



Litigation management – What's next?

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It's well known that litigation is a consistent cost driver in casualty claims management. At Sedgwick, we realize there are a variety of factors driving litigation rates, timing and ultimately the impact of litigation on overall exposure. In early 2019, we began rethinking our approach to help our client partners manage this significant issue.

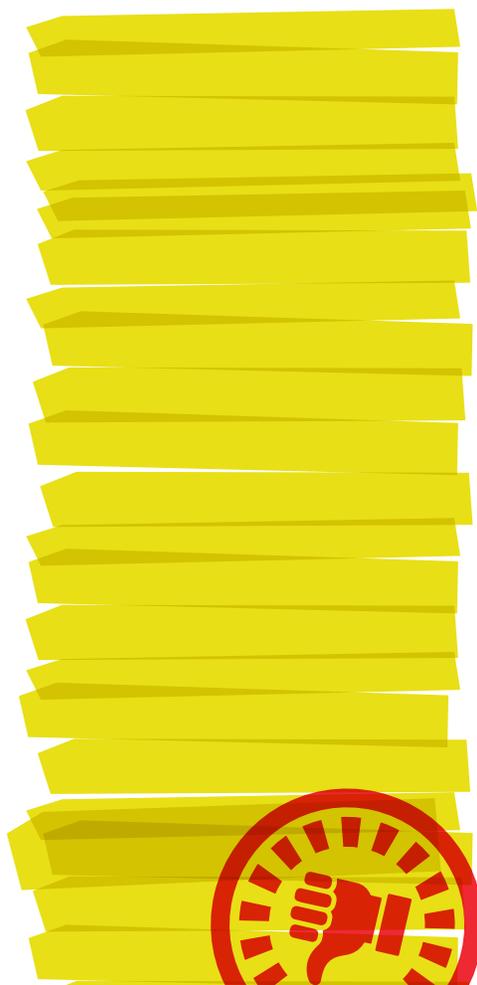
Our first step was to look at our pre-litigation approach. We reviewed our processes and communication to consider whether the way we approach the process was making it easier, explaining the complexities properly so that injured workers and liability claimants could easily understand how things worked and follow the best path to ensure quick recovery from an unfortunate event. We revised our accessibility to self-service as a component of this pre-litigation approach; 24/7 access to pertinent claim information helps provide just-in-time status. Our self-service tools include helpful videos on the claims process and a chatbot, so routine questions can be answered anytime in a medium that's the most comfortable for consumers.

We recognize that sometimes, in spite of our best efforts, litigation will occur. Our modernized approach takes a new look at how we handle these cases to ensure we're managing them appropriately and resolving the right claims at the right time. We developed new litigation guidelines, with clearly outlined billing and service expectations, and communicated them to all of our outside attorneys. We've started offering a legal bill management partner as an optional part of our service to customers, ensuring that attorneys bill to the new guidelines without fail.

Partnering with the legal community to work toward shared goals, understanding the right time to resolve matters and which strategies to try are all key components to the strategy.

After looking at how to change our pre-litigation process and how we actively manage matters in litigation, we evaluated how to measure these changes with respect to their impact on overall claim costs, litigation rates and time matters. We do this in two ways. First, we set goals for

clients to establish a path from each calendar year's starting point to where we expect to be. We then measure those goals using an interactive litigation scorecard, available on-demand. In addition to standardized metrics, our legal bill management partnership now allows us to provide clients with data on their law firm utilization, outcomes by jurisdiction and how their firms compare to others that work on similar matters for similar customers. This drives accountability for all parties and helps us consistently improve financial results by being laser-focused on the critical elements of costly cases.



Our employer partners want to know the best ways to improve overall litigation percentages and costs. Our standard recommendations are wrapped into our new approach and look something like this:

- Know what drives your numbers: The first step is to clearly understand when, where and why litigation is occurring. Take a close look at litigation lag times, locations and the percentage of claims that arrive already litigated. This can help determine where to focus in terms of mitigating future cases.

- Set goals for targeting your key drivers: Common program targets include new percentages of claims in litigation, resolution time and specific spend categories. Establish strategies based on the opportunities you find when researching the reasons behind litigation.
- Gain commitment from your law partners: Ensure that your panel is stocked with attorneys who understand your philosophy about litigation, share your business goals and know that a litigated claim's best outcome is just that - the best outcome - and do not focus solely on the process. Sharing goals with the legal community helps your partners better design their services to meet your needs.

- Communicate what matters: Litigated claims are a costly but inevitable reality in casualty claims management. Customers with the best outcomes use a combined approach that is empathic in up-front management, contains rigor when litigation occurs and uses the combined resources of their Sedgwick claims examiner and attorneys in complex matters to agree on what the right disposition looks like.

We are committed to implementing ongoing enhancements that reflect the needs of consumers in the claims process as well as our employer partners. While litigation is a reality in casualty claims management, a combination of these strategies will create an environment where it is the exception, not the norm, and outcomes are the best they can be.

