

# LPO For Insurance Litigation: A Few Insights

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If there is one area of law that seems perfect for implementation of a technology-based legal process outsourcing (LPO) paradigm, insurance litigation might just be that field. Of course, "perfect" is a loaded term, and anyone throwing that word around without quantifying it at all should probably be looked at with a raised eyebrow. Perhaps a more accurate hypothesis would be stated as follows: There are some core features of insurance litigation that lend themselves extremely well to various the tech-heavy LPO models that are currently out there.

The first feature of insurance law that justifies use of an LPO model is that of volume... more specifically, many subtypes of insurance fields are driven by paperwork. Documents, claims, policies, legal papers - they build and build until a new mountain range is formed to rival the Andes. Whether we're talking motor vehicle insurance (no-fault, liability insurance, property damage, etc.), Workers' Compensation insurance, health insurance, or one of the other biggies, an overabundance of documentation seems to be an inescapable part of life for involved businesses. Data entry and document management are familiar terms often used to describe methods of handling the paperwork. My experience has been that, since data entry and document management are the cornerstones of many successful outsourcing enterprises, it makes sense to have these services performed in a manner that is cost-effective. Without the clerical activities to bog them down, insurance companies, health facilities, law firms and other actors relevant to the insurance industry can focus on their core business practices.

Another feature is that of work specialization. The way insurance is regulated in the various states makes insurance-based litigation a prime candidate for LPO. For example, if you're dealing with no-fault insurance in one of the no-fault states, such as New York, chances are there is one main set of regulations that govern how claims and related issues are to be addressed. While it is true there is often interplay between various "types" of insurance (i.e. no-fault in New York uses the Workers' Compensation fee schedule), the insurance litigation field tends to be rather striated, allowing lawyers and paralegals located offshore to gain familiarity with the issues involved in steady increments. Moreover, insurance claim forms and policies generally don't suffer from wide variation in substance. Though contract based, litigation stemming from policies of insurance are powered not so much from speculation regarding whether there was a meeting of the minds of the parties involved, but rather whether the static provisions and conditions as stated in the policy require reimbursement in each individual case.

Yet another aspect is that of differing technological capabilities. This is not simply a case of: He who wields the most RAM wins. However, as many attorneys can personally attest to, the fate of cases can certainly be influenced if one side had a technological edge over the opponent. An example of this is as follows: let's say a plaintiff firm serves an insurance company with dozens of summary judgment motions in one week. When those motions come into the defense counsel's office, what happens next? Are they filed away in accordion files and Redwelds, or are they scanned into a computer system? Does the attorney or paralegal handling the case have to request the file from a file room located on a different floor or building, or does s/he just punch a few keys in order to bring up the images of the documents that belong in that file on the monitor? When it comes time to oppose those motions, are the opposition papers drawn up from the orthodox technique of cutting and pasting Word-based templates, or is there a template generator that automatically populates data, including case citations and legal arguments, from the system? Regarding exhibits that need to be attached to motions, are they done so manually or does the software system automatically annex them? Naturally, these questions merely scratch the surface of the impact that technology can have on the outcome of legal matters, but they do provide a glimpse into how the worlds of law and technology can combine to form a powerful package.

There are numerous other considerations, such as cost per matter, storage expenses, and service and filing by electronic means; however, these topics will be covered in subsequent articles. Hopefully this article has provided you, the valued reader, with a fair degree of insight into the subjects discussed.

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