



More Value. By Design.



## Technology-Enabled Approach to Insurance Defense Litigation

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# Staff Counsel or Outside Defense Counsel?

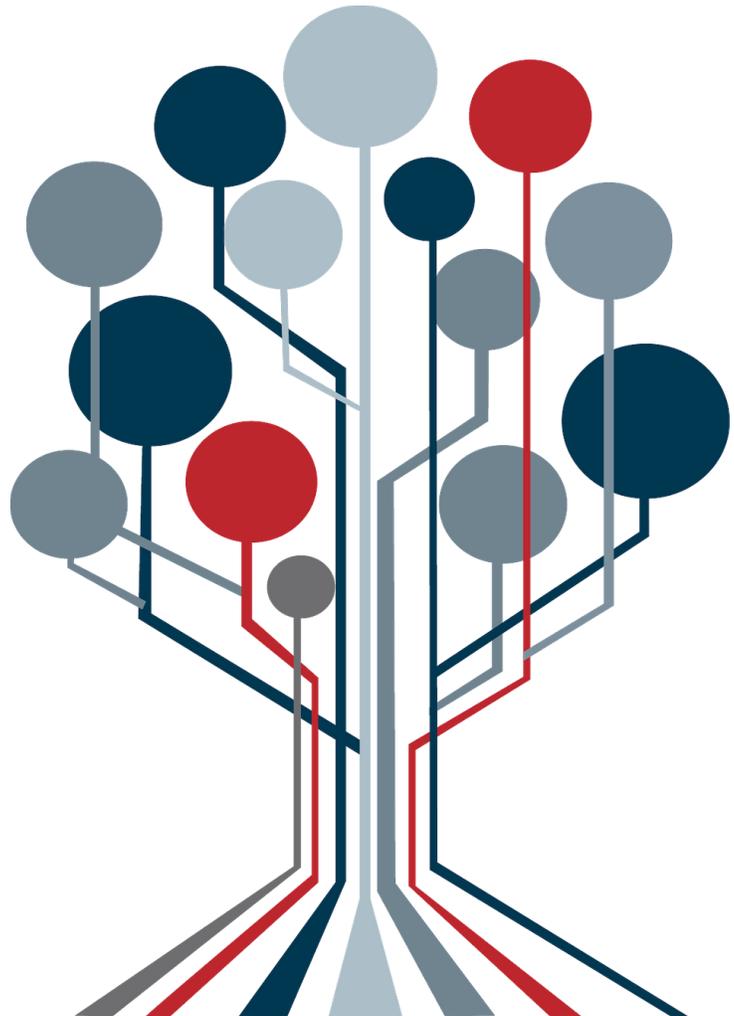
Hickey Smith's Technology-Enabled Approach To Insurance Defense Litigation Offers The Best Of Both Worlds. And It Has The Results To Prove It.

When it comes to selecting legal counsel, insurance companies have historically had only two options: the staff counsel model or the outside defense counsel model. Both models have benefits and both have drawbacks. Wouldn't it be nice to have the best of both worlds without the drawbacks? Now you can.

Hickey Smith's approach to insurance defense litigation draws upon the best features from both models *and* supplements them with proven processes and technology. The result is an outside law firm that has proven it can deliver results comparable to a staff counsel model.

## Staff Counsel Versus Outside Defense Counsel: The Pros and Cons

Proponents of a staff counsel model typically contend that private law firms (perhaps due to billable hour and revenue targets) often over-staff and over-work cases referred to the firm by the insurance company. That is, they assign too many lawyers who perform too much work in an inefficient manner. Because staff counsel are salaried employees of the insurance company, they are believed to work more efficiently and use fewer resources than outside of defense counsel, thereby reducing the insurance company's cycle times and legal spend.



But establishing an in-house staff counsel program requires a large initial investment in office space, furniture, computer and communications equipment and technology, hiring and training programs, and the like. Once implemented, maintaining the program requires a substantial and ongoing commitment to fixed monthly operating costs and significant management oversight as well.

Alternatively, proponents of the outside counsel model argue that private law firms offer greater depth and breadth of skill and experience, which is available at a variable cost and with no initial financial investment. Further, owing to the substantial volume of legal work they have to assign, such proponents believe that insurance companies have significant leverage to manage their spend on outside counsel fees by imposing a combination of low hourly billing rates, restrictive billing guidelines, and aggressive write offs of time/fees deemed excessive.

Enticed by the volume, law firms have accepted the pricing and other restrictions with the belief that they could maintain profitability by improving their law firm operations. However, most insurance defense law firms continue to utilize outdated staffing models, methods, processes and technology in their approach to legal work. This results in lower quality and inefficiency, which translates to higher billable hours and fees, and often leads to tension—as opposed to a solid business partnership—between the carrier and the law firm.

Selecting either model in its traditional form has certain benefits, but comes with drawbacks as well.



# A Better Alternative

Hickey Smith's approach to insurance defense litigation offers a new and better alternative. Hickey Smith is a process driven, technology-enabled law firm that was created—designed and built from the ground up—in response to demands by clients for greater value. From the outset, we believed that by recruiting a team of skilled legal professionals and empowering them with specialized technology and training, our firm would provide legal services with greater efficiency, improved quality, enhanced transparency, and actionable insight. We were convinced that by delivering on this proposition, the result would be long-term, mutually beneficial relationships with our clients and referral sources.

When we set out to create an insurance defense practice group, we wanted to learn firsthand what insurance companies desired most from their outside defense counsel. Therefore, we sought out advice from and employed insurance industry executives and management personnel to guide us. These industry veterans have been instrumental in the development of our approach to insurance defense litigation, which draws upon the best from both models and supplements them with updated processes, current technology and data analytics.



Reduced Total  
Legal Spend



Improved  
Quality



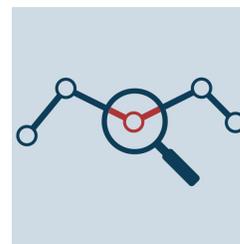
Enhanced  
Transparency



Actionable  
Insight



Simplified  
Management



Increased  
Control

## Features of Hickey Smith's technology-enabled approach to insurance defense litigation include:

- A team of attorneys with exceptional litigation and trial skills and insurance defense expertise. Over 85% of our attorneys have more than ten years of personal injury defense experience. Several of our attorneys have tried more than 50 cases to verdict before a jury.
- A lean staffing model. Like most staff counsel programs, we typically assign only one attorney to a case who is responsible for its handling from inception to or through trial.
- A proactive approach to case resolution. Also, like most staff counsel programs, our attorneys look for and pursue risk transfer opportunities at the outset of each case and proactively press cases forward to resolution.
- Leveraging technology to ensure consistent quality and enhance efficiency in work product. We use a proprietary library of automated document assembly templates, checklists and macros. This results in the consistent and efficient drafting of high quality documents and better compliance with insurance company reporting requirements.
- A disciplined, process-driven approach to the practice of law. We use a proprietary library of legal workflows that automatically assign tasks to personnel with the appropriate skill level and billing rate and keep the work flowing. For example, paralegal level tasks are automatically assigned to paralegals (as opposed to attorneys) and clerical and administrative tasks are automatically assigned to case assistants (as opposed to paralegals).
- Robust internal knowledge management. Our large and growing library of pleadings, motions, and other legal documents is readily accessible by all law firm personnel.
- Systematic collection and analysis of data for actionable insight into relevant trends and internal process improvement. We have developed methodologies that systematically capture data throughout the life cycle of legal matters. Analysis of this data often results in internal process improvement for our firm as well as more insight and better risk assessment for our clients.
- A secure client portal with 24/7/365 access to case documents and the case calendar. Claims professionals can access case documents (pleadings, motions, discovery, etc.) and the case calendar at their convenience by logging into our secure client portal.
- A firm-wide work from home model. Our proprietary matter management platform is maintained in a secure cloud environment that our personnel can access anytime from anywhere an Internet connection is available. Further, every member of the Hickey Smith team is trained and equipped to work securely from a home office without any disruption in the legal services we provide.
- Commitment to understanding and adhering to billing guidelines. We understand that the billing guidelines are part of the bargain of being assigned work by insurance companies. We train our personnel to read, understand and adhere to these guidelines.

Hickey Smith's approach has a proven track record of success.

# Proven Results

One of the world's top 20 insurance and reinsurance companies was utilizing a traditional outside counsel model. The carrier sought to reduce its cycle times and legal spend on outside counsel but was not prepared to make the significant investment required to establish a staff counsel program. In 2017, the carrier commenced a pilot program to assess whether the benefits of an internal staff counsel model could be achieved if the carrier assigned a large volume of cases to a single law firm committed to operational efficiencies and the utilization of timesaving technologies. The carrier selected Hickey Smith as the law firm participant in the pilot program for its Northeast Region, which includes New York, New Jersey, Connecticut and Pennsylvania.

During the nine-month pilot period, the carrier assigned Hickey Smith a high volume of personal and commercial lines cases in these four states. Hickey Smith's technology-enabled approach to insurance defense litigation delivered the positive results the carrier had sought. At the end of the pilot period, the carrier found that Hickey Smith's performance—in terms of legal spend and cycle time—was comparable to that typically found only in a staff counsel model. Further, case outcomes remained at or below the evaluated range of the carrier's claims professionals.

Since the conclusion of the pilot program, the carrier has continued to assign Hickey Smith a high volume of cases in the Northeast Region and commenced assigning cases to Hickey Smith in several additional states throughout the country. And Hickey Smith has consistently delivered the results of significantly reduced cycle time and legal spend without sacrificing quality. To date, Hickey Smith has resolved approximately 600 matters assigned by the carrier and still the carrier's legal spend, cycle time and indemnity metrics remain comparable to those of a staff counsel model.

## Are You Ready for the Best of Both Worlds?

Hickey Smith's approach to insurance defense litigation is proven and time-tested. To learn more about how you and your company can reap the benefits Hickey Smith has to offer, contact us:

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