

How Insurers Can Address the Rise in Attorney-Represented Claims



Tanner Sheehan
VP and GM
U.S. Claims

Legal advertising in 2024

\$2.6B

Total spent on all
forms of media

11.8%

CAGR since 2020

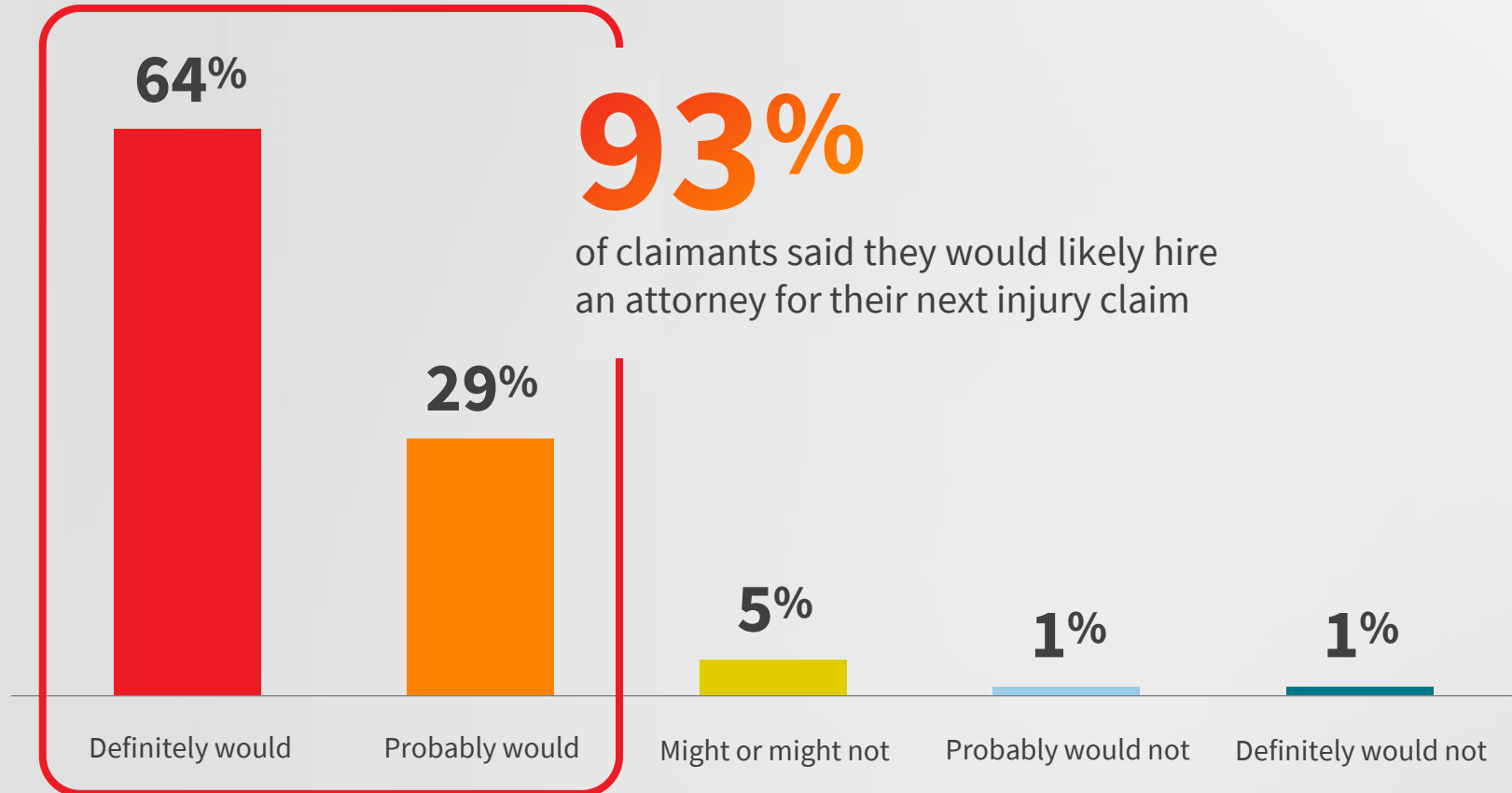
**13
seconds**

Avg time between ads
for the top-spending
firm in 2024

Source: American Tort Reform Association Legal Services Advertising in the United States 2020-2024

Would you do it again?

Percent of respondents likely to involve an attorney for future claims



Attorneys everywhere

Breakdown of the survey population



35%

Hired an attorney and never
interacted with the carrier

20%

Planned to hire
an attorney, but wanted
to file the claim first

15%

Didn't plan to get an
attorney, but something
later drove them to

30%

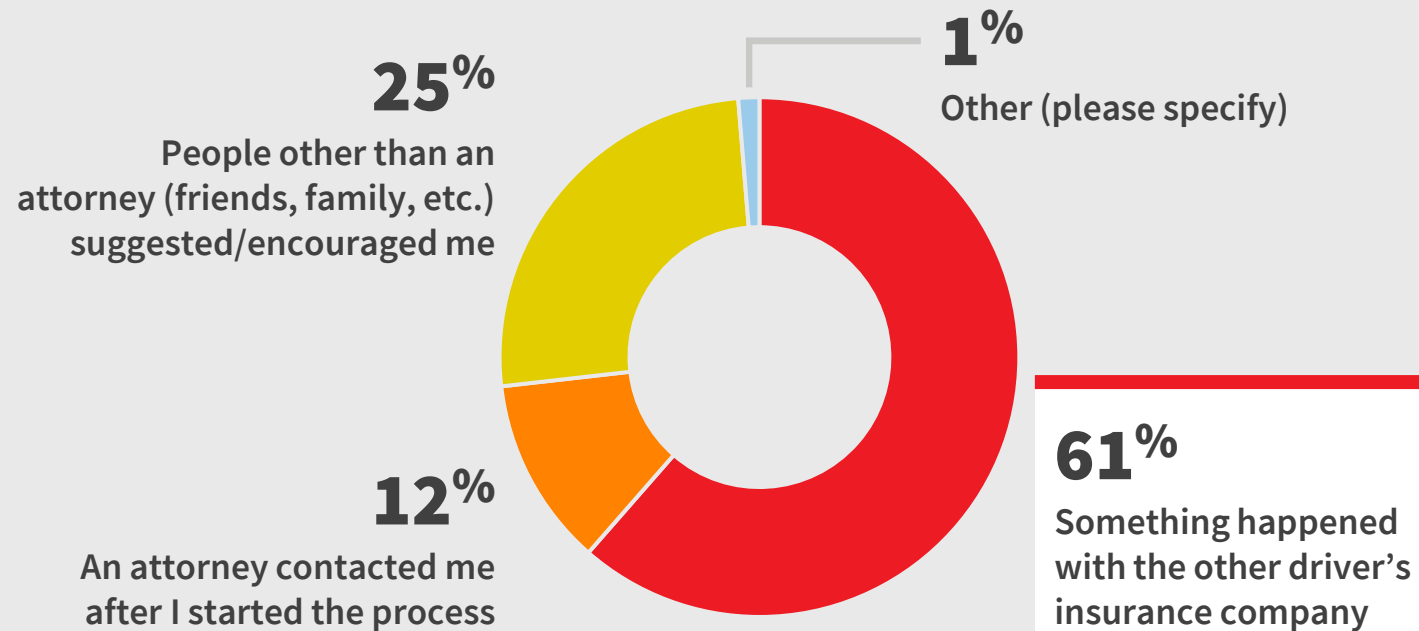
Unrepresented

LexisNexis® Risk Solutions, Internal Claims Consumer Study, copyright© 2024

Attorney involvement

What prompted you to involve an attorney **after** you began interacting/engaging with the other driver's insurance company?

If more than one, select the **one** that had the most influence on your decision.



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of these,
72%
said it was a *series*
of events that
caused them to
hire an attorney
rather than one
isolated event

Satisfaction with early aspects of service

Percentage of respondents who rated with the top score

	INSURANCE COMPANY	ATTORNEY
Walked me through all the steps of the claims process	69%	94%
Provided a clear explanation of all/most of the steps in the process	50%	69%
Helped me understand the timeline/know when to expect things to happen	44%	71%
Spent an appropriate amount of time with me to understand the details of my claim	33%	64%

First contact – carrier v. attorney



2x

Attorneys earn nearly 2x the complete satisfaction rate with first contact

Satisfaction with other dimensions of customer service

Percentage of respondents who rated with the top score

	INSURANCE COMPANY	ATTORNEY
Responsiveness Responding to email/phone/texts in a timely manner	41%	74%
Personability Had a personal touch, good rapport, felt person-to-person connection	35%	65%
Empathy Could relate to your situation, your experiences, and your emotions	33%	65%

Attorneys go the extra mile ...



FINANCIAL SUPPORT

14%

Loaned you
money

11%

Loaned you
a car



MEDICAL SUPPORT

33%

Helped you find doctors
and set up appointments

38%

Suggested/recommended
medical treatments



AUTO SUPPORT

64%

Helped get fair
treatment from
insurance company
for vehicle damage



PERSONAL SUPPORT

18%

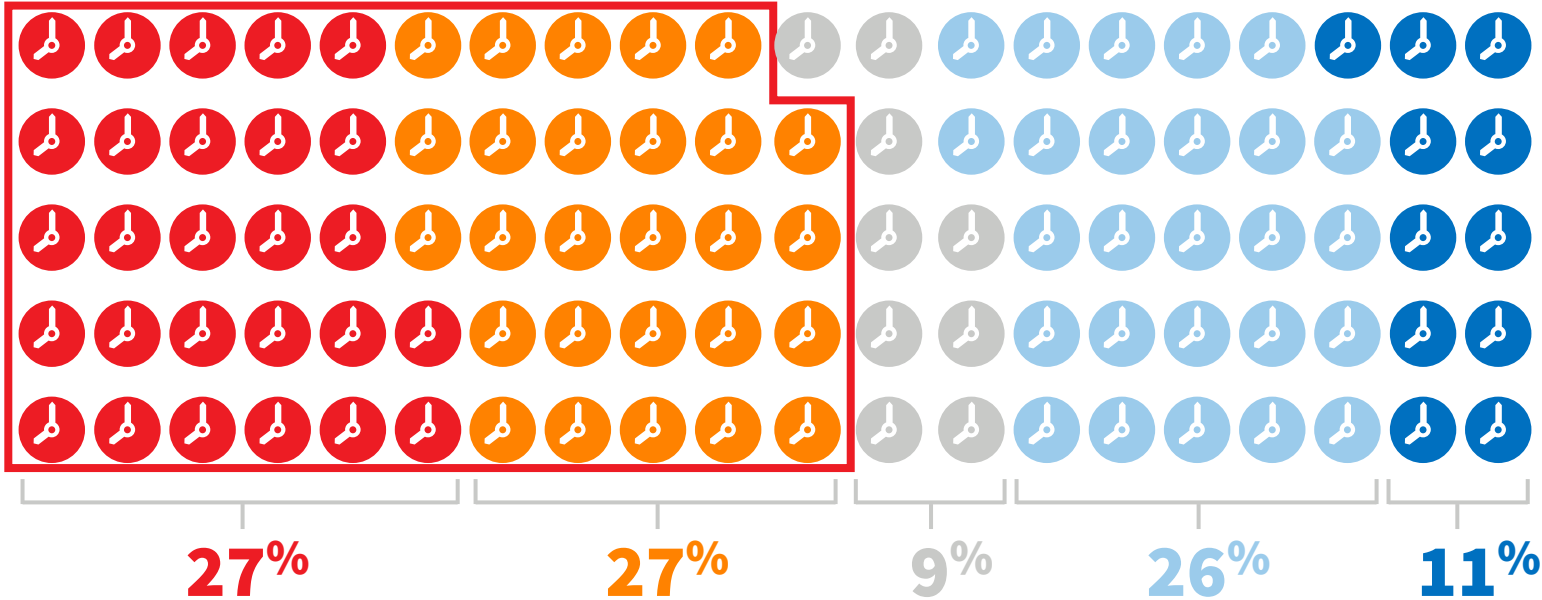
Visited you in
person at hospital

31%

Visited you in
person at home

Impact of involving an attorney on time to settle

“What impact do you think involving a lawyer had on the time for your claim to be handled?”



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Was it worth it?

"Do you think it was worth it to involve an attorney even though it added time to the claims process?"



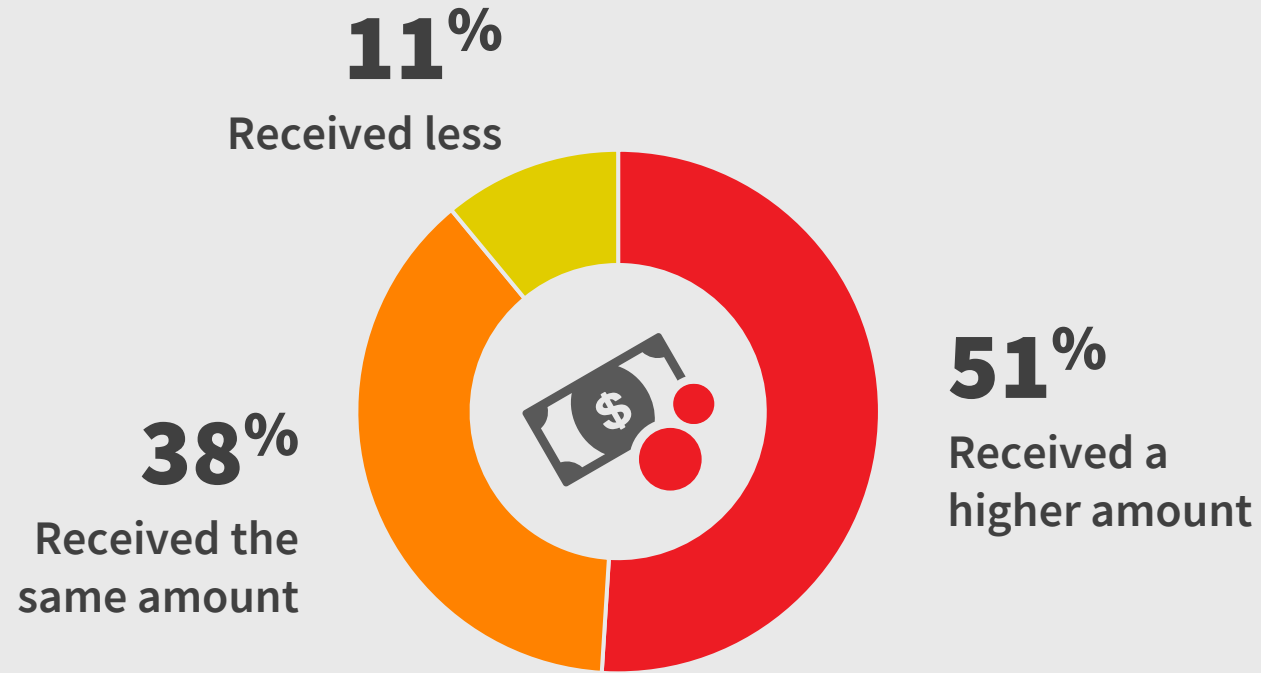
Of those who said it *added* time to the claim

87%

believe that the time added was worth it

Perceptions about settlements

In the end, did you receive more, less or the same amount the insurance company initially offered?



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Excerpts from recent articles

¹ 6 ways claims industry can mitigate social inflation | EY – US

² and ³ The Plaintiff Bar Is Winning in AI | Insurance Thought Leadership

Insurancethoughleadership.com

2. *Tech-enabled data sharing.* EvenUp has started a contributory database for the plaintiff bar. The plaintiff bar has always been better at sharing data than the defense. We have been talking about a contributory litigation database for 20 years but have yet to actually do it. ²

4. *Sharing mentality.* The plaintiff bar loves to share. They hold an abundance mentality and don't let competitive concerns get in the way. Chief claim and litigation officers want to share, but they have to convince layers of legal and IT teams that data sharing is good and necessary, which has proven an insurmountable hurdle for the last 20 years. Personal injury law firms don't have that hurdle. ³

Excerpts from recent articles

¹ 6 ways claims industry can mitigate social inflation | EY – US

² and ³ The Plaintiff Bar Is Winning in AI | Insurance Thought Leadership

ey.com

This includes better data collection among plaintiffs' firms through advanced analytics to identify intelligence that will shift verdicts in their favor ¹

- Third-party litigation funding (TPLF): The practice of an outside party agreeing to provide to exchange for a percentage of the settlement or judgment given by 2017. According to EY's 2017 Report to Congressional Requesters, 7 from 2017-2018, formal requests for funding agreements increased by 27%, while total new agreements increased by 14%. This strategy is expected to grow due to the lack of regulation, the high potential for returns on investment and the attractiveness for litigants to be able to finance cases with limited risk.
 - More aggressive plaintiff counsel advertising: Attorneys are spending about to follow for 10 million advertisements per year in both digital and offline channels, as well as using emerging media to determine the most generous jurisdictions in terms of awards. This has led to not only higher, but also quicker, attorney representation (AR) rates across all lines of business.²
- ### How EY can help
- #### Claims transformation
- EY insurance professionals can help transform your digital claims capabilities.
- #### Next steps

Insights for better claims outcomes LexisNexis® Claims Retrospect



We're planning to launch LexisNexis® Claims Retrospect as our answer to this growing problem



Building in partnership and collaboration with the industry



Claims Retrospect will be built on contributory data, so you can get the 95% of the data you don't have access to today



MORE CONTRIBUTORY DATABASES

- LexisNexis® C.L.U.E.®
- LexisNexis® Current Carrier®
- LexisNexis® Carrier Discovery™
- LexisNexis® Claims Discovery™

Solution overview

- 1
- 2
- 3

PORTAL REPORTS

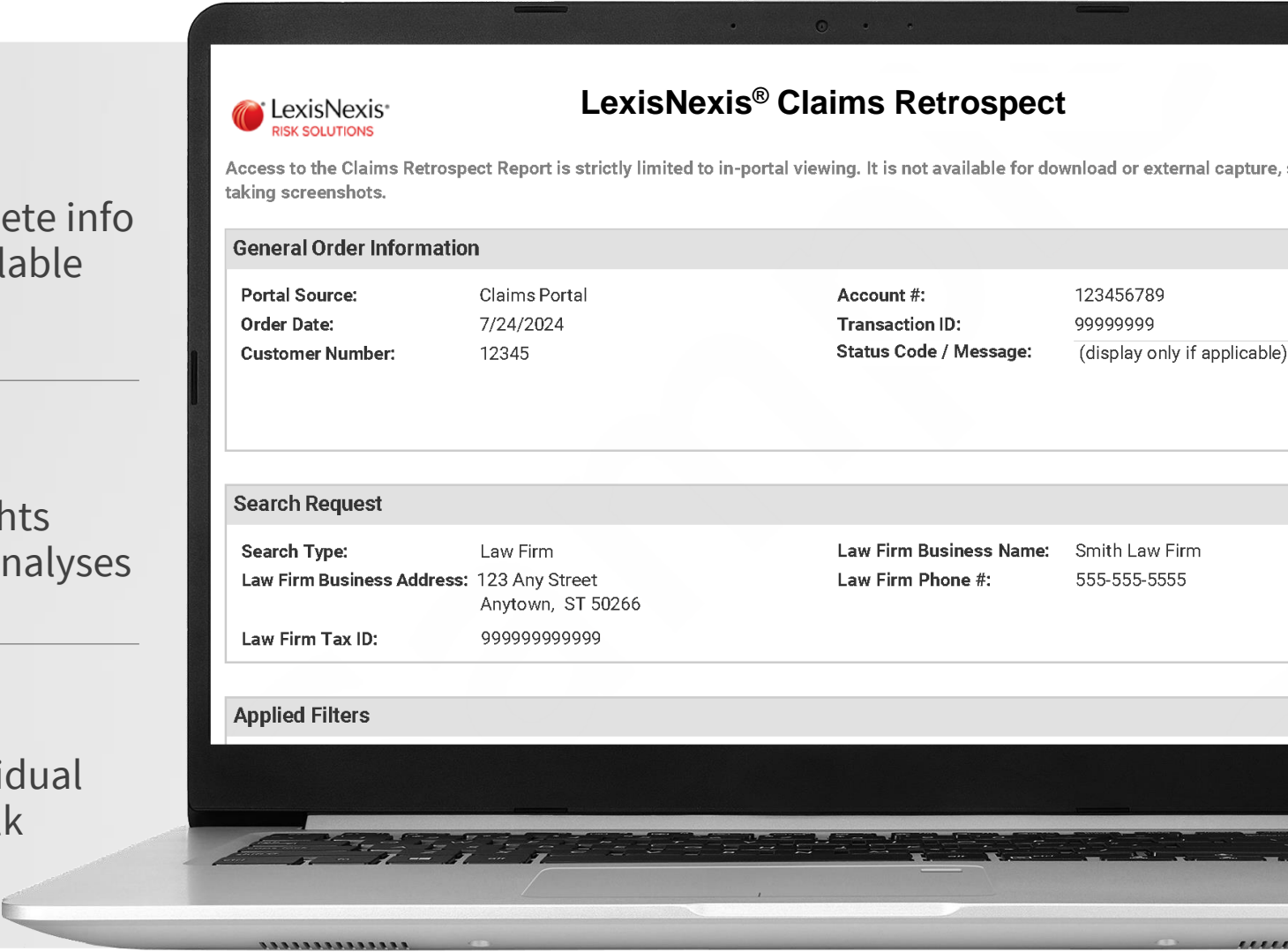
Comprehensive data reports with complete info on specific attorneys and law firms, available on LexisNexis Risk Solutions portals

POWER BI VIEWS

Power BI dashboard delivering key insights for benchmarking and other high-level analyses

DATA LAKE

Anonymized and non-summarized individual claim feature-level data, delivered in bulk



* LexisNexis® Claims Retrospect is in development. Final solution outputs may vary.

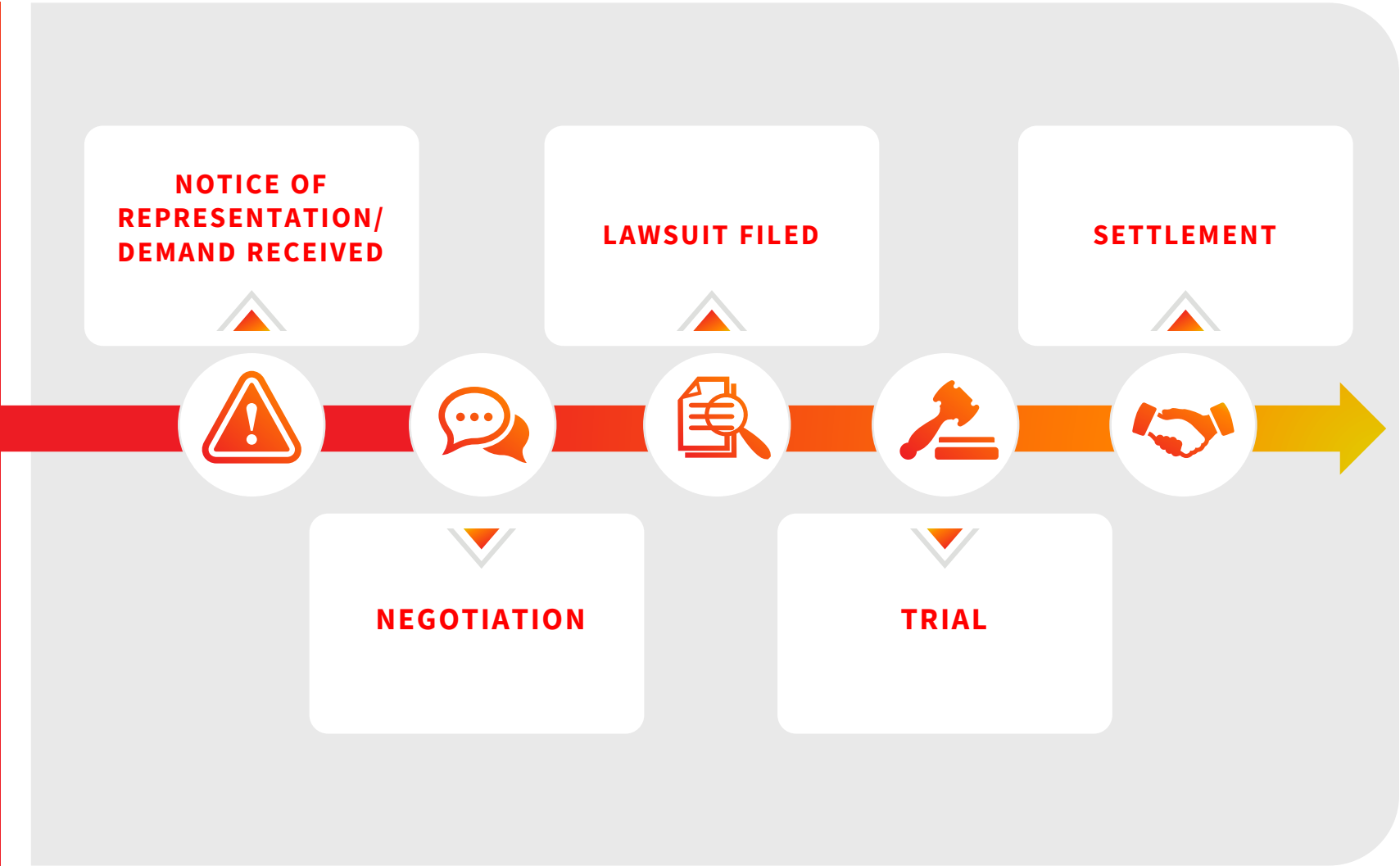
Claims Retrospect portal reports



A CLAIMANT HIRES AARON ATTORNEY

Today, you may be reactive to Aaron’s strategies and not have visibility into his pre-trial and trial actions.

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Notice of Representation



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Injury Type:	Mild	Risk Type:	Standard
Coverage Type Request:	Bodily Injury	Coverage Limits:	Up to \$100K per person
Peer Group:	Peer Group Only	Lookback Period:	Five Years
Result Reported As:	Average		

Results		
Demand/Settlement Characteristics		
	Carrier (12)	Industry (153)
Initial Demand Amount:	\$33,750	\$36,250
Initial Demand as a Percentage of Coverage Limit:	100%	100%
Time to First Demand:	203 days	286 days
Total Medical Specials Demanded:	\$16,250	\$17,250
Percentage of Time Limit Demands:	100%	55%
Percentage of Policy Limit Demands:	100%	95%
Percentage of Conditional Demands:	50%	74%

Negotiations		
	Carrier (12)	Industry (153)
First Offer by Carrier:	\$7,625	\$7,792
First Offer by Carrier as a Percentage of Initial Demand:	23%	21%
Count of "Rounds" of Negotiation Before Litigation:	9	15
Count of "Rounds" of Negotiation Before Resolution:	13	21
Last Demand Prior to Litigation:	\$28,000	\$30,000
Last Offer Prior to Litigation:	\$20,000	\$18,000
Percentage of Lawsuits Filed:	50%	35%
Number of Days Prior to Trial When Attorney Settled:	3 days	5 days
Percentage of Cases Settled Before Trial:	20%	20%



Negotiation



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Negotiations		
	Carrier (12)	Industry (153)
First Offer by Carrier:	\$7,625	\$7,792
First Offer by Carrier as a Percentage of Initial Demand:	73%	71%
Count of "Rounds" of Negotiation Before Litigation:	9	15
Count of "Rounds" of Negotiation Before Resolution:	13	21
Last Demand Prior to Litigation:	\$28,000	\$30,000
Last Offer Prior to Litigation:	\$20,000	\$18,000
Percentage of Lawsuits Filed:	50%	35%
Number of Days Prior to Trial When Attorney Settled:	3 days	5 days
Percentage of Cases Tried in Court:	30%	30%
Percentage of Wins at Trial:	75%	85%
Verdict Amounts:	\$86,250	\$89,000
Demand/Settlement Characteristics		
Percentage of Time Limit Demands:	100%	55%
Percentage of Policy Limit Demands:	100%	95%
Percentage of Conditional Demands:	50%	74%
Final Amount Paid:	\$24,375	\$28,000
Final Amount Paid as a Percentage of Coverage Limit:	72%	77%
Final Amount Paid as a Percentage of Initial Demand Amount:	72%	77%
Final Amount Paid as a Percentage of Specials:	83.3%	71.4%



Lawsuit filed



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Final Amount Paid as a Percentage of Coverage Limit:	72%	77%
Final Amount Paid as a Percentage of Initial Demand Amount:	72%	77%
Final Amount Paid as a Percentage of Specials:	217%	214%
Final Amount Paid as a Percentage of First Offer by Carrier:	320%	332%



Trial



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Settlement



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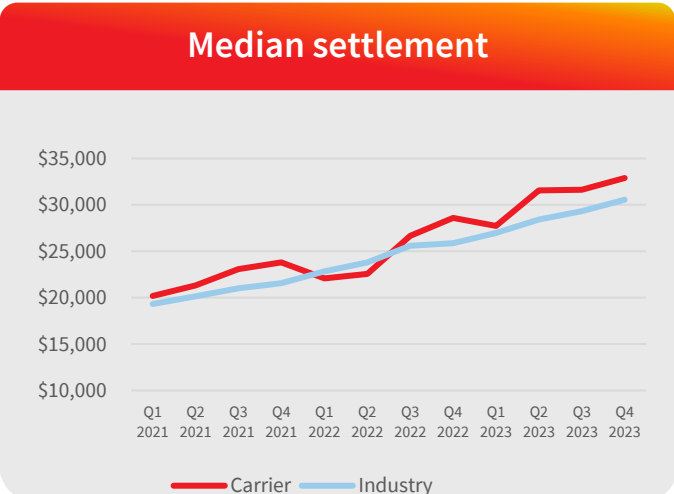
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Number of Days Prior to Trial When Attorney Settled:	3 days	5 days
Percentage of Cases Tried in Court:	30%	30%
Percentage of Wins at Trial:	75%	85%
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Demand/Settlement Characteristics		
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LexisNexis® Claims Retrospect

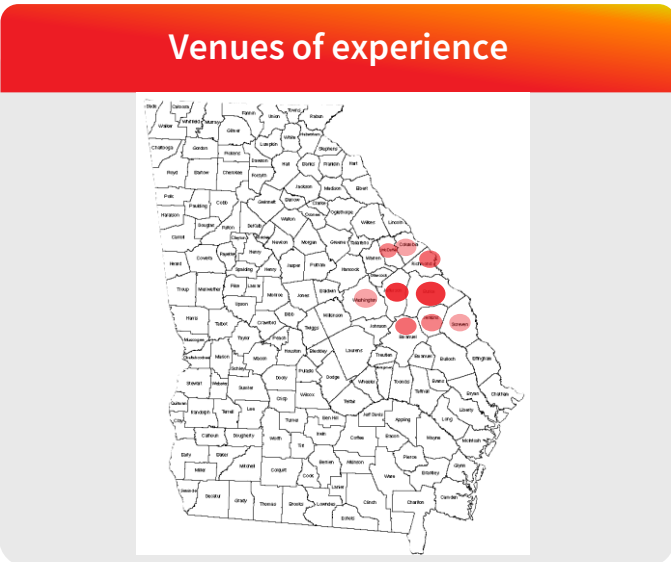
Demand characteristics		
	Carrier (186,171)	Industry (3,421,874)
Policy limit demand	84%	89%
Median specials	\$19,966	\$18,637
Median medical specials	\$19,479	\$18,183
Time to first demand	288 days	294 days



Negotiation style		
	Carrier (186,171)	Industry (3,421,874)
Rounds of negotiation prior to resolution	13	11
Last demand prior to litigation	\$58,438	\$54,548

Injury type				
	Counts Carrier Industry		Median Settlement Carrier Industry	
Mild	120,661	2,258,436	\$18,942	\$17,226
Moderate	50,874	855,468	\$28,581	\$26,835
Severe	14,636	307,970	\$98,190	\$95,548

Litigation		
	Carrier (186,171)	Industry (3,421,874)
Settlement Prior to Trial	3 days	5 days
Litigated Cases Tried	5%	4%
Win/Loss Ratio at Trial	66%	50%



Carrier Name

- All others
- Carrier 1
- Carrier 2
- Carrier 3

Policy State

- AL
- AR
- AZ
- CA
- CO
- CT
- DC
- DE
- FL
- GA
- HI
- IA
- ID
- IL
- IN
- KS
- KY
- LA
- MA
- MD
- ME
- MI

Policy Type

- CA
- PA

Injury Type

- MIL
- MOD
- SEV

Grouped Limits

- <300
- 300-499
- 500+
- State Min
- 5: No Limit F...

Venue

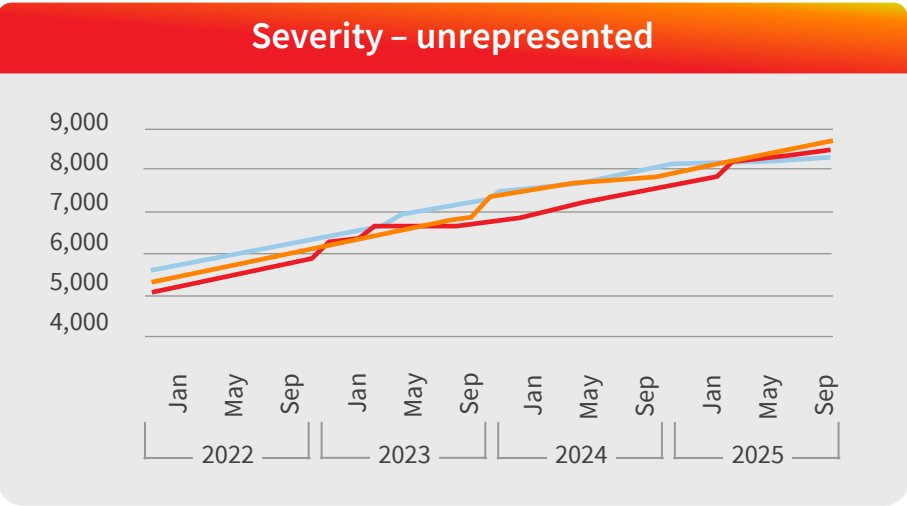
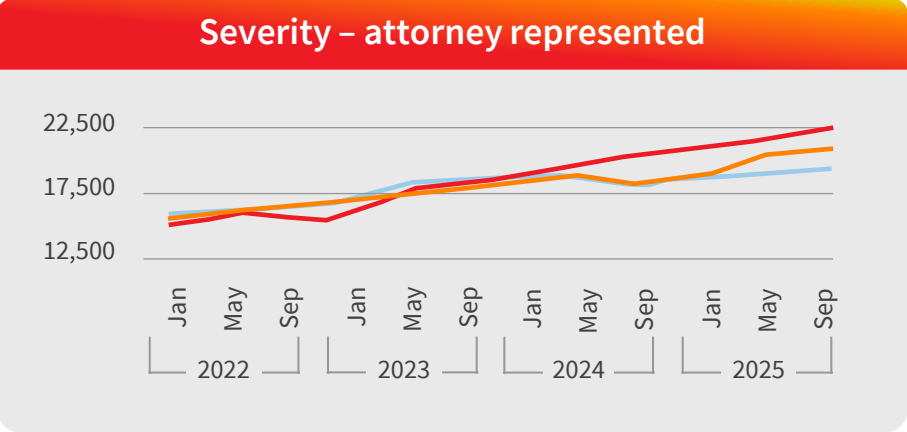
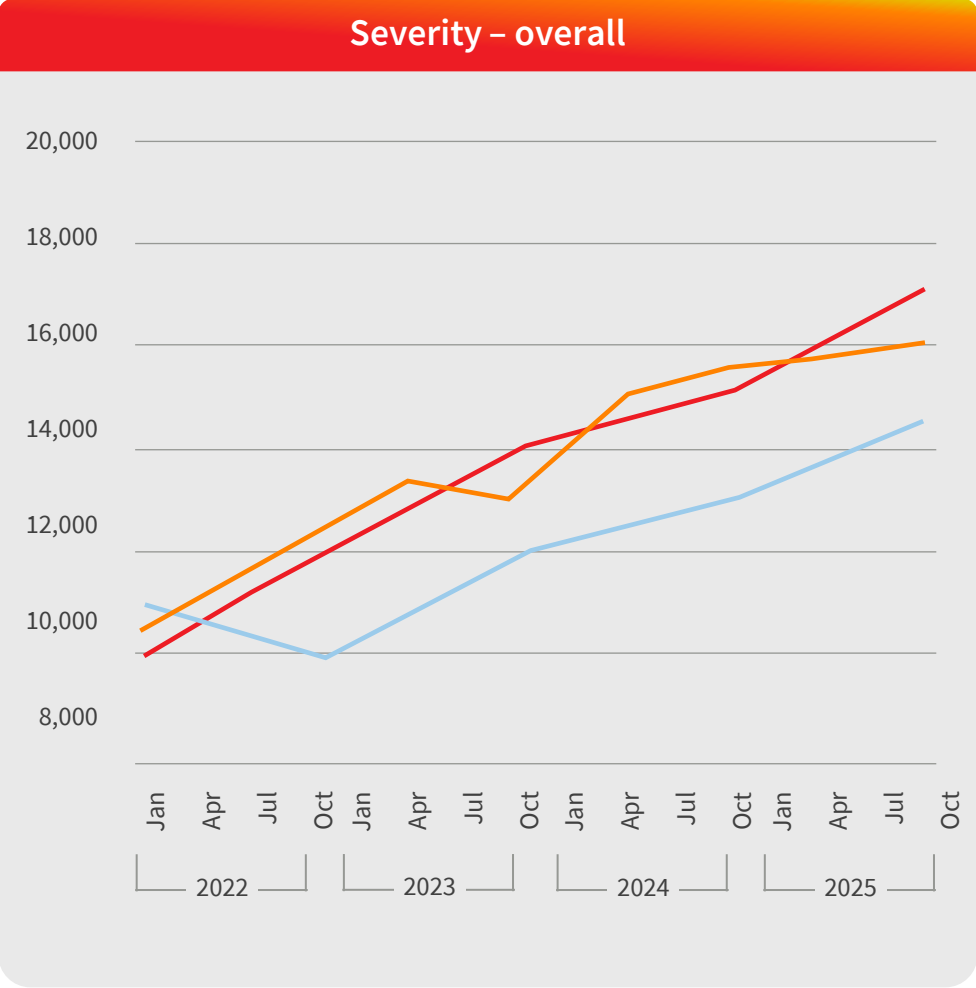
- All Others
- GWINNETT
- DEKALB
- FULTON
- COBB
- FORSYTH

LexisNexis® Claims Retrospect is in development. Final solution outputs may vary.

LexisNexis® Claims Retrospect

Benchmarking view

Carrier Peer group Industry



Carrier Name

All others

Carrier 1

Carrier 2

Carrier 3

Policy State

AL

AR

AZ

CA

CO

CT

DC

DE

FL

GA

HI

IA

ID

IL

IN

KS

KY

LA

MA

MD

ME

MI

Policy Type

CA

PA

Injury Type

MIL

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SEV

Venue

All Others

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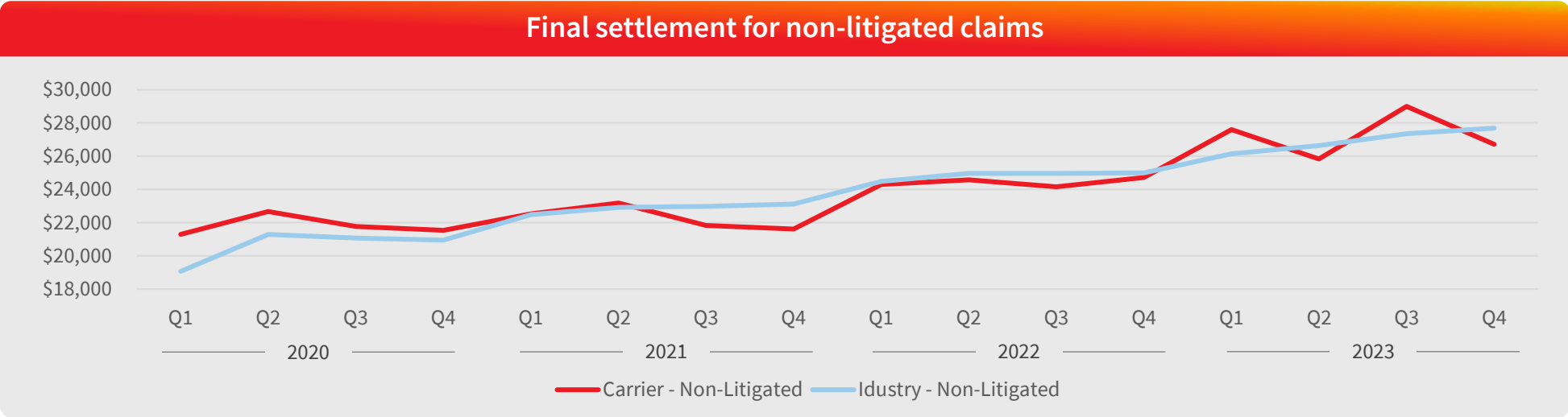
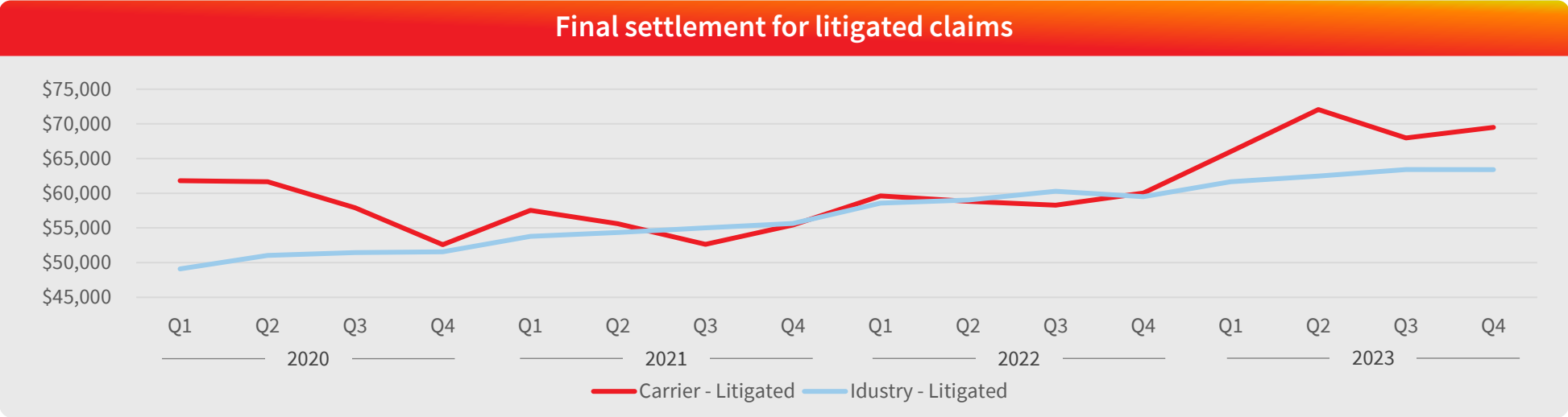
500+

State Min

5: No Limit F...

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Carrier benchmarking dashboard



LexisNexis® Claims Retrospect is in development. Final solution outputs may vary.

Carrier Name

All others

Carrier 1

Carrier 2

Carrier 3

Policy State

AL

AR

AZ

CA

CO

CT

DC

DE

FL

GA

HI

IA

ID

IL

IN

KS

KY

LA

MA

MD

ME

MI

Policy Type

CA

PA

Injury Type

MIL

MOD

SEV

Venue

All Others

GWINNETT

DEKALB

FULTON

COBB

FORSYTH

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<300

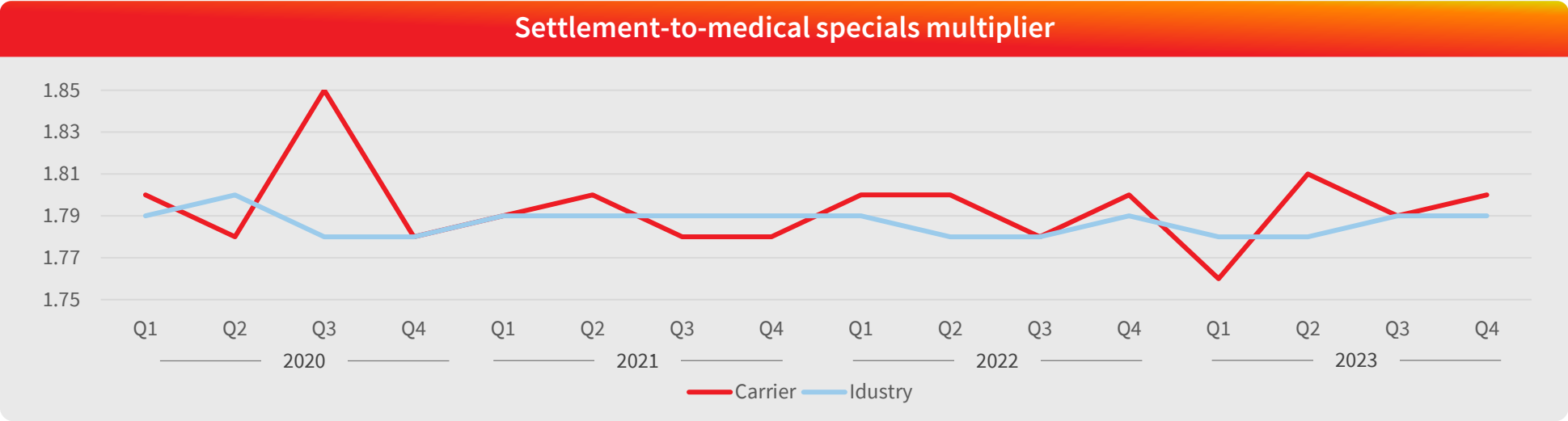
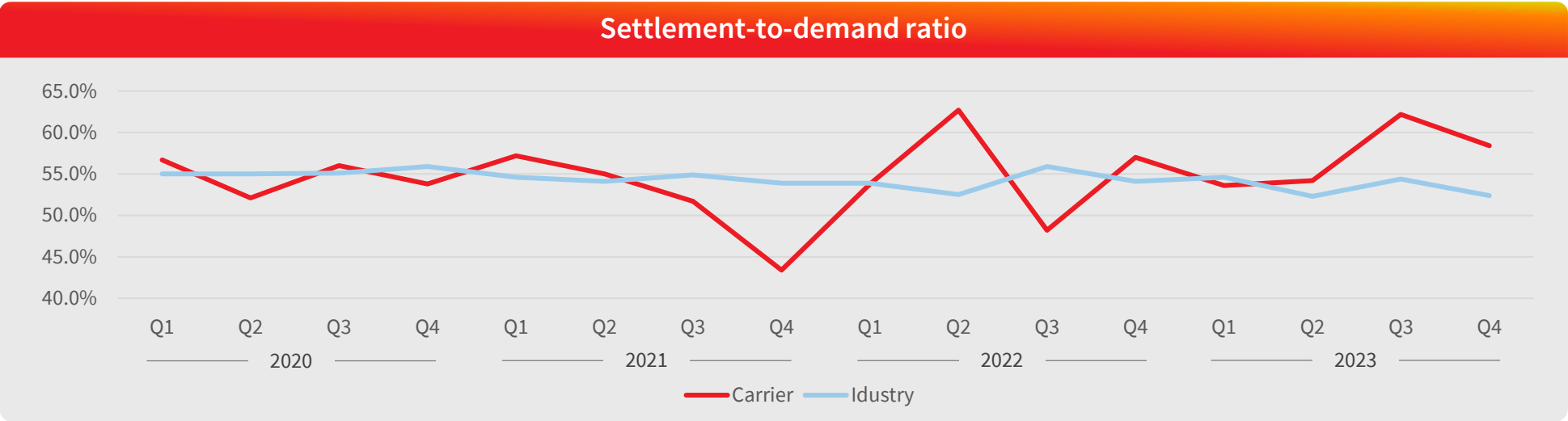
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500+

State Min

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Carrier benchmarking dashboard



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Carrier Name

All others

Carrier 1

Carrier 2

Carrier 3

Policy Type

CA

PA

Injury Type

MIL

MOD

SEV

Venue

All Others

GWINNETT

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Policy State

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<300

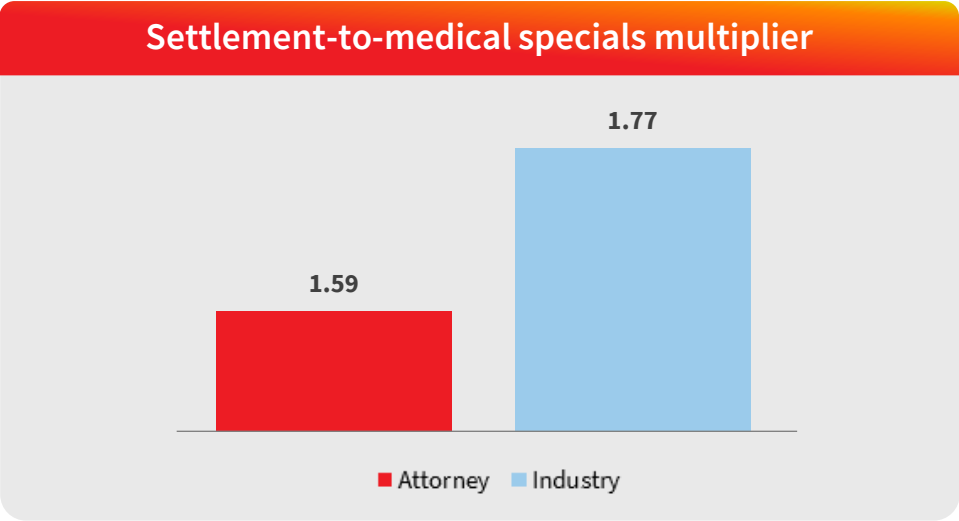
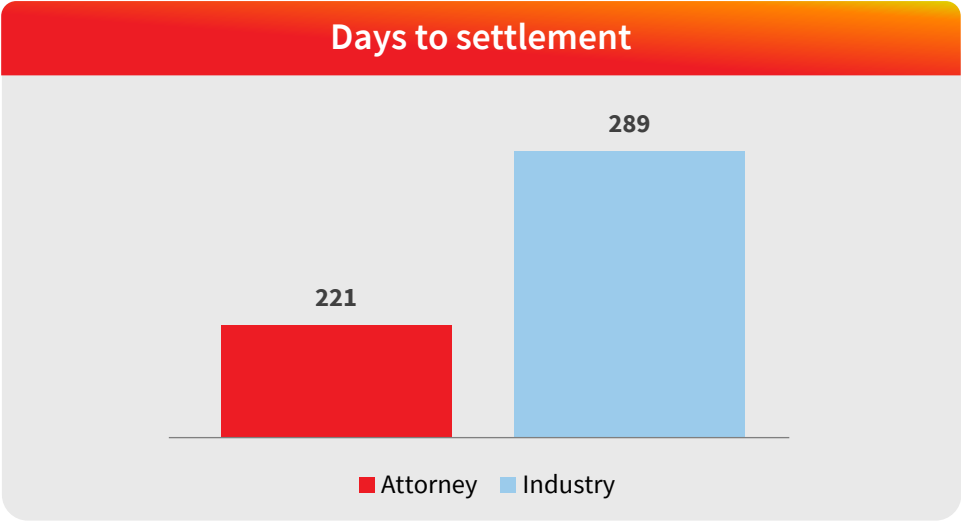
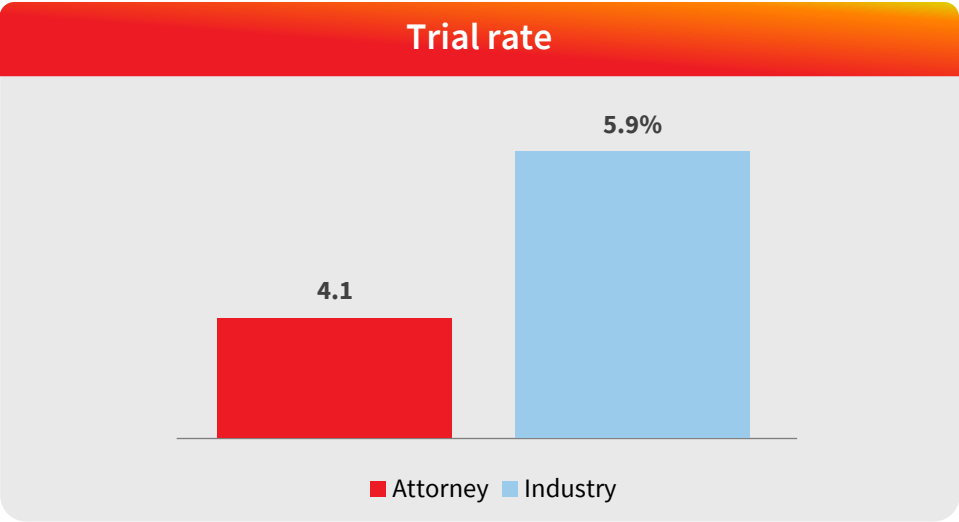
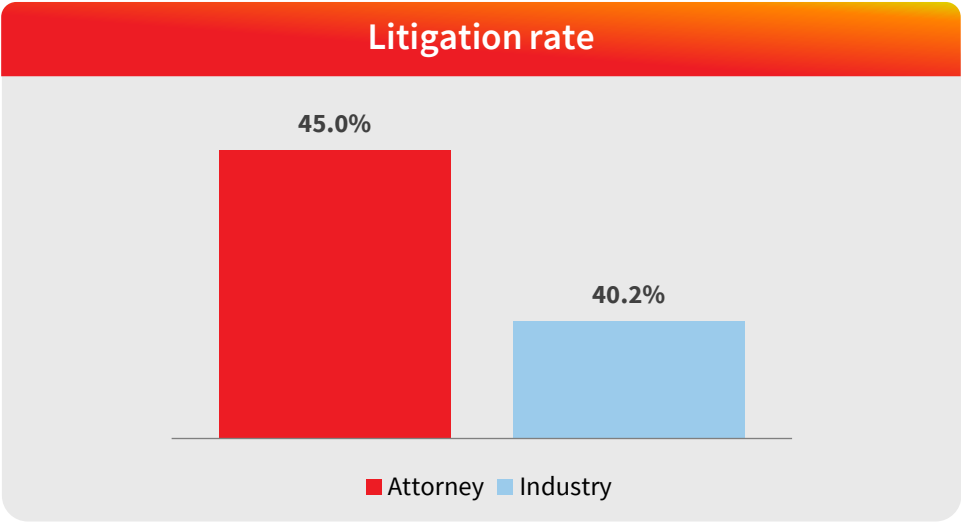
300-499

500+

State Min

5: No Limit F...

Law firm/attorney benchmarking view



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Firm ID

Brown & Lee ...

Johnson & Cl...

Miller & White...

Harrison & B...

King & John...

Roberts & W...

Quarter

2020Q1

2020Q2

2020Q3

2020Q4

2021Q1

2021Q2

2021Q3

2021Q4

2022Q1

2022Q2

2022Q3

Policy Type

CA

PA

Injury Type

MIL

MOD

SEV

Grouped Limits

<300

300-499

500+

State Min

5: No Limit F...

Venue

All Others

VENTURA

ORANGE

RIVERSIDE

INYO

LOS ANGELES

State

CA

AK

AL



Internal model
development



Big data
processing



Analytics



Reporting



On-premises
data movement



Data Lake

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THANK YOU

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