

**LIBERTY MUTUAL INSURANCE COMPANY AND  
LIBERTY MUTUAL HELMSMAN MANAGEMENT SERVICES LLC  
GUIDELINES FOR LAW FIRMS**

**Table of Contents**

I.	PREFACE.....	2
II.	GENERAL CASE DEVELOPMENT' .....	3
III.	STAFFING PHILOSOPHY .....	4
IV.	REPORTING .....	5
V.	LIBERTY PREFERRED VENDOR PROGRAMS.....	9
VI.	INVOICE SUBMISSION PROCEDURES FOR ALL ASBESTOS (“ASB”) MATTERS 9	
VII.	INVOICE SUBMISSION PROCEDURES FOR ALL LIBERTY CASE TYPES OTHER THAN ASB MATTERS.....	9
VIII.	ADDITIONAL INVOICE SUBMISSION ITEMS APPLYING TO ALL CASE TYPES (Non-ASB and ASB) .....	11
IX.	CHARGES FOR SERVICES: ALL CASE TYPES (Non-ASB and ASB) .....	12
X.	DISBURSEMENTS .....	17
XI.	INVOICE AND FILE REVIEW.....	21
XII.	RECORD RETENTION REQUIREMENTS.....	23
XIII.	DATA PROTECTION PRACTICES.....	25
XIV.	ERRORS AND OMISSIONS COVERAGE.....	28
	APPENDIX A – Invoice Submission Procedures for ASB Matters.....	29
	APPENDIX A1 – Defined Roles and Best Practices for NCC and Local Counsel .....	35
	APPENDIX B – APPEALS.....	39
	APPENDIX C – AFA & Shadow Billing in CounselLink .....	45
	APPENDIX D – Flat Fee & Hybrid Task Based Billing in CounselLink .....	48
	APPENDIX E – Accessing Cost Share and Payment Information in CounselLink .....	56

# LIBERTY MUTUAL INSURANCE COMPANY AND LIBERTY MUTUAL HELMSMAN MANAGEMENT SERVICES LLC GUIDELINES FOR LAW FIRMS

These Guidelines seek to promote effective and efficient case management, consistent with the defense attorney's professional responsibilities. They are modeled upon the *Defense Research Institute's Recommended Case Handling Guidelines for Law Firms* and enhanced for application to Liberty Mutual Insurance Company and Liberty Mutual Helmsman Management Services LLC. The Guidelines constitute our continuing agreement with defense counsel for the management of litigation on and after December 31, 2019 involving Liberty Mutual Insurance and Liberty Mutual Helmsman Management Services LLC, and their policyholders and/or customers. By accepting cases, your law firm is expressly agreeing to abide by the policies set forth in these Guidelines. These Guidelines do not, and are not intended to, circumvent or supersede Local, State, Federal, Ethical or other professional responsibility rules or decisions which govern (1) the enforcement or restriction in the application of such guidelines or (2) defense counsel's legal handling and billing practices. If there are any discrepancies or conflicts, defense counsel shall defer to the governing rules and decisions.

## I. PREFACE

- A. **Philosophy:** The Firm is expected to work with **Liberty Mutual Insurance** including its Strategic Business Units **Global Risk Solutions** ("GRS" includes legacy Commercial Insurance [CI], Ironshore [IS], and Liberty International Underwriters [LIU], and presently National Insurance [NI] and North American Specialty [NAS]) and **Global Retail Markets** ("GRM" includes GRM U.S., legacy U.S. Consumer Markets [USCM], Personal Insurance [PI], Safeco, and Business Insurance [BI]), its **Home Office Legal Department** ("HO Legal"), and **Liberty Mutual Helmsman Management Services LLC** ("HMS") (all collectively "**Liberty**"), and the insured/customer to achieve the best result for the insured/customer in a timely, efficient, and cost-conscious manner consistent with the clients' interests and the Firm's ethical obligations, and to resist non-meritorious, suspicious or frivolous claims. Unless Liberty instructs otherwise, Liberty's case handling and reporting **Litigation Management Protocols** discussed in Section IV of these **Guidelines** guide the roles of Counsel and the Liberty case handler/primary Liberty contact for the case to bring about the best legal outcomes. Nothing contained herein is intended to nor shall restrict defense counsel's independent exercise of professional judgment in rendering legal services for the insured/customer. If discrepancies or conflicts exist between the instructions in these **Guidelines** and Local, State, Federal, Ethical or other professional responsibility rules or decisions, Counsel shall defer to the governing rules and decisions.

**B. Diversity and Inclusion:** Liberty's philosophy also includes supporting diversity and inclusion in the workplace, where a broad spectrum of individuals with varying backgrounds, cultures, and orientations, may provide a pool of talent that leads to new perspectives and creative solutions and helps to best serve the needs of Liberty's customers. We expect our firms to partner with Liberty in this philosophy and strive to bring diversity and inclusion to the legal workforce that may serve as a crucial differentiator to the benefit of our customers and all involved.

**C. Conflicts:**

**1. Initial Conflicts Check:** As part of the Firm's ethical obligations, the Firm must, upon notification by Liberty to the Firm of a defense assignment, immediately conduct a thorough conflicts check, including, without limitation, Liberty and its affiliates and subsidiaries. The Firm must confirm in writing to the Liberty case handler/primary Liberty contact for the case, preferably within twenty-four (24) hours but by no later than three (3) business days after receipt of the assignment, that the Firm has completed its conflicts check, there is no conflict or appearance of a conflict, and the Firm is able to handle all aspects of the defense on behalf of the insured/customer and/or Liberty and its affiliates and subsidiaries.

If, as a result of the conflicts check, there is a conflict or an appearance of a conflict, the Firm shall *either*: a. Seek a full and informed waiver of the conflict, in writing, from all interested parties and as required by the rules of professional conduct; *or* b. Decline the defense assignment in writing to the Liberty case handler/primary Liberty contact for the case and the insured/customer, returning to Liberty and the insured/customer any documentation or materials provided to it and maintaining as confidential and privileged any information provided to it by Liberty and the insured/customer.

**2. Conflicts which arise during the representation:** Defense counsel has a continuing obligation to ensure that there exist no conflicts relative to its ongoing representation of the insured/customer and/or Liberty and its affiliates and subsidiaries (e.g., when parties are added in ongoing litigation). If, at any point in time during its representation, a conflict or the appearance of a conflict arises, the Firm shall immediately notify the Liberty case handler/primary Liberty contact for the case and insured/customer in writing so that they, with the Firm, have an opportunity to address and resolve the issue.

## **II. GENERAL CASE DEVELOPMENT**

An effective and strategically sound legal defense is the responsibility of defense counsel in direct consultation with the Liberty case handler/primary Liberty contact for the case and should be developed in a timely manner pursuant to Liberty's case handling and reporting ***Litigation***

**Management Protocols** discussed in Section IV of these **Guidelines**, unless Liberty instructs otherwise.

- A. The goal is to work with the Liberty case handler/primary Liberty contact for the case to timely identify those claims for which there is liability, and to discuss settlement opportunities early. The activities necessary to defend a given claim and bring it to appropriate resolution should be addressed early and the steps necessary to achieve that resolution (whether through direct negotiations with claimant's counsel or alternative dispute resolution) should be jointly agreed upon between Liberty and defense counsel (all settlement related activity, such as requests, authority, and agreement, should be in writing whenever possible). To that end, budgets addressing case activity may be required pursuant to case handling and reporting protocols and/or in conjunction with discussions with the Liberty case handler/primary Liberty contact for the case.

### III. STAFFING PHILOSOPHY

The Firm will designate one attorney to have primary responsibility for each case on which its services are requested. Initial time taken for internal file assignment to staff is considered a non-compensable administrative task. The case should be staffed effectively and economically. While legacy LIU is now part of GRS, for LIU cases specifically, LIU generally approves only one partner, one associate, and one paralegal on a case, and the firm must obtain written pre-approval from the LIU case handler for any other type of staffing arrangement.

To achieve the best efficiency and value, the role and responsibilities of the staff members should be clearly defined and appropriate to each individual's qualifications, level of experience, and billing rate. Lead defense counsel should delegate work to subordinates wherever possible to achieve efficiency and cost-effectiveness without compromising quality.

Regardless of the number of timekeepers on the file, duplication of effort within the firm is to be avoided, especially when files are re-assigned within the firm. All administrative related activities are not to be billed, regardless of the staff member performing the activity. High volume, repetitive or routine tasks, requiring legal expertise which clerical support/administrative staff do not possess should be assigned to a paralegal whenever appropriate. Liberty will not pay for the same work performed by multiple timekeepers or work performed by firm employees other than attorneys, paralegals and law clerks unless approved in advance by Liberty. Liberty will only pay the appropriate rate level for the work performed, regardless of the person's title actually performing the work. Only licensed attorneys will be reimbursed at an attorney timekeeper rate.

## IV. REPORTING

**A. Civil Litigation and Workers' Compensation Case Handling and Reporting Protocols:** All Liberty approved Panel firms, as well as firms engaged for other reasons (e.g., Special Arrangement, such as HMS customer firms) when agreed upon, shall abide by:

- a. **LMI's/HMS's Litigation Management Protocols: Property, Auto & Liability – Commercial Insurance, including the PAL Protocols' reporting guide templates, and/or LMI's/HMS's Litigation Management Protocols: Workers' Compensation – Commercial Insurance, including the WC Protocols' reporting guide templates** (*note: As referenced in the Preface, legacy Commercial Insurance including National Insurance are under Global Risk Solutions and Counsel handling legacy CI and NI cases, including HMS cases, will follow these Protocols unless there is a customer exception*), and/or
- b. **LMI's Subrogation Case Handling Protocols for Law Firms, and/or**
- c. **Liberty and HO Legal's Protocols governing Coverage Litigation, 1<sup>st</sup> Party Property Coverage Litigation, Coverage appeals, or Bad Faith/Extra-Contractual/H-File Litigation, and/or**
- d. **LMI Global Retail Markets' Countrywide Service Level Agreement, Impact Reporting Reference Guide, and Budget Template, to be used on all GRM Business & Personal lines cases, including for GRM U.S., legacy U.S. Consumer Markets, Personal Insurance, Safeco, and Business Insurance, and/or**
- e. **Ironshore Reporting Protocols for Defense Counsel, including the Case Evaluation Report & Budget template** (*note: While legacy Ironshore is under Global Risk Solutions, Counsel handling legacy Ironshore cases will follow these Protocols and use these report/budget templates; however, these Protocols do not specifically govern legacy LIU handling, so for legacy LIU cases, Counsel should confer with the LIU case handlers and use reasonable best practices as may be gleaned from these Guidelines and IS Protocols*),

all of which are incorporated by reference herein and shall govern case-specific handling strategies and communications unless Liberty instructs otherwise (all referred to herein generally as "**Protocols**"). If there is a question regarding whether the Protocols apply to a case you are handling, be certain to address such with the Liberty case handler/primary Liberty contact for the case.

## **B. Additional Case Handling and Reporting Protocols:**

### **1. Acknowledgement:**

Upon receipt of a new case, counsel should send an acknowledgement letter, preferably within twenty-four (24) hours but by no later than three (3) business days, to the Liberty case handler/primary Liberty contact for the case regarding receipt of the file, the results of the conflicts check, and (assuming no conflicts) designating the legal team assigned to the case. Counsel should collaborate with the Liberty case handler/primary Liberty contact for the case initially and as the case progresses to ensure appropriate staffing to meet the needs of the case. Any matters of immediate concern or information that may result in early resolution should be addressed in the acknowledgement letter. Counsel should also continue to abide by the reporting/timing requirements as set forth in the **Protocols**, including, without limitation, timely submission of the appropriate budget, plan and/or case evaluation. Counsel should also contact the insured/customer verbally, if possible, or otherwise in writing/by e-mail, and preferably within twenty-four (24) hours but by no later than three (3) business days, after retention to introduce his/her firm.

### **2. Reporting to the Insured/Customer:**

Counsel must also abide by any reporting requirements set forth in an insured's/customer's Special Service Instructions (SSIs) as advised by Claims. To the extent not addressed in the SSIs or Protocols, as a general rule, Counsel should keep the insured/customer apprised of significant developments relative to: their cooperation and participation in preparing discovery responses or for a deposition, final settlement (unless the insured's/customer's consent is needed at the onset); filing dates and results of dispositive motions; date(s) for the insured's/customer's deposition; changes in the evaluation of liability and damages; and pre-trial and trial dates.

### **3. Documentation:**

Counsel and the Liberty case handler/primary Liberty contact for the case should always discuss what documentation the Liberty case handler/primary Liberty contact for the case would like Counsel to submit.

Unless specifically set forth in certain **Protocols** or requested by the Liberty case handler/primary Liberty contact for the case, reporting in the regular course of case handling shall **not** include submitting copies of the following documents:

- a. Research Memorandum, Motion Papers and Legal Briefs;
- b. Deposition Transcripts; and

c. Discovery Requests.

Counsel is required to follow the applicable reporting **Protocols** in advising the Liberty case handler/primary Liberty contact for the case on how these documents (e.g., legal arguments; deposition testimony; propounded discovery) affect the outcome and evaluation of the case and impact defense strategies. If significant research is being conducted, Counsel should advise the case handler and offer to provide a copy of any Research Memorandum. If dispositive motions or key legal briefs are being prepared, Counsel should advise the Liberty case handler/primary Liberty contact for the case and offer to provide copies with/without exhibits.

In the regular course of case handling, and unless specifically set forth in certain **Protocols**, Counsel shall provide copies to the Liberty case handler/primary Liberty contact for the case (*unless* copies are already in the handler's/contact's possession) of Expert Reports, Medical Reports and all other Pleadings filed by or against the client along with releases, orders of dismissal and final judgments. Counsel shall continue to follow the applicable reporting **Protocols** in advising the Liberty case handler/primary Liberty contact for the case on how these reports/pleadings affect the outcome and evaluation of the case and impact defense strategies. Counsel shall also provide copies of all releases, orders of dismissal and final judgments to the insured client, as well as any other documents required by the insured's SSIs.

Counsel should consult with the Liberty case handler/primary Liberty contact for the case on the appropriate means of communication with Liberty, whether by e-mail (preferred by certain Claims groups), telephone, fax, or regular mail, in order to avoid duplication.

4. **Budgets:**

A budget may be required depending on the applicable Liberty **Protocols** in place on the case and/or the needs of the responsible Liberty case handler/primary Liberty contact for the case. Specific requirements, if applicable, may also be provided upon case assignment. Unless Liberty requires otherwise, an initial budget for all files expected to exceed \$5,000 in defense costs shall be drafted using the appropriate budget form/template associated with the pertinent Liberty Protocols and discussed with the Liberty case handler/primary Liberty contact for the case. An initial budget should realistically set out only those expected defense costs for the case handling that are associated with the applicable litigation strategy being discussed with the Liberty case handler/primary Liberty contact for the case, whether that strategy is, e.g., Settlement, Discovery/Investigation, or Trial for certain GRS cases or Answer Only/Settlement, Limited Discovery, or Full Discovery for certain GRM cases. Once discussed and approved, the firm must provide the budget to the Liberty case handler/primary Liberty contact for the case.

After a budget is approved and submitted for the designated strategy, Counsel should continue to consult with the Liberty case handler/primary Liberty contact for the case as the case handling addressed in the budget is carried out, so that together they may best manage the accuracy of the budget, including the costs and tasks contemplated by such.

Any updated or subsequent budgets should be discussed with and submitted to the Liberty case handler/primary Liberty contact for the case in a separate form/template, dated, and at the time(s) specified in the applicable Liberty **Protocols** or as agreed upon with Liberty. Counsel and the Liberty case handler/primary Liberty contact for the case should continue to communicate in managing any updated/subsequent budget and tasks.

5. **Compensation:** Rate agreements for firms, whether hourly, contingency fee, alternative fee, or subject to a particular rate program, will be established by Liberty in collaboration with its Legal Strategic Services department (*for legacy LIU, see below*). Requests by firms for consideration of a rate modification should be forwarded to the appropriate Liberty Legal Strategic Services (LSS) Regional Office (*for legacy LIU, see below*) well in advance of the requested effective date. The firm shall not unilaterally implement or bill for a rate increase, and any increase must be approved by Liberty in writing. Invoices with improper rates or rates that have not been formally approved will be rejected. Any firm may also be subject to a payment discount or alternative program (firms will be notified of such and related information will be available for discussion with your Liberty LSS Regional Manager).

For legacy LIU handling, all rate agreements for firms must also be approved by the appropriate Claims representative. Any rate modification requests must be sent directly to the appropriate Claims representative as well as your Liberty LSS Regional Manager for consideration.

6. **Firm Changes:** Any changes made to a firm name (whether due to a merger, acquisition, partner change, or otherwise), address, phone, fax, email, tax identification number (IRS identifying number) should be provided to the Liberty LSS Regional office overseeing your state. Any changes to a firm that may impact the handling of a file (e.g., a handling attorney leaving the firm for another; a firm closing or splitting, etc.), must immediately be brought to the attention of Claims and/or HO Legal and the Liberty LSS Regional office so that they may ensure appropriate safeguards are in place to maintain efficiencies in the handling of the file and that the customer's needs are being met.

#### 7. **General Confidentiality - Media Contact and Marketing:**

Counsel shall treat any Liberty business, financial or claims information, and Liberty's claims and litigation management approaches, as confidential and shall not disclose such information and approaches to the public or media absent written consent from Liberty. Any public or media inquiries made to Counsel about Liberty or any claim or case shall be



referred to Liberty unless Liberty has previously and specifically authorized Counsel in writing to respond to such. Counsel may not use Liberty or any of its Affiliates' names, or claim or case specific information, in public statements or marketing materials without Liberty's prior written consent.

## **V. LIBERTY PREFERRED VENDOR PROGRAMS**

Liberty may arrange to utilize preferred vendors, nationally or otherwise, for legal support services in a state to the extent such preferred vendor programs are permissible in that state under Local, State, Federal, Ethical and other professional responsibility rules or decisions. Detailed information about these programs and individual vendors' services will be provided separately by your Liberty LSS Regional Manager. These preferred vendors should be utilized, if available and practical, and in a manner consistent with all applicable state statutes and regulations, for all related work. Payment for these services will be directly billed to and paid by Liberty and should not be paid for by the firm. Payment procedure for other vendors is discussed in Section X. B., below

## **VI. INVOICE SUBMISSION PROCEDURES FOR ALL ASBESTOS ("ASB") MATTERS**

**SEE APPENDIX A and APPENDIX A1**

## **VII. INVOICE SUBMISSION PROCEDURES FOR ALL LIBERTY CASE TYPES OTHER THAN ASB MATTERS**

### **A. Frequency and Timeliness of Billing:**

- 1. Frequency of Billing:** Invoices should be submitted quarterly (90 day cycle) commencing with the assignment of the case, or sooner if the billing exceeds \$5,000 during that 90 day cycle. Invoices submitted thereafter should resume the quarterly billing cycle, on the new quarterly cycle. Invoices should be billed every 90 days and not held to accumulate higher dollars levels. "Final invoices" should be submitted promptly (i.e., within 90 days), and marked as "Final" in CounselLink.
- 2. Timekeeping Consideration:** Charges by timekeepers should be recorded contemporaneously as the work is performed to ensure accurate timekeeping.
- 3. Timeliness of Billing:** All invoices are required to be submitted within 90 days following the end of the billing cycle. The end of the billing cycle is the last day of service appearing on an invoice. Invoices received in excess of 90 days, without an adequate explanation for the lateness, may not be paid. Dates of service between invoices should not overlap absent

sufficient demonstration of need. Explanations for deviating from these requirements can be communicated via CounselLink with a note attached at the individual invoice level.

4. **Final Bills:** Final Bills must be clearly marked as FINAL and should be submitted as soon as all work is completed, i.e., on or shortly after the last day of service appearing on the invoice. Electronically submitted final bills should be marked as such, using the “Final Invoice” indicator in CounselLink.

**B. Invoice Submission Procedures (Electronic v. “Paper”):**

1. **Electronic:** Liberty is committed to electronic submission of legal services invoices through a secure web-based process. All invoices must be submitted electronically. Only specific exceptions granted to the firm, for specific customer related issues will be honored. Liberty uses LexisNexis and its CounselLink system for e-billing, but your firm is not responsible for paying LexisNexis fees.

- a. Specific technical requirements and all other information will be provided by LexisNexis. Liberty requires that law firms are Uniform Task-Based Management System (UTBMS) compliant and able to provide UTBMS information in an industry format similar to LEDES. Activity and Expense codes should also be included in addition to the phase and task codes to describe the legal action being performed or expenses incurred. More information about these codes is available at:

<http://bit.ly/2mtfQCr>

- b. Regular invoices must be submitted with the case caption and Liberty claim number appearing in the Invoice Description field on every invoice. Invoices failing to contain this information will be rejected.
  - i. Invoices must also include daily entries showing: (a) the date the work was performed; (b) the initials of the person providing the service; (c) a description of the work performed, by single activity, with the associated UTBMS phase, task, activity and/or expense code; and (d) the actual time in tenths of an hour for each single activity.
  - ii. A PDF copy of any document related to time billed on an invoice must also be included with all submitted invoices if the total amount billed for work on that document exceeds \$1,000. Include scanned images with your electronic invoices by uploading them using the Documents tab within CounselLink.
- c. Invoices submitted with incorrect rates or time keeper levels may be automatically rejected for correction before re-submitting electronically. If you have an invoice

rejected, and you believe you are billing the correct rate, please contact your Liberty Mutual LSS Regional Manager.

**d. Help Desk:**

**LABS\_Support@LibertyMutual.com**  
**Telephone number: 800-371-9248**

The Help Desk will reply to the inquiries posed via e-mail in the order they are received.

**2. “Paper” Invoices (i.e., Sent by E-mail Attachment):**

**a. Paper Billing Format:** Submittal of paper invoices is an exception to the Liberty process and must be approved in advance based on unique circumstances. Firm requirements are as follows:

1. Firm must complete registration activities in CounselLink
2. Invoices must include:
  - a. CounselLink Matter Number
  - b. Invoice description consisting of case caption and Liberty Mutual claim number
  - c. Timekeeper Summary
  - d. UTBMS coding
3. Invoices should be emailed to [counsellinkinvoices2@lexisnexis.com](mailto:counsellinkinvoices2@lexisnexis.com)
4. Invoices must be submitted one invoice per pdf, multiple pdfs can be included in an email, max size limit of 6MB
5. The firm can check their invoice status in CounselLink once scanning has been completed (CounselLink turnaround time is 3-10 days)

## **VIII. ADDITIONAL INVOICE SUBMISSION ITEMS APPLYING TO ALL CASE TYPES (Non-ASB and ASB)**

**A. Alternative Fee Programs – Invoice Submission:** Law Firms working under an Alternative Fee Arrangement (AFA) shall submit invoices pursuant to these *Guidelines*. Liberty is also requiring AFA Law Firms to submit their hourly “shadow billing” into CounselLink pursuant to Shadow Billing protocols incorporated by reference herein (**refer to Appendix C**).

**B. Flat Fee (Task) Billing (e.g., on WC cases):** Law Firms working under a flat fee/task arrangement, e.g., on WC cases, shall submit invoices pursuant to these *Guidelines* (refer to **Appendix D**).

**i. Hybrids: Flat Fee (Task) Billing + Hourly (e.g., on WC cases):** Law Firms working under a flat fee/task arrangement that have additional activities that are not included within the flat fee/task should combine hourly billings on the same invoice with the flat fee/task and shall submit such invoices pursuant to these *Guidelines* (refer to **Appendix D**). We refer to these combined billings as Hybrids.

**C. Credits:** Credits due Liberty should be submitted to the appropriate Legal Audit & Billing Services address as noted below in the form of a check made payable to “Liberty Mutual Insurance,” accompanied by a brief explanation for the credit, including the claim number. Do not apply any credits to future invoices, unless the credit pertains to a paper ASB invoice, in which case it can be applied to a future invoice.

For GRS Claims (legacy Commercial Insurance, National Insurance, HMS), GRM Claims (legacy USCM, Personal Insurance, Safeco, and Business Insurance), and Coverage, 1<sup>st</sup> Party Property Coverage and Bad Faith/Extra-Contractual/H-File matters:

**Liberty Mutual Insurance  
Legal Strategic Services, LABS  
P.O. Box 460  
Williston, VT 05495**

For all Environmental matters (e.g., ASB, ETT), legacy IS and LIU Claims, and legacy Liberty Mutual Benefits:

**Liberty Mutual Insurance  
Legal Strategic Services, LABS  
P.O. Box 1525  
Dover, NH 03821-1525**

**D. Accessing cost share and payment information: Refer to Appendix E.**

## **IX. CHARGES FOR SERVICES: ALL CASE TYPES (Non-ASB and ASB)**

**A. Time Charges:** All charges for services by attorneys and paralegals must be recorded daily based upon their actual time in one-tenth hour increments. Time incurred for less than ½ of 0.1 hour should not be billed. Time billed in excess of .1 hour should be billed by rounding up or down to the nearest higher or lower increment. The overall time billed should not exceed the actual time spent. Zero hour entries are allowed to be billed if the firm wants to account

for each concurrent activity separately, where the sum of all individual lines would be greater than the actual time spent.

**B. Single Entry Timekeeping:** Unless otherwise directed, the time for each activity should be separately stated. Grouping multiple activities under a single time charge greater than one-tenth of an hour (“block billing”) should not be employed. However, when billing similar work for sequential documents, such as five deposition notices, the work should be billed as a single entry (e.g., review 5 notices of deposition for x, x, x, x, x) if the actual time spent would be exceeded if billed individually on a single file. This concept is also particularly applicable in the case of ASB General file use on accounts when dealing with a similar task over several plaintiffs’ files.

**C. Descriptions of Services:** The reasonableness and necessity of the time billed for a task is assessed on the description provided by the timekeeper. It is therefore the obligation of the firm to provide the appropriate detail in order to support all time billed. Descriptions of services should provide the nature, purpose or subject of the work performed, and the specific activity or project to which it relates. Firms should be sure to include detail such as the numbers of pages or other information to quantify the volume or project reviewed to support the time billed. For example, entries for page-line deposition summaries (when permitted) or document analyses must provide sufficient detail to describe the scope of the task or include the number of pages summarized or reviewed.

Similarly, for all work associated with motion activity, including, without limitation, review, analysis, preparation, hearings, and results, entries should be sufficiently detailed as to the motion work performed, nature and purpose of the motion, and disposition, and appropriate UTBMS Codes must be used as directed herein or subsequently by Liberty (note: for purposes of consistency in billings, Motions for Summary Judgment should be input as “MSJ,” while motions such as “Motions to Dismiss” and “Motions to Compel” should be spelled out as such to avoid varied use of abbreviations, and results should be spelled out in entries, e.g., “Granted,” “Dismissed,” “Withdrawn,” “Denied” etc.).

All entries for communication must contain the means of communication (e.g., telephone call, e-mail, correspondence), recipient, and a sufficient description of the subject matter discussed.

If a firm has undertaken activities which, pursuant to the applicable *Protocols*, are considered activities that should have been/are usually performed by the case handler, the firm should be sure to include in its line item description the name of the Liberty case handler/primary Liberty contact for the case and that he/she authorized the work.

**D. In-Firm Conferences:** When counsel consults with another attorney in the firm to obtain specific advice or counsel on substantive or procedural aspects of the case that result in a more effective defense, said reasonable and necessary conference time will be reimbursed, *for the senior biller only*, provided that sufficient detail of the subject of the communication is set forth

to demonstrate its relevance and value. The narrative detail in the invoice should include the specific participants in the in-firm conference, the nature/subject matter of the discussion and its contribution to an effective defense, and should be billed using UTBMS Activity Code A105.

- E. Multiple Attendance:** Only one professional should attend trial, court appearances, meetings, depositions, witness interviews, inspections, and other functions. Defense counsel must obtain prior written authorization (e.g., in an e-mail) from the Liberty case handler/primary Liberty contact for the case where it is necessary that more than one timekeeper's attendance is necessary. Please provide the name of the Liberty claims handler/primary Liberty contact for the case in the line item description and that approval was granted, and attach a copy of the authorization at the line item level of the CounselLink invoice.
- F. Non-compensable Fees:** Activities that Liberty considers to be support/clerical or administrative in nature are non-compensable because they do not require legal acumen. These tasks will not be compensated at any timekeeper level and should not be billed by the firm. Such tasks, which Liberty will not pay for, include, but are not limited to:
- preparing, reviewing and/or following up on vendor and firm invoices; preparing responses to billing disputes;
  - opening or closing files;
  - initial time taken for internal file assignment to staff;
  - attending seminars or continuing education;
  - reviewing advance sheets or other publications to stay abreast of the law;
  - in-person or electronic filing of documents/pleadings with the court, administrative agency, or other ruling or governing body;
  - monitoring electronic court rosters, dockets or websites;
  - secretarial and clerical activity including but not limited to receipt and distribution of mail; maintenance of office or attorney calendars; transcribing; copying; faxing; posting; forwarding, cover, and/or enclosure letters and e-mails; searching contact information; inserting documents into and retrieving documents from a file; maintaining file order; stamping or numbering documents; tabbing sub-files; and assembling materials.
  - communications with vendors such as copying services, interpreters, court reports, medical providers, the courts or other parties for the purposes of scheduling, confirming, cancelling or obtaining a status, or managing payments;
  - formatting, scanning or importing/exporting documents into an electronic database;
  - training on systems or databases;
  - invoice and audit preparation; and
  - conflict of interest checks, including all related activity as addressed in Section I. C., above.

- G. Depositions:** Defense counsel should consult with their Liberty case handler/primary Liberty contact for the case before initiating and attending depositions other than that of the plaintiff(s), the insured/customer and other depositions already planned under the applicable Liberty *Protocols*. If multiple timekeepers were given prior approval to attend a deposition, please include the name of the Liberty case handler/primary Liberty contact for the case in the line item and attach the prior written approval to the line item. Billing should use UTBMS Code L330 with Activity Code A109.

Liberty recognizes that deposition transcripts are needed to support dispositive motions and trial. When ordering transcripts, please order an electronic transcript (E-Tran). Liberty has in place cost and billing arrangements with several national court reporter service providers. They have been instructed to deliver an E-Tran of proceedings if a transcript of a proceeding is ordered. Unless required by court rule or unique circumstances, we will only reimburse firms for the cost of an E-Tran.

**Deposition Attendance – ASB matters:** In addition to the Deposition terms above, in all ASB cases, the firm should comply with the following protocols unless another carrier is lead and has approved different handling:

1. In cases in which your firm has been given a Stipulation in advance of a deposition of any plaintiff or other witness (e.g., confirming that the deponent will not identify the insured during his/her testimony), your firm should refrain from attending the deposition unless the firm has discussed and reached agreement with the case handler for the account after providing specific reasons as to why attendance (and any related preparation) is warranted.
  2. In cases in which a firm has not been given a Stipulation in advance of a deposition, your firm is expected to attend the deposition telephonically unless the firm has discussed and reached agreement regarding in-person attendance with the case handler for the account after providing specific reasons as to why in-person attendance is warranted in the case.
- H. Legal Research:** Defense counsel must consult with and obtain written approval from their Liberty case handler/primary Liberty contact for the case before undertaking a legal research project requiring over three hours of research, and include the name of the Liberty case handler/primary Liberty contact for the case in the line item, attach a copy of the written approval to the invoice, and bill using UTBMS Activity Code A102. Entries for legal research must state with specificity the topic and purpose of the research. Copies of all research memoranda shall be provided to Liberty upon request. Research considered routine or elementary on issues considered to be common knowledge among reasonably experienced counsel in your area, will not be reimbursed. Before conducting any level of jury verdict research, Defense counsel must consult with the Liberty case handler/primary Liberty contact for the case to ensure the research is warranted and desired; failure to obtain pre-approval for jury verdict research and related topics, and to set forth the approval and the name of the

Liberty case handler/primary Liberty contact for the case in your line item entry, could result in non-reimbursement.

- I. Medical Records Review – ASB matters:** The firm should comply with the following protocols in all ASB cases unless another carrier is lead and has approved different handling:
1. In cases where it has been determined that review of the plaintiff’s medical records is necessary, there should be one medical record review per claimant if several accounts are involved in the case, which is to be conducted by a paralegal, preferably a nurse paralegal, who will prepare a medical records summary to be shared with the attorneys working on the case. The attorney(s) should rely on that summary for future case activities, rather than reviewing the medical records themselves, unless there are unique or critical issues in the case that require review of the records and the firm and the case handler have discussed and reached agreement regarding the review.
- J. Motions:** Defense counsel should consult with their Liberty case handler/primary Liberty contact for the case before filing any motions not previously identified and approved under the applicable Liberty *Protocols*.
- K. Revising Documents/Standardized Forms/Pleadings:** Only the actual time spent in customizing standardized pleadings, documents, or discovery responses or requests to the case at hand should be billed, rather than the time originally spent drafting standard language. The firm should not charge for the portions of the reports, pleadings or other documents that incorporate prior writings.
- L. Travel Time:** Travel time should be handled differently depending on whether it is **local** or **non-local travel**.

***Travel time definitions***

**Local travel** is defined as any travel that is (1) less than 100 miles round trip from the firm’s office where the traveler primarily works OR (2) in circumstances both before and after the firm has arrived at a destination (e.g., airport, hotel, another office), less than 100 miles round trip from that destination.

**Non-local travel** is defined as (1) any travel 100 miles or more round trip from the firm’s office where the traveler primarily works (this usually involves travel by plane but can involve auto travel when appropriate) OR (2) in circumstances both before and after the firm has arrived at a destination (e.g., airport, hotel, another office), 100 miles or more round trip from that destination.



### **Billing travel time**

All travel, attendance, and preparation time should be billed as separate entries. For all travel related entries, the firm must specify the destination and miles traveled.

**Local travel** should be billed at full actual time and full hourly rate.

Liberty will reimburse **non-local travel** time at half the normal hourly rate, unless the traveler is able to perform actual Liberty billable legal work. Actual legal work should be billed at the full hourly rate, just as if it was performed in your office. The total amount of travel time where no legal work was performed should be billed as “**Non Local Travel** time” and should not include any time where actual work was performed.

“**Non Local Travel** time” should be identified using the A112 code and billed at half of your regular hourly rate, reflecting the actual amount of time. For example: for an attorney with a regular hourly rate of \$100, where a trip involved driving to an airport, waiting, flight time and time from the airport, that took a total of 8 hours, but involved only 3 hours of actual legal work being performed (e.g., work conducted while waiting or on the plane), the attorney would bill the 3 hours at the full \$100/hour regular rate for a total of \$300, but would bill the remaining 5 hours as Travel Time at half the regular hourly rate, i.e., \$50/hour for a total of \$250. The total trip time (8 hours in this example) should also be indicated in the travel line item description.

- M. Pro-Rating:** Law firms must pro-rate their time when performing work for multiple carriers or insureds/customers. When dividing work across multiple files/cases or insureds/customers the task description must contain a reference to the overall time spent and the numbers of files included in the proration. (2.6 hrs./3 files)

## **X. DISBURSEMENTS**

- A. Overhead Expenses:** Liberty anticipates that incidental expenses and routine or recurrent tasks are considered law firm overhead. Any associated cost or expense is assumed to have been incorporated within the firm’s agreed to hourly rate or legal fee structure.

The following items, though not exclusive, are included in this category:

- Books, magazines, subscriptions, and educational materials;
- Computer software, hardware, programming, system usage and maintenance;
- Continuing education seminars;
- Courier charges, including in-house messenger service;
- Equipment purchase or rental (e.g., copier, fax, postal machine, etc.);

- Facsimile charges (incoming and outgoing);
- Group outings/hospitality;
- Interest charged;
- Legal research resources, including Lexis and Westlaw usage;
- Local travel related expenses less than 100 miles round trip, including mileage, taxi, train, subway, parking and tolls;
- Mark-ups or surcharges added by the firm;
- Meals unless related to non-local travel, including refreshments during meetings;
- Next day air and/or overnight mail;
- Certified mail;
- Office supplies;
- Overtime;
- Photocopies (in excess of 10 cents per page)
- Postage;
- Professional associations or other fees;
- Rent on facilities;
- Scanning or printing to file;
- Shredding;
- Storage;
- Support staff service charges, including internal word processing;
- Forwarding, cover, and/or enclosure letters and e-mails;
- Telephone bills (including cell phones and long distance);
- Temporary help;
- Training materials or sessions; and
- Utilities.

**B. External Expenses:** Liberty will reimburse you for:

- Court *mandated* filing fees - provide sufficient detail about fees to eliminate a possibility that multiple fees could be considered as duplicates, and bill using UTBMS Expense Code E112;
- Jury fees – bill using UTBMS Expense Code E112;
- Subpoenaed records – bill using UTBMS Expense Code E113 (**Important:** When subpoenaing or requesting medical records or bills *not through an LMI preferred vendor program*, if there is an option to receive electronic copies at a lesser cost, your firm should receive copies only in electronic format unless paper format is required by court rule, unique circumstances or the claims handler. Reimbursement for invoices concerning medical records or bills will only be allowed at amounts charged in compliance with applicable state or administrative statutes, regulations, laws or rules governing what medical or other providers are authorized to charge

per page(s) for electronic (or paper) copies of such documents; any charges in excess of what is permissible will not be reimbursed.); and

- Witness fees – bill using UTBMS Expense Code E114.

The law firm will be reimbursed without mark-ups or surcharges for the following when agreed to following consultation with your Liberty case handler/primary Liberty contact for the case:

- Consultants – bill using UTBMS Code E123;
- Expert witness fees – bill using UTBMS Code E119;
- Imaging; and
- Overnight travel.

***Preferred Vendor Invoices: On all Liberty cases,*** to the extent Liberty has established a preferred vendor program, nationally or otherwise, these services should be used whenever possible. Liberty will pay for services provided by these preferred vendors directly as their invoices are automatically submitted to the Legal Audit and Billing Services unit (LABS f/k/a CLBU) via a direct feed, so **they should not be paid for by the firm and your firm should not receive an invoice for these services.** If you have any questions regarding whether a vendor is a preferred vendor, please contact your Liberty LSS Regional Manager.

***Non-Preferred Vendor Invoices: On all Liberty cases,*** for all vendor services which are ***not*** part of a preferred vendor program (see, e.g., subsection D. External Professional Services, below), the process for payment and/or invoice submission will vary depending on the nature of the vendor/its services, the amount of the expense, and the level of involvement/oversight the Liberty case handler/primary Liberty contact for the case personally wants relative to that expense. The first step the firm should take regarding the expense is to confer with the Liberty case handler/primary Liberty contact for the case to see if he or she wants to have the vendor invoice forwarded directly to them for processing. If they do, then the firm will work directly with the Liberty case handler/primary Liberty contact for the case to get the expense paid. *If they do not,* then the following processes shall be followed:

- The law firm shall pay individual vendor bills at or under \$750 (*at or under \$1,500 for legacy LIU claims*) and include the disbursement on the firm's next invoice by itemizing, along with the case caption and Liberty claim number, (a) the name of the vendor, (b) the date incurred, and (c) a specific description of the expense.
- Where the individual vendor bill is over \$750 (*over \$1,500 for legacy LIU claims*), your firm is responsible to obtain and validate the invoice (confirming the

accuracy of the expense and indicating the claim number) and must send the invoice to LABS ([LABS\\_Support@LibertyMutual.com](mailto:LABS_Support@LibertyMutual.com))(*with legacy LIU cases, to the specific LIU case handler*), for payment with a cover letter from your firm confirming the validity. These vendor bills must reference the case caption, the vendor's Tax Identification Number and the Liberty claim number. Although not recommended (*and contrary to LIU's directive*), if your law firm chooses to pay such individual vendor bills over \$750 (*over \$1,500 for legacy LIU claims*), it shall include the disbursement on the firm's next invoice by itemizing, along with the case caption and Liberty claim number, (a) the name of the vendor, (b) the date incurred, (c) a specific description of the expense, and (d) attaching a copy of the vendor invoice and proof of payment. The following items will constitute proof of payment: copy of cancelled check, copy of EFT, copy of redacted credit card statement, copy of vendor invoice showing a zero balance.

**C. Travel Expenses:**

- 1. Local Travel:** See definition in Travel Time above. Expenses and disbursements incurred in local travel are considered overhead and within the firm's rate structure.
- 2. Non-local Travel:** See definition in Travel Time above. Defense counsel should consult with the Liberty case handler/primary Liberty contact for the case prior to incurring non-local travel expenses to secure agreement that Liberty will reimburse defense counsel for reasonable travel expenses. What constitutes reasonable reimbursement for hotel accommodations, meals, and ground transportation depends upon the locale visited. However, examples would be coach airfare and business class hotels. Mileage will be reimbursed at the lesser of the IRS rate prevailing on the date of travel or the actual rate of reimbursement paid by the law firm to the traveling employee. Invoice information should contain the numbers of miles (billed as # of units) and rate (billed under hourly rate) per mile charged.
- 3.** All travel must include the destination, reason for travel, number of nights, number of meals and method of travel with applicable detail. Prior written approval is required for any expenses incurred by anyone other than the timekeeper. Receipts for each expense over \$300 must also be included. These need to be detailed receipts, not credit card statements or expense reports.

**D. External Professional Services:** Defense counsel should consult with the Liberty case handler/primary Liberty contact for the case prior to incurring expenses for experts, consultants, investigators, temporary attorneys or outside paralegals, or other professional services. Expenses for professional services will be reimbursed at actual cost, although they may also be subject to the verification processes and/or Liberty case handler's/primary Liberty contact's oversight as referenced in subsection B. External Expenses, above.

- E. Receipts:** Copies of receipts for all items over \$300 should be included with the applicable legal bills. Use the applicable feature in CounselLink to include scanned images of the receipts with your electronic invoices or attach them to the back of any paper invoices. There are two ways to include receipts in CounselLink: (a) at the matter level; (b) at the invoice level. **The preferred method is to attach the receipts at the invoice level.**

While not all itemized receipts for expenses billed and costs advanced need to accompany invoices, they need be retained by the firm. We may request itemized receipts prior to issuing payment for certain expenses. Attaching copies does not preclude the requirement to include sufficient line item information in the invoice to provide a full understanding of the nature of the expense.

- F. Administrative Activities:** Secretarial and clerical work is considered overhead within the firm's rate structure. A list of examples appears in subsection IX. F., above.

## **XI. INVOICE AND FILE REVIEW**

- A.** The Firm recognizes that Liberty has the right to review all legal invoices for services and disbursements pertaining to the matter for which the firm has been engaged by Liberty, and, further, that Liberty has the right to review counsel's file for issues including, but not limited to invoice review and substantive quality. However, such invoice and file review, including the review of documents, must be done in a manner that does not compromise the attorney-client privilege, reveal client confidences or diminish the protection afforded defense counsel's work product.

- B. Audit:** Payment of legal invoices and expenses on a file does not constitute a waiver of any of Liberty's rights to request reimbursement resulting from an evaluation or audit of your firm's invoices. This includes normal review while processing invoices and a variety of audits, both remote and on-site. Liberty may periodically conduct audits at your firm. These audits will generally review information related to processed invoices and any financial findings may be extrapolated over all work billed during the period being covered by the audit. These audits would include files your firm has handled or is handling for Liberty. An evaluation may be made of your work quality, reporting and time and cost disbursements to assess firm capabilities, capacity and staffing related issues.

The firm may be asked to produce the original complete timesheets, pre-bills and a monthly/yearly summary for your attorneys, paralegals, law clerks, or anyone else that has billed time to Liberty. These timesheets should account for all time billed by the timekeeper for the period requested, including non-Liberty work, but should redact the identity of non-Liberty customers. Any document or electronic file which memorializes a change in the original time or rate billed by any timekeeper (e.g., marked up pre-bills, change reports, etc.)

must be maintained in accordance with Liberty's record retention policy and should be available for review.

Your law firm should also maintain notes, e-mails, drafts, telephone messages, and other documents which support your billing on those files.

Any expense or fee related to audit preparation is not compensable.

**C. Internal Billing Dispute Resolution/Appealing Billing Adjustments:** If Liberty adjusts a legal invoice, explanation for such action shall be given by Liberty, usually in the CounselLink system, and the firm shall be given the opportunity to explain the disputed items and appeal such adjustments in the following manner:

The firm will not be able to systematically appeal an invoice until the invoice status is in "Provider Review". Prior to moving to Provider Review status, the invoice will be in pending payment status to allow time for payment to be issued. Any appeal must be submitted within 45 days from the date payment is received. If the appeal is not submitted back to Liberty within the 45 days, the system will no longer allow the law firm to submit the appeal.

**All appeals must be submitted electronically in CounselLink via one of the following processes:**

- a. Appealing any line item reductions should be done by the firm selecting the reduced line items they wish to appeal, then clicking the Appeal button and entering note text explaining the reason for the appeal. Firm must then select from their Workflow Actions: "Return Appealed Invoice Back to Client" to successfully submit the appealed invoice back to Liberty Mutual.

Any reduced line item not being appealed does not require an action to be taken by firm. However, the firm may select that line item and click the Accept button to provide Liberty with a comment as an option.

- b. Appealing an invoice level adjustment such as cost share or discount reductions should be generated by submitting a new invoice in CounselLink. This should be accomplished by using the original invoice number followed by "-Appeal" (*Example: original invoice number: 1452. Your new invoice number should be 1452-Appeal*). This process should also be followed for any invoices with a combination of invoice and line item level adjustments.

**Refer to Appendix B** for instructions on using CounselLink Appeal functionality. Please contact [ask@LexisNexis.com](mailto:ask@LexisNexis.com) or call them at 1-800-600-2282 for assistance.

- Appeals submitted after 45 days from the date of payment may not be considered.

- An appeal must address the underlying reduction by articulating the specific basis for the relief sought and, if applicable, must include appropriate supporting documentation (but only documentation related to the line item being appealed).
- The explanation on appeal must not alter the tenor of the original line item description. It is Liberty's expectation that the original line item is accurate and was authored to appropriately account for the work in question.
- Appeals for reductions that have been previously communicated as non-compensable or resulting from insufficient information, may not be considered. Once an issue has been brought to a firm's attention and/or has been the subject of repeated prior appeals, Liberty reserves the right to refuse subsequent appeals related to those issues. Repeated appeals, resulting from insufficient information in the original billing, where this requirement is clearly outlined in these *Guidelines*, may not be considered. Once an issue has been brought to a firm's attention and/or has been the subject of repeated prior appeals, Liberty reserves the right to refuse subsequent appeals related to those issues.

**D. Arbitration:** If a dispute cannot be resolved by such Internal Billing Dispute Resolutions discussions, the parties agree that the dispute shall be submitted to binding arbitration. The arbitration shall comply with and be governed by the provisions of the American Arbitration Act. The parties agree that the dispute shall be governed and adjudicated under Massachusetts law (for legacy LIU, New York law will apply) or as otherwise agreed to by the parties. In disputes over the applicable rates and/or level of control Liberty Mutual would owe in instances where an insured may be entitled to independent counsel in connection with a defense of a claim, the independent counsel law of that jurisdiction will apply to that dispute. The parties shall mutually select a single neutral arbitrator, or, if they are unable to agree, each party shall appoint one arbitrator and the two arbitrators shall, in turn, appoint a third impartial arbitrator. The decision of the arbitrator(s) so selected shall be final and binding with no right of appeal. The cost of the arbitration shall be borne by the respective parties or in such proportions as the arbitrator(s) may decide. The arbitration hearing shall be held in the county where the legal services were rendered or at such other location as the parties may agree. The arbitration proceedings and the results thereof shall remain completely confidential as between Liberty, the insured, and defense counsel.

## **XII. RECORD RETENTION REQUIREMENTS**

The records retention requirements are media neutral and apply to both hard copy and electronic documents (although best practices suggest that firms move toward electronic case and document management approaches). The record retention requirements below reference minimum retention periods. If a longer time period is required by Local, State, Federal, Ethical or other professional responsibility rules or decisions, the longer time period will apply. Regardless of retention

periods, all firms working on behalf of Liberty and its customers must contact Liberty (either the specific Liberty case handlers pertaining to the documents at issue or the appropriate LSS Regional Manager) at least 30 days *prior to* disposing of case records in order to ensure Liberty either has copies of such records in its possession or, per the Liberty case handlers/primary Liberty contacts for the case or LSS Regional Manager, does not need copies for the Liberty files. Any notification of the intent to dispose of records that is sent to Liberty's Global Compliance and Ethics group or other records management department must also copy either the specific Liberty case handlers/primary Liberty contacts for the case or appropriate LSS Regional Manager.

Law firms should retain their entire case files, and especially the following records, for the duration of the case, plus four years:

1. Invoices.
2. All deposition transcripts, expert witness materials, court documents, or other case information, as well as electronic mail.
3. All original settlement documents in a case (executed agreements, releases, etc.) should be forwarded to the specific Liberty case handler/primary Liberty contact for the case; the firm should retain copies of such for the retention period.
4. Expert witness: copies of engagement letter, curriculum vita, fee schedule, and confirmation authorizing the engagement of the expert.
5. Expenses advanced on behalf of other law firms (i.e., joint defense activities or repository expenses): a full accounting to the firms for their pro rata shares, including the calculation of the pro rata percentage; accounts receivable records showing the amounts billed/collected, with clear notations indicating the invoice date and number on which collections were credited back to Liberty files; and correspondence documenting follow-up collection attempts on any pro rata billings outstanding more than 45 days.
6. Original time sheets for all individuals billing time to Liberty files. If the firm utilizes an electronic time and billing system, data must be retrievable and comply with these requirements.
7. Pre-bills or any records showing the adjustments made to time sheet entries (including data entry documents from which any change was entered).
8. Supporting documentation for out of pocket expenses billed, including proof of payment.
  - a. For expenses that require consultation, the letter, e-mail, or dated memorandum of the telephone conversation authorizing the expense.
  - b. Original bills and invoices, with file numbers or case captions clearly identified.



- c. Canceled checks/other evidence of payment.
- d. Original receipts for all travel expenses.
- e. Expense accounts and supporting records when firm members are reimbursed through the filing of expense accounts.
- f. A cover/voucher sheet should be attached to the invoice itemizing the expenses distributed to each file when expenses are charged to multiple files.

### **XIII. DATA PROTECTION PRACTICES**

**Duty to Protect Liberty/Customer Information:** In accordance with applicable laws, legal and regulatory obligations, business best practices and standards, law firms and vendors used by Liberty and its customers have a duty to protect the security, integrity and confidentiality of Liberty and customer information, including safeguarding policyholder, customer, claimant, and employee information against accidental or unlawful destruction, loss, alteration, or unauthorized access or disclosure. The Liberty, policyholder, customer, claimant, and employee information and data that the firm must protect includes, *but is not limited to*, attorney-client privileged, work product, confidential information, personal information of any party or nonparty, Non-Public Personal Information of any individual or party, non-public Liberty and/or customer account information, claim information, and any other Liberty policyholder/customer information in the firm's possession (hereinafter "Liberty/Customer Information"). "Non-Public Personal Information" includes personally identifiable financial or medical information of or concerning a natural person, which has been obtained from sources that are not available to the general public or obtained from the person who is the subject and may include data elements such as names and addresses of individuals, as defined by the Gramm-Leach-Bliley Act of 1999, 15 U.S.C. 6801 et seq., and applicable United States federal and state laws and regulations implementing the act, as amended. Unless instructed otherwise by Liberty, natural person may also include Customer and its Affiliates' employees, contractors, business partners, or other individuals whose personal information is processed by the Services.

**Control and Ownership:** The firm must not access, collect, store, retain, transfer, use or otherwise process in any manner any Liberty/Customer Information, except: (a) in the interest and on behalf of Liberty; and (b) as directed by authorized personnel of Liberty in writing. Without limiting the generality of the foregoing, the firm may not make Liberty/Customer Information accessible to any subcontractors or relocate Liberty/Customer Information to new locations, except as set forth in written agreements with, or written instructions from Liberty. The firm must return or delete any Liberty/Customer Information if and/or when Liberty requests it.

**No Information Selling:** By handling any Liberty/Customer Information, the firm acknowledges and confirms that it does not receive any Liberty/Customer Information as consideration for any services or other items that it provides to Liberty. The firm shall not have, derive or exercise any rights or benefits regarding Liberty/Customer Information. The firm must not sell any Liberty/Customer Information, as the term "sell" is defined in the California Consumer Privacy Act of 2018 ("CCPA") or in any other applicable data protection law. In addition, the firm must not collect,

share, or use any Liberty/Customer Information except as necessary to perform services for Liberty Mutual. The firm must familiarize itself with the CCPA and, by handling any Liberty/Customer Information, certifies that it understands the rules, requirements and definitions of the CCPA as may apply to that Information. The firm agrees to refrain from taking any action that would cause any transfers of Liberty/Customer Information to or from the firm to qualify as “selling personal information” under the CCPA or other applicable data protection law.

**Cooperate with Compliance Obligations:** At Liberty’s reasonable request, the firm must: (a) contractually agree to comply with laws or industry standards designed to protect Liberty/Customer Information, including, without limitation, the Standard Contractual Clauses approved by the European Commission for data transfers to processors, PCI Standards, HIPAA requirements for business associates, as well as similar and other frameworks, if and to the extent such frameworks apply to any Liberty/Customer Information with which the firm comes into contact.

**Processes and Procedures:** All firms must have established guidelines, processes, and procedures in place to protect, maintain, and secure Liberty/Customer Information, whether in physical or electronic format, including providing a level of security appropriate to the risk represented by the processing and nature of the information to be protected.

Security preparations need to begin at matter inception and there must be an established process to manage access and control requests for Liberty/Customer Information. Such security preparations and processes include, but are not limited to, (1) encrypting Liberty/Customer Information when being transferred; residing on the firm’s systems and servers; stored on portable devices and media; and/or transmitted over non-secure communication channels; (2) using information leakage prevention tools or approaches; and (3) using two-factor authentication steps for remote connectivity using a mobile device, tablet or laptop. In addition:

1. All firms, at a minimum, shall have a fully-implemented security incident plan covering without limitation, how the law firm will detect and respond to all unauthorized actual, attempted or suspected breaches of or intrusions into the law firm’s computer systems or networks, and how the law firm will notify Liberty of such incidents.
2. Data Protection Assessments/Audits: Liberty reserves the right to conduct (a) an initial risk assessment prior to receiving services, (ii) additional periodic risk assessments, at least annually thereafter, and (iii) risk assessments upon material modification of services, in order to identify the risks associated with the services to be provided, and, depending on the results of such risk assessments, Liberty may also conduct site audits (including penetration testing), source code audits, and other evaluations of the law firm’s information security and privacy practices related to the services (collectively, “Risk Assessments”). Law firm personnel will cooperate with Liberty in such Risk Assessments, which will be conducted using standards such as ISO 27002 or other relevant items as the basis for its evaluation. The Risk Assessments will be conducted by Liberty or its agents at such times as Liberty deems reasonably appropriate. Should any Risk Assessment reveal what Liberty determines

to be material security risks, Liberty will promptly notify the law firm of such risks and the law firm will (a) respond to Liberty in writing within five (5) days with its plan to promptly eliminate the risk, and (b) immediately thereafter, eliminate the noted risk.

3. The law firm agrees that, upon request from Liberty not more than once per year, it shall complete a security questionnaire and deliver such copy to Liberty within thirty (30) days of each annual period.
4. It is a recommended best practice for the law firm to conduct an independent 3<sup>rd</sup> party evaluation of its internal security controls performed by a qualified and certified entity attesting to the completeness and effectiveness including but not limited to physical, logical, operational, management, and general computer controls for any and all systems and processes that interact with Liberty/Customer Information at rest, in transit or in process, *such as but not limited to* ISO 27002 Certification and Statement of applicability, SSAE SOC Type 2 report on the Trust Service Principles of security, processing integrity, and confidentiality. If such an evaluation is conducted, the firm agrees to provide a copy of the results to Liberty.

If the law firm becomes aware of any unauthorized, accidental, or unlawful destruction, loss, alteration, disclosure or use of, or access to any Liberty/Customer Information (“Security Incident”), the law firm shall: (a) promptly notify (by email and telephone) Liberty/the LSS Regional Manager within 24 hours of the Security Incident; (b) investigate the Security Incident and regularly provide Liberty with detailed information about the Security Incident; (c) take reasonable steps to mitigate the effects and to minimize any damage resulting from the Security Incident; and (d) reasonably cooperate with Liberty to provide information in connection with any notice required to be sent to any third parties in connection with such Security Incident. The law firm will reimburse Liberty for all reasonable out-of-pocket remediation costs incurred by Liberty in connection with that Security Incident.

The firm shall also designate an individual who will serve as Liberty’s ongoing single point of contact for purposes of addressing all related issues and with respect to the use and security of Liberty/Customer Information during the time that such issues remain unresolved.

The effort to protect and maintain this information should be the combined effort of every lawyer, staff member, and department within the firm. Each employee, regardless of responsibility, must know, implement, and follow all security procedures and protocols, and the firm is responsible for having adequate resources, management, and training in place. Firms should consider industry standards and other guidance to develop and implement standards for the firm concerning information security and privacy practices.

Firms should maintain a formal disaster plan and business recovery plan in the case of emergencies. Failure of a firm to properly protect, maintain and secure physical and electronic Liberty/Customer Information may result in direct liability for the firm or having to indemnify Liberty.

**Insurance Coverage and Protections:** Firms must have adequate insurance coverage and/or protections in place to address any liability related exposures arising from a Security Incident in addition to the mandatory requirements of Errors and Omissions coverage set forth below. Thus, Liberty requires as a condition of doing business with Liberty or on behalf of its customers that firms maintain Cyber/Data Security Liability Insurance or a similar type of data security insurance that is underwritten by an “A” (A. M. Best rating) or better rated insurance company with minimum limits of one million dollars per occurrence or as otherwise directed by Legal Strategic Services, and that covers the following:

- a. Protection of private or confidential information whether electronic or non-electronic.
- b. Liability for breach of privacy or network security.
- c. Protection against liability for systems attacks, denial or loss of service, data damage, destruction or corruption, the introduction, implantation or spread of malicious software code.
- d. Protection against liability for security breach, unauthorized access or use of data including investigative expenses, regulatory action expenses and expenses for notifications, credit monitoring or other remediation services, crisis management, and public relations.

Evidence of insurance, such as a declaration sheet specifying coverage amounts and the name of the insurance carrier, will remain with the firm and be disclosed to and available for Liberty to review upon request. The firm shall notify Liberty/the LSS Regional Manager of any termination in such insurance no less than thirty (30) days prior to any such change.

#### **XIV. ERRORS AND OMISSIONS COVERAGE**

Liberty requires maintenance of Errors and Omissions Insurance by law firms at all times that is underwritten by an “A” (A. M. Best rating) or better rated insurance company with minimum limits of one million dollars per occurrence, or as otherwise directed by Legal Strategic Services, as a condition of doing business with Liberty. Evidence of insurance, such as a declaration sheet specifying coverage amounts and the name of the insurance carrier, will remain with the firm and be disclosed to and available for Liberty to review upon request. The firm shall notify Liberty/LSS Regional Manager of any termination in such insurance no less than thirty (30) days prior to any such change.

## APPENDIX A – Invoice Submission Procedures for ASB Matters

### A. Frequency and Timeliness of Billing:

1. **Frequency of Billing:** Invoices should be submitted monthly (30 day cycle) commencing with the assignment of the case.
2. **Timekeeping consideration:** It is strongly urged that charges by timekeepers be recorded contemporaneously as the work is performed. This approach fosters more accurate timekeeping.
3. **Timeliness of Billing:** All invoices are **required** to be submitted within 30 days following the end of the billing cycle. The end of the billing cycle is the last day of service appearing on an invoice. Invoices received in excess of 30 days from the last date of service without an adequate explanation for the delay appearing in the Invoice Description Field on the invoice, may not be paid. Dates of service between invoices should not overlap absent sufficient demonstration of need. Explanations for deviating from these requirements can be communicated via CounselLink with a note attached at the individual invoice level.
4. **Final Bills:** Final Bills must be clearly marked as FINAL and should be submitted as soon as all work is completed, i.e., on or shortly after the last day of service appearing on the invoice. Electronically submitted final bills should be marked as such, using the “Final Invoice” indicator in CounselLink.

### D. Invoice Submission Procedures (Electronic v. “Paper”):

1. **Electronic:** Liberty is committed to electronic submission of legal services invoices through a secure web based process. All invoices must be submitted electronically. Only specific exceptions granted to the firm, for specific customer related issues will be honored. Liberty uses LexisNexis and its CounselLink system for e-billing, but the firm is not responsible for paying LexisNexis fees.
  - a. Specific technical requirements and all other information will be provided by LexisNexis. Liberty requires that law firms are Uniform Task-Based Management System (UTBMS) compliant and able to provide UTBMS information in an industry format similar to LEDES. Activity and Expense codes should also be included in addition to the phase and task codes to describe the legal action being performed or expenses incurred. More information about these codes is available at:

<http://bit.ly/2mtfQCr>

- b. Regular invoices must be submitted with the case caption and Liberty claim number appearing in the Invoice Description field on every invoice. Invoices failing to contain this information will be rejected. Invoices submitted for ASB matters must contain the actual plaintiff's name unless billed to a General or National Coordinating Counsel (NCC) file, in which case that should be specified (see additional procedures below).
- c. Invoices must also include daily entries showing: (a) the date the work was performed; (b) the initials of the person providing the service; (c) a description of the work performed, by single activity, with the associated UTBMS phase, task, activity and/or expense code; and (d) the actual time in tenths of an hour for each single activity.
- d. A PDF copy of any document related to time billed on an invoice must also be included with all submitted invoices if the total amount billed for work on that document exceeds \$1,000. Use the applicable feature in CounselLink to include scanned images with your electronic invoice.
- e. Invoices submitted with incorrect rates or time keeper levels may be automatically rejected and must be corrected before re-submitting electronically. If you have an invoice rejected, and you believe you are billing the correct rate, please contact your Liberty Mutual Insurance Legal Strategic Services Regional Manager.
- f. **Help Desk:**

**LABS\_Support@LibertyMutual.com**  
**Telephone number: 800-371-9248**

The Help Desk will reply to the inquiries posed via e-mail in the order they are received.

## 2. "Paper" Invoices (i.e., Sent by E-mail Attachment):

- a. **Paper Billing Format:** Submittal of paper invoices is an exception to the Liberty process and must be approved in advance based on unique circumstances. Firm requirements are as follows:
  - 1. Firms must complete registration activities in CounselLink
  - 2. Invoices must include:
    - a. CounselLink Matter Number
    - b. Invoice description consisting of case caption and Liberty Mutual claim number
    - c. Timekeeper Summary
    - d. UTBMS coding

3. Invoices should be emailed to [counsellinkinvoices2@lexisnexis.com](mailto:counsellinkinvoices2@lexisnexis.com)
4. Invoices must be submitted one invoice per pdf, multiple pdfs can be included in an email, max size limit of 6MB
5. The firm can check their invoice status in CounselLink once scanning has been completed (CounselLink turnaround time is 3-10 days)

**E. Additional Invoice Submission Procedures (National Coordinating Counsel and Local Counsel Handling):**

**1. National Coordinating Counsel (NCC) Role:**

All work performed by a law firm in the NCC capacity MUST be billed ONLY to the NCC. Various claim number and corresponding matter number. Even if the work is pertaining to a specific case, if the timekeepers of the firm are performing their role as NCC, the work should still be billed to the appropriate NCC file. This billing should be consistent with capturing time for those NCC tasks set forth in the Defined Roles and Best Practices for NCC and Local Counsel previously distributed to ASB handling firms and incorporated by reference herein (*see Appendix A1*), and includes but is not limited to the following circumstances:

- Drafting master templates for discovery for dissemination to local counsel
- Generating training materials on the general litigation and corporate background
- Attending case appropriate depositions (e.g., significant expert or corporate depositions)
- Assisting with corporate discovery
- Assisting with case-specific discovery where NCC houses and retrieves product-id information from corporate records
- Assisting with case-specific strategy where uniformity is necessary across all jurisdictions

For further guidance and descriptions relative to the expected roles of NCC, please reference Appendix A1 Defined Roles and Best Practices for NCC and Local Counsel.

Consistent with standard law firm retention practices, fees associated with administrative tasks are not billable but are built into rate structure negotiated at the time of retention. Thus, Liberty would not expect any firm to bill for, nor would it consent to pay, fees for administrative services. Similarly, tasks that are within the purview of another law firm (e.g., Local Counsel), when also performed by NCC, are considered duplicative and, therefore, non-compensable to NCC. Please refer to the following non-exhaustive list of such administrative and/or potentially duplicative tasks to serve as examples:

- Entering claim numbers into a database or tracking for any insured.
- An NCC's reviewing of a complaint on intake, especially as part of the routing process, where Local Counsel reporting to NCC already is assigned to review the complaint and is billing for such. (To the extent a specific complaint raises complex issues and/or requires immediate consultation between the Local Counsel and NCC on the issues raised therein, we would expect Local Counsel to raise these issues with the NCC and the claims handler and for the corresponding billing entries to reflect these discussions and the reason for the review by both Local Counsel and NCC.)
- An NCC's time spent assigning work and/or forwarding new cases to Local Counsel.
- The tracking of settlement funds and checks, as well as sending out emails regarding status, payment amount, etc.

### ***Invoice Description Field***

When working on specific cases as NCC, the invoices must be billed to the NCC file but the Invoice Description Field needs to reflect the particular case being worked. The field should indicate the **[Plaintiff Name] vs. [Insured Name] ([Plaintiff Specific Claim Number])**.

In order to eliminate variations, the standard format for indicating the **Plaintiff Name** in the Invoice Description field is as follows:

- ***Use the actual injured party's name as it is stated in the complaint*** (this is usually the plaintiff's name in the complaint, but, under circumstances where the named plaintiff is an executor, administrator, etc., please use the name of the underlying injured party as he/she is stated in the complaint).
- Format **[Plaintiff Name]** as:  
 <Last Name>, <First Name, or first initial if that is in the legal name>  
 <Middle Name if any, or middle initial if that is in the legal name>  
 <Suffix if any>  
 [Note the placement of comma after the last name and spaces between each component of the name.]

***Avoid the use of any quotation marks in the Invoice Description Field.***



The proper approach for indicating the specific **Insured Name** in the Invoice Description field in order to eliminate variations is as follows:

- Use the Insured's proper name (e.g., Company X) as opposed to the name of the first defendant listed in the action.

When work does not apply to a specific case but rather to the national litigation, the Invoice Description Field should reflect **NCC Role vs. [Insured Name]**.

## 2. Local Counsel Role:

All work performed by a law firm in the Local Counsel capacity must be billed to the appropriate state-based .Various claim number and corresponding matter number. (If a particular insured is exempt from state-based billing files, please contact the account's claims handler for further clarification.) This billing should be consistent with capturing time for those Local Counsel tasks set forth in the Defined Roles and Best Practices for NCC and Local Counsel previously distributed to ASB handling firms and incorporated by reference herein (*see Appendix A1*). Importantly, any firm that has not been specifically designated as the single NCC firm for the entire country should NEVER bill to an NCC file.

### *Invoice Description Field*

The Invoice Description field must be employed on all invoicing. There are two options for the formatting of this field in the Local Counsel Role: **[Plaintiff Name] vs. [Insured Name] ([Plaintiff Specific Claim Number])** or **[General Work] vs. [Insured Name] ([.Various Claim Number])**.

- **[Plaintiff Name] vs. [Insured Name] ([Plaintiff Specific Claim Number])**: This format is to be employed for all specific cases that are being worked. The billing for each case must be on its own invoice number so that the Invoice Description Field can properly reflect an individual case name for each invoice.

In order to eliminate variations, the standard format for indicating the **Plaintiff Name** in the Invoice Description field is as follows:

- *Use the actual injured party's name as it is stated in the complaint* (this is usually the plaintiff's name in the complaint, but, under circumstances where the named plaintiff is an executor, administrator, etc., please use the name of the underlying injured party as he/she is stated in the complaint).

- Format **[Plaintiff Name]** as:  
<Last Name>, <First Name, or first initial if that is in the legal name>  
<Middle Name if any, or middle initial if that is in the legal name>  
<Suffix if any>  
[Note the placement of comma after the last name and spaces between each component of the name.]

***Avoid the use of any quotation marks in the Invoice Description Field.***

The proper approach for indicating the specific **Insured Name** in the Invoice Description field in order to eliminate variations is as follows:

- Use the Insured's proper name (e.g., Company X) as opposed to the name of the first defendant listed in the action.
- **[General Work] vs. [Insured Name] ([.Various Claim Number]):**  
This format should **ONLY** be used when work is applicable to the litigation as a whole, such as reviewing corporate discovery, or when a single activity, such as reviewing incoming repetitive pleadings across multiple cases is billed in a single entry in order to properly reflect overall time. (Ex: Reviewed 50 incoming notices of deposition [0.3]).

### **3. LABS Support:**

These invoicing protocols are meant to be an overall guide for clarification when invoicing Liberty Mutual. If you should need assistance with implementing these protocols for your particular billing situations, please contact LABS Support:

**LABS Support  
1-800-371-9248**

**or**

**LABS\_Support @LibertyMutual.com**

## **APPENDIX A1 - Defined Roles and Best Practices for NCC and Local Counsel**

This document is intended to describe the respective roles of, and provide guidance to, national coordinating counsel (“NCC”) and local counsel. The roles and guidance delineated herein are an attempt to achieve best practices and shall be applied where possible and appropriate, with any intended or necessary departures from such practices to be discussed with the insured and carriers (collectively “stakeholders”). The goal of this document is to promote efficiencies in both case handling and billing practices, to reduce duplication of effort and eliminate unnecessary legal expense, while ensuring the best result possible in litigation for insureds.

This document serves as a guide; every account and every lawsuit presents its own, unique facts and circumstances. All participants must consider the facts and circumstances of each account and case in applying these standards. Nothing contained in this document is intended to restrict, nor shall it restrict, defense counsel’s independent exercise of professional judgment in rendering the most effective and efficient legal services for the insured. This document does not replace these Guidelines or any other carrier’s guidelines which the firms may be following, but rather is meant to supplement them.

The roles and practices outlined below should be determined in conjunction with the stakeholders.

### **NCC:**

- Develop national account litigation strategy
  - Develop corporate story and defense
  - Determine overarching strategy for resolution of cases
    - Settlement; Trial; Other Alternatives
  - Identify specific litigation activity necessary to effectuate strategy
    - Identify necessary and unnecessary discovery tasks
    - Consider when/whether to approach settlement
  - Conduct efficient communication of overarching strategy to local counsel
  - Monitor to ensure compliance with overarching strategy
- Responsible for comprehensive product investigation and management of product information
  - Identify and have a detailed understanding of products at issue in litigation
  - Locate and manage documentation relating to products at issue

- Identify appropriate expert witnesses with respect to products and related documentation at issue
- Expert & witness development
  - Identify, retain and prepare appropriate product experts
  - Identify, retain and prepare appropriate corporate witnesses
  - Determine whether NCC or local counsel defends product expert and corporate witness depositions
- Discovery coordination
  - Determine appropriate scope of role as custodian of corporate documents
    - Determine whether to create/use an electronic repository, and the intended scope of its use
    - Determine whether to create/use spreadsheets for document management and the appropriate scope of their use
  - Manage document production of corporate documents and distribute in an effective and efficient manner to local counsel
  - Provide standard discovery requests, responses and deposition questions to local counsel when appropriate, taking into consideration corporate story, products at issue, and defense strategy
    - Allow local counsel, having the most familiarity with the rules of the jurisdiction, to be primarily responsible for finalizing written discovery where appropriate
  - ⊖ Allow local counsel to attend depositions of parties and witnesses on individual cases when appropriate, taking into consideration the role of the party or witness in the litigation, whether plaintiff, co-defendant, fact witness, corporate witness, product expert or other experts
- Trial strategy (limited basis)
  - Determine appropriate scope of role at any trial (e.g., appear as second chair to local counsel on an as needed basis)
  - Ensure that trial presentation materials relating to corporate story, corporate witnesses and products are developed in accordance with overall account strategy
- Communication
  - Determine the frequency, type and form of reporting by NCC and local counsel on individual cases dictated by overall account strategy
  - Ensure streamlined processes

- Assign specific reporting duties
- Agree on specific content and form of reports
- Avoid duplication of effort
- Avoid reporting to multiple levels in workflow
- Determine schedule and method for periodic sharing sessions to address “hot” cases with stakeholders, based on account needs
- Evaluate the need for spreadsheets or an extranet in capturing and/or reporting on information, determine the appropriate scope for such spreadsheets or extranet and eliminate other redundant reporting processes
- Training
  - Communicate overarching account strategy to all local counsel using most effective and efficient method
    - Written manual
    - Presentation slides
    - Binder
  - Communicate pertinent information relating to products at issue and corporate history
  - Determine whether to conduct annual meetings or other periodic follow up meetings
- Budgeting
  - Determine the scope and frequency of budgeting process
    - Submit proposed individual budgets for one-time projects for approval (e.g. development of experts, document review, product testing, training projects for local counsel)
    - Submit proposed budget for day-to-day oversight of account for approval

**Local Counsel:**

- Responsible for comprehensive understanding and effective implementation of account strategies on individual cases
  - Execute or tailor account strategy to specific plaintiffs and jurisdiction
  - Develop and recommend most effective individual case handling/exit strategies to effectuate account strategy and achieve appropriate results for the case, whether via settlement, discovery or trial, to NCC and stakeholders
- Understand corporate story and products at issue in the litigation
- Manage day-to-day case development and discovery

- Obtain appropriate product documentation and information for the litigation in accordance with governing protocol for NCC
- Coordinate with NCC to finalize appropriate discovery requests and responses for the litigation and jurisdiction, taking corporate story, products at issue, and defense strategy into consideration
- Coordinate with NCC and attend appropriate depositions of parties and witnesses on individual cases, taking into consideration the role of the party or witness in the litigation (plaintiff, co-defendant, fact witness, corporate witness, product expert or other experts)
- Experts & witnesses
  - Coordinate use of appropriate product experts and corporate witnesses with NCC
  - Identify, retain and prepare medical experts for specific cases
  - Coordinate with NCC if a national medical expert is established for the account
  - Consult with NCC and stakeholders relative to the roles of NCC and local counsel in defending product expert and corporate witness depositions
  - Conduct depositions of all fact witnesses
- Trial strategy
  - Determine with NCC appropriate scope of role at any trial (e.g., prepare and appear as first chair unless determined otherwise)
- Communication
  - Determine with NCC and stakeholders the frequency, type and form of reporting on individual cases dictated by overall account strategy
- Budgeting
  - Determine with stakeholders the scope and frequency of budgeting process
    - Submit proposed budget for day-to-day handling of individual litigation and, if applicable, any unique projects to appropriate parties for approval

## APPENDIX B – APPEALS

Appeals are a normal part of billing and we strive to work with all firms to resolve any issues as quickly and efficiently as possible related to invoice reductions.

### When is it appropriate to Appeal?

- Appeals should be made when an auditor has reduced a billing line and explained the need to provide receipts or other documentation related to the activity. A PDF copy of the documentation should be attached to the appeal following the appropriate process below.
- Appeals can also be made if providing additional information about the activity might justify the original billing.
- Appeals should also be made if our payment is not correct. Occasionally payment processing can be delayed beyond our control, so there may be times when a quick-pay discount should be returned or a cost share or rate applied is incorrect, as examples.

### Appeal Submission Methods

Presently we have transitioned all of our invoice processing to CounselLink. Appeal processing will be in CounselLink as well. See Methods 1-5 outlined below.

1. CounselLink appeal functionality should be used for invoices with line item adjustments.
2. CounselLink appeal functionality only allows for appealing line item adjustments. If the firm needs to appeal an invoice level adjustment, such as cost share or a discount, this must be done by submitting a new invoice in CounselLink using the original invoice number followed by “-Appeal”. This process should also be followed for any invoices where the firm is appealing a combination of invoice and line item level adjustments.
3. A firm submitting a paper invoice must be set up in CounselLink and shall have the ability to submit their appeal electronically in CounselLink. (This is done similar to #1).

For submission methods 1-4, additional details are provided below.

### **Overview**

- The firm will not be able to systematically appeal an invoice until the invoice status is showing “Provider Review”. Prior to moving to Provider Review status, the invoice status will show as “Pending Payment” to allow time for payment to be issued.
- Appeals must be submitted within 45 days of payment of the original invoice.
- Only line items that have been adjusted can be appealed and only up to the adjustment amount.
- An appeal reason must be entered for every line item being appealed.

- Any reduced line item not being appealed does not require an action to be taken by firm. However, the firm may select that line item and click the Accept button to provide Liberty with a comment as an option.
- If the original invoice qualified for and a discount was taken (e.g., quick pay or volume), then any subsequent dollars paid back on appeal will also be subject to the same discount.

**1. CounselLink appeal functionality should be used for invoices with line item adjustments.**

- Log into CounselLink.
- Click the Invoices tab (**OR** if you know the invoice number, type that into the Invoice Quick Search on the Home tab and skip to Step d).
- In the View drop down (located on the right side of the page) select **Action Required for Collaborative Review**.
- Click on the invoice you wish to appeal. Confirm **Invoice Status** is showing Provider Review.
- The law firm user will need to make a determination for every adjusted charge line – accepting or appealing adjustments as applicable.
- Select **Accept Review** from the **Workflow Action** drop-down list.
- A confirmation message appears.
- Click **OK**.
- The interface refreshes and the Accept, Appeal, and More Actions button appear near the top of the Charges section.
- Find a charge line with an adjusted amount in red.
- Click the box(es) at the left of a charge line. You can appeal or accept Liberty’s write-down of a charge or multiple charges.
  - Click **Accept** if you accept the charge adjustment. Click **OK** at the confirmation window. Enter text in the Note Text box (required) at the Accept Multiple Adjustments screen. Click **Save** to continue.  
  
It is not mandatory to click on every adjusted line to accept the reduction. Liberty will know when a line item has been accepted due to the lack of the firm posting a line item note appealing the reduction.
  - Click **Appeal** to appeal the charge adjustment. Click **OK** at the confirmation window. Enter text in the Note Text box (required) at the Accept Multiple Adjustments screen. Click **Save** to continue.
- Documentation should be attached to the invoice to support consideration of your appeal.
- Repeat for each adjusted charge.



- n) After reviewing all the charge adjustments, complete the review and go to the **Workflow Action drop-down field** and choose **Accept all Adjustments** if there are no appealed line items on the invoice OR **Return Appealed Invoice Back to Client** to submit the appeal to Liberty Mutual.

**2. CounselLink Appeal Functionality only allows for appealing line item adjustments. If the firm needs to appeal an invoice level adjustment such as cost share or a discount, this must be done with submitting a new invoice in CounselLink using the original invoice number followed by “-Appeal”. This process should also be followed for any invoices where the firm is appealing a combination of invoice and line item level adjustments.**

#### **Steps to Create Manual (“-Appeal”) Appeal Invoice:**

- a. Log into CounselLink.
- b. Search for the matter for which the invoice will be created.
- c. Click the **Invoices** mini-tab within the Matter Overview page and click the **Create** button to begin creating the manual invoice.
- d. The invoice # entered must be original invoice # followed by “-Appeal”.
  - *For example: If original Invoice is 12345. New invoice must be given # 12345-Appeal*
- e. All manually created appeal invoices and individual lines must only be generated for the dollar value being appealed and at pre-cost share amounts.
- f. Line Item Description for Invoice Level Reduction Appeals must have a separate line item for fees and a separate line item for expenses (1 line item entry for each). Example 1: Appealing Cost Share:
  - Original Invoice Total Amount: \$800 fees + \$200 expenses = \$1000
  - Liberty Mutual took a 50% Cost Share and paid law firm \$400 fees + \$100 expenses = \$500
  - Law Firm believes Cost Share taken in error and is appealing the \$400 and \$100 cost share reductions
  - The Line Item Entries will look like this (must be shown as 1 Unit at \$ amount appealed):

EXAMPLE 1: Appealing Cost Share

Description	Units	Rate (USD)	Amount (USD)
iled Hourly	2		\$500.00
Cost Share of 50% FEES taken in error - no CS on this matter	1	\$400.00	\$400.00
Cost Share of 50% EXPENSE taken in error - no CS on this matter	1	\$100.00	\$100.00

- g. If you wish to appeal both invoice level dollars (such as quick pay or cost share amounts) in addition to line items (that are appealable by using the ‘appeal’ button functionality), you must appeal ALL the dollars using this process. In other words, all reductions appealed related to an original invoice must be done together. See screenshot of Example 2 below for both cost share appeal and individual line item appeals on one invoice.
- h. Line Item Description for individual line item appeals must start with “Appeal: *and your appeal reason*” followed by “Orig. LI: *note the original line item*”.

***Please note: line items should be appealed only for the dollars you are appealing and at Pre Cost Share amounts.***

EXAMPLE 2: Appealing Cost Share in addition to individual line item reductions taken on original invoice

Cost Share line items will be outlined as in Example 1 (shown below also).

- i. Individual line Item reductions should be entered at only \$ amount being appealed and at pre-cost share amount (if cost share exists, Liberty will apply appropriate cost share when responding to appeal).

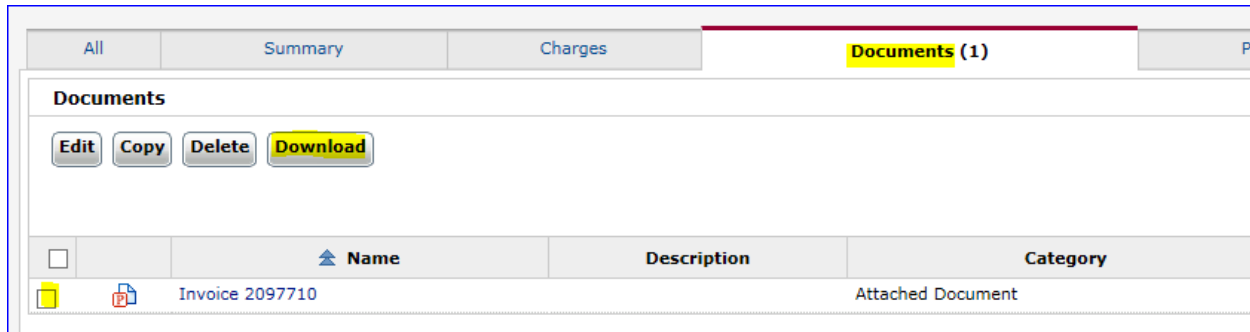
Description
iled Hourly
Cost Share of 50% FEES taken in error - no CS on this matter
Cost Share of 50% EXPENSE taken in error - no CS on this matter
Appeal: Depo time included 45 minutes of waiting for client who was late. Orig LI#: 6

**3. A firm submitting a paper invoice must be set up and registered in CounselLink and shall have the ability to submit their appeal electronically in CounselLink. (This is done similar to #1)**

If you wish to appeal an invoice that was submitted as a paper invoice, please follow these instructions:

- Log into CounselLink to view the reductions made to the invoice. To locate the invoice in CounselLink, search either for the invoice number or the matter number in the Quick Search at the top right of the page.

- Invoices submitted originally in paper form will show all the fees rolled up to 1 line item. To view the originally submitted paper invoice, click on the Documents tab, select the invoice to view and then click Download.



You will then follow the instructions in **Section 1** to proceed with submitting the appeal invoice for the reduced dollars.

## FAQ

- 1. I just received my payment for the original invoice less reductions and I want to submit an appeal. However, the invoice is still in Pending Payment Status. When will the system allow me to appeal?**

The invoice must be in Law Firm Review status before the system allows you to appeal. The invoice will move from Pending Payment status to Law Firm Review automatically within 15 days of the invoice having been approved, generally by the time you receive payment. You may either wait for the invoice to update or you can contact [LABS@LibertyMutual.com](mailto:LABS@LibertyMutual.com) and request it be manually updated. If, however, you want to appeal invoice level reductions such as cost share or invoice level Quick Pay or Volume Discounts, then all appeals resulting from the original invoice must be made in the same way using the “-Appeal” instructions.

- 2. Does the 45 day time limit apply to the manually submitted invoices as well?**

Yes. You must submit the manually submitted “-Appeal” invoice within 45 days of receipt of your check.

- 3. Cost Share was taken incorrectly on the original invoice and we are appealing the incorrectly taken amounts. We also have line item reductions taken (time/unit reductions) at the incorrect cost share. Should we appeal these amounts at pre-cost share or net of cost share?**

Always submit your appeal line items at pre-cost share (or pre-discount) amounts for both Units and Rates. Liberty Mutual, during review of the appeal, will apply the appropriate cost share or discount to the appeal invoice.

**4. I submitted my appeal and Liberty paid me for the line items I appealed but took the discount. Why?**

If the original invoice qualifies for a Quick Pay or other type of discount, then any monies subsequently paid out on appeal will also be paid with the discount. Conversely, if the discount was not paid on the original invoice, it will not be taken on any appeal dollars.

## APPENDIX C – AFA & Shadow Billing in CounselLink

Liberty Mutual requires all law firms that participate in the Alternative Fee Arrangement (AFA) program submit their hourly “shadow billing” into CounselLink. We are asking firms to submit in CounselLink the hourly lines which underlie their flat fee work.

Please note: Previously, on matters in the AFA, firms were asked to submit their flat fee lines using UTBMS code P100. **Firms will no longer be required to use the P100 code for flat fee billing.** CounselLink will automatically pre-fill the line item description as a Flat Fee with no UTBMS code.

When submitting individual shadow billing line items, firms must submit the units, and not rates, on the line item detail. Firms are to submit their hourly shadow billing in CounselLink on a quarterly basis (any exceptions to this timing must be approved by the LSS Regional Manager). If the quarterly interval falls at the same time the firm is submitting its flat fee bill, the firm should include the hourly time for fees on the same invoice as the flat fee line item. We understand, however, using the same invoice may not be possible for some firms due to a restriction in the firm’s time and billing system. Expenses can continue to be billed either with the flat fee line items or quarterly in the invoice for hourly shadow billing.

### “Shadow Billing” in CounselLink

In CounselLink, “Shadow Billing” is handled through the “**Stages**” defined for each Fee Structure that is assigned to each matter. For the AFA & Shadow Billing Fee Structures, there are two stages as follows:

1. The first stage is always for “**Detailed Hourly**” for shadow billing with hourly rates for each timekeeper level zeroed out.
2. The second stage is always the “**Flat Rate.**”

For Liberty Mutual, the CounselLink Fee Structure ID for AFA Shadow Billing is “**4452.**” In the example below, we will use the “**ABC Automotive Parts VALMS Test**” matter with the AFA & Shadow Billing fee structures. To view the fee structures for matter, follow the steps listed below:

1. Go to the “**Matter Overview**” page for this specific matter as shown below.


Matters / Matter Overview

The Law Firm/Vendor, **Seinfeld, Martin, Murphy, Phillips & Dangerfield (LMO)**

[Back to Matter List](#)

★ **ABC AUTOMOTIVE PARTS v ALMS TEST - M:WC116-502487-00**  
11575

Matter Summary		Law Firms Assigned	Financials
Type	Coverage B	Seinfeld, Martin, Murphy, Phillips & Dangerfield (LMO)	Approved
Status	Active (05/15/2017)	Fees 4452 - 20-10010 Liberty Mutual Rate	Life o
CounselLink Tracking #	18285782		





2. Clicking the “**Fees**” link to display the “**Fee and Rate List**” page

**Fee and Rate List** \* Indicates Required Field

**Law Firm**  
Law Firm Name: Seinfeld, Martin, Murphy, Phillips & Dangerfield (LMO)

Fee Description	Fee Amt (USD)
Detailed Hourly	
Administrative	\$0.00
Appellate Counsel	\$0.00
Attorney Group	\$0.00
Contractor	\$0.00
Expert	\$0.00
Handling Attorney	\$0.00
Hearing Rep	\$0.00
Junior Associate	\$0.00
Junior Partner	\$0.00
Law Clerk	\$0.00
Legal Assistant	\$0.00
Nurse Paralegal	\$0.00
Of Counsel	\$0.00
Paralegal	\$0.00
Process Server	\$0.00
Project Assistant	\$0.00
Runner	\$0.00
Senior Associate	\$0.00
Senior Partner	\$0.00
Shareholder/Managing	\$0.00
Technical Analyst	\$0.00
Third Party Attorney	\$0.00
Trial Specialist	\$0.00
Vice-President	\$0.00
Flat Rate	\$4,000.00

[S1] 

[S2] 

- a. Notice the two stages of rates under the “**Fee Description**” section.
- b. “**Detailed Hourly**” is the zero hourly rate amounts by timekeeper level for the first stage [S1] which will be used for the actual “shadow billing.”
- c. “**Flat Rate**” is the flat rate amount for the second stage [S2].

## Submitting Charges against an AFA

### 1. Using Your Firm's Billing System

- a. All **Line Item Descriptions** for AFA installments and Shadow Billing must include a prefix for the appropriate stage from your billing system or within the ledes file as outlined below. Failure to add the prefix before the invoice is uploaded will result in the invoice being rejected. Please note, manual correction after the invoice is uploaded will result in inaccurate billing.
  - i. Use prefix “[S1]” (entered as open bracket, letter ‘S’, number ‘1’, and close bracket) for the zero hourly shadow billing portion of your invoice. **Be sure the hourly rate is set to zero for the “[S1]” stage.** If one of the hourly lines contains a rate amount, the invoice will be rejected.
  - ii. Use prefix “[S2]” (entered as open bracket, letter ‘S’, number ‘2’, and close bracket) for flat fee portion of your invoice.
- b. Using the above matter example (“ABC Automotive Parts V. ALMS Test...”), the detail invoice line item descriptions can be entered as shown below in your firm’s billing system: **(Note the prefixes highlighted below referencing the “Stage” in the matter’s “Fee and Rate List” in CounselLink.)**

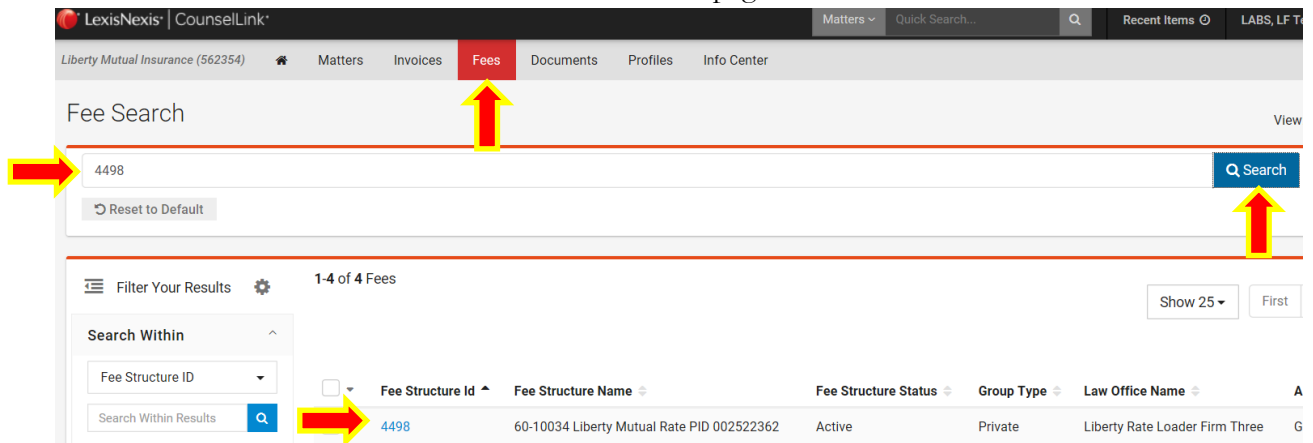
Date	TKID	Description	Unit	Amount
04/03/17	AA	[S1] Fact Investigation / Development	3.3	0.00
04/03/17	AA	[S1] Analysis/Strategy	2.4	0.00
04/10/17	AA	[S2] Flat Fee matter charge	1.0	4,000.00

## APPENDIX D – Flat Fee & Hybrid Task Based Billing in CounselLink

### Flat Fee Task Based Billing

The Flat Fee Task based billing arrangement is handled in CounselLink through **“Stages.”** These stages are defined for each Fee Structure that is assigned to each matter. A stage is created for each distinct task with a specific rate. In the example below, we will use the CounselLink Fee Structure ID of **‘4498’** which has a Flat Fee Task based billing fee structure type. To view this fee structure, follow the steps listed below:

1. Click on the **“Fees”** menu tab item on top of the CounselLink page.
  - a. Enter **“4498”** on the Search field.
  - b. Click the **“Search”** button.
  - c. After the search results are returned, click on the **“4498” Fee Structure ID link** to view the **“Fee Structure Overview”** page.



2. From the **“Fee Structure Overview”** page, locate the **“Fee Offers”** section at the bottom of the page and click on the **“Fee Offer ID”** link to display the **“Fee Offer Overview”** page. (NOTE: There should only be one Fee Offer listed.)



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**Fee Structure Overview: 4498**

**Fee Structure Information**

Fee Structure ID: 4498  
 Name: 60-10034 Liberty Mutual Rate PID 002522362  
 Description:  
 In Use By: Liberty Mutual Insurance

**Stage Structure**

Stage(s)
L110 Lay Witness Preparation
L110 Expert Witness Preparation
L190 Preparation of Subpoena
L190 Preparation of judicial subpoena
L330 Attendance at medical deposition
L440 Special Funds Pre-Trial(no concession)
L440 Special Funds Pre-Trial(partial concession)
L440 Special Funds Pre-Trial(full concession)
L450 Attendance at hearing
L450 Attendance at expedited hearing
L450 Attendance at hearing with testimony
L450 Attendance at hearing with testimony of expert or medical doctor

**Variable Multiplier(s)**

Variable Name

Use the 'Filter By' menu to display offers.  
 Click on the Fee Offer ID to view/edit offers.

**Fee Offers**

Fee Offer ID	Effective Date
9687030	05/24/2017 12:52 AM GMT



- From the “Fee Offer Overview” page, you will see all the stages associated with the Fee Structure under the “Stage Structure” section shown below:

Fee Offer Overview: Liberty Rate Loader Firm Three

**Fee Structure Information**

Fee Structure ID: 4498  
 Name: 60-10034 Liberty Mutual Rate PID 002522362  
 In Use By:  
 Fee Structure Currency: US Dollar  
 Area of Law: General  
 Group Type: Private

**Fee Offer Information**

Fee Offer ID: 9687030  
 Status: Offered Fee Active  
 Action Taken By:  
 Date Action Taken:  
 Counties: N/A; N/A  
 Reason for Offer:  
 Fee Offer Currency: US Dollar  
 Effective Date: 05/24/2017 12:52 AM GMT  
 Offer Submitted Email: Edwin.Castro@LibertyMutual.com

**Payment Terms and Discounts**

Discount #	Discount Type	Discount Description	Discount Definition /Amount
No Discounts exist for this offer			

**Stage Structure**

Line	Stage(s)	Fee Type	MAP	Offered Amt
Line 1	L110 Lay Witness Preparation	Hourly Rate		\$10.00 USD
Line 2	L110 Expert Witness Preparation	Hourly Rate		\$20.00 USD
Line 3	L190 Preparation of Subpoena	Hourly Rate		\$30.00 USD
Line 4	L190 Preparation of judicial subpoena	Hourly Rate		\$40.00 USD
Line 5	L330 Attendance at medical deposition	Hourly Rate		\$50.00 USD
Line 6	L440 Special Funds Pre-Trial(no concession)	Hourly Rate		\$60.00 USD
Line 7	L440 Special Funds Pre-Trial(partial concession)	Hourly Rate		\$70.00 USD
Line 8	L440 Special Funds Pre-Trial(full concession)	Hourly Rate		\$80.00 USD
Line 9	L450 Attendance at hearing	Hourly Rate		\$90.00 USD
Line 10	L450 Attendance at expedited hearing	Hourly Rate		\$100.00 USD
Line 11	L450 Attendance at hearing with testimony	Hourly Rate		\$110.00 USD
Line 12	L450 Attendance at hearing with testimony of expert or medical doctor	Hourly Rate		\$120.00 USD
<b>Total For Flat Rate Stage(s)</b>				N/A



- Each line on the “Stage Structure” section represents a stage.
- In the example above, there are 12 lines or stages each with a distinct stage description and “Offered Amount” or rate.
- Internally in CounselLink, “Line 1” in this example is referred to as the “[S1]” stage, “Line 2” is the “[S2]” stage, the “Line3” is the “[S3]” stage, and so forth.

- d. You will need to make a note of this **“internal CounselLink”** stage designation as you bill various stages through your firm’s billing system as described below.

There are two ways to create and submit invoices for Flat Fee Task Based Billing:

### 1. Using Your Firm’s Billing System

- a. Using your firm’s billing system, you must properly direct the billing of each invoice line item to a specific stage of the fee offer. You do this by using the **“internal CounselLink”** stage designation. Please note, manual correction after the invoice is uploaded will result in inaccurate billing.
- b. Using the above **“4498”** Flat Fee Task Based Fee Structure example, you may choose to bill against **“Line 5”** for the **“L330 Attendance at medical deposition”** stage through your firm’s billing system.

Stage Structure					
	Stage(s)	Fee Type	MAP	Offered Amt	
Line 1	L110 Lay Witness Preparation	Hourly Rate		\$0.00 USD	\$10.00 USD
Line 2	L110 Expert Witness Preparation	Hourly Rate		\$0.00 USD	\$20.00 USD
Line 3	L190 Preparation of Subpoena	Hourly Rate		\$0.00 USD	\$30.00 USD
Line 4	L190 Preparation of judicial subpoena	Hourly Rate		\$0.00 USD	\$40.00 USD
Line 5	L330 Attendance at medical deposition	Hourly Rate		\$0.00 USD	\$50.00 USD
Line 6	L440 Special Funds Pre-Trial(no concession)	Hourly Rate		\$0.00 USD	\$60.00 USD
Line 7	L440 Special Funds Pre-Trial(partial concession)	Hourly Rate		\$0.00 USD	\$70.00 USD
Line 8	L440 Special Funds Pre-Trial(full concession)	Hourly Rate		\$0.00 USD	\$80.00 USD
Line 9	L450 Attendance at hearing	Hourly Rate		\$0.00 USD	\$90.00 USD
Line 10	L450 Attendance at expedited hearing	Hourly Rate		\$0.00 USD	\$100.00 USD
Line 11	L450 Attendance at hearing with testimony	Hourly Rate		\$0.00 USD	\$110.00 USD
Line 12	L450 Attendance at hearing with testimony of expert or medical doctor	Hourly Rate		\$0.00 USD	\$120.00 USD
<b>Total For Flat Rate Stage(s)</b>					N/A

- c. Since this stage is “Line 5”, the “Line Item Description” field in your firm’s billing system must have the prefix of **“[S5]”** as shown below.

Date	TKID	Description	Unit	Amount
04/03/17	AA	[S5] Attend medical deposition of Plaintiff A	1.0	50.00

- d. A line item with a missing or incorrect prefix will cause the invoice to be rejected.

### 2. Manually Creating an Invoice in CounselLink

- a. Invoices can also be manually entered and submitted directly into CounselLink. In CounselLink, you will be prompted to select the stage you want to bill against. **There is no need to use the “internal CounselLink” stage prefix in the “Line Item Description”** as the description will prefill based on the stage selected.

- b. Using the above “4498” Flat Fee Task Based Fee Structure example, you can choose to bill against “Line 5” for the “L330 Attendance at medical deposition” stage in CounselLink as shown below:

<input type="checkbox"/>	Date	Timekeeper	Code	Description	Units	Rate (USD)	Amount (USD)	Client Adj. (USD)	Inv. Adj. (USD)	Tax (USD)	Net (USD)
				Stage: L110 Lay Witness Preparation		Stage Rate: \$10.00 USD					
				Stage: L110 Expert Witness Preparation		Stage Rate: \$20.00 USD					
				Stage: L190 Preparation of Subpoena		Stage Rate: \$30.00 USD					
				Stage: L190 Preparation of judicial subpoena		Stage Rate: \$40.00 USD					
<input type="checkbox"/>				Stage: L330 Attendance at medical deposition		Stage Rate: \$50.00 USD					
<input type="checkbox"/>	04/03/2017	None	None	L330 Attendance at medical deposition	1		\$50.00	\$50.00	\$0.00	\$0.00	\$50.00
				Stage: L440 Special Funds Pre-Trial(no concession)		Stage Rate: \$60.00 USD					
				Stage: L440 Special Funds Pre-Trial(partial concession)		Stage Rate: \$70.00 USD					
				Stage: L440 Special Funds Pre-Trial(full concession)		Stage Rate: \$80.00 USD					
				Stage: L450 Attendance at hearing		Stage Rate: \$90.00 USD					
				Stage: L450 Attendance at expedited hearing		Stage Rate: \$100.00 USD					
				Stage: L450 Attendance at hearing with testimony		Stage Rate: \$110.00 USD					
				Stage: L450 Attendance at hearing with testimony of expert or medical doctor		Stage Rate: \$120.00 USD					

## Hybrid Task Based Billing

The Hybrid Task based billing arrangement is handled in CounselLink through “Stages.” These stages are defined for each Fee Structure that is assigned to each matter. The first stage is created for “Detailed Hourly” with hourly rates for each timekeeper level. Additional stages are created for each distinct task with a specific flat fee rate. In the example below, we will use the CounselLink Fee Structure ID of ‘4466’ which has a Hybrid Task based billing fee structure type. To view this fee structure, follow the steps listed below:

1. Click on the “Fees” menu tab item on top of the CounselLink page.
  - a. Enter “4466” on the Search field.
  - b. Click the “Search” button.
  - c. After the search results are returned, click on the “4466” Fee Structure ID link to view the “Fee Structure Overview” page.

The screenshot shows the CounselLink interface. At the top, the 'Fees' menu tab is highlighted with a red arrow. Below it, the 'Fee Search' field contains the number '4466', with a red arrow pointing to the search button. The search results show '1-4 of 4 Fees'. The first result is highlighted with a red arrow, showing the Fee Structure ID '4466' and other details like '60-10004 Liberty Mutual Rate PID 002515559'.

- From the “Fee Structure Overview” page, locate the “Fee Offers” section at the bottom of the page and click on the “Fee Offer ID” link to display the “Fee Offer Overview” page. (NOTE: There should only be one Fee Offer listed.)

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**Fee Structure Overview: 4466**

Fee Structure Information	
<b>Fee Structure ID:</b> 4466	<b>Fee Structure Currency:</b> US Dollar
<b>Name:</b> 60-10004 Liberty Mutual Rate PID 002515559	<b>Group Type:</b> Private
<b>Description:</b>	<b>Area of Law:</b> General
<b>In Use By:</b> Liberty Mutual Insurance	<b>Matter Type:</b> General

Stage Structure	
Stage(s)	Des
Detailed Hourly	
L160 - Settlement / Non-Binding ADR for cases in Davidson County, TN	
L160 - Settlement / Non-Binding ADR for cases outside of Davidson County, TN	
L330 Depositions & BRC	
L450 Trials	

Variable Multiplier(s)	
Variable Name	Variable Value
Use the 'Filter By' menu to display offers. Click on the Fee Offer ID to view/edit offers.	

Fee Offers			
Fee Offer ID	Effective Date	Status	
9687032	05/24/2017 09:07 PM GMT	Offered Fee Active	N/A: N/A

- From the “Fee Offer Overview” page, you will see all the stages associated with the Fee Structure under the “Stage Structure” section shown below:

Fee Offer Overview: Liberty Rate Loader Firm Three

Fee Structure Information	
<b>Fee Structure ID:</b> 4466	<b>Fee Structure Currency:</b> US Dollar
<b>Name:</b> 60-10004 Liberty Mutual Rate PID 002515559	<b>Area of Law:</b> General
<b>In Use By:</b>	<b>Group Type:</b> Private

Fee Offer Information	
<b>Fee Offer ID:</b> 9687032	<b>Fee Offer Currency:</b> US Dollar
<b>Status:</b> Offered Fee Active	<b>Effective Date:</b> 05/24/2017 09:07 PM GMT
<b>Action Taken By:</b>	<b>Offer Submitted Email:</b> Edwin.Castro@LibertyMutual.com
<b>Date Action Taken:</b>	
<b>Counties:</b> N/A: N/A	
<b>Reason for Offer:</b>	

Payment Terms and Discounts			
<a href="#">Edit</a>			
Discount #	Discount Type	Discount Description	Discount Definition / Amount
No Discounts exist for this offer			

Thresholds				
Stage 1 - Detailed Hourly				
Applies To	Amount	Notification %	Adjust to 0 (zero)	
Fees	\$0.00 USD	0%	Never	
Expenses	\$0.00 USD	0%	Never	

Stage Structure		Stage(s)	Fee Type	MAP	Offered Amt
Line 1	Detailed Hourly		Detail Billing		
	Administrative				\$0.00 USD
	Appellate Counsel				\$0.00 USD
	Attorney Group				\$0.00 USD
	Contractor				\$0.00 USD
	Expert				\$0.00 USD
	Handling Attorney				\$0.00 USD
	Hearing Rep				\$0.00 USD
	Junior Associate				\$25.00 USD
	Junior Partner				\$40.00 USD
	Law Clerk				\$15.00 USD
	Legal Assistant				\$0.00 USD
	Nurse Paralegal				\$0.00 USD
	Of Counsel				\$0.00 USD
	Paralegal				\$15.00 USD
	Process Server				\$0.00 USD
	Project Assistant				\$0.00 USD
	Runner				\$0.00 USD
	Senior Associate				\$30.00 USD
	Senior Partner				\$50.00 USD
	Shareholder/Managing				\$0.00 USD
	Technical Analyst				\$0.00 USD
	Third Party Attorney				\$0.00 USD
	Trial Specialist				\$0.00 USD
	Vice-President				\$0.00 USD
Line 2	L160 - Settlement / Non-Binding ADR for cases in Davidson County, TN		Hourly Rate		\$10.00 USD
Line 3	L160 - Settlement / Non-Binding ADR for cases outside of Davidson County, TN		Hourly Rate		\$20.00 USD
Line 4	L330 Depositions & BRC		Hourly Rate		\$30.00 USD
Line 5	L450 Trials		Hourly Rate		\$40.00 USD
<b>Total For Flat Rate Stage(s)</b>					N/A

- a. Each line on the “**Stage Structure**” section represents a stage.
- b. Line1 is always the “**Detailed Hourly**” stage with hourly rates for each time keeper level.
- c. The following lines are for stages for each distinct task with its associated flat fee rate.
- d. In the example above, there are 5 lines referenced. Line 1 references “Detailed Hourly” with the hourly rates for each timekeeper level. Lines 2 through 5 are for the fee rates.
- e. Internally in CounselLink, “**Line1**” in this example is referred to as the “**[S1]**” stage, “Line2” is the “**[S2]**” stage, the “Line3” is the “**[S3]**” stage, and so forth.
- f. You will need to make a note of this “*internal CounselLink*” stage designation as you bill various stages through your firm’s billing system as described below.

There are two ways to create and submit invoices for Hybrid Task Based Billing:

### 1. Using Your Firm’s Billing System

- a. Using your firm’s billing system, you must properly direct the billing of each invoice line item to a specific stage of the fee offer. You do this by using the “*internal CounselLink*” stage designation.
- b. Using the above “4466” Hybrid Task Based Fee Structure example, you may choose to bill some charges against “**Line 1**” for the “**Detailed Hourly**” stage and a specific charge to “**Line 4**” for the “**L330 Depositions & BRC**” stage through your firm’s billing system.

Stage Structure				
Line	Stage(s)	Fee Type	MAP	Offered Amt
Line 1	Detailed Hourly	Detail Billing		
	Administrative			\$0.00 USD
	Appellate Counsel			\$0.00 USD
	Attorney Group			\$0.00 USD
	Contractor			\$0.00 USD
	Expert			\$0.00 USD
	Handling Attorney			\$0.00 USD
	Hearing Rep			\$0.00 USD
	Junior Associate			\$0.00 USD
	Junior Partner			\$0.00 USD
	Law Clerk			\$0.00 USD
	Legal Assistant			\$0.00 USD
	Nurse Paralegal			\$0.00 USD
	Of Counsel			\$0.00 USD
	Paralegal			\$0.00 USD
	Process Server			\$0.00 USD
	Project Assistant			\$0.00 USD
	Runner			\$0.00 USD
	Senior Associate			\$0.00 USD
	Senior Partner			\$0.00 USD
	Shareholder/Managing			\$0.00 USD
	Technical Analyst			\$0.00 USD
	Third Party Attorney			\$0.00 USD
	Trial Specialist			\$0.00 USD
	Vice-President			\$0.00 USD
Line 2	L160 - Settlement / Non-Binding ADR for cases in Davidson County, TN	Hourly Rate		\$0.00 USD
Line 3	L160 - Settlement / Non-Binding ADR for cases outside of Davidson County, TN	Hourly Rate		\$0.00 USD
Line 4	L330 Depositions & BRC	Hourly Rate		\$0.00 USD
Line 5	L450 Trials	Hourly Rate		\$0.00 USD
<b>Total For Flat Rate Stage(s)</b>				<b>N/A</b>

- c. Since the “Line 1” stage is always “Detailed Hourly” for all Hybrid Task based fee structures, **no prefix** needs to be entered in your firm’s billing system in the “Line Item Description” field. However, for Lines 2 through 5, a prefix in the “Line Item Description” field will be required.
- d. Using the above “4466” Hybrid Task Based Fee Structure example:
  - i. The first two entries shown below are for the “*Detailed Hourly*” stage with **no prefix** entered in the “Line Item Description” field in your firm’s billing system.
  - ii. For third entry shown below, the charge is for the “*Line 4*” stage. Since this is the fourth stage, the “[S4]” prefix must be entered in the “Line Item Description” field in your firm’s billing system.

Date	TKID	Description	Unit	Amount
04/03/17	AA	Law clerk research	2.0	30.00
04/07/17	BB	Junior Associate prepares pleadings	3.0	75.00
04/20/17	CC	[S4] Conduct deposition of Plaintiff A	1.0	30.00

Line 1 Stage (bracketed to first two rows)  
Line 4 Stage (arrowed to third row)



- c. If the “Line Item Description” does not contain the applicable prefix, the **invoice will be rejected.**

## 2. Manually Creating an Invoice in CounselLink

- a. Invoices can also be manually entered and submitted directly into CounselLink. In CounselLink, you will be prompted to select the stage you want to bill against. **There is no need to use the “internal CounselLink”**

stage prefix in the “Line Item Description” as the description will prefill based on the stage selected.

- b. Using the above “4466” Hybrid Task Based Fee Structure example, you may choose to bill against the “Detailed Hourly” and the “L330 Depositions & BRC” stages in Counsellink as shown below:

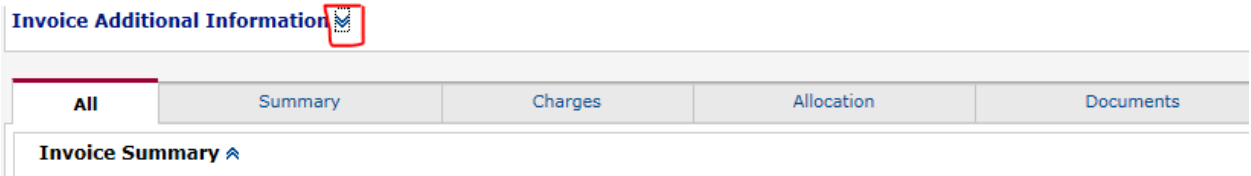
<input type="checkbox"/>	Date	Timekeeper	Code	Description	Units	Rate (USD)	Amount (USD)	Client Adj. (USD)	Inv. Adj. (USD)	Tax (USD)	Net (USD)
<input type="checkbox"/>				Stage: Detailed Hourly	5		\$105.00	\$0.00	\$0.00	\$0.00	\$105.00
	04/03/2017	None, None	L120/M100	Law clerk research	2	\$15.00	\$30.00	\$0.00	\$0.00	\$0.00	\$30.00
<input type="checkbox"/>	04/07/2017	LABS, LF Test User	L210/M100	Junior Associate prepares pleadings	3	\$25.00	\$75.00	\$0.00	\$0.00	\$0.00	\$75.00
<input type="checkbox"/>				Stage: L160 - Settlement / Non-Binding ADR for cases in Davidson County, TN			Stage Rate: \$10.00 USD				
<input type="checkbox"/>				Stage: L160 - Settlement / Non-Binding ADR for cases outside of Davidson County, TN			Stage Rate: \$20.00 USD				
				Stage: L330 Depositions & BRC			Stage Rate: \$30.00 USD				
<input type="checkbox"/>	05/20/2017	None	None	L330 Depositions & BRC	1	\$30.00	\$30.00	\$0.00	\$0.00	\$0.00	\$30.00
<input type="checkbox"/>				Stage: L450 Trials			Stage Rate: \$40.00 USD				

- c. Under “Detailed Hourly” stage line, the firm should bill all hourly time using the appropriate UTMBBS codes and units for that time.
- d. Under the “L330 Depositions & BRC” stage, the firm should bill against the agreed upon flat fee rate for a “Depositions and BRC.”

## APPENDIX E – Accessing Cost Share and Payment Information in CounselLink

To access the cost share and payment information for an invoice in CounselLink follow the steps below:

1. Log in CounselLink
2. Click on invoice tab or use quick search to search for the invoice using the invoice number.
3. Once the invoice opens click on the button next to Invoice Additional Information as shown below to expand that section.



4. Once you have that section expanded you will see the cost share applicable to that invoice and the payment made on that invoice as shown below.

Net Paid Amount			
Net Fees (USD)	Net Expenses (USD)	Net Total Amount (USD)	Net Paid Pre Appeal (USD)
\$291.00	\$85.00	\$376.00	\$275.00

Cost Share						
Start Date	End Date	Percentage	Matter or Invoice Level	Cost Share Date Type	Cost Share Line Item Type	Cost Share Compounded

Payment Information					
Type	Number	Service or Check Number	Claims System	Amount (USD)	Payment Date
Claim Number	12345		ACES	\$21.00	04/27/2017