See how Stuart Maue, with over 29 years of experience, can help you with your legal spend management needs.

STUART MAUE
PREMIER COST MANAGEMENT

Legal Spend Management Case Study

Overview

An international insurance carrier with claims offices located across the United States contacted Stuart Maue when the company's Chief Financial Officer instituted a company-wide initiative to control costs. The company's General Counsel knew he would need to implement a comprehensive strategy to manage the legal spend in order to comply with the Chief Financial Officer's initiative. He had several considerations to take into account when selecting a solution:

- With well over 100 adjusters in the U.S. claims division, there was no method of standardization when it came to invoice review. He felt the department could save money upfront from billing guideline violations that were overlooked by some of the adjusters. He also felt the company's billing guidelines needed a revision.
- The adjusters and the law firms handling the claims had little or no communication. Although the insurance carrier required the law firms to submit a budget for each claim, the adjusters rarely received them, and when budgets were submitted, the firms often went over budget.
- He wanted to develop a set of metrics and performance indicators for planning and budgeting purposes but he didn't have a way to access the information found in the legal invoices. He knew corporate IT resources were spread thin and creating a solution in-house was not an option.

Solution

The insurance company looked to Stuart Maue to develop a legal spend management program that would address the issues the General Counsel was facing in the department. First, a Stuart Maue attorney reviewed the current legal billing guidelines and made suggestions to improve their guidelines.

Next, Stuart Maue sent out program instructions and new billing guidelines to the over 400 law firms that were currently working with the insurance company. One suggestion that Stuart Maue made to the insurance carrier was to require the law firms to upload a budget to Stuart Maue through a web-based portal for review and approval by the adjuster. Due to the fact that the adjusters had difficulty receiving budgets from the firms, Stuart Maue recommended that the firms must upload a budget before they input an invoice for payment. With adjuster approval required on a budget before invoices were uploaded for payment, the insurance company was assured that they would receive budgets from the law firms. With budgets on each claim, Stuart Maue was able to track budget performance by the firms.

Additionally, Stuart Maue instituted a method where law firm billings were reviewed before they were sent to the insurance adjusters. Stuart Maue attorneys and accountants reviewed the invoices for any non-compliance with the company's billing guidelines.

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Once the invoices were reviewed by Stuart Maue's staff, the adjusters had the ability to review, modify, or approve the invoices for payment. The yearly savings from bill review averaged between **6-7%** of the dollar amount of the invoices reviewed per year.

Stuart Maue also implemented reports and analytics that provided the General Counsel with metrics and key performance indicators.

Conclusion

By implementing Stuart Maue's Legal Spend Management program, the General Counsel was able to surpass the goal of the Chief Financial Officer to reduce legal spend. Additionally, Stuart Maue assisted the legal department in securing and monitoring budgets for each claim. Now, when firms are over budget, the adjuster is notified via e-mail by Stuart Maue to discuss the budget with the firm. The spend management program also included reports and analytics which gives management instant insights into their legal spend data. The General Counsel now makes more informed, proactive decisions, can optimize his allocation of resources, and actively manages risk.

Learn more about Stuart Maue's Legal Spend Management Services...

Contact us

For more information on how a legal spend management program can benefit your organization, call or e-mail:

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