ADMINISTRATIVE POLICY AND PROCEDURE

SUBJECT: CLAIM REPORTING AND HANDLING

DATE: May 1, 1987

AMENDED DATE: March 19, 2026

REVIEWED DATE: March 19, 2026

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I. Statement

It is the policy of the Authority for California Cities Excess Liability Joint Powers Authority (hereinafter referred to as "Authority") that:

1. Each Member Agency will report all occurrences, claims, and lawsuits (hereinafter referred to as "claims") meeting the Authority's reporting criteria to its Claims Administrator as soon as possible and in accordance with the Authority's Memorandum of Coverage ("MOC").

2. Each Member Agency will assume primary responsibility for managing all reported claims filed against the Member Agency. However, the Authority reserves right to associate in or participate with a Member Agency in the negotiation, investigation, defense, appeal, or settlement of a claim subject to the terms and conditions of the Authority's MOC.

3. The Authority's Claims Administrator is responsible for notifying the Authority's excess insurance carriers of all Member Agency claims with the potential to exceed the Authority's retained limit in accordance with excess carriers' claims reporting and handling policies. However, each Member Agency is responsible for notifying and complying with all insurance policies unaffiliated with the Authority, and purchased individually by the Member Agency (i.e., Non-Authority purchased coverage).

4. Should a discrepancy arise between this document and the Authority's MOC, the MOC will govern.

II. Role of Claims Committee

The Claims Committee is composed of Board Members appointed by the Executive Committee and approved by the Authority; the Committee Chair is selected by Committee members. Committee membership shall not meet or exceed a quorum of the Board. The Claims Committee, with support from the Authority's claims management firm, is responsible for the following activities:

1. Monitoring all claims reported by Member Agencies to the Authority to ensure reserves are adequate, defense strategies are sound, coverage issues are promptly identified and communicated to Member Agencies, and excess carriers are promptly notified of claims with potential to exceed the Authority's retained limit;

2. Reporting key developments and/or concerns regarding active claims to the Authority's Board of Directors;

3. Providing recommendations to the Board of Directors on claims and claims matters requiring Authority action, including, but not limited to, coverage determinations, reserve levels, defense strategies, settlement offers, and decisions to try or appeal lawsuits;

4. When appropriate, soliciting and reviewing coverage opinions and other related coverage matters (e.g. reservation of rights letters). The Claims Committee Chair may approve releasing the coverage statement to the Member, to be ratified at the following Claims Committee Meeting;

5. Overseeing the activities of the Authority's claims management firm; and

6. Assisting with the selection of the Authority's claims management firm and claims auditor.

The Claims Committee will meet at least quarterly to fulfill its designated responsibilities.

III. Role of Claims Administrator

The Authority will retain the services of a claims management firm to oversee all claims reported by its Member Agencies. The claims management firm, in turn, will assign a claims administrator to the Authority. The Claims Administrator will serve as the Authority's point of contact for all reported claims and be responsible for fulfilling the scope of work contained in the service contract between the Authority and the claims management firm. The Claims Administrator will notify the excess carriers of claims in accordance with excess carriers' claims reporting and handling policies.

It is the duty of the Claims Administrator to report any claim or occurrence to each excess carrier, without regard to liability, that meets the reporting requirements in each of the excess policies, (e.g. death, traumatic brain injury, paralysis, burns, and other severe injuries, or a reserve of half or more of the retention) or which meet ACCEL's reporting requirements in Section IV below.

The Claims Administrator will classify each reported matter based upon the facts of the loss and the total incurred (outstanding reserves plus amount paid to date) reported by the Member Agency at the time of initial reporting and will utilize all available information provided to ACCEL for that purpose. The Claims Administrator will assign each matter to one of the four classifications set forth below and will thereafter adjust the classification as new information becomes available.

The intent of this tiered structure is to prioritize and balance the handling of the matters with the greatest exposure and/or significance to ACCEL. Member Agencies are encouraged to communicate with ACCEL and its Claims Administrator early and often. Where any Member Agency obtains information of importance, they are encouraged to communicate that information as soon as reasonably practicable.

Where a Member Agency obtains information indicating a claim's facts or Total Incurred requires a Tier adjustment, the Member Agency will report such information to the Claims Administrator. The Claims Administrator will evaluate the material and determine whether a classification change is warranted and will thereafter provide an update to the Claims Committee at the next regularly schedule Claims Committee or Board of Directors meeting, whichever occurs first.

If a change in classification is made to any matter, the Claims Administrator will adjust its review and update schedule accordingly.

Tier 1: Matters with Member Agency total incurred of $1,000,000.00 or greater

These matters are anticipated to have exposure within the coverage established by an ACCEL Memorandum of Coverage:

- All Tier 1 matters will be updated on a **quarterly basis** for inclusion in a litigation report to the Claims Committee.
- All matters that require funding via ACCEL will be discussed with the Claims Committee and a recommendation on ACCEL reserves provided.
- Each matter with an ACCEL reserve must be reported to the Board of Directors for review and approval consistent with Section VII below.
- The reserve approval and settlement authority processes may take place contemporaneously.
- The Claims Administrator is required to provide a comprehensive report to the Board of Directors for which a reserve is recommended. The report will cover all relevant details, facts, legal claims, defenses, civil procedure, trial settlement conference dates, and analysis of the potential exposure, member reserves, a recommendation on the amount for which approval is requested.
- The Claims Administrator will provide all required or requested updates to all relevant excess carriers.

Tier 2: Matters with Member Agency total incurred of $500,000.00 up to $999,999.99

These matters are anticipated to have higher value but **not expected** to have exposure within the coverage established by an ACCEL Memorandum of Coverage:

- All Tier 2 matters will be reviewed and updated every **six (6) months** unless and until a Member Agency reports a change in circumstances which warrants a change in classification.
- The Claims Administrator will provide all required or requested updates to all relevant excess carriers.

Tier 3: Matters with Member Agency total incurred of $50,000.00 up to $499,999.99

These matters are those for which the anticipated value is moderate or low, but which may have been **reported to ACCEL out of an abundance of caution** or because the reporting requirements for ACCEL and/or any excess carrier required reporting "without regard to liability."

- All Tier 3 matters will be reviewed every **nine (9) months** unless and until a Member Agency reports a change in circumstances which warrants a change in classification.
- The Claims Administrator will provide all required or requested updates to all relevant excess carriers.

Tier 4: Matters with Member Agency total incurred of less than $50,000.00

These matters are those for which the **anticipated value is considered to very low**, but which may have been reported to ACCEL out of an abundance of caution or because the reporting requirements for ACCEL and/or any excess carrier required reporting "without regard to liability."

- All Tier 4 matters will be considered **"monitor only."** A claim will be set-up by the Claims Administrator and the matter initially reviewed by a Sr. Claims Adjuster.
- All matters will be reported to excess carriers where required.
- The Claims Administrator will assign these matters to a Litigation Support Specialist that will advance all updates received from a Member Agency to the relevant excess carriers and maintain the Claims Administrator's file.
- The Litigation Support Specialist will periodically follow-up with the Member Agencies to determine if any change in circumstances has occurred and will communicate with the excess carriers as necessary.
- The Litigation Support Specialist will keep the Sr. Claims Adjuster apprised of all significant developments in these matters.

IV. Reporting Requirements for Member Agencies

1. Member Agencies will report to the Authority's Claims Administrator as soon as possible all events meeting any of the criteria identified below, without regard to liability:

    a. Claims[1] in which the ultimate net loss is estimated to exceed 25% of the Member Agency's retained limit.

    b. Claims[1] falling within any of the following classifications:
        i. Class action suits.
        ii. Law enforcement actions alleging excess use of force or wrongful conviction.
        iii. Claims involving allegations of harassment, including but not limited to sexual, employment-based or third-party.
        iv. Sexual misconduct or molestation – including allegations of assault, misconduct, rape and related offenses.
        v. Fatalities.
        vi. Spinal cord injuries resulting in any degree of paraplegia or quadriplegia.
        vii. Nerve damage injuries resulting in paralysis or loss of sensation.
        viii. Brain damage claims including; but not limited to, closed head injuries, permanent disorientation, behavior disorder, personality change, seizure, motor deficit or other cognitive disorders.
        ix. Burns – Third degree burns involving 10% of the body, or second degree burns involving 30% of the body.

[1] See page 1 of this policy – the definition of "claim" includes occurrences, claims, and lawsuits.

        x. Amputation – complete or partial.

xi. Impairment of vision or hearing – 50% or greater.
xii. Multiple injuries arising out of one occurrence, including but not limited to; massive internal injuries or multiple fractures involving more than one claimant.
xiii. Severe disfigurement.
xiv. Long term hospitalization (30 days or more).
xv. Multiple claims arising out of the same occurrence in which the aggregate ultimate net loss is estimated to exceed 25% of the Member Agency's retained limit.
xvi. Any claim with an assigned trial date in the next 60 days that has not been otherwise reported.

c. Lawsuits or writs involving employment practices liability.

d. Demands in excess of $250,000 arising out of any of the following settings:

i. Statutory demand;
ii. Post closed discovery (not expert) demand;
iii. Mandatory Settlement Conference demand;
iv. Mediation demand; or
v. Arbitration demand.

2. Member Agencies will ensure that the initial report provided to the Claims Administrator contains a brief description of what occurred, along with all available/relevant documents (e.g., claim, investigative reports, photos, medical reports, the operative complaint and answer, etc.), all current financial information including the amount paid to date in legal fees and cost, the members current reserve amounts and an estimate of any anticipated Ultimate Net Loss based on the information then available.

   Member Agencies will provide the initial report and all future reports to the Authority's Claims Administrator:

   George Hills Company
   P.O. Box 278
   Rancho Cordova, CA 95741
   Phone: (855) 442-2357
   Attention: Ben Oram
   Ben.Oram@georgehills.com
   (916) 269-4108

   Once a reported claim is litigated, Member Agencies will promptly advise the Claims Administrator of legal counsel selection and forward a copy of the lawsuit along with any additional relevant documents available that were not provided with the initial report.

3. Member Agencies will ensure that assigned legal counsel provides the Claims Administrator with a case analysis report ("CAR" – sample attached) or equivalent as soon as reasonably possible after receipt of the lawsuit.

4. Member Agencies shall provide written status reports every ninety days thereafter or when a significant development occurs that could change the value of a claim or lawsuit, whichever

occurs first. Status reports should include all current financial information including the amount paid to date in legal fees and cost, the members current reserve amounts and an estimate of any anticipated Ultimate Net Loss based on the information then available. Further, Member Agencies will ensure that status reports are complete and contain sufficient information for the Claims Administrator to properly evaluate the claim or lawsuit and keep the Claims Committee informed of key developments that may require its action. If Member Agencies fail to comply with these requirements, the Claims Administrator will promptly alert the Claims Committee and may request intervention.

5. Member Agencies shall provide photos, video, diagrams, reports, estimates, statements, deposition transcript and/or summaries, motions for summary judgment, adjudication, dismissal, and/or demurrers, as well as any appellate briefs, orders/rulings/judgments, for inclusion in the file maintained by the Claims Administrator and for transmission to all relevant excess carriers, all within ninety (90) days of receipt of the listed materials.

   Member Agencies may provide verbal updates to ACCEL and/or its excess carriers as long as such reports are acceptable to both ACCEL and the excess carriers. Where ACCEL or any excess carrier requests a written report, the Member Agency shall provide a written report to satisfy the duty to cooperate with the excess carriers and therefore to ensure that coverage remains intact.

6. ACCEL's Litigation Manager will provide Members with a loss runs to review at least twice a year. The valuation dates will be 9/30 and 3/31. The Claims Administrators will send the loss runs within seven (7) days after the valuation date to the Members. Members are to notify the Claims Administrators if any of the claims should be reclassified into a different tier within thirty (30) days.

V. Coverage Determinations, Alerts and Limits

The Claims Administrator will promptly evaluate all reported claims to determine whether coverage is available under the Authority's MOC.

Partial Coverage, No Coverage, and Reservations of Rights:

If review by the Claims Administrator reveals a potential coverage issue(s), the Claims Administrator will send the affected Member Agency a partial disclaimer of uncovered damages and provide a copy to the Program Administrator. Where review of the claim indicates that the entire claim, a portion of the claim, or any involved individuals may not be entitled to any coverage, the Claims Administrator will send a Coverage Alert letter warning of the potential for no coverage under the relevant Memorandum of Coverage.

Upon further review of claim details, the Claims Administrator will request Claims Committee approval to issue a reservation of rights letter that clearly states the basis and justification for the finding; a copy of the letter will be provided to the Program Administrator and each Claims Committee Member. The Claims Chair has Authority to approve the issuance of a Reservation of Rights letter if circumstances dictate that the Claims Committee may not be able to approve. Any Reservations of Rights approved by the Claims Chair will be presented to the Claims Committee for ratification at the next Claims Committee meeting. The Claims Committee, in turn, will apprise the Board of Directors of all Reservation of Rights letters issued to Member Agencies and will provide regular status updates until matters resolve. All final denials of coverage must be approved by the Authority.

ACCEL's Retained Layer - Aggregate Limits

The Claims Administrator will periodically review the ACCEL claim inventory to determine the Member Agencies' status with regard to any Aggregate Limit imposed by a Memorandum of Coverage. Where any Member Agency has reached 50% of the Aggregate Limit based on a combination of claims paid to date and/or reserved for a specific coverage year, the Claims Administrator will provide written notice to the Program Administrator. The Program Administrator will review the information provided by the Claims Administrator and will thereafter provide written notice to the Member Agency concerning its progress towards the Aggregate Limit.

Where the Claims Administrator's periodic review indicates that any Member Agency has reached or exceeded the Aggregate Limit, the Claim Administrator will provide notice to the Program Administrators, who will then provide written notice to the Member Agency that the Aggregate Limit has been exhausted and that no additional coverage for that Program Year will be afforded to the Member Agency by the Authority. The Member Agency will be responsible for satisfying any retention to excess insurance coverage if applicable. The Program Administrators will agendize any Member's Aggregate Exhaustion.

Coverage Disputes:

Member Agencies can dispute a Partial Disclaimer, Coverage Alert, Reservation of Rights, or Aggregate Limit letters by contacting the Authority's Board President and requesting that an item be placed on the next available Board of Directors meeting agenda to discuss the matter. In the event of a conflict (i.e., the Board President's Member Agency is disputing a reservation of rights letter), the Vice President will assume the Board President's responsibilities.

Upon review of claim details, if coverage is not clear and the Claims Administrator cannot make a coverage determination, the Claims Administrator will present the claim to the Claims Committee for review and potential approval of a coverage opinion. Further, if time is of the essence, a Member disputes ACCEL's coverage, the Claims Committee or Claims Committee Chair may authorize a coverage opinion. When a coverage opinion is solicited by ACCEL, ACCEL's Claims Committee will review the opinion and may authorize sharing with the affected Member. Coverage opinions will not be shared with the Member without the prior approval from the Claims Committee or Claims Committee Chair.

VI. Duty to Disclose a Potential Conflict of Interest

Members have a duty to disclose a conflict of interest if a conflict of interest or potential conflict exists.

VII. Settlement Authority Process

As stated in the ACCEL Bylaws Article XI Settlement of Claims:

All claims settlement recommendations shall be presented by the Claims Committee to the Board of Directors for its approval prior to final settlement.

ACCEL's Board will review claims covered by ACCEL's Memorandum of Coverage and take the following steps to review and grant authority to resolve claims:

1. The TPA will review claims for exposure to ACCEL's shared risk layer or above.
2. Claims which are likely to exceed the member retention and require ACCEL funds to resolve will be brought to the Claims Committee for review.
3. For claims in which an ACCEL reserve will be requested, the claim shall be brought to ACCEL's Board for review and action. If a reserve is approved, the reserve will be posted on ACCEL's loss run and indicates ACCEL's general level of approval to resolve the claim. The TPA may negotiate within the reserve amount, but subject to final settlement authority pursuant to paragraph 4 below.
4. If an opportunity to resolve a claim arises, and the amount is at or less than the approved reserve, ACCEL authorizes the following levels of final settlement authority.
   Following exhaustion of the Member's SIR:
   a. $1,000,000 to $1,999,999.99 - Claims Committee Chair or the President if the claim involves the Chair's own city.
   b. $2,000,000 to $4,999,999.99 - Claims Committee
   c. $5,000,000 to Authority's Retained Limit or above - ACCEL Board
5. If a claim resolution exceeds the Board's approved reserve, including when there is no reserve set, the claim must be brought to the Board for discussion and potential action.
6. Where the Board has approved a reserve amount, the Board may take action to delegate authority to an Executive Committee Member or any Committee Chair and the Claims Litigation Manager to settle a claim where it determines that the circumstances of a claim warrant delegation of such authority to effect timely and efficient resolution of the claim.
7. Any claim involving ACCEL's funds requires a final report to the Board, informing the Board of the claim resolution and financial impact to ACCEL.
8. Claims payments will be processed in accordance with ACCEL's Accounting Guide.

Confirmation of Authority: Prior to attending a settlement conference, the Claims Administrator should provide written notification to the Member Agency and to the Claims Committee of the settlement plan including the details of the mediation or settlement conference, if applicable, the reserves set by ACCEL, confirmation on the potential target settlement value, and where applicable, confirmation that the remainder of the Member Agency SIR may be tendered in the course of finding a resolution.

VIII. Claims Reimbursement Requests

For claims that fall under the Policy Year 2015-16 and after, the Authority's MOC allows for a Member Agency to seek reimbursement from the Authority.

When seeking reimbursement Member Agencies are required to provide the Authority's Claims Administrator a summary as well as all invoices and documentation to substantiate the exhaustion of the Member SIR and the amount requested in the claim reimbursement.

The statement above does not change any agreement between the Authority and a Member Agency which allows the Member Agency (such as a flat fee agreement) to provide a summary report of the amount requested as part of the claim reimbursement along with a signed affidavit that all bills have been reviewed for accuracy, appropriateness, and reasonableness.

The Authority will reimburse Members or credit their Self-Insured Retentions (SIRs) for reasonable attorney fees and necessary litigation expenses incurred while managing, investigating, defending or litigating covered claims.

ACCEL Members are required to notify the Claims and Program Administrators regarding any claim in which attorney rates are in excess of $400/hour. The Program Administrators will agendize the claim for the Claims Committee to review rates for reasonableness. The Committee may take action or provide direction.

To process claims reimbursement requests the following will occur:

1) Once prior written authorization is given to settle an excess case, or a judgment puts it into the Authority or other excess layers, the Member or its administrator must submit:

    a) Copies of all settlement documents, including releases, annuity forms (if structured), and properly filed dismissals.

    b) Copies of all itemized bills from defense attorneys, claims administrators, expert witnesses and any other cost bills. *(see attached sample billing procedures)*

    c) Copies of valid evidence of payment properly matched to the bills and settlement documents. Valid evidence of payment can take the form of check copies, data processing runs, Member warrant registers, department payment records, TPA claim payment screen printout, identifying the following:

        a. Check or warrant number

        b. Issue date

        c. Payee

        d. Paid amount

2) A cover letter requesting reimbursement of the net amount after deducting the SIR, must be submitted with the above documentation.

3) Once the figures are reconciled, a check request will be made to reimburse the Member in the appropriate amount. When issued this check will be mailed to the Member contact person, with a copy to the claims administrator (if applicable).

4) If reimbursement has been approved for an occurrence that remains open, any additional reimbursements for defense costs and fees will be processed when bills exceed $250,000.

5) If a Member requests an advancement on a reimbursement to prefund a large payment, the Claims Committee Chair has the authority to approve the prefunding request. If the claim involves the Chair's own city, the President will have authority to approve. The prefunding request must be in writing from the Member's Finance Director or Risk Manager.

6) If special circumstances arise, which require exceptions or interpretation, the Program Administrators will agendize for Committee or Board consideration.

IX. Claims Audits

All Member Agencies are required to complete an annual claims audit. Such audits will be conducted by a qualified outside audit firm recommended by the Claims Committee and approved by the Authority. The cost of the audits will be shared equally by Member Agencies.

The Claims Auditor will issue a written report summarizing the findings and recommendations for each Member Agency. This report will be presented and approved by the Authority's Board of Directors at a regular Board meeting. The Authority may require a Member Agency to formally respond to an audit finding contained in the report. A Member Agency shall submit its response to the Authority within sixty days of the request.

X. Attachments

1) Sample CAR and Budget Form
2) Sample Billing Procedures

APPENDIX 1
CASE ANALYSIS REPORT

Caption of Lawsuit: _____

Court: _____ **Court Case Number:** _____

Date Suit Filed: _____ **Date of Service:** _____

Fast Track? _____ Yes _____ No **Excess TPA Claim Number:** _____

Date of Loss: _____ **Primary TPA Claim Number:** _____

I. PARTIES

A. Plaintiffs:

B. City and City-Related Defendants:

C. Third-Party and Other Defendants:

II. TRIAL DATE AND OTHER IMPORTANT DATES

III. JURISDICTION AND EVALUATION

IV. TRIAL JUDGE AND EVALUATION

V. EVALUATION OF COUNSEL

A. Plaintiff's Attorney's Name and Evaluation:

B. City's Defense Attorney's Name:

C. Co-Defendants' Attorneys' Names and Evaluations:

VI. STATEMENT OF FACTS

VII. INJURIES

VIII. SPECIAL DAMAGES

A. Medical Expenses:

1. Past:

2. Future:

B. Loss of Earnings:

1. Past:

2. Future:

C. Other (specify);

IX. LIABILITY ALLEGATIONS

A. Plaintiff's Contentions:

B. Defenses:

1. Legal Defenses:

2. Factual Defenses:

C. Plaintiff's Expert Witnesses and Opinions:

D. Defense Expert Witnesses and Opinions:

X. VERDICT EXPOSURE

A. Chances of Defense Verdict:

[Note: a percentage number shall be provided.]

B. Gross Verdict Range as to all Defendants:

C. Potential Offsets and Credits:

D. Net Verdict Range to City after Offsets, Credits and Allocation of Fault:

E. Plaintiff's Attorney's Fees (if applicable):

F. Punitive Damages (if applicable):

XI. SETTLEMENT HISTORY

A. Last Demand:

B. Last Offer:

C. History of Settlement Negotiations:

XII. RECOMMENDATIONS OF COUNSEL

A. Reasonable Settlement Value:

B. Proposed Litigation Strategy:

C. Other Recommendations:

XII. BUDGET

A. Fees and Costs Invoiced to Client as of the Date of this Report:

B. Fees and Costs from this Date to Trial:

C. Fees and Costs of Trial:

D. Initial Case Budget:

E. Experts' Fees and Costs to Date:

F. Experts' Fees and Costs through Trial:

G. Litigation Budget Summary Form (see Attachment 1):

XIII. MISCELLANEOUS

A. Does Complaint Conform to the Tort Claim Filed?

(If not, specify differences)

B. Is Indemnification, Subrogation, or Contribution Available?

(If so, specify by whom, and in what amounts)

Attachment

1 – Litigation Budget Summary Form

ATTACHMENT 1 -- LITIGATION BUDGET SUMMARY FORM

Name of Attorney: _____ **Case Name:** _____

Est Hrs / Cost

1. **Preliminary Activity**
   (Review File, Interview Witnesses, Case Analysis, Litigation Plan, Budget)

2. **Initial Pleadings**
   (Answer, Cross-Complaint, Demurrer)

3. **Fact Finding – Information Gathering**
   (Document Review, Research, Strategy Development, Sub Rosa, Travel)

4. **Discovery**
   (Interrogatories, Depositions [by individual], Other Requests)

5. **Law & Motion and Pre-Trial Activity**
   (Motions [specify], Arbitrations, Settlement Conferences, Mediations, Court Hearings, Pre-Trial Reports)

6. **Experts**
   (Identify Each Expert [if known] and Area of Expertise)

7. **Documentation – Administrative Support**
   (Correspondence, Copies, Faxes, Other Costs)

8. **Trial Activity**
   (Trial Preparation, Trial Attendance, Briefings, Exhibits, Post-Trial Report)

TOTAL _____

BUDGET SUMMARY:

1. Preliminary Activity $
2. Initial Pleadings $
3. Fact Finding-Information Gathering $
4 Discovery $
5. Law & Motion and Pre-Trial Activity $
6 Experts $
7. Documentation – Administrative Support $
8. Trial Activity $

TOTAL	**$_____**

SUBMITTED BY:

Defense Counsel: _____Date: _____

Signature

_____

Printed Name

SAMPLE DEFENSE COUNSEL GUIDELINES – Billing Procedures

BILLING PROCEDURES

All invoices are to be submitted on a [monthly/quarterly] basis and directed to [name of person or position to whom invoices should be sent]. Billings that do not comply with the billing guidelines will not be paid. Payment of any bill by the [entity name and/or the TPA] does not constitute a waiver of the [entity name's] right to question, dispute, obtain reimbursement, compromise, or request repayment or future credit, for any bill or invoice previously paid.

Invoices for counsel fees and expenses should be submitted [monthly/quarterly], within thirty (30) days of the end of the billing period. Final invoices should be submitted within thirty (30) days from receipt of a filed Dismissal. Defense Counsel is responsible for obtaining all outstanding invoices from outside vendors, including experts, before submitting the final bill. Receipts must be submitted for all travel and other expenses.

Firm staffing on all cases should be as limited as possible. Absent prior approval, the [entity name] will not pay for more than one (1) attorney performing the same task. For example, the [entity name] will not pay for two (2) or more attorneys to attend the same deposition. Work should be assigned to those individuals who are most appropriate for the task in terms of their competency and experience.

There should be no more than two (2) attorneys and one (1) paralegal performing work on a case at any given time. Other firm personnel may occasionally have to work on a case due to job departures, vacations, illnesses, schedule conflicts, etc., but this is the exception, not the rule. [Entity name] will not pay for "training" time for new attorneys or "learning" time or "orientation" time as new billers become involved in a matter and are learning the facts and issues. If a firm has summer associates, their time should not be billed to a case without first being approved by the [entity name and/or TPA]

A. Invoices

Invoices should accurately itemize, in detail, all work performed on a matter. Each invoice must include the following:

- Law firm name and address
- Date of the bill
- Law firm tax identification number
- The TPA and/or entity claim number
- Plaintiff(s) name(s)
- Each billing entry must state the name or initials of the timekeeper who performed the work, the date the work was performed, the hours billed, a detailed description of the services performed, and the total amount billed for that entry
- Attorneys and paralegals should bill actual time spent in increments, no greater than $1/10^{th}$ of an hour for each entry
- Summarize at the end of the bill, the number of hours for each specific biller

- Summarize at the end of the bill the totals for fees, costs, and experts
- Narrative or block/bundled billing is not permitted
- Final bills should be clearly marked
- Invoices must reflect activity for only one (1) case
- Billing entries should be listed chronologically in order of occurrence and not sub-divided by individual or task
- If a number of different tasks are undertaken in one day, each task must be separately identified with a specified time for performing that task, e.g., "telephone conference with John Doe (.30); Attend conference with Jane Doe (1.20), etc."
- Entries regarding telephone conferences must specify the participants and the subject matter discussed

Vague descriptions such as "work on file," "telephone call," "conference," and "research," without further explanation, are not acceptable.

Vendor invoices (e.g. experts, mediators, photocopy services, court reporters, and others) in an amount up to [insert amount here] dollars ($XXXX) per case should be paid by the law firm and included with the monthly attorney billing. Defense Counsel must review and approve all vendor invoices.

B. Maximum Allowable Charges and Travel

The following guidelines are provided regarding maximum allowable charges:

- The [entity name] will only pay the actual cost incurred for reasonable expenses without any markups.
- A firm may conduct necessary and appropriate research up to five (5) hours per case without prior approval by the [entity name and/or its TPA].
- Photocopy costs should not exceed ten cents ($0.10) per page. Firms are expected to limit the making of photocopies and, wherever cost effective, to use the resources of designated copy services. Billing entries for photocopies must provide the number of copies made, the per page rate, and the total amount billed.
- Mileage should be billed at the applicable Federal rate at the time of travel. The invoice should state the number of miles actually driven.
- Telephone and Fax: Actual long distance charges only. No charges for an incoming fax and no per-page fax charge.
- Air travel is limited to coach or economy rate. Receipts for airfare should allow a reviewer to identify the fare as economy/coach class.
- Rental cars are acceptable only if such vehicles are the most economical means of accomplishing necessary business. Reimbursement is limited to the mid-size class.
- Incidentals, such as movies, alcohol, and entertainment are not allowed.
- Travel time shall be pro-rated if the travel includes time spent on non-[entity name] business.

C. Disallowed Charges

In addition to items listed above in sections A and B, the [entity name] will not reimburse for the following:

- Local telephone calls and all cellular phone charges.
- Routine postage, such as the U.S. Postal Service rates for letters. Any necessary extraordinary postage charges (such as certified mail, overnight service, or oversized packages) must be delineated on the bill with an explanation of the nature and purpose of the charge. Any postage charges that are not explained will not be reimbursed.
- File opening, file organization, or other administrative charges.
- Interoffice conferences between members of the firm, including assigning files or tasks to members of the firm.
- Case administration (e.g. reviewing status of assignments given to associates and paralegals; directing associates, paralegals, or secretaries; preparing or reviewing bills).
- Clerical tasks (e.g. transcription, pulling files, photocopying documents, arranging for copying, labeling documents for production, communication with court clerks, updating master case caption, preparing proofs of service, indexing pleadings, faxing).
- Meals, except in conjunction with out-of-town travel (alcohol will not be reimbursed in conjunction with any travel).
- Routine legal research, including issues considered to be common knowledge among reasonably experienced counsel in the local jurisdiction.
- All work customarily performed by secretaries and other administrative personnel including but not limited to, photocopying, date stamping documents, scanning documents, transcription, retrieving files, indexing pleadings, updating case captions, making travel arrangements, calendaring, and preparing bills/invoices.
- Subscription services (e.g. Westlaw, Lexis-Nexis, or other legal database charge).
- Responding to requests from [entity name and/or TPA] and/or their auditors relating to case file management and/or billing issues.