



## At Shelter Insurance, Litigation Strategy Reflects Commitment to Customer Service

### Legal Spend Management solution from Bottomline Technologies helps ensure better case outcomes for policyholders

For some insurance organizations, claims litigation has become more about reducing costs than litigating as intelligently as possible. Concentrating too heavily on costs, however, can adversely impact a law firm or in-house legal team's ability to secure the best possible outcomes for policyholders. Unsatisfied with the industry's 'cost cutting' approach to claims litigation and recognizing its inherent shortfalls, Shelter Insurance has charted a new course for its in-house legal team by implementing a Web-based legal spend management solution from Bottomline Technologies.

Offering both personal and commercial lines of insurance to customers in 14 states across the heartland of the United States, Shelter's vision evolved from the principle of efficiency; making sure that policyholder funds are being spent appropriately in defending claims. By migrating away from traditional paper-based legal invoicing, budgeting and reporting, Director of Litigation, Mark Jones, believed his team of nine in-house attorneys could leverage electronic invoice data as a powerful mechanism for conducting comparative analysis from which his team could better manage their 125 outside law firms and the approximately 2,500 claims that are open at any given time.

*“From our perspective, claims litigation is about efficiency and achieving the best results for policyholders,” said Jones. “In deploying a legal spend management solution, we believed we could leverage electronic legal spend data to construct a framework from which our team of in-house attorneys could reach their strategic objectives for each claim by quickly matching the best firm, budget and case handling strategy for the individual matter.”*

### Bottomline Solution Rises to the Top

Over the course of the last decade, legal spend management solutions have gained mainstream acceptance as adoption among law firms, corporate legal and insurance claims

departments has grown. Whereas in the past, inefficiencies were addressed by adding more people to a manually intensive review process, today's in-house legal departments are leveraging these solutions not only to drive process efficiency, but also to bring new levels of strategic value and insight to the organization.



Following an extensive solution evaluation process, Shelter selected Legal eXchange™ from Bottomline Technologies. This Web-based solution helps corporate legal and insurance claims departments manage legal spend more intelligently through electronic budgeting, invoice management and reporting. With the ability to access and analyze data electronically, users can collaboratively align and manage budgets and case handling strategies with outside counsel, while also establishing benchmarks from which future performance can be measured.

Legal eXchange's functionality is complemented by the breadth of domain expertise Bottomline delivers to its client engagements. With a team comprised of individuals

### Challenge

Construct a framework from which Shelter's in-house attorneys could reach their strategic objectives for each claim

### Solution

Legal eXchange from Bottomline Technologies

### Benefits

- Data captured from electronic invoices enables in-house legal team to devise case handling strategies
- Process efficiency gains have allowed Shelter to switch to a monthly billing cycle, accelerating access to litigation data
- Productivity gains associated with electronic invoicing have enhanced the company's ability to manage legal spend

possessing extensive experience litigating and analyzing insurance claims, and deploying legal e-billing solutions at some of the nation's largest P&C insurers, Bottomline is able to help customers accelerate implementation cycles, and quickly establish the business rules and e-billing guidelines necessary to optimize their use of Legal eXchange.

*“As we evaluated various solutions, a number of factors emerged that indicated Bottomline had the right legal spend management solution for our business: Legal eXchange's record of success of delivering results to a diverse group of insurers; Bottomline's extensive knowledge of the P&C industry and how insurers interact with outside counsel; and the solution's native functionality for benchmarking the performance of our outside counsel. The more we weighed these factors against other solutions we were evaluating, it became clear that Legal eXchange would enable us to turn our vision for managing legal spend into reality.”*

#### Working with Law Firms to Ensure Success

Having satisfied the requisite internal requirements for a legal spend management solution, Jones realized it was time to reach out to Shelter's 125 law firms and communicate the company's vision for how it would work with outside counsel going forward. The prospect of asking firms to change their approach to transacting business with Shelter was initially a concern for some staff. But Jones and his team effectively communicated the company's new vision and the firms quickly embraced the new solution for collaborative budgeting, automated bill review, and performance reporting and analysis.

#### The Final Analysis: Better Outcomes for Policyholders

Since deploying the solution in 2006, Shelter has been able to convert the vast majority of its paper-based legal invoices into electronic files, and improve the efficiency of its internal legal team by putting legal spend data, budget information and other key metrics at their fingertips. The gains associated with

processing electronic invoices, for example, have enabled Shelter to transition from a quarterly to a monthly billing cycle. This allows law firms to receive payment sooner while providing its in-house legal team with faster access to litigation data.

*“In the past, the volume of complex paper invoices made it difficult for the team member responsible for bill review to adequately handle additional responsibilities. With Legal eXchange, and the ability to aggregate and analyze data, however, that same individual can now assist the team in ways that far exceed standard invoice review.”*

But perhaps most importantly, Shelter's vision for defending claims litigation has been realized. By leveraging the data captured from electronic invoices, Shelter's team of in-house attorneys can now determine, for example, which law firms are best suited to handle specific types of claims. This information can then be used to devise case handling strategies and construct case budgets that adhere to the company's philosophy for claims litigation. At the end of the day, Jones and his team are able to make better decisions and get better results for their policyholders.

*“Armed with detailed, electronic case data, we're able to conduct the level of analysis that ensures cases are assigned to the law firms ideally suited to achieve the desired result within a budget framework. At the same time, the reduction in paper invoices and faster invoice review process gained as a result of implementing Legal eXchange has netted productivity gains that will ensure our ability to effectively manage legal spend for the foreseeable future.”*



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