigation
 - b. Specialized Elements
 - i. Quick Reference Guide w/"Hot Button" items
 - ii. Job Function Description/Video Links
 - iii. Nurse Case Management
 - iv. Return-To-Work
 - v. Medical Management/Bill Review
 - vi. Subrogation
 - vii. GL "Fast Tracking"
2. Quarterly or Semi-Annual File Audits
 - a. Communication
 - b. Action Planning
 - c. Resource Deployment
 - d. Closure/Operational Metric Link
3. Stewardship/Partnership Meeting
 - a. Scheduling
 - b. Pertinent Information Review
 - i. Recent actions
 - ii. Litigation
 - iii. Reserving/Payment
 - iv. Tactical plan
 - c. Proactive Outcome Focus
 - i. Strategic closure/settlement
4. Adjuster Awards

- a. Adjuster
- b. Supervisor
- 5. Individual calls with new adjusters to introduce self & philosophy
 - a. Open door policy
- 6. RFP process
 - a. Qualitative Assessment
 - i. Team Structure and Management Philosophy
 - ii. Claims Management Process
 - iii. RIMIS System Capabilities and Functionality
 - b. Quantitative Assessment
 - i. Fee Structure
 - 1. Claims
 - 2. Reporting
 - 3. Medical Management
 - 4. Data Transfer
 - 5. Open Claims Transfer
 - 6. Variable Services

Insurer

- 1. Performance Guarantees
 - a. Contract includes cost penalties for performance issues
 - i. Timely policy delivery
 - ii. Accurate policy delivery
 - b. Contract includes mandatory meetings with Senior Managers for performance issues
 - i. To review and relay issues to Insurer Senior Managers (outside account management)
- 2. Meetings
 - a. Relationship Meetings
 - i. Annual meeting to discuss the status of client company and insurance companies economic status (account management, and senior management according to the size of program with the company)
 - ii. Annual meeting to discuss any issues or concerns during the renewal process and program management
 - b. High Profile Claim Meeting
 - i. To review and align client's claims philosophy with that of insurer
 - ii. To discuss any large claims that have potential to hit insurance levels (for any program where claims can or will hit insurance levels)
- 3. RFP process
 - a. To align pricing and program with industry and market
 - i. To research any new coverages that may be available in client's industry
 - ii. To research market for pricing and availability of coverage for complicated programs
 - b. To ensure insurer does not let your program become "house account"

- i. Insurers will have better response and handling of account if they know that other insurers are interested in the account, and that the client is listening to them

Defense Firms

1. Litigation and Billing Guidelines
 - a. Purpose
 - i. Cost
 - ii. Quality Control
 - iii. Outcome
 - b. Tracking Compliance
 - i. Budgets
 - ii. Reports
 - iii. Write-Offs
 - c. Outcome Correlation
 - i. Actual Cost
 - ii. Shelf Life
 - iii. Indemnity
 - d. Metrics
 - i. Cost
 - ii. Shelf Life
 - iii. Indemnity
 - e. Benchmarks
 - i. Lines of Business
 - ii. Jurisdiction
 - iii. Complexity
 - f. Scorecards
 - i. Cost
 - ii. Compliance
 - iii. Outcome
2. Firm Audits
 - a. Staffing
 - i. Dedicated Teams
 - ii. Training
 - iii. Supervision
 - b. Timekeeper
 - i. Partners
 - ii. Associates
 - iii. Paralegals
 - c. Effectiveness
 - i. Protocols
 - ii. Client Data
 - iii. Firm Data
 - d. Utilization Review
 - i. Best Practices
 - ii. Practice Teams
 - iii. Brief Banks

- e. Metrics
 - i. Cost
 - ii. Compliance
 - iii. Outcome
- f. Reporting
 - i. Firm
 - ii. Client
 - iii. Vendor
- g. Benchmarks
 - i. Firm
 - ii. Jurisdictions
 - iii. Case Type and Complexity
- 3. Maintaining Relationships
 - a. Bill Auditors
 - i. In-House
 - ii. Outside
 - b. Outside Counsel Management
 - i. General Counsel
 - ii. Risk Management
 - iii. Vendor Management
 - c. Benchmarks
 - i. Cost
 - ii. Compliance
 - iii. Outcome
 - d. Meetings
 - i. Panel
 - ii. Firm
 - iii. Relationship Partner
 - e. Firm Evaluations
 - i. Audits
 - ii. Scorecards
 - iii. Surveys
- 4. Building Relationships
 - a. Global Economy
 - i. Outside General Counsel
 - ii. Program Counsel
 - iii. Supervisory Counsel
 - b. Multi-Party Litigation
 - i. Conflicts
 - ii. Joint Defense Agreements
 - iii. Tenders
 - c. Alternative or Exception Counsel
 - i. Requests for Information or Proposals
 - ii. Industry Conferences
 - iii. National Networks
 - d. Performance Benchmarks

- i. Cost
- ii. Compliance
- iii. Outcome

SAMPLE PORTFOLIO METRICS

COST (Closed Files)

Average/file

SHELF LIFE (Closed Files)

Average/file

SHELF LIFE (Open Files)

Average/file

BUDGET VARIANCE (Closed files)

Average/File

BUDGET VARIANCE (Open Files)

Average/File

CASE EVALUATION VARIANCE (Closed Files)

Average/File

OUTCOMES (Closed Files)

Average loss payment/file

% of cases closed within 60/120/180 days

% of cases closed with no loss payment

% of cases closed within deductible

% of cases closed within budget

% of cases closed within case evaluation

STAFFING (Closed Files)

% Partner/Of Counsel time

% Associate time

% Paralegal time

% Non-billable time

GUIDELINE COMPLIANCE (Closed Files)

% of Invoice Reductions (before appeals)

% of Invoice Reductions (after appeals)

Timeliness of Reports and Budgets

INDEMNITY TO EXPENSE RATIO (Closed Files)

Average/file