

**The 2026 CLM
Litigation Management Study
Report of Findings**

CLM

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Conducted by Suite 200 Solutions

2026 CLM Litigation Management Study
Report of Findings
March 2026

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Executive Summary

The Plaintiff Bar is Not Standing Still

The plaintiff bar is not standing still. The data in this 2026 study gives this statement a sense of urgency. EvenUp Law (one of the most visible among a long list of new plaintiff-side AI platforms) claims to drive a 30% increase in settlement value, and to produce demands that have a 69% higher likelihood of reaching policy limits. Their website has an array of happy personal injury attorneys explaining how they used AI tools to extract more money in settlement of their case.

Our industry's leadership is noticing, but are we acting fast enough? More than 80% of litigation executives describe plaintiff bar AI adoption as either "significantly" or "moderately" concerning (Q58). The adoption of AI is the top-cited plaintiff bar threat (Q67) and the top forward-looking industry threat (Q126).

Not a single executive said that these developments do not fundamentally concern them. That unanimity, from an industry that rarely speaks with one voice, is itself a signal worth noting.

The Consequences Are Visible in the Data

The consequences of this asymmetry are visible throughout the data in this Study:

- 81% of executives report that indemnity costs have increased (Q29)
- 76% report an increase in defense costs (Q30)
- 85% say that policy limit demands have risen (Q50)
- 60% say that they are managing more litigated claims than 3 years ago (Q13)
- 68% report a higher percentage of claims with represented claimants. (Q15).

The mean of cases resolved by verdict dropped from 5.9% in 2023 to 2.9% in 2026. The median verdict rate remains at 2%. We are settling a full 97% of our non-dismissed files through negotiation, even before we turn to non-litigated but represented files. Executives rate the negotiation skills of their claim professionals at 64.1 of 100 and of defense counsel at 60.5.

Our industry is absorbing compounding cost increases on both sides of the ledger while our ability to identify and respond to the specific tactics driving those increases remains incomplete.

The Data We Are Not Collecting

Technology adoption is only part of the asymmetry. The other part is data. The plaintiff bar shares intelligence and coordinates strategy across firms in ways the defense industry simply has not. When asked to name the plaintiff bar's most significant emerging threat, executives cited specifically plaintiff attorney collaboration and pooled intelligence as a source of competitive disadvantage for the defense. (Q67)

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The Study reveals that most organizations do not measure an array of data points. These include:

- Number of policy limit demands made against them
- Number of policy limit settlements they make
- Specific person who extends settlement offers
- Intelligence about specific plaintiff firms
- Number of files with suspected third-party litigation funding (TPLF) or medical financing
- Number of files on which they receive time-limited demands

Executives rate their comfort level with their own litigation metrics at 47 out of 100 (Q105).

One executive summarized the issue candidly:

“[Plaintiff firms] are much faster to embrace technology, much less regimented in their approach to ethical considerations, and much more willing to share their experience freely among their peers. Insurers are poor at all these things.”

We read that not as an indictment, but as a call to action.

Why This Moment Is Also an Opportunity

Given the rise in both indemnity and expense cost, it is not surprising that C-suite visibility of the litigation management function has rebounded sharply. 79% of executives now say that litigation effectiveness has been raised by their CEO in the past 12 months – a large increase from the 60% who said so in 2023 and surpassing even 2015 levels of attention (Q31).

Almost seven of 10 executives report that senior management is giving the litigation management function more attention than three years ago. Not a single executive said it is receiving less attention (Q32).

If this sense of urgency has reached the executive suite, we read this as opportunity. It is the opportunity needed to refashion how we advocate for fair appropriate resolutions to the disputes we are asked to manage. It is the opportunity needed to invest in modern technologies, and to rethink modern approaches to old problems.

Energy We Cannot Afford to Waste

Our claims and litigation management community is unique among industries. We are a multiplayer team (litigation executives, insureds, and defense counsel) playing an adversary that operates as one. Every point of friction between two of our most prominent players (carriers and defense counsel) consumes energy that could be better spent competing against a common opponent in reaching a fair and timely result to each claim.

This Study’s data confirms persistent gaps between these two players, in billing alignment, performance measurement, and relationship health. These are the friction points that both

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players must resolve for our team to do well. The percentage of executives who rate their carrier-counsel relationships as “stronger” has dropped to 43% today, compared to 71% in 2015. The percentage of “weaker” relationships has grown from 3% to 17% (Q95).

Billing issues remain critically important to firms, but billing has dropped to fifth place on the friction list for carriers. Inaccurate exposure analysis has jumped from sixth to first for carriers. (Q109). Carriers want help combatting increasing indemnity figures.

Executives now rate the hourly billing model at 52 out of 100 in terms of aligning carrier and firm interests, down from 66 in 2023 (Q41). And while 70% of executives express at least conditional openness to outcome-based fees (Q92), 90% say that firms almost never propose non-hourly fee compensation alternatives (Q93).

96% of carriers hold performance data about their panel firms and are willing to share it (Q107), but 97% report that firms almost never ask for it (Q108). There is a lot of dialogue that is not happening between these two players. We will be a stronger team if that dialogue happens. The CLM Litigation Management Task Force was created to do just this, and their work is ongoing.

These new plaintiff bar threats and ongoing frictions are happening in the context of a generational defense firm staffing crisis, the likes of which our industry has never seen. The Study reveals that almost 4 in 10 carriers have had at least one panel firm in the past six months ask for a halt in assignments due to capacity constraints (Q48). Firms just don’t have the people to do the work. And while 80% of executives say that law firm staffing has had some effect on their litigation management program (Q47), we predict this is the forward edge of the storm.

The law firm staffing crisis has profound long-term implications, but in the short term it magnifies friction points. Guidelines about file staffing models and attorney expertise levels may be obsolete in a world where firms are scrambling just to cover basic obligations. Executives indicate high receptivity to adjusting those guidelines (Q102) but more than half say they’re not being asked by firms to do so (Q103).

One elephant in the room is of course the core question of who will pay for the AI technologies required to catch up to the plaintiff bar. In an environment dominated by the billable hour model, a law firm staffing crisis, rising indemnity and expense figures, and a declining trial rate, who stands to benefit the most from this investment? Who benefits the most from having law firms that are more efficient and productive? Who benefits the most from tools that control indemnity costs better?

Exactly 50% of executives said that they believe law firms should pay for these tools. The remaining 50% said that they are working on figuring this out and have yet to arrive at a policy. Currently, no executive believes that claim organizations should bear these costs. (Q84).

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The answer to this question will determine both adoption speed and breadth of tools that are inevitable. The plaintiff bar's headstart is significant, and the obligation we owe to our insureds, our shareholders, and society, is to catch up. Quickly.

Three Imperatives for Our Industry

We believe the Study's findings argue for three industry imperatives:

Close the technology gap. We must close this gap by adopting tools at both the carrier and law firm level that allow the defense ecosystem to operate at the speed and strategic sophistication the plaintiff bar is achieving.

Ensure information parity and intelligence sharing. We must ensure information parity by creating mechanisms for cross-organizational intelligence sharing, mirroring what plaintiff firms already do so well with data points that span negotiation and settlement patterns, litigation-funding activity, and settlement and verdict data.

Rethink carrier-counsel relationships. We must think about these relationships in new, innovative, and modern ways. We must reduce friction between two primary players on our multi-player defense teams. We should explore whether legacy billing constructs and performance measurement systems align incentives, and whether what we are measuring enables us to manage what truly matters – outcomes and not just spend.

The purpose of these studies is to foster dialogue on each of the topics highlighted in this Report. The work being done by the CLM in these areas is unparalleled. With an array of collaborative initiatives, including the Litigation Management Task Force, litigation guideline modernization, negotiation skills development, and wide-ranging educational offerings in the Claims College and Litigation Management Institute, there is no better place, and there are no better leaders and practitioners, to drive this change.

— Taylor Smith, President, Suite 200 Solutions

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Thank You to Our Steering Committee and Participants

We thank each of the more than 70 claim and litigation executives who gave their valuable time to answer the many questions associated with this comprehensive look at our industry. Without their participation, these collaborative industry initiatives would simply not be possible.

We also wish to thank the 35 Steering Committee members who contributed questions and guided the general focus of this Study. Their involvement helped to keep this Study relevant for all participants in the insurance defense community, including claims and litigation leaders, defense counsel, and the technology and service providers who support them.

The dedication of both participants and Steering Committee members reflects their commitment to our industry, and their interest in promoting and furthering the highest standards of claims and litigation management. We thank them very much.

Thank You to Our Sponsors

We also want to thank each of the 11 sponsors who made this Study possible through their generous underwriting support. These sponsors recognize the importance of such initiatives, the relevance of identifying emerging litigation management challenges, and the value that discussion about these topics brings. Each is a thought-leader in their respective litigation-oriented fields, and we encourage you to know more about them:

Consilio	Rebar Kelly
Cruser Mitchell	SigmaSight
DocLens.ai	Tyson Mendes
Hermes Law	U.S. Legal Support
McAngus Goudelock & Courie (MGC)	Wolters Kluwer ELM Solutions
Ontellus	

More information about each sponsor, and a link to their organizations, can be found at the end of this Report.

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About the 2026 CLM National Litigation Management Study

This Study was commissioned by the Claims and Litigation Management Alliance (CLM) and conducted by Suite 200 Solutions.

This is the seventh Litigation Management Study commissioned by the CLM. The first was performed in 2011, followed by studies in 2015, 2019, and 2023. In addition, the CLM has conducted two defense counsel studies, one in 2020 and the second in 2024.

Each of these studies has a singular purpose — to facilitate improved communication and working relationships between litigation executives and the defense firms with whom they partner. These relationships define how well the industry can serve its insureds, shareholders, and society as a whole.

Each study has been designed to capture a point-in-time state in litigation management — exploring how litigation executives are deploying resources, measuring law firm performance, using staff counsel resources, addressing cost and quality issues, and responding to new industry challenges.

Where possible, we have compared this year’s responses to prior Studies. That said, given the relatively confined data set, we caution against drawing too many conclusions about then-to-now trends.

We encourage readers to use the Study for the primary purpose for which it was intended — as a framework and foundation on which all members of the litigation management industry — claims organizations, litigation service providers, and law firms — can collaborate and exchange ideas about how to promote the highest standards and best practices in our industry.

Questions about this Report may be directed to Taylor Smith, President, Suite 200 Solutions, at taylor.smith@suite200solutions.com.

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Steering Committee

These are studies of the industry, by the industry. As such, our Steering Committee members were critically helpful in reviewing each question and suggesting additional ones.

The Committee had three objectives:

First, to identify for readers of this Study how their industry colleagues feel about critical issues.

Second, to help readers identify opportunities that are helpful to their own practices; and

Third, provide a framework of data points that all members of the industry can discuss and explore together.

The 2026 CLM Study's Steering Committee members are:

Executive Claim and Litigation Members

- Jamie Loiacono, Chief Claims Officer, Acuity
- Melissa Hill, Head of Claims, North America, Allianz
- Matthew Morrison, VP of Litigation, American Family Group
- Kimberly Vaughn, VP Claims, Amerisure
- Jake DiDomenico, Claims Legal Operations Leader, Amica
- Tony Smarrelli, Chief Claims Officer, Assurance America
- Tracy Yaun, Head of Casualty Claims, Americas AXA XL
- Ken Bunn, Chief Claims Officer, Builders Mutual
- Jonathan Weber, VP Legal and Operations Lead, Chubb
- Ken Carter, Chief Claims and Risk Officer, Concert Group
- Chris Crawford, SVP, Chief Claims Officer, Continental Western Group (WR Berkley)
- Rob Sturm, SVP Litigation, CSAA Insurance Group
- Denise DiMascio, Claims Legal Spend Manager, EMC
- Courtney Flanagan, VP Claims, Encova
- Greg Zimmerman, VP of Claim and Litigation, Erie Insurance
- Jim Everett, Chief Claims Officer, Everett Cash Mutual
- Flavia Pemberton, Chief Claims Officer, Everspan Group
- Garth Crow, EVP and Chief Claim Officer, FCCI Insurance Group
- Chris Carucci SVP, Construction Vertical, Litigation, Gallagher Bassett
- Michael Zeoli, VP Counsel & Litigation Management, IAT Insurance Group
- Stephanie Martin, SVP, Casualty Claims (U.S.), Liberty Mutual

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- Suzanne Gryb, VP Claims, Mapfre USA
- Steve Hunckler, SVP Claims Operations, SCIF
- Kate Dombrowski, Claims General Counsel, Selective Insurance
- Ron Morrison, Chief Claim Officer, MSIG USA (MS&AD Insurance Group Holdings)
- Lee Wright, VP, Casualty Claims, Tokio Marine
- Tim Gaffigan, Director 3rd Party Litigation, TruStage Insurance
- Trina Hall, Chief Claim Officer, Utica National Insurance
- Dan Winkler, Director, Claims Legal Support Westfield Insurance
- Krista Glenn, EVP, Chief Claims Officer Westfield Specialty

Executive Law Firm Members

- April Willers, Chief Operating Officer, Hermes Law
- J.D. Keister, Head of Liability Practice, McAngus, Goudelock & Courie
- Bill Mitchell, Founding Partner, Cruser, Mitchell, Novitz, Sanchez, Gaston & Zimet
- Cathleen Rebar, Founding Partner, Rebar Kelly
- Cayce Lynch, National Managing Partner, Tyson Mendes

Study Participants

More than 70 organizations participated in this Study. We are deeply indebted to them for their participation. Representative participants included:

Acuity Insurance	Counterpart, Inc.
American Family Ins Group	Country Financial
Amerisure	Crum & Forster
Amica Mutual Insurance	CSAA IG
Ascot Group US	CWG, A W.R. Berkley Co.
AssuranceAmerica	Cypress Property & Casualty Ins Co
Augusta Mutual Insurance	ECM Insurance Group
AXA XL	EMC Insurance
Berkley Cyber Risk Solutions	EMPLOYERS
Berkley Mid-Atlantic	Encova Insurance
Berkshire Hathaway Specialty Insurance	Erie Insurance
Builders Mutual Insurance Company	Everspan
Cable Insurance Company	Farm Bureau Insurance Tennessee
Central Insurance	FCCI Insurance Group
Chubb	Forge Insurance Company
Concert Group	Gallagher Bassett

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Germania Insurance
Golden Bear Insurance
Grange Insurance Company
Great American Insurance
IAT Insurance Group, Inc.
INSHARE SERVICES INC
KW Specialty Insurance Company
Liberty Mutual GRS (Commercial) US
Casualty Claims
LIO Insurance
MAPFRE Insurance
Metro Claims & Risk Mgmt.
Midwest Family Group
Mitsui Sumitomo
Mutual of Enumclaw Insurance Company
NARS
PEMCO Insurance
Pharmacists Mutual Insurance Group
Producers National Corporation

Progressive Group of Insurance Companies
RAS
ReAlign Insurance Holdings
Risk Administration Services, Inc.
Safety National Casualty Corporation
Selective Insurance
State Compensation Insurance Fund
Tango Specialty Ins
The Hartford
Tokio Marine HCC
TruStage
United Educators
Universal Casualty Risk Retention Group
Upland Specialty Insurance Company
Utica National Insurance Company
Westfield Insurance
Westfield Specialty
Zenith Insurance Company

Key Findings

Rising Litigation and Represented Claim Volume

There is general agreement that we are in a more challenging environment.

- Nearly six in ten carriers (59.4%) report managing more litigated files than three years ago. The ratio of those reporting “more” to “less” has shifted from 1.4:1 in 2023 to 3.7:1 in 2026 (Q13).
- Separately, 68.1% report that the percentage of all claims with attorney-represented claimants has also increased (Q15), with only 4.3% reporting a decrease — a net directional signal of +63.8 points, among the strongest in the Study. More claims are attracting attorney representation, and more of those claims are entering formal litigation.
- A full 63.8% of executives report that the percentage of total files that are in litigation has increased in the last three years (Q14)
- Policy limit demands are surging: 85.2% of respondents report an increased frequency of policy limit demands over the past three years (Q50), an 18% increase from the 72% who said this in 2023.

Compounding Cost Pressures

The industry is absorbing simultaneous increases on both the indemnity and defense cost sides, with no signs of relief.

- Eight in ten respondents (80.6%) report that average indemnity paid in settled litigated files has increased over the past three years (Q29).
- Three in four (75.8%) report rising average legal fees and costs per litigated file, a figure essentially unchanged from the 76% who said so in 2023 (Q30). The consistency of that defense cost figure across back-to-back study cycles suggests the pressure is continuous.
- A separate finding worth noting is that litigation expenses now account for an average of 31.9% of total litigation costs, up from approximately 21% in prior studies.

File Resolution Methodologies

Even as litigation volume has increased, the percentage of files resolved by verdict has decreased. This has important implications in terms of negotiation strategies, case valuation, trial skill erosion, and identifying the BATNA (Best Alternative to a Negotiated Settlement), which has critical implications for case valuation.

- The mean percentage of non-WC files resolved through verdict dropped to 2.9% from 5.9% in 2023. The median scores remained constant at 2.0%. (Q7).
- Respondents reported that on average 9.8% of cases are dismissed (separately from verdict or settled). Said another way, our industry settles (negotiates to a non-verdict settlement) 96.8% of its non-dismissed litigated cases. (Q7)

Billing Alignment

The hourly billing model dominates despite some views that it doesn't align the interests of the parties. When combined with concerns from at least some defense firms that it's not working well for them either, it seems like a wonderful time to explore alternatives.

- In the lowest score across three studies, executives rate the hourly billing model at 52 out of 100 in terms of aligning behavior with the carriers' interests (Q41). Three years ago, this score was 60.
- Despite this view, 94.9% do not use any kind of outcome-based compensation with firms (Q91), and executives report that non-hourly compensation is only used in a small fraction of their files (an average of 6% and median of 3%) (Q89).
- The percentage reporting a higher frequency of non-hourly billing structures has declined from 24% in 2015 to 10.2% in 2026 (Q90).
- About 30% of executives say they are open to outcome / win / or success fees (some alternative structure) because they want more aligned incentives. Another 39% say that they are "sort of" open to the idea, but it depends on the specifics. Less than one third are not open to the idea.
- At the same time, nearly nine in ten carriers (89.8%) say it is very rare for firms to propose alternative billing arrangements (Q93) of any type.

The gap between carrier openness and firm inaction is one of the most persistent disconnects in these studies, and it may suggest that any meaningful billing innovation will need to be driven from the carrier side. Either way, this seems worth exploring, given the level of attention and energy billing issues seem to consume in the carrier – firm relationship.

Satisfaction with Outside Counsel Relationships

It can be difficult to evaluate the "strength" of relationships between firms and carriers because it is such a highly subjective arena.

- The percentage of carriers reporting "stronger" relationships with their panel firms has declined from 71% in 2015 to 43.1% in 2026, while those reporting weaker relationships has grown from 3% to 17.2% over the same period (Q95). While the latter number is disconcerting (especially when combined with the results of the 2024 Defense Counsel Study), the overall picture is one of reasonable stability.

- A different picture emerges when it comes to carriers and firms engaging in dialogue about firm performance. 96.4% of carriers say they would share performance data with a firm that asked for it (Q107), yet 96.6% say firms do not ask for it often enough — up from 86% in 2023 (Q108). While the numbers have changed in scope over the past few studies, the disconnect between carriers saying they would share data and firms not asking for it, is unchanged.

A Shared Talent Crisis

The talent shortage is being felt on both sides of the carrier-counsel relationship simultaneously. The talent crisis is not a future problem. It is reshaping program management today.

- Three-quarters of carriers (75.0%) report it is more difficult to find qualified claim staff than three years ago. This is up from 51% in 2015 and up from 67% in 2023 (Q42).
- Essentially all respondents (96.7%) are aware of the defense firm talent shortage (Q46), and 79.0% say it has had at least some effect on their litigation management program (Q47).
- In the past six months alone, 38.7% of carriers report that at least one panel firm has asked for a pause or halt on new assignments due to staffing constraints, a finding that would have been virtually unheard of in prior study cycles (Q48).

Panel Management Trends

- More executives reported having larger panels (41.3%) than smaller panels (23.8%) than three years ago. (Q26)
- Executives rate their law firms' billing performance about the same as they did in 2023, with only a small 5.2% feeling like billing performance is declining (Q68)
- A greater percentage (50.9%) now report using third-party invoice review services (Q70)
- Executives report their post-appeal invoice adjustment rates at a median reduction level of 5% for panel counsel and 10% for non-panel counsel (Q75, Q76). Both numbers are lower than what defense counsel reported in the 2024 Defense Counsel Study.
- Only 13.8% find litigation budgets to be very effective. 62% view them as moderately important and primarily as a communication tool; 24.2% say they don't use them much or are not very useful (Q88)

Philosophical Orientation

- For the first time in 11 years of studies, more than one in three executives now believes that “spending more money on the defense of a lawsuit reduces the indemnity costs.” Q40.
- Executives believe claims professionals are better negotiators (median of 70 out of 100) than defense counsel (median of 62 out of 100). (Q53, Q54). We view both scores to be remarkably lukewarm for an industry that is settling (through negotiation) 96.8% of its non-dismissed cases.

Managing What We Measure

If you subscribe to the concept that organizations are more effective in addressing challenges when they measure them, these data points are informative:

- 56.7% do not track the number of policy limit demands made against them (Q51)
- 66.1% do not track the number of policy limit settlements they make (Q52)
- 82% do not track who on the defense team specifically extends a settlement offer (Q56)
- 93.5% do not formally maintain dossiers and data points about specific plaintiff firms (Q59)
- 86.4% do not track the number of files where third-party litigation funding is present (Q64)
- 84.5% do not have a process for tracking files where medical financing is suspected (Q65)
- 59.3% do not track the number of files on which they receive time-limited demands (Q66)
- 63.5% report that they don’t track conflict waiver requests (Q27)
- 43% do not track the timing of their payments to defense firms. Another 10% are not sure (Q77)

Responding to Plaintiff Bar AI Adoption

Respondents described the AI technologies being adopted by the plaintiff bar as not merely drafting tools but as strategic weapons for profiling defense negotiation behavior, building carrier intelligence databases, and driving case selection.

The adoption of AI is the top-cited plaintiff bar threat (Q67) and the top forward-looking industry threat (Q126). 45% of executives describe their concern about the plaintiff bar’s adoption of AI to be “significant”; 35.5% describe their concern as “moderate.” No executive said they are not concerned. (Q58)

Respondents called out the ability of plaintiff firms using AI to produce voluminous demands, with time-sensitive deadlines, in ways that seem more focused on generating bad faith exposures than to resolve cases on their merits.

Given that these are astute assessments of how quickly the plaintiff bar is moving ahead, we found some of the following findings to be both incongruous and potentially jarring:

- 78.7% of executives have yet to agree to pay for any AI tools their defense counsel are using or wishes to use (Q61).
- 50% believe philosophically that the costs for AI technologies should be borne by the defense firm. The other 50% say that they are working on figuring this out. The percentage of executives who said they believe the claims organization should pay for AI tools used by defense firms was zero. (Q84).
- At the same time, more than half (50.8%) say they've never or rarely been approached by defense attorneys to discuss their firm's use of AI. (Q62)
- 83.1% say that defense firms are rarely or never asking for assistance to defray the cost of AI-enabled technologies (Q85)

These data points together portray a potentially perfect storm of misaligned incentives. Asking the constituency most dis-incented in an hourly billing model to adopt powerful and efficient tools seems like the absolute slowest path to adoption.

If plaintiff bar AI adoption (with its associated increased indemnity costs and litigation volume) is truly the greatest threat and top forward-looking industry threat that executives say it is, we predict that it will have to be litigation leaders who drive the adoption (and pay for) the requisite and responsive technologies.

Litigation Support Costs

- Litigation expenses (non-attorney fees) now account for 31% of total litigation costs, a big jump from the 21% that has been reported in prior studies (Q33). These rising costs drive home the importance of establishing vetted, formalized, panel programs across the litigation support provider spectrum.
- Cost, quality, and consistency received high marks as being drivers of the e-discovery, records retrieval and deposition services panel programs we asked about. (Q 116,119, 121)
- Reported estimated cost saving levels in the e-discovery, records retrieval, and deposition services programs we asked about were robust and reinforce why these programs drive value. (Q115, 117, 120). We also noted that in some cases the perceived quality benefits ranked equally with cost (Q121)

C-Suite Visibility Has Rebounded

The conditions for investment and change are more favorable than at any point in this study series. Whether the industry meets that moment is the question this report, ultimately, is asking.

- After declining to 60% in the 2023 Study — down from 77% in 2015 — the share of litigation executives reporting that their CEO has discussed the effectiveness of the litigation management program in the past 12 months has rebounded to 79.0% in 2026, surpassing the prior high-water mark (Q31).
- Q32 reinforces this: 67.7% report that senior management is giving the function more attention than three years ago, and notably, zero respondents said less. The litigation management function has regained — and may have strengthened — its organizational standing.

Readers will find more detail about each of these findings and data points in the Report that follows.

Section 1: Inside the Modern Claims Organization (Q4–Q18)

This section explores the fundamental characteristics of the organizations that participated in the 2026 Study: how large they are, what they spend on outside legal defense, what lines of business drive their litigation, and how they organize their claims operations. Understanding these demographics is important context.

Q4. Please provide a general approximation of your organization’s annual outside legal spend for insurance defense. Please include outside legal fees and costs only. Please exclude costs related to staff counsel operations, coverage assignments, or corporate litigation. Answer options are in \$ Millions, annually.

Half of all respondents (50.0%) spend less than \$20 million annually on outside legal defense, while roughly one in five (19.0%) spend more than \$150 million. This distribution is consistent with the 2023 Study’s observation that smaller and mid-sized organizations comprised a significant share of the participant pool.

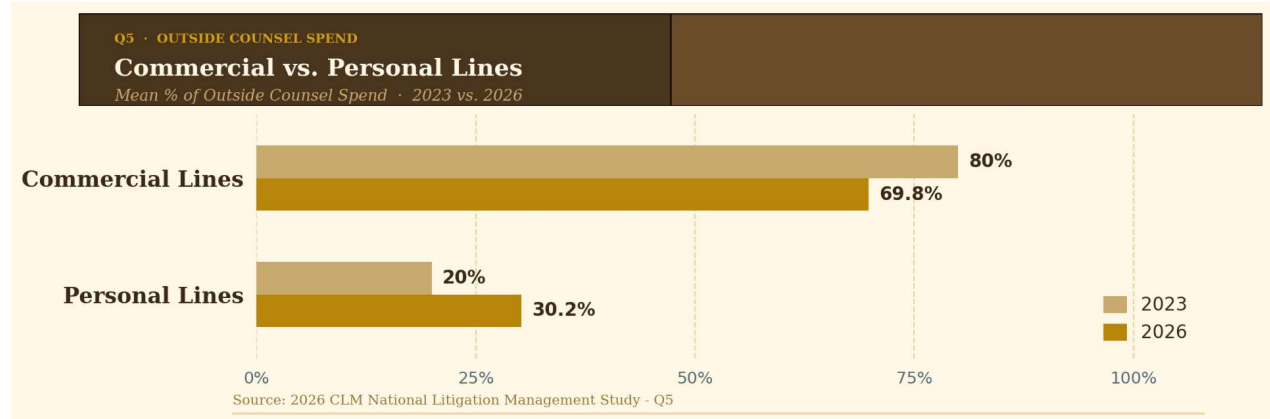
Q4 · OUTSIDE LEGAL SPEND				
Annual Legal Spend				
% of respondents by spend tier · 2015, 2019, 2023 & 2026				
Study Year:	2015	2019	2023	2026
Less than \$20MM	56%	61%	49%	50%
\$20MM - \$75MM	28%	19%	30%	31%
\$75MM - \$300MM	16%	10%	15%	10%
\$300MM - \$750MM	7%	6%	0%	6%
Greater than \$750MM	N/A	4%	6%	3%

Source: 2026 CLM National Litigation Management Study - Q4

These demographics confirm that the 2026 Study captures a broad cross-section of the P&C industry. The presence of organizations at both extremes — roughly 80% spending under \$300 million and 20% spending more than \$300MM annually — ensures that findings are not skewed exclusively toward the largest carriers and are directionally relevant to the broader litigation management community.

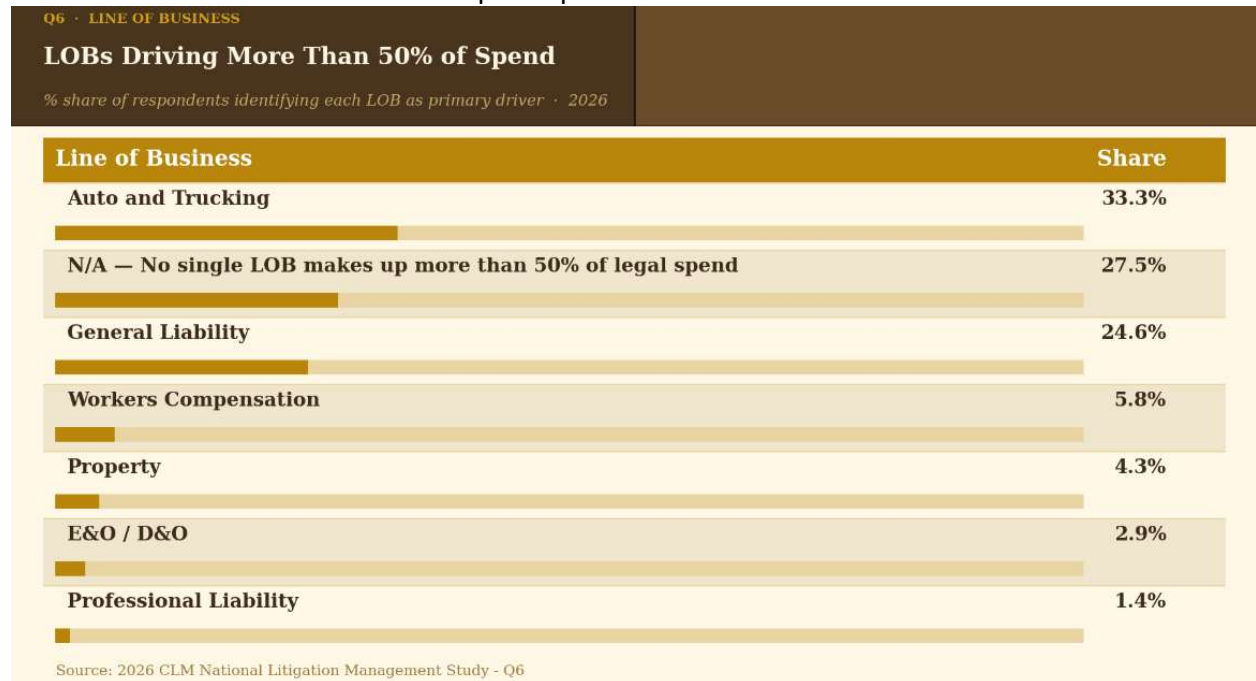
Q5. What percentage of your outside counsel legal spend do you consider to be for “commercial lines” vs. “personal lines” claims?

Commercial lines continue to dominate the outside legal spend of the Study’s participants. However, the split between commercial and personal lines dropped to 70/30 from 80/20 in 2023. These numbers remain consistent with the overall population of the CLM’s industry mix and are relevant to readers with both a personal lines and a commercial lines focus



Q6. Do you believe one line of business constitutes more than 50% of your total annual litigation spend? If so, indicate which line of business below.

As in prior Studies, one line of business frequently drives more than 50% of annual legal spend. This was true for almost 73% of the participants.



Auto and Trucking lines of business drive more than half of the legal spend for one third of the participants; General Liability drives more than half of legal spend for roughly one quarter.

Most notable in this data is the fact that Auto and Trucking has overtaken General Liability as the dominant spend driver, climbing from a second-place position (24% in 2023) to the top spot at 33.3%. Those managing auto and trucking litigation will appreciate the impact of severity and frequency in that line of business, including nuclear verdicts in the trucking space. These numbers may reinforce a need to reassess their litigation strategies and panel composition accordingly.

Q7. For NON-WC litigated claims, please estimate the percentages associated with the following forms of litigated file resolution over the last 12 months (or for 2024).

Settlement continues to be the overwhelmingly dominant resolution mechanism, with a mean of 87.4% of non-WC litigated claims settling — consistent with the longstanding industry norm.



However, the mean verdict rate of 2.9% represents a meaningful decline from the 5.9% average reported in the 2023 Study, while the median held steady at 2.0%.

This suggests that a small number of organizations with higher verdict volumes may have exited the 2026 participant pool or have changed their trial behavior. The core reality remains: the vast majority of carriers take very few cases to verdict, and fewer than one in ten files are resolved through dismissal. The narrow standard deviation on settlements (8.2) indicates strong consensus that roughly nine out of ten cases will settle.

Q8. Is the percentage of non-WC files resolved with a verdict higher or lower than the percentage three years ago?

Nearly two-thirds of respondents (64.1%) report no change in their verdict rates. A modestly larger share say they are taking more cases to verdict (20.3%) than fewer (15.6%).

Q8 · VERDICT RATE

Verdict Rate — Higher or Lower Than 3 Years Ago?

% of respondents by response category · 2023 vs. 2026

Response	2023	2026
Higher — More Verdicts	~20%	20.3%
Same	~60%	64.1%
Lower — Fewer Verdicts	~20%	15.6%

Source: 2026 CLM National Litigation Management Study - Q8

In the 2023 Study, the split between “more” and “fewer” verdicts was approximately equal at 20% each. We note the slight directional lean toward more verdicts.

Combined with the data from Q7 showing average verdict rates of just 2.9%, this suggests that while some organizations are marginally more willing to try cases than they were three years ago, the absolute volume of trials remains extremely low.

This has many implications. In terms of counsel readiness, if firms are rarely trying cases, the potential erosion of trial skills across the defense bar becomes a compounding risk. In terms of quantifying the BATNA (Best Alternative to a Negotiated Agreement) on individual files, trial data becomes less robust and less reliable. In our industry, the corresponding increase in uncertainty tends to drive up settlement values.

Q9. What is the TITLE of the person you consider to be in charge of the Litigation Management Function in your organization?

The titles associated with the litigation management function remain predominantly at the officer level (VP, SVP, Chief Claims Officer), consistent with the 2023 Study’s finding that the function carries significant organizational stature.

The prominence of “Chief Claims Officer” as the single most common title suggests that in many organizations, the litigation management function reports directly to, or is led by, the most senior claims executive — reinforcing the strategic importance of litigation management at the enterprise level.

Q10. What is the TITLE of the person to whom the person in charge of the overall Litigation Management function reports?

The litigation management function maintains strong reporting lines to senior leadership, with “Chief Claims Officer” as the most common reporting target by a wide margin. We note with interest the appearance of CEO and President as direct report targets, which further underscores the elevated visibility of this function.

When read alongside Q31 and Q32 — where 79.0% say their C-suite has discussed litigation program effectiveness and 67.7% report more senior management attention — a clear picture emerges of a function that has gained, not lost, organizational visibility since the 2023 Study, which had flagged declining CEO engagement as a material concern.

Q11. What is the TITLE of the person (most commonly) in your organization that decides WHICH law firm or attorney will receive the assignment when a file needs to be assigned to counsel?

Assignment authority remains distributed across multiple levels of the organization, but the front-line claims professional — reflected in titles like Adjuster, Claims Examiner, and Litigation Specialist — is the most identified decision-maker. This is broadly consistent with the 2023 Study finding that 46% of organizations leave the specific attorney selection to the claim professional.

The continued dispersion of this authority across roles raises ongoing questions about consistency in counsel selection and whether organizations are optimizing assignments based on data (such as attorney performance metrics) or relying primarily on individual judgment, familiarity, and comfort.

Q12. Approximately how many open litigated cases do you consider to be in your current litigation inventory across all lines of business? (An approximate number is fine)

The mean open litigation inventory of 5,695 files with a median of 1,000 reflects the same structural dynamic as the 2023 Study (mean 6,850, median 1,500): a small number of very large carriers substantially pull up the mean while the typical organization manages a more modest portfolio.

We have no reason to believe that inventory levels are declining. In fact, based on Q13 and Q14, we know that they are rising. However, we provide these inventory numbers to provide context about the nature of the organizations participating in the Study.

Q13. Is the total number of litigated claims your organization is managing more or less than it was 3 years ago?

The percentage of organizations reporting higher litigation inventory has jumped markedly, from 48% in the 2023 Study to 59.4% in 2026, while those reporting fewer files dropped from 35% to 15.9%.

Q13 · LITIGATION INVENTORY

Litigated Inventory — More or Less Than 3 Years Ago?

% of respondents by response category · 2023 vs. 2026

Response	2023	2026
More	48%	59.4%
About the Same	17%	24.6%
Less	35%	15.9%
More-to-Less Ratio	1.4 : 1	3.7 : 1

Source: 2026 CLM National Litigation Management Study - Q13

We view this as significant acceleration. Nearly six in ten carriers now report managing more litigated files than three years prior; the number of executives who said “more” to those who said “less” went from 14. To 3.7.

This rising tide of litigation volume, when combined with the cost-per-file increases reported in Q29 and Q30 and the talent shortages reported in Q42–Q44, creates a compounding pressure that will challenge organizational capacity and resource allocation for the foreseeable future.

Q14. Has percentage of total claims that are formally in litigation changed in the last three years?

Q14 · LITIGATION TRENDS

Change in the % of All Claims Formally in Litigation

% of respondents by response category · 2026

Response	2026
Increased — The percentage of our total files that are in litigation has increased in the last three years	63.8%
Same — There has been no change to the percentage of all of our total files that are in litigation	26.1%
Decreased	10.1%

Source: 2026 CLM National Litigation Management Study - Q14

63.8% say the proportion of claims in litigation has increased, and only 10.1% say it has decreased. When this finding is combined with Q15 — where 68.1% report that the percentage of all claims with represented claimants has also increased — the data suggests that the litigation funnel is widening at its mouth.

More claims are attracting attorney representation, and more of those claims are entering formal litigation. This trend, when connected to the plaintiff bar’s adoption of AI-driven demand generation (Q58) and the increase in policy limit demands (Q50, where 85.2% report increases), paints a picture of an increasingly sophisticated and aggressive plaintiff ecosystem.

Q15. Is the percentage of ALL CLAIMS that have represented claimants (including not-yet-litigated files) more or less than it was 3 years ago?

More than two thirds of respondents (68.1%) report that the percentage of all claims with represented claimants is greater than three years ago.

Q15 · REPRESENTED CLAIMANTS	
Change in the % of All Claims with Represented Claimants	
% of respondents by response category · 2026	
Response	%
More — this percentage is greater than 3 years ago	68.1%
Same — this percentage is about the same	26.1%
Less	4.3%

Source: 2026 CLM National Litigation Management Study - Q15

Only 4.3% say this percentage has decreased.

Pre-litigation representation is a leading indicator of future litigation volume: today’s represented claimant is often tomorrow’s litigated file. This data should be read as a forward-looking pressure signal.

Q16. In what line of business do you see the highest percentage of files that are not yet litigated but in which the claimant is represented by an attorney?

Auto lines — including personal auto, commercial auto, and trucking combined — account for most of these open-text responses, reinforcing the data from Q6 showing Auto and Trucking as the top litigation spend driver.

The fact that auto is also the leading line for pre-litigation represented claimants means the pressure on auto books is building upstream before suit is even filed. This has direct implications for early intervention strategies, demand response protocols, and pre-litigation settlement authority.

Q15 · LINE OF BUSINESS

LOB with the Highest Represented Claimant Rate

% of response frequency by line of business · 2026

Line of Business	Share
Auto	48.3%
Commercial Auto	17.2%
General Liability	13.8%
Auto GL	6.9%
Personal Auto	6.9%

Source: 2026 CLM National Litigation Management Study - Q15

Q17. Generally, what is an average typical low and high pending count of files being managed by claim professionals with litigated files (include all files if the pending is a combination of litigated and non-litigated). Very broad estimates are fine. (Enter only a whole number)

These caseload figures represent a noteworthy reduction from the 2023 Study, which reported average low-end caseloads of 125 files and average high-end caseloads of 205 files. The 2026 figures of 78.5 (low) and 130.6 (high) represent reductions of roughly 37% and 36%, respectively.

We are simply unsure how to interpret this change.

Q17 · CLAIM PROFESSIONAL CASELOAD

Average Claim Professional Pending Caseload

Average low and high end caseload counts · 2023 vs. 2026

Study Year:	2023	2026	Change
Average Low End	125	78.5	-37%
Average High End	205	130.6	-36%

Source: 2026 CLM National Litigation Management Study - Q17

While some of this shift may be attributable to differences in participant composition, the magnitude of the change is striking and aligns with two possible explanations: first, organizations may be making deliberate investments in lower caseloads to combat rising complexity and cost-per-file (Q29, Q30); second, the shrinking talent pool (Q42) may be forcing organizations to redistribute work differently.

Q18. Generally speaking, are these figures higher or lower than they were three years ago?

Despite the sharp reduction in absolute caseload numbers between 2023 and 2026 (Q17), the self-reported direction of change is roughly balanced. This suggests that caseload reductions may have occurred more gradually than the cross-study comparison implies, or that different segments of the industry are experiencing divergent pressures: some organizations are successfully reducing caseloads while others are seeing them climb.

Q18 · CASELOAD TRENDS	
Are Caseloads Higher or Lower Than 3 Years Ago?	
% of respondents by response category · 2026	
Response	%
Same — generally caseloads are about the same as three years ago	44.3%
Higher — generally caseloads are higher than three years ago	28.6%
Lower — generally caseloads are lower than three years ago	27.1%

Source: 2026 CLM National Litigation Management Study - Q18

Respondents are nearly evenly split between those experiencing higher (28.6%) and lower (27.1%) caseloads, with a plurality (44.3%) reporting no change.

Section 2: The Defense Ecosystem (Q19–Q28)

This section examines how litigation organizations structure and manage their relationships with outside law firms — including how panels are organized, how firms are selected and removed, and how firms communicate value. We believe this section contains data that is of particular interest to defense counsel.

Q19. Broadly stated, do you consider your organization to have one broad panel of outside firms or attorneys, or do you maintain separate panels? Which response resonates the most for you? (Do not include coverage counsel)

Q19 · DEFENSE ECOSYSTEM			
Panel Organization — Single vs. Multiple Panels			
% of respondents by panel structure · 2019, 2023 & 2026			
Panel Structure	2019	2023	2026
Multiple Panels	51%	54%	75.4%
Single Panel	49%	46%	20.0%
No Panel / N/A	4%	9%	4.6%

Source: 2026 CLM National Litigation Management Study - Q19

We added a question choice in 2026 that did not exist in 2023. In 2023 we asked about single panels vs. panels organized by Line of Business. In 2026 we added a choice for panels organized by geography. This addition resulted in a slight change in responses.

In 2026, multiple panels organized by line of business remain the most common structure at 49.2%, closely consistent with the 54% reported in the 2023 Study. What is noteworthy is the geographic panel approach (26.2%), which was not broken out separately in 2023. It resulted in a decrease in “single panel” responses (from 46% to 20%) and an increase in “multiple panels” responses (from 54% to 75%).

Regardless, 75.4% of respondents maintain multiple panels — whether by line of business or geography — reinforcing that panel management has become a segmented and specialized function.

Q20. Do you maintain your panels of approved legal providers at the firm level or the attorney level?

A slim majority (52.3%) manage panels at the attorney level rather than the firm level, virtually unchanged from 55% in the 2023 Study. This data point, when read alongside Q100 — where 81.0% say they are hiring the specific attorney, not the firm — underscores a fundamental and persistent reality: claims organizations view legal representation as an individual attorney decision, not a firm-level one.

Q20 · DEFENSE ECOSYSTEM		
Panels Managed at Firm Level or Attorney Level?		
<i>% of respondents by management level · 2023 vs. 2026</i>		
Panel Managed At:	2023	2026
Attorney Level	55%	52.3%
Firm Level	45%	43.1%
N/A — No Panel	—	4.6%

Source: 2026 CLM National Litigation Management Study - Q20

For law firms, this may mean that institutional brand and firm-level capabilities may be secondary to the performance and reputation of the specific attorneys they put forward on panel submissions. Or it may mean that firms have not perfected their ability to put firm reputation, process, and capability over individual attorney attributes. For more on this, see Q98.

Q21. Roughly how many law firms are on your approved law firm “panel list(s)”? (Please do not include coverage counsel)

Examined broadly at an industry level, these results suggest that panel sizes are nominally smaller than three years ago. However, as you can see from Q22, executives don’t feel this to be the case in their own organizations.

Q21 · DEFENSE ECOSYSTEM

Number of Law Firms on Approved Panel

% of respondents by panel size · 2011, 2015, 2019, 2023 & 2026

Panel Size	2011	2015	2019	2023	2026
≤75 Firms	29%	52%	53%	49%	58.0%
76-300 Firms	50%	34%	34%	38%	35.5%
>300 Firms	22%	13%	12%	12%	6.4%

Source: 2026 CLM National Litigation Management Study - Q21

This Study’s data suggests panel sizes remain broadly distributed, with the largest single group (25.8%) maintaining panels of 21–45 firms, followed by a substantial 22.6% with 151–300 firms. Cumulatively, 58.0% of respondents have panels of 75 firms or fewer, slightly higher than the 49% reported for this threshold in the 2023 Study.

The distribution reflects the reality that panel size is largely a function of geographic footprint and line-of-business diversity — smaller, regional carriers can operate effectively with 20–45 firms, while national multiline carriers need several hundred.

Q22. Is the number of firms currently on your panel(s) more or less than it was 3 years ago? (Exclude coverage counsel)

Executives certainly perceive that their own panels are expanding. Roughly twice as many executives (41.3%) feel their panels have expanded rather than contracted (23.8%).

Q22 · DEFENSE ECOSYSTEM

Is the Number of Firms on Your Panel More or Less Than 3 Years Ago?

% of respondents by response category · 2015, 2019, 2023 & 2026

Study Year:	2015	2019	2023	2026
More	29%	22%	33%	41.3%
Less	36%	39%	20%	23.8%
About the Same	35%	38%	47%	34.9%

Source: 2026 CLM National Litigation Management Study - Q22

This growth may reflect the rising litigation volume documented in Q13 and Q14, the need for geographic coverage in new jurisdictions, and the talent shortages at defense firms (Q46, Q47) that may be requiring carriers to onboard additional firms to ensure adequate capacity.

Q23. Name UP TO three (3) attributes that you believe make an attorney or firm most “valuable” to you. (Define value as you wish to).

We had a very rich data set to work with as respondents provided a lot of attributes. Among those who responded, communication and responsiveness stood out as the most frequently cited cluster of attributes, encompassing not just the speed of communication but the quality, accuracy, and candor of it — including a willingness to give a straight assessment of a case’s strengths and weaknesses.

Resolution focus and case strategy ranked equally prominently, reflecting a strong carrier preference for attorneys who approach files with an outcome orientation rather than a process orientation.

Legal skill and competence and partnership and client alignment were cited with similar frequency, signaling that technical capability alone is insufficient — firms must also demonstrate a genuine understanding of carrier culture, guidelines, and goals.

Trial skill and willingness to fight drew meaningful mention, with respondents valuing firms that are competitive and willing to try cases rather than defaulting to settlement. Proactivity, cost consciousness, and the use of metrics and data rounded out the findings, with the metrics category notable for its lower frequency despite its prominence in other parts of the study.

In our analysis of these findings, the gap between “cost” and everything else we find to be instructive. Cost ranks third from the bottom in frequency of mentions, well behind communication, resolution focus, skill, and partnership.

This runs counter to perceptions that carriers view firms primarily as cost centers. It suggests they actually want outcomes, partnership and candor first. The degree to which firms believe this, based on the primary interactions they have with carriers, remains to be seen.

Category	Representative Themes	Frequency
Communication & Responsiveness	Timely and clear communication, responsiveness to inquiries and reporting needs, attentiveness, concise and accurate file reporting	Frequently Mentioned
Resolution Focus & Case Strategy	Proactive resolution mindset, early case evaluation and triage, identification of early exit strategies, focus on closing cases efficiently rather than driving unnecessary discovery	Frequently Mentioned
Legal Skill, Knowledge & Competence	Legal acumen, subject matter expertise, accurate liability and damages evaluations, sound advice, demonstrated competency and skill	Frequently Mentioned
Partnership & Client Alignment	True partnership orientation, understanding carrier litigation philosophy and guidelines, collaboration, client-centric focus, seeing the carrier as a partner rather than just a revenue source	Frequently Mentioned
Trial Skill & Willingness to Fight	Trial experience and track record, willingness to try cases to verdict, trial readiness and credibility, competitiveness, not afraid to fight	Commonly Mentioned

Category	Representative Themes	Frequency
Proactivity & Strategic Thinking	Proactive case management, strategic thinking, creative and out-of-the-box approaches, entrepreneurial problem solving, anticipating client needs	Commonly Mentioned
Cost Consciousness & Value Delivery	Cost discipline and transparency, reasonable billing, expense consciousness, overall spend management, cost-effective staffing decisions, value-oriented approach	Commonly Mentioned
Metrics, Data & Accountability	Use of metrics and data to track performance, KPI alignment with carrier expectations, consistency, demonstrated results and success rates	Mentioned

Q24. When it comes to removing a law firm from the panel list, please write down the most likely reason you would want to do so:

Lack of responsiveness and communication failures were the most frequently cited reasons for panel removal, reflecting how central consistent and timely communication is to the carrier-counsel relationship.

Poor performance and case outcomes ranked nearly as prominent, encompassing inadequate case handling, weak work product, and failure to manage files to conclusion.

Billing abuse and guideline non-compliance drew common mention, as did a particularly pointed pattern: firms that change their case evaluations dramatically on the eve of trial without new facts, or that demonstrate an unwillingness to take cases to trial altogether.

Failure to align with carrier culture and partnership expectations was cited independently of general performance failures, suggesting that even technically competent firms can lose panel status by not being good partners.

Lastly, case management and reporting deficiencies — including missed deadlines, reactive rather than proactive postures, and failure to move cases forward — rounded out the findings.

Our analysis of the responses highlighted two items we feel are worthy of being called out:

1. Cost-related removals are notably less prominent than communication or performance failures. There is reference to billing abuse, but it was not the top driver.
2. The last-minute reversal category was cited multiple times. This comment articulated the issue with some precision: *“providing any evaluation which indicates a 50/50 chance of success”* [is] a removal trigger.

Category	Representative Themes	Frequency
Lack of Responsiveness & Communication	Unresponsiveness to calls and requests, poor or delayed reporting, lack of communication on important case developments, failure to keep clients informed	Frequently Mentioned
Poor Performance & Case Outcomes	Poor results, inadequate case handling, weak work product, failure to properly manage cases to conclusion, poor service, general performance failure	Frequently Mentioned
Failure to Follow Guidelines & Billing Abuse	Non-compliance with litigation guidelines and billing practices, excessive billing, overbilling, inflexibility on cost, billing disputes, unethical billing practices	Commonly Mentioned
Last-Minute Evaluation Reversals & Trial Avoidance	Changing case evaluation at the eve of trial without new facts, unwillingness to take cases to trial, fear of the opponent, waffling on positions at the last minute	Commonly Mentioned
Failure to Partner & Align with Carrier Culture	Not treating the carrier as a valuable partner, unwillingness to listen to recommendations, failure to calibrate to expectations, inconsistent alignment with carrier vision and values	Commonly Mentioned
Case Management & Reporting Failures	Failure to move cases forward, missed deadlines, reactive rather than proactive posture, delays in handling and reporting, inadequate reporting and case evaluation	Commonly Mentioned

Q25. Overall, when compared to 3 years ago, do you feel that your Company receives more, fewer, or about the same requests for conflicts waivers from law firms?

In 2026 we added an “I don’t know” option to the response choices, which makes a multi-year comparison more difficult.

Q25 · DEFENSE ECOSYSTEM		
Change in Waiver Requests from Law Firms		
<i>% of respondents by response category · 2023 vs. 2026</i>		
Response	2023	2026
About the Same — I don’t feel we’re seeing any change	88%	64.6%
More — I feel we are seeing more conflict waiver requests	8%	13.8%
Fewer — I feel we are seeing fewer conflict waiver requests	4%	6.2%
I don’t know	—	15.4%

Source: 2026 CLM National Litigation Management Study - Q25

Nonetheless, only 13.8% reported an increase in waiver requests, suggesting this issue does not appear to have become materially more pressing.

However, the 15.4% who answered “I don’t know” is notable and may suggest that conflict tracking at many organizations remains informal, a theme reinforced by Q27 where 63.5% report that conflict waivers are not tracked or logged.

Q26. Does your company have a documented process for responding to conflict waivers from counsel?

A majority (61.9%) now report having a documented process for responding to conflict waivers, a meaningful improvement from the 2023 Study where “almost half” (49%) had no such process. The improvement suggests organizations are continuing to formalize what was previously an ad hoc practice.

Q26 · DEFENSE ECOSYSTEM			
Documented Process for Conflict Waivers?			
<i>% of respondents by response · 2023 vs. 2026</i>			
Response	2023	2026	
Yes	~51%	61.9%	
No	~49%	38.1%	

Source: 2026 CLM National Litigation Management Study - Q26

Q27. Are conflict waivers tracked/logged?

Despite having documented processes (Q26: 61.9%), a full 63.5% of organizations do not log or track the conflict waivers they process. This disconnect between having a process and not measuring it is a recurring theme throughout the Study and applies to many operational practices.

Q27 · DEFENSE ECOSYSTEM		
Are Conflict Waivers Tracked/Logged?		
<i>% of respondents by response · 2026</i>		
Response		%
No		63.5%
Yes		36.5%

Source: 2026 CLM National Litigation Management Study - Q27

Q28. In the last 12 months, approximately how many law firms brought to your attention that their firm had experienced a “cyber incident” (i.e., data breach, ransomware, or other type of cyber incident)? If none, write “0” or “none.”

In 2023, 34% reported at least one law-firm cyber event in the prior 12 months, with an average of 2.3 firms involved (median 1.0). The 2026 mean number of firms reporting an incident is 1.8 (median 0.5).

Q28 · DEFENSE ECOSYSTEM		
Law Firm Cyber Incidents Reported (Past 12 Months)		
Mean and median firms reporting cyber incidents · 2023 vs. 2026		
Study Year:	2023	2026
Mean Firms Reporting	2.3	1.8
Median	1.0	0.5

Source: 2026 CLM National Litigation Management Study - Q28

While these numbers are difficult to compare across pools, the data suggests that cyber incidents in the defense bar continue to be a fact of life across the defense bar, but not an issue that appears to be getting worse or requiring significant executive attention.

Section 3: Costs, Visibility, and Industry Pressures (Q29–Q49)

This section examines what we view to be some of the most consequential pressures facing the industry: rising costs on both the indemnity and defense sides, the visibility of the litigation management function within organizations, and the staffing challenges being felt by both carriers and firms. We encourage readers to consider these data points collectively.

Q29. Compared to three years ago, do you believe your AVERAGE INDEMNITY PAID in settled litigated files has increased, decreased, or stayed the same?

More than eight in ten respondents (80.6%) report that average indemnity payments on settled litigated files have increased. This is a strong signal.



The net difference of +75.8 points (higher minus lower), making this one of the most directionally unanimous findings in the Study. The industry’s sense that what it costs to resolve cases has gone up is overwhelming.

Q30. Compared to three years ago, do you believe your AVERAGE LEGAL FEES AND COSTS per litigated case have increased, decreased, or stayed the same?

Three out of four respondents (75.8%) report that average legal fees and costs per litigated file have increased, essentially unchanged from the 76% who said this in the 2023 Study.



The consistency of this figure across two successive studies — both capturing a three-year retrospective — suggests that per-file defense costs have been rising steadily for at least six years. The 2023 Study noted that this was a 50% increase over 2019 levels and a 75% increase over 2015; the 2026 data confirms that the acceleration has not slowed.

When combined with the indemnity increases reported in Q29, the total cost of litigation is being pressured from both sides: defense costs are up and indemnity payments are up.

Q31. Has the “Effectiveness” of your litigation management program been raised by or discussed with your organization’s CEO in the past 12 months?



C-suite engagement with litigation management effectiveness has rebounded sharply.

In the 2023 Study, this figure had fallen to 60% — down significantly from 77% in 2015 — and we flagged it as a “material change” and a cause for concern. The 2026 figure of 79.0% not only reverses that decline but surpasses the 2015 level.

We believe this rebound almost certainly reflects the compounding cost pressures documented throughout this Study: when both indemnity and defense costs are rising (Q29, Q30), litigation inventory is growing (Q13, Q14), and social inflation is producing headline-grabbing verdicts, C-

suite leaders are paying attention. The litigation management function has regained — and may have strengthened — its organizational visibility.

Q32. Broadly stated, do you believe that when compared to three years ago, “litigation management effectiveness” is getting more or less attention from your organization’s senior management?

Q32 · COSTS / VISIBILITY / INDUSTRY PRESSURES				
Is Litigation Management Getting More Attention from Senior Mgmt?				
2015 - 2026				
Study Year:	2015	2019	2023	2026
More Attention	75%	75%	59%	67.7%
Less Attention	0%	2%	4%	0.0%
About the Same	25%	23%	37%	32.3%

Source: 2026 CLM National Litigation Management Study - Q32

Two-thirds of respondents (67.7%) report that litigation management is receiving more attention from senior management, and notably, zero respondents said “less.”

This is a recovery from the 2023 Study, where the “more attention” figure had dropped to under 60% from 75% in both 2015 and 2019. The complete absence of a “less attention” response in 2026 is striking. When combined with Q31’s C-suite engagement rebound, the data confirms that litigation management’s organizational relevance is at its highest point in the time we have been measuring it.

Q33. What percentage of your LITIGATION COSTS do EXPENSES constitute? We define total litigation costs as legal fees and all expenses - excluding indemnity payments. Expenses include deposition, records retrieval, e-discovery, expert, and all similar costs. A rough estimate is fine.

Q33 · COSTS / VISIBILITY / INDUSTRY PRESSURES			
What Percentage of Litigation Costs Do Expenses Constitute?			
2019 - 2026			
Study Year:	2019	2023	2026
Average (Mean)	21%	21%	31.9%
Median	21%	20%	25.0%

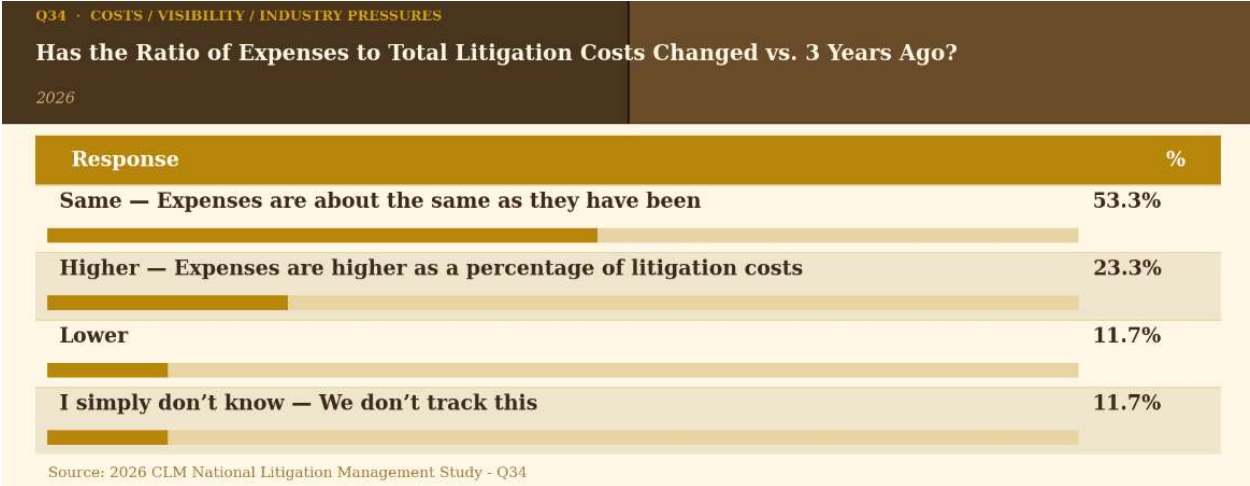
Source: 2026 CLM National Litigation Management Study - Q33

Litigation expenses now account for a mean of 31.9% of total litigation costs, a notable increase from the 2023 and 2019 studies where non-fee litigation costs were estimated at approximately 20–21% of total legal spend.

This directional increase may be driven by simply more costly services or it may be driven by changes in the nature of the plaintiff bar practice. This question does not answer that. However, we did note a very high standard deviation (23.5) on this question, revealing

enormous variability across organizations, which we would expect to be driven by differences in case mix.

Q34. Compared to three years ago, has the ratio of expenses to total litigation costs changed?



A slim majority (53.3%) report that the expense ratio is unchanged, but a significant 23.3% say expenses are consuming a larger share of total litigation costs — double the 11.7% who say expenses are declining.

We note that 11.7% admit they don't track this metric at all, which suggests a gap in cost visibility that may leave some organizations underestimating a growing cost component.

Q35. What percentage of your TOTAL CASE COSTS do legal fees and expenses constitute? (We define "total case costs" as legal fees plus expenses PLUS indemnity payments). A rough estimate is fine.

Metric	Value	Metric	Value
Mean	30.3%	Q1 (25th pct.)	17.0%
Median	25.0%	Q3 (75th pct.)	35.0%
Std. Deviation	18.2%	Range	4-90%

Source: 2026 CLM National Litigation Management Study - Q35

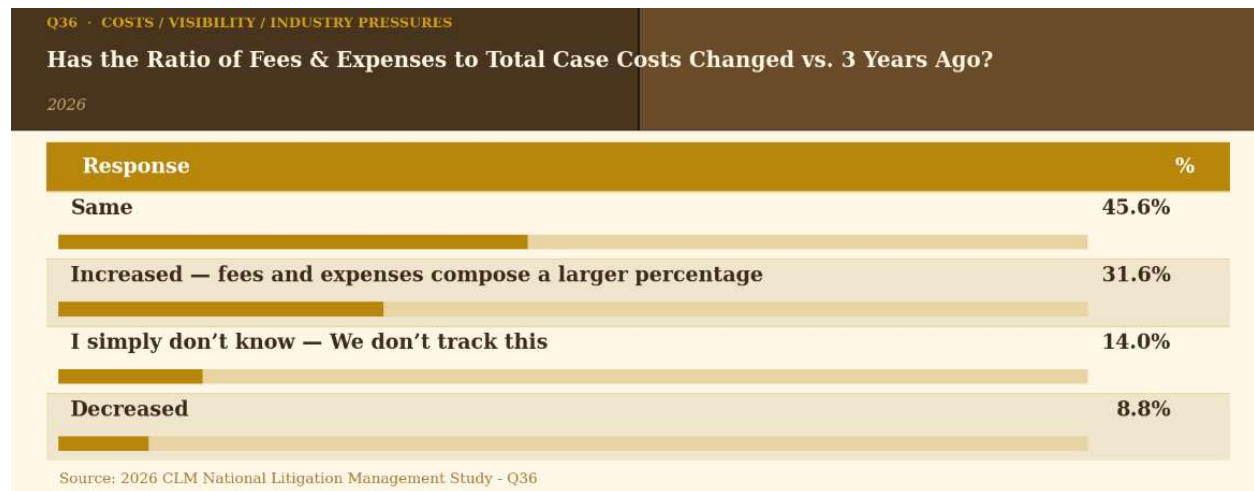
Legal fees and expenses account for a median of 25.0% of total case costs (indemnity plus fees plus expenses), meaning that for every dollar spent to resolve a litigated claim, roughly 25 cents goes to the defense effort, and 75 cents goes to indemnity.

This ratio is a fundamental benchmark for litigation management efficiency. It is also a clear affirmation that the opportunity control total costs lies not just in legal fees and expense control, but in the improvement of the indemnity.

This split makes it easy to visualize the importance of indemnity management, particularly in light of Q29 (rising indemnity costs) and Q7 (declining trial rates).



Q36. Compared to three years ago, has the ratio of fees and expenses to total case costs changed?

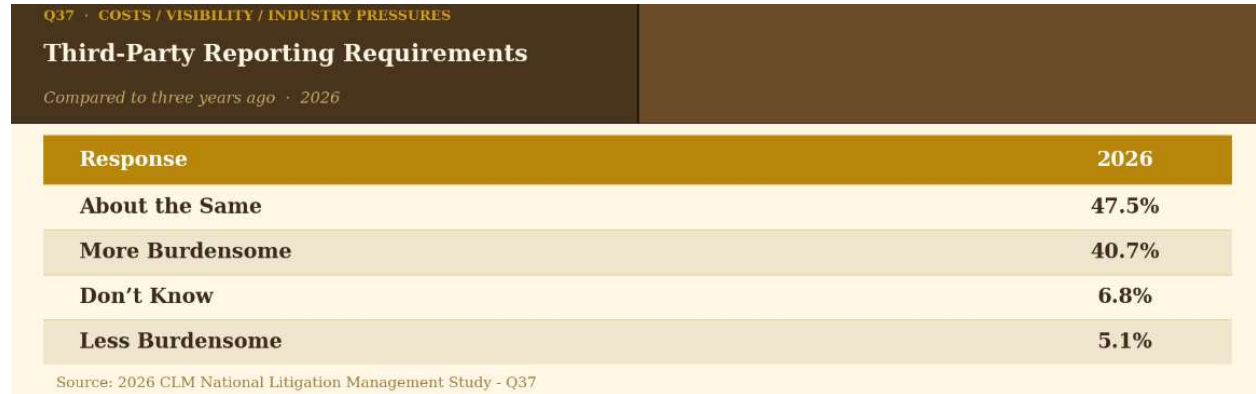


We noted that nearly a third (31.6%) report that defense costs are growing as a share of total case costs, outpacing the 8.8% who see them declining. If defense costs are growing faster than indemnity costs, it means the cost of defending is consuming an increasing share of every resolution dollar.

That said, the costs of defending are still 25% of total case cost – and we also note that 14.0% acknowledge they don't track this ratio at all. We anticipate that organizations will have to

make difficult decisions about where to place their expense management focus in light of law firm staffing challenges. See Q45, A46, A47, Q89, and Q90.

Q37. Do you perceive that reporting requirements from third parties (reinsurers, excess carriers, regulators, etc.), as relates to litigation, are changing in any way?



Four in ten respondents (40.7%) report that third-party reporting requirements are becoming more burdensome, a modest increase from the 39% who said this in the 2023 Study.

While not a dramatic shift, the persistence of this pressure over two successive studies, combined with the tiny share (5.1%) who find requirements less burdensome, suggests that the reporting environment is tightening rather than easing.

Q38. In general, do you believe you are spending more on COVERAGE COUNSEL COSTS (both internal and external) than you were three years ago?



Nearly three out of four respondents (73.8%) report that coverage counsel costs have increased.

This is a significant and, in our view, underappreciated cost driver in the litigation management ecosystem. Coverage counsel expenses — which are typically excluded from standard outside legal spend figures (as noted in Q4) — represent a parallel cost stream that is growing independently.

We wonder, but cannot confirm, whether this increase reflects the growing complexity of coverage questions driven by emerging liability theories and social inflation-influenced demands.

Q39. If you know the number, how would you express those costs (both internal and external) as a percentage of your annual total legal spend? For example, if your total legal spend is \$50MM a year and you believe your internal and external costs for coverage counsel are \$5MM, please enter 10%. If you don't know, leave blank.

Q39 · COSTS / VISIBILITY / INDUSTRY PRESSURES			
Coverage Counsel Costs as % of Total Legal Spend			
2026			
Metric	Value	Metric	Value
Mean	12.4%	Q1 (25th pct.)	8.0%
Median	10.0%	Q3 (75th pct.)	15.0%
Std. Deviation	7.0%	Range	3-35%

Source: 2026 CLM National Litigation Management Study - Q39

Coverage counsel costs account for a mean of 12.4% of total legal spend, with a tight interquartile range of 8% to 15%.

This means that for every dollar most organizations spend on outside legal defense, they are spending an additional 10–15 cents on coverage counsel — a cost line that has traditionally received less scrutiny and management attention than panel counsel spend.

Q40. In general, do you believe that spending MORE money on the defense of a lawsuit reduces the indemnity costs (verdict, settlement, loss costs) in that lawsuit?

Q40 · COSTS / VISIBILITY / INDUSTRY PRESSURES				
Does Spending More on Defense Reduce Indemnity Cost?				
2015 - 2026				
Study Year:	2015	2019	2023	2026
No	84%	79%	81%	63.9%
Yes	16%	21%	19%	36.1%

Source: 2026 CLM National Litigation Management Study - Q40

A clear majority (63.9%) do not believe that higher defense spending reduces indemnity outcomes.

However, in news that will delight defense attorneys the conviction behind this belief has weakened considerably. In the 2023 Study, 81% answered “No”; in 2019, it was 79%; in 2015, it was 84%. The 2026 figure of 63.9% represents a 17-point decline from 2023 — the largest shift on this question across any study interval.

More than one in three respondents (36.1%) now believe that more defense spending can positively affect indemnity outcomes. We think this figure marks a meaningful departure from a core industry belief that has been remarkably stable for over a decade.

Q41. Please indicate on the slider how well does the traditional legal billing model of time plus expense (hourly billing) align the interests of the law firm with your organization’s interests?



The hourly billing model receives a middling score of 52.2 out of 100, a notable decline from the 66 out of 100 reported in the 2023 Study.

This 14-point drop represents a significant erosion in perceived alignment between the hourly model and carrier interests. The wide interquartile range (30–75) shows deep philosophical division.

Despite this growing dissatisfaction, the data from Q89–Q93 shows that non-hourly billing remains rare in practice and that firms almost never propose alternatives. We view this widening gap between dissatisfaction and the absence of alternatives as a structural tension in the carrier-firm relationship.

Q42. Compared to three years ago, is it more or less difficult to find qualified, expert claim staff to handle litigated files within your organization?

Is It Harder to Find Qualified Claim Staff?

Respondent share by difficulty level · 2015, 2019, 2023, 2026

75%*say it is harder to find qualified claim staff*

Study Year:	2015	2019	2023	2026
Harder	51%	61%	67%	75.0%
The Same	40%	32%	30%	20.0%
Easier	9%	7%	3%	5.0%

Source: 2026 CLM National Litigation Management Study — Q42

Three-quarters of respondents (75.0%) say it is more difficult to find qualified claim staff, an increase from the 67% who said this in 2023.

This is a talent crisis that shows no signs of abating. Combined with rising litigation volume (Q13: 59.4% report more files) and growing complexity across plaintiff tactics and AI pressures, organizations are being asked to do more with an increasingly difficult-to-staff workforce.

Q43. How would you describe your annual employee turnover rate at the claim professional level? If you know your specific annual turn-over rate please list it below. If not, just indicate whether it's high or low.

Annual Employee Turnover Rate — Claim Professional Level

2026

Response	% of Respondents
Low	46.2%
Normal	28.8%
High	23.1%

Source: 2026 CLM National Litigation Management Study - Q43

Among those who responded, nearly half (46.2%) describe their annual claim professional turnover as low, while roughly three in ten (28.8%) characterize it as normal. Nearly a quarter (23.1%) report high turnover — a meaningful segment given the talent pressures documented in Q42. Among the subset of respondents who provided actual turnover rates, figures ranged from 0% to 13%, with a median of 5.0% and a mean of 5.4%. This is the first time this question has appeared in the CLM Litigation Management Study, so no prior-year comparison is available.

Q44. What are the core issues facing your organization when it comes to finding qualified claim professionals to manage litigated files? Please check all that apply:

Among those who responded, the candidate shortage is the dominant pressure — more than two thirds cite a simple lack of qualified candidates as the core issue, making it the most frequently mentioned challenge by a wide margin. Compensation pressure compounds the problem, with more than half reporting they are paying more to retain existing staff, and roughly one in four acknowledge they are losing people to competitors willing to pay more. In-office work requirements are cited by nearly one in four as a contributing factor in reduced candidate pools. Notably, roughly one in five report none of these issues apply — a useful reminder that the talent challenge, while broadly felt, is not universal.



Among those who wrote in additional context, a recurring theme was not just scarcity of candidates, but a perceived decline in candidate quality — with one respondent noting they are “paying more to get less skilled adjusters in the door.” Others pointed to a growing need to accelerate the development of less experienced handlers as litigation increasingly reaches lower-complexity, lower-limit files that were historically resolved without formal litigation. This question is new to the 2026 Study; no prior-year comparison is available.

Q45. Does your organization use flexible staffing (e.g., contract attorneys, legal temps, ALSPs) to support litigation or claims-related work?

Q45 · COSTS / VISIBILITY / INDUSTRY PRESSURES

Use of Flexible Staffing (Contract Attorneys, Legal Temps, ALSPs)

2026

Response	% of Respondents
No — we rely solely on internal or outside counsel	76.2%
Yes — actively using	12.7%
Not currently using, but considering	7.9%
Piloting or evaluating	1.6%

Source: 2026 CLM National Litigation Management Study - Q45

Despite the acute talent pressures documented in Q42–Q44, flexible staffing remains largely untapped. More than three quarters (76.2%) rely solely on internal staff or outside counsel, with no use of contract attorneys, legal temps, or ALSPs. Only 12.7% are actively using flexible staffing models, while 7.9% are considering it and another 1.6% are piloting or evaluating options.

Combined, roughly one in five organizations is either using or actively exploring flexible staffing — suggesting the practice is on the radar but has not yet reached meaningful scale. No prior-year comparison is available for this question in its current form.

Q46. Defense firms have widely reported a talent shortage in the insurance defense law firm community. Which statement best describes your own experience with this?



Nearly all respondents (96.7%) are aware of the defense firm talent shortage, with 78.7% describing themselves as “acutely aware.”

This near-universal awareness establishes the defense talent crisis as the most broadly recognized challenge in the carrier-firm relationship today. The 2024 CLM Defense Counsel Study documented this crisis in significant detail, with 65% of firms reporting they are not fully staffed and 91% saying it is more difficult to attract talent.

More recent survey work by the CLM’s Litigation Management’s Task Force in October of 2025 revealed that 60 percent of law firms are currently turning down work due to capacity constraints.

Q47. To what degree, if any, has a law firm staffing shortage affected your litigation management program?

The defense firm talent shortage is now tangibly affecting the majority of carrier litigation programs, with 79.0% reporting at least some effect.

To What Degree Has the Law Firm Staffing Shortage Affected Your Litigation Program?

2026

Response	%
Minimal effect	35.5%
Moderate effect	27.4%
No effect at all	21.0%
Significant effect	16.1%

Source: 2026 CLM National Litigation Management Study - Q47

The 16.1% reporting a “significant effect” is the most concerning segment. Only 21.0% say they’ve felt no impact at all. This data, combined with Q48 (where 38.7% report panel firms asking for a pause on new assignments), paints a picture of a defense ecosystem operating near capacity.

Q48. In the past 6 months have any of your panel firms asked for a break or a pause or halt from giving them new assignments due to staffing concerns?

Nearly four in ten carriers (38.7%) report that at least one panel firm has asked for a pause or halt on new assignments in the past six months. We view this as a striking data point that would have been virtually unheard of in prior study cycles. When a law firm — whose business depends on receiving work (and in insurance defense, at volume) — asks its client to stop sending cases, the capacity constraint has become acute.

Q49. Regardless of whether your organization uses a staff counsel operation, do you predict that the use of staff counsel will increase, decrease, or stay the same across the industry as a whole over the next five years?

Predicted Use of Staff Counsel Over the Next 5 Years

2023 – 2026

Response	2023	2026
Increase	26%	41.7%
Same	~48%	40.0%
Decrease	26%	18.3%

Source: 2026 CLM National Litigation Management Study - Q49

A plurality (41.7%) predict that staff counsel usage will increase, a significant upward shift from the 2023 Study where only 26% predicted growth.

The near-doubling of this figure reflects a growing belief that the economics and staffing challenges of outside counsel will push more organizations to consider captive legal resources.

We don't know how tightly this belief is directly connected to the defense firm talent crisis (Q46–Q48) and rising per-file costs (Q30): however, it makes logical sense that if outside firms are capacity-constrained and expensive, bringing legal defense in-house becomes a more attractive strategic option.

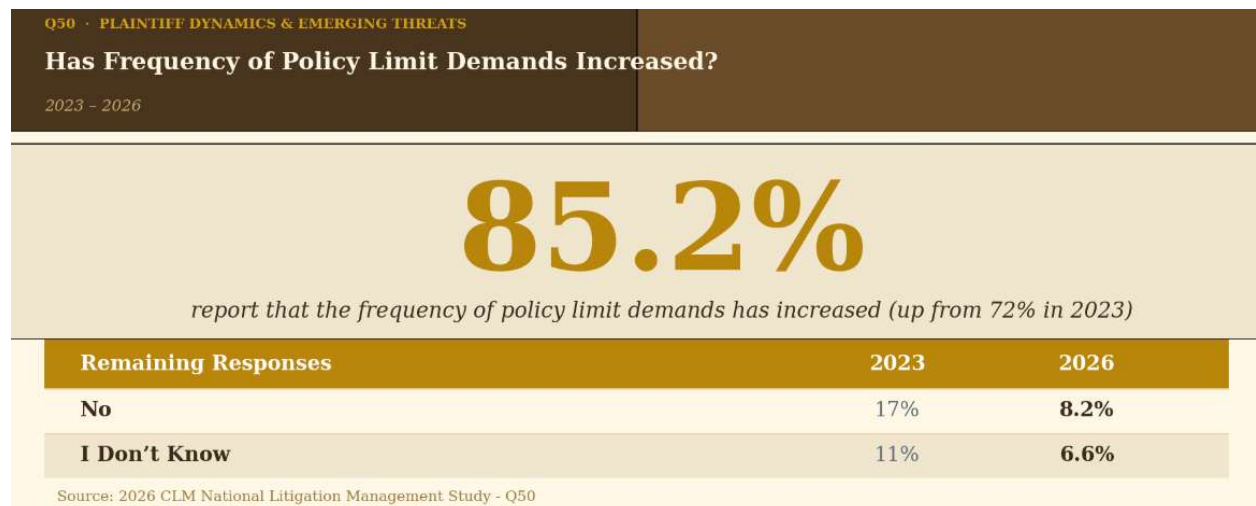
Section 4: Plaintiff Dynamics & Emerging Threats (Q50–Q67)

This section addresses what we believe is one of the most consequential areas of the 2026 Study: the changing tactics and capabilities of the plaintiff bar, the rise of AI as both a threat and a tool, and the significant gaps in how organizations track and respond to several high-impact plaintiff strategies. Readers will note that many of the tracking gaps documented here have persisted across multiple studies.

Q50. Policy limit demands – has the frequency of policy limit demands increased for your organization in the past 3 years?

The surge in policy limit demands has intensified dramatically: 85.2% of respondents now say the frequency has increased, up from 72% reported in the 2023 Study.

This 13-point jump over just three years, combined with only 8.2% saying “No,” makes this one of the most unanimous findings in the entire Study.



To what degree this increase in policy limit demands is tied to emerging technology being used across the plaintiff bar. We do note that EvenUp Law claims that they create demands with a 69% higher likelihood of reaching policy limits, and that they are more likely to achieve policy limit settlements, but this is a slightly different metric.

Q51. Does your organization track the number of policy limit demands it receives?

Q51 · PLAINTIFF DYNAMICS & EMERGING THREATS		
Does Your Organization Track Policy Limit Demands?		
2023 - 2026		
Response	2023	2026
No	68%	56.7%
Yes	32%	36.7%
Don't Know	—	6.7%

Source: 2026 CLM National Litigation Management Study - Q51

Despite 85.2% reporting that policy limit demands are increasing (Q50), a majority (56.7%) do not track the number of demands they receive.

This tracking deficit is down from 68% who said they didn't track in 2023, which shows some improvement — but the gap between the magnitude of the problem and the organization's ability to measure it remains surprisingly large.

Organizations that cannot quantify the volume of policy limit demands they receive cannot develop data-driven response strategies.

Q52. Does your organization track the number of POLICY LIMIT SETTLEMENTS that it makes?

Q52 · PLAINTIFF DYNAMICS & EMERGING THREATS	
Does Your Organization Track the Number of Policy Limit Settlements Made?	
2026	
Response	%
No	66.1%
Yes	33.9%

Source: 2026 CLM National Litigation Management Study - Q52

Two-thirds of organizations (66.1%) do not track the number of policy limit settlements they make.

Combined with Q51's finding that 56.7% don't track policy limit demands, a clear measurement gap emerges: many organizations can neither quantify how many policy limit demands they receive nor how many they pay.

Without tracking both inputs (demands) and outputs (settlements), organizations cannot calculate their demand-to-settlement conversion rate — a metric that would be invaluable for understanding negotiation effectiveness.

Q53. What is your comfort level with the negotiation skills of the majority of your CLAIM PROFESSIONALS?



Executives express moderate-to-good confidence in their claim professionals’ negotiation skills at 64.1 out of 100, but the wide interquartile range (50–80) reveals meaningful disagreement.

A quarter of respondents score their claim professionals at 50 or below. In an environment where 87.4% of cases settle (Q7), 85.2% see more policy limit demands (Q50), and 65.0% have no formal negotiation policy (Q55), the fact that a significant minority of executives lack confidence in their front-line negotiators is a risk factor that directly impacts indemnity outcomes.

Q54. What is your comfort level with the negotiation skills of the majority of your DEFENSE ATTORNEYS?



Confidence in defense attorney negotiation skills (60.5) is slightly lower than confidence in claim professionals (64.1 from Q53) — a somewhat counterintuitive finding given that attorneys are now being asked to do the negotiation on more than 50% of the offers extended.

Q53 vs. Q54: Negotiation Skill Confidence — Claim Professionals vs. Defense Attorneys		
Metric	Claim Professionals	Defense Attorneys
Mean Score	64.1	60.5
Median Score	70.0	62.0
Std. Deviation	20.1	20.6
Q1 (25th pct.)	50.0	43.0
Q3 (75th pct.)	80.0	75.0

This table illustrates a few things. Not only is the median confidence level different, but the Q1 gap is the most surprising, with participants potentially suggesting that a meaningful segment of their panel attorneys are genuinely weak negotiators.

To us, however, both scores are mediocre in absolute terms. Neither group breaks 70 at the mean. On a 1-100 scale a mean of 60-64 is a C grade. Given that negotiation is arguably the single most important skill in litigation management — where 97% of non-dismissed case settle — these scores suggest a systemic skills gap across the board.

Q55. Negotiation – Does your organization maintain a formal policy regarding who should negotiate or extend offers with opposing parties when defense counsel has been retained? (i.e., the claim professional or defense counsel)



Nearly two-thirds (65.0%) of organizations have no formal policy governing who negotiates and extends settlement offers.

In a world where policy limit demands are surging (Q50), negotiation skill confidence is only moderate (Q53, Q54), and 87.4% of cases resolve through settlement (Q7), the absence of formal negotiation governance in most organizations represents a significant process gap.

Q56. Negotiation – Does your organization track or log who specifically extends a settlement offer to opposing parties (when defense counsel has been retained)?



An overwhelming 82.0% of organizations do not track who extends settlement offers. This is a remarkable data gap given that settlement is the resolution mechanism for the vast majority of litigated files (Q7), and that there is a relevant distinction made by executives in terms of who is best suited in terms of negotiation skills (Q53, Q54).

Q57. On the slider indicate how common it is for you to bring in a new firm to either assist or take over files that are proceeding to trial:

Q57 · PLAINTIFF DYNAMICS & EMERGING THREATS

How Common Is It to Bring in a New Firm at the Trial Stage?

1-100 scale · 2026

Metric	Value	Metric	Value
Mean	27.4	Q1 (25th pct.)	10.0
Median	16.0	Q3 (75th pct.)	41.0
Std. Deviation	24.5	Range	0-80

Source: 2026 CLM National Litigation Management Study - Q57

Bringing in a new firm for the trial stage is uncommon, with a mean of 27.4 and a median of just 16.0. The practice varies widely, however, as reflected in the interquartile range of 10–41 — some organizations do this routinely while most do not.

Q58. The plaintiff bar’s adoption of AI has exploded in recent years. As an example, EvenUp Law has now raised \$385M, and has a valuation of \$2B. They are just one of many new plaintiff firm technologies with the objective of increasing settlement values. Which statement best reflects your thoughts about these developments.

Concern Level: Plaintiff Bar's Adoption of AI-Driven Litigation Tools

2026

0%*are unconcerned by the plaintiff bar's adoption of AI-driven litigation tools*

Remaining Responses	% of Respondents
I find these developments significantly concerning	45.2%
I find these developments moderately concerning	35.5%
I find these developments mildly concerning	11.3%
I really don't know too much about what these companies do	6.5%

Source: 2026 CLM National Litigation Management Study - Q58

The industry's alarm about plaintiff-side AI adoption is unambiguous. Nearly half (45.2%) describe these developments as significantly concerning, and another 35.5% find them moderately concerning — meaning more than eight in ten respondents register at least moderate concern. Only 11.3% are mildly concerned, and 6.5% are largely unfamiliar with what these tools do.

Notably, not a single respondent selected “these developments don't fundamentally concern me” — a striking unanimity from an industry that rarely speaks with one voice. This is a new question in the 2026 Study; no prior-year comparison is available.

Q59. The use of AI across the plaintiff bar enables the capture of data about the negotiation behavior of defense teams. Does your organization maintain formal dossiers and data points about specific plaintiff law firms?

Does Your Organization Maintain Formal Dossiers on Specific Plaintiff Law Firms?

2026

Response	% of Respondents
No. Not in any formal way.	56.5%
Sort of. We capture information anecdotally about some firms.	35.5%
Yes. We formally track our interactions with many plaintiff firms.	6.5%

Source: 2026 CLM National Litigation Management Study - Q59

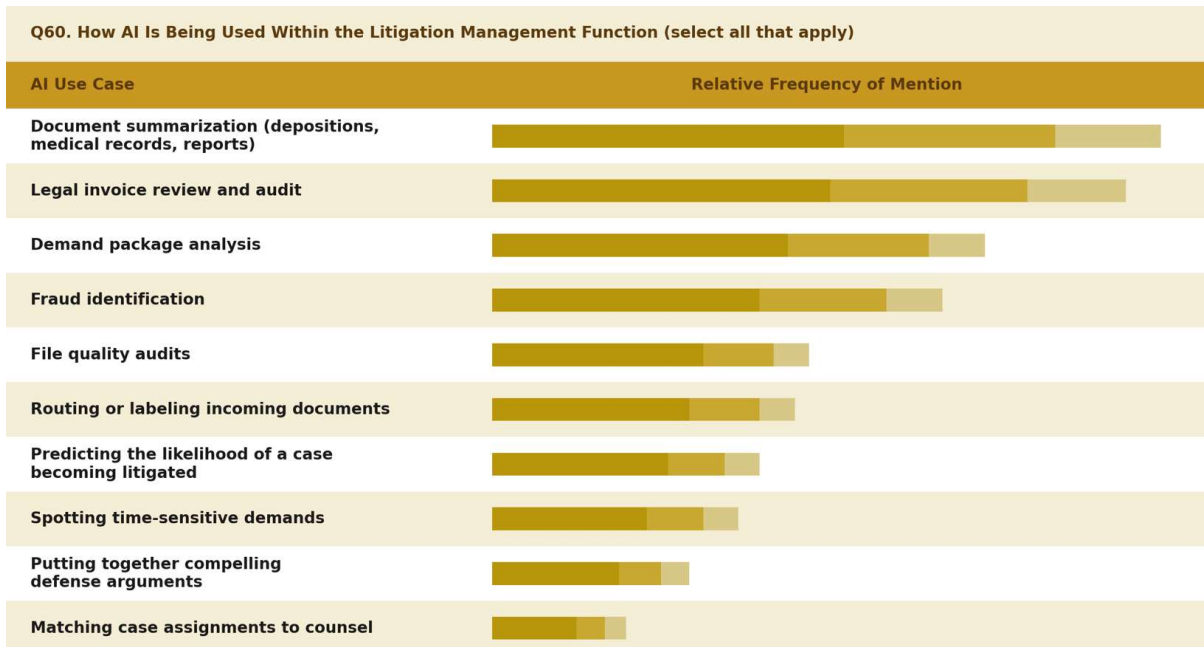
While the plaintiff bar is rapidly building institutional knowledge about defense negotiation behavior, the defense side has been slower to formalize its own intelligence on opposing counsel. More than half (56.5%) report no formal tracking of plaintiff firm data whatsoever, and

another 35.5% capture information only anecdotally. Just 6.5% maintain formal, systematic tracking of interactions with plaintiff firms.

The asymmetry is notable: as plaintiff-side AI tools grow more sophisticated in profiling defense behavior, the defense community’s response has largely been informal at best. This is a new question in the 2026 Study; no prior-year comparison is available.

Q60. How is AI being used within the litigation management function in your organization today? (check all that apply; if none, leave blank):

AI adoption within carrier litigation management functions is broad and accelerating. Among respondents, 84.1% are using AI in at least one area. Document summarization — of depositions, medical records, and reports — is the leading use case, selected by nearly two thirds of AI users (64.2%). Legal invoice review and audit (45.3%) and demand package analysis (43.4%) round out the top three.



Fraud identification (35.8%) and file quality audits (26.4%) follow closely. More predictive and strategic uses — such as predicting the likelihood of litigation (20.8%) and building defense arguments (13.2%) — are emerging but remain less common. This is a new question in the 2026 Study; no prior-year comparison is available.

Q61. As you answer this question today, has your company agreed to pay for any AI-related software or tools being used by your law firms?

Has Your Company Agreed to Pay for AI-Related Software or Tools Used by Your Law Firms?

2026

78.7%

have not agreed to pay for AI-related software or tools used by their law firms

Remaining Responses	% of Respondents
Yes — but rarely, only as an exception	11.5%
Yes	6.6%
I don't know	3.3%

Source: 2026 CLM National Litigation Management Study - Q61

Carriers have been largely reluctant to absorb AI tool costs on behalf of their outside counsel. Nearly four in five (78.7%) have not agreed to pay for any AI-related software or tools used by their law firms.

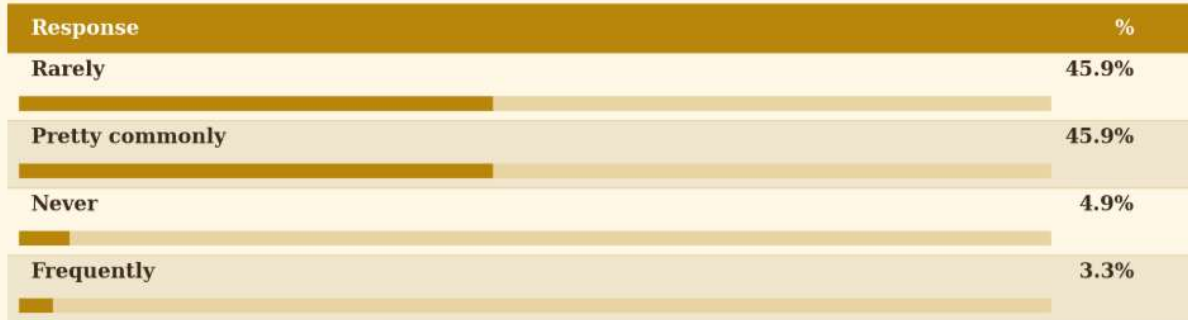
Only 6.6% have done so outright, with another 11.5% allowing it rarely and only as an exception. As AI tool adoption by law firms accelerates — and as related billing questions multiply — this question is likely to grow in prominence in future study cycles. This question is new to the 2026 Study; no prior-year comparison is available.

Q62. How often would you say you've been approached by law firms requesting permission to use AI-related software and tools?

The defense bar's engagement with carriers on the topic of AI seems tentative at best. More than half (50.8%) say it comes up rarely or never. Only 3.3% say firms discuss AI frequently.

How Commonly Do You Hear from Outside Counsel About Their Firm’s Use of AI?

% of respondents - 2026



Source: 2026 CLM National Litigation Management Study — Q62

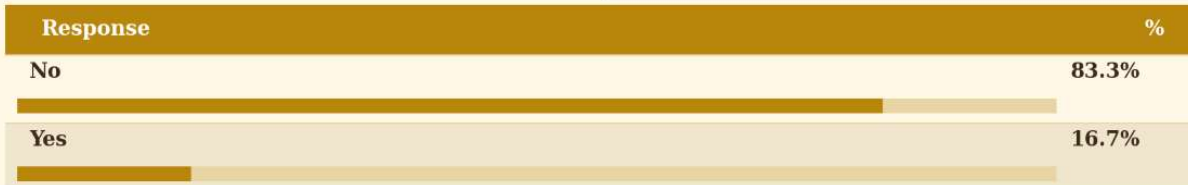
Given that AI was the top-cited plaintiff bar threat (Q67: 57.8%), the top forward-looking industry threat (Q126: 52.0%), and the top planned initiative (Q128: 39.6%), the defense bar’s relative silence on the topic is notable.

In the 2024 CLM Defense Counsel Study, only 6% of attorneys at that time said their firms were using AI tools. While that number has changed since then, the gap between the perceived urgency of AI on the carrier side and the actual engagement from defense firms is something to be watched carefully.

Q63. Do you have an established process for identifying or attempting to identify files with third-party litigation funding (TPLF) involved?

Do You Have an Established Process for Identifying Files with Third-Party Litigation Funding (TPLF)

2026

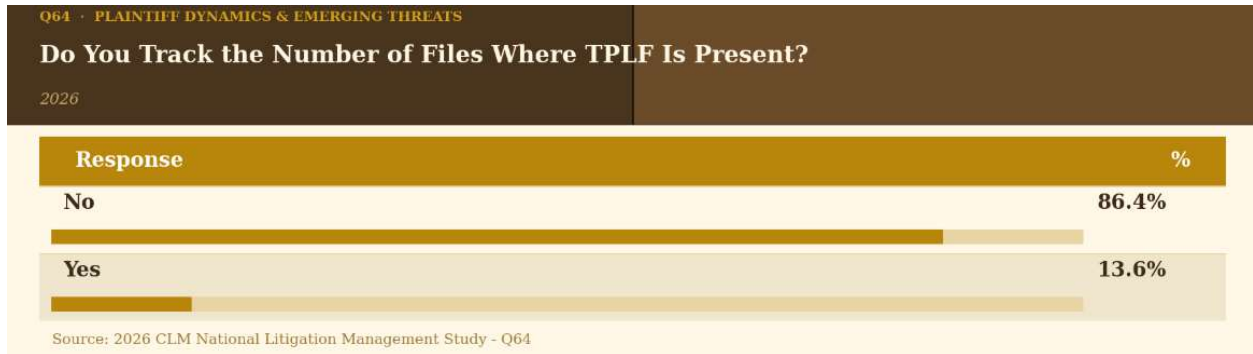


Source: 2026 CLM National Litigation Management Study - Q63

The vast majority (83.3%) of organizations have no established process for identifying TPLF.

This is notable given that TPLF is recognized as an emerging industry threat. Litigation-funded cases behave differently — they are less likely to settle early, more likely to be driven to trial, and may involve different economic incentives for the plaintiff’s attorney.

Q64. Do you track the number of files where TPLF is present?



Even fewer organizations (13.6%) track TPLF-impacted files than have identification processes (16.7% in Q63), meaning that even among those attempting to identify funded cases, some are not systematically logging what they find.

For all the reasons identified in Q63, we view this to be an area of opportunity.

Q65. Do you have an established process for tracking files where you suspect medical financing is involved (where medical bills are being financed or medical liens are being purchased)?

Medical financing — where medical providers accept payment on a lien basis, often at inflated rates — goes untracked at 84.5% of organizations. This finding mirrors the TPLF tracking gap and extends it into the medical cost arena.



Q66. Do you track the number of files on which you receive Time Limited Demands?

Do You Track the Number of Files on Which You Receive Time Limited Demands?

2026

Response	%
No	59.3%
Yes	40.7%

Source: 2026 CLM National Litigation Management Study - Q66

Time limited demands are tracked by only 40.7% of organizations. This is the best-tracked of the plaintiff tactics measured in Q51–Q66 yet still represents a minority.

Given that time limited demands are a primary mechanism through which plaintiff counsel creates pressure for policy limit settlements, the 59.3% not tracking these demands are operating without visibility into one of the plaintiff bar’s most commonly deployed leverage tactics.

Q67. In just a few words, what new trend or behavior is the plaintiff bar doing that you believe represents a new challenge or threat to our industry?

We received an excellent and robust data set from these comments. Among those who responded, AI adoption by the plaintiff bar and time-limited policy limit demands emerged as the two dominant concerns, cited with equal frequency and often mentioned together as a compounding threat.

Respondents described AI not merely as a drafting tool but as a strategic weapon — used to monitor defense behavior, build carrier intelligence databases, generate voluminous demand packages, and drive case selection using actuarial data.

Time-limited demands were characterized as increasingly pre-suit, inflated, and tactically designed to manufacture bad faith exposure rather than resolve claims on the merits.

Plaintiff bar collaboration and data sharing drew strong mention, with respondents expressing frustration that the defense side operates in silos while plaintiff attorneys pool intelligence freely.

TPLF was commonly cited, with a notable observation that its use has expanded beyond mass torts into low-value single-plaintiff claims. Bad faith setup strategies, delayed settlement tactics, medical inflation, and venue or judicial manipulation rounded out the findings.

One of the most self-aware responses that really deserves a call-out was this comment, ***“They are much faster to embrace technology, much less regimented in their approach to ethical considerations, and much more willing to share their experience freely among their peers. Insurers are poor at all of these things.”***

In our view, this comment belongs equally in the peer-advice section of this report. This is not as much a description of the plaintiff bar threat as it is a call to action for our industry.

Category	Representative Themes	Frequency
AI Adoption by Plaintiff Bar	AI-generated demand packages, AI to monitor defense adjusters and counsel, AI-driven case selection using actuarial data, AI for crafting mediation statements and litigation strategy	Frequently Mentioned
Time-Limited & Policy Limit Demands	Premature and inflated time-limited demands, policy limit demands from day one, TLDs issued pre-suit before meaningful investigation, AI-driven TLD proliferation	Frequently Mentioned
Plaintiff Bar Collaboration & Data Sharing	Coordinated plaintiff bar sharing settlement data, carrier negotiation behavior, and defense firm intelligence; leveraging aggregated 'big data' against carriers	Commonly Mentioned
TPLF — Third-Party Litigation Funding	Expansion of TPLF beyond mass torts into low-value single-plaintiff cases under \$50k; TPLF enabling more aggressive litigation postures	Commonly Mentioned
Bad Faith Setup & Stipulated Judgments	Manufacturing bad faith exposure through technical compliance traps, covenants not to execute with outrageous stipulated judgments, weaponizing delay and documentation	Commonly Mentioned
Delayed Settlement & Refusal to Negotiate Early	Refusing early resolution discussions, only engaging near trial, creating pressure on defense cycle times and legal spend, willingness to try any case regardless of merit	Commonly Mentioned
Medical Inflation & Injury Exaggeration	Asserting non-clinical diagnoses (TBI, spinal injuries), life-care plans, pushing surgery regardless of conservative care options, TBI allegations with subjective complaints	Commonly Mentioned
Venue & Judicial Manipulation	Relying on plaintiff-friendly venues and judges to manufacture nuclear verdict threat, exploiting cumulative trauma laws in specific jurisdictions	Mentioned

Section 5: Economics & Billing (Q68–Q94)

Billing practices, invoice review processes, and the ever-present discussion of alternative fee arrangements are explored in this section. Readers will note that many of the fundamentals have remained steady over multiple studies, while several “edge” practices — including AI billing rules and the debate over who pays for firm-based AI tools — are emerging for the first time.

Q68. When it comes to complying with your legal billing guidelines, compared to 3 years ago, how do you feel your law firms are doing?

How Are Firms Performing on Billing Guideline Compliance?

2015 - 2026

Study Year:	2015	2019	2023	2026
About the Same	30%	43%	58%	60.3%
Better	70%	56%	36%	34.5%
Worse	0%	1%	6%	5.2%

Source: 2026 CLM National Litigation Management Study - Q68

Billing guideline compliance is stable-to-improving: 34.5% say firms are doing better and only 5.2% say worse — numbers that are nearly identical to the 2023 Study (36% better, 6% worse).

The 2023 Study had noted that the “doing better” figure had tailed off from 56% in 2019, suggesting diminishing marginal improvement. The 2026 data confirms that plateau: roughly a third see improvement, six in ten see no change, and very few see regression. Billing compliance appears to have reached a steady state.

Q69. Do you utilize legal invoice review software to review invoices received from your law firms?

Do You Utilize Legal Invoice Review Software?

2019 - 2026

Study Year:	2019	2023	2026
Yes	65%	69%	76.3%
No	35%	31%	23.7%

Source: 2026 CLM National Litigation Management Study - Q69

The adoption of legal invoice review software continues to rise, from 65% in 2019 to 69% in 2023 and now 76.3% in 2026. More than three-quarters of organizations now use technology to review legal invoices, making it the most widely adopted litigation management technology.

We do note that roughly a quarter of respondents say they’re not using legal invoice review software; however, as in prior studies we believe that these figures likely understate actual usage. Many organizations that rely on the third-party invoice review resources may not consider themselves users of “software” – even though those third-party reviewers rely on it extensively.

Q70. Do you routinely use third-party invoice review experts or a company that provides expert (human) legal invoice review? (We are not referring to singular billing disputes, but to the routine review of most legal invoices).

Do You Routinely Use Third-Party Invoice Review Experts?

2019 - 2026

Study Year:	2019	2023	2026
Yes	33%	43%	50.9%
No	67%	57%	49.1%

Source: 2026 CLM National Litigation Management Study - Q70

Third-party invoice review has crossed the 50% threshold for the first time, up from 43% in 2023 and 33% in 2019.

This steady trajectory — from one-third to one-half in just six years — possibly reflects a growing belief that specialized expertise adds value beyond what in-house review can provide.

Q71. Does your organization maintain a centralized legal invoice review unit (i.e., a group of internal legal invoice experts who review most legal invoices)?

Only 23.7% maintain a centralized invoice review unit, down from 29% in 2023 and 37% in 2019. The decline in centralized internal teams coincides with the rise in third-party outsourcing (Q70), suggesting a structural shift from building internal bill review departments to using external expertise.

In fact, these three question results put together paint a clear picture of evolution over the past decade.

Invoice Review — How the Model Is Shifting

2019 - 2026

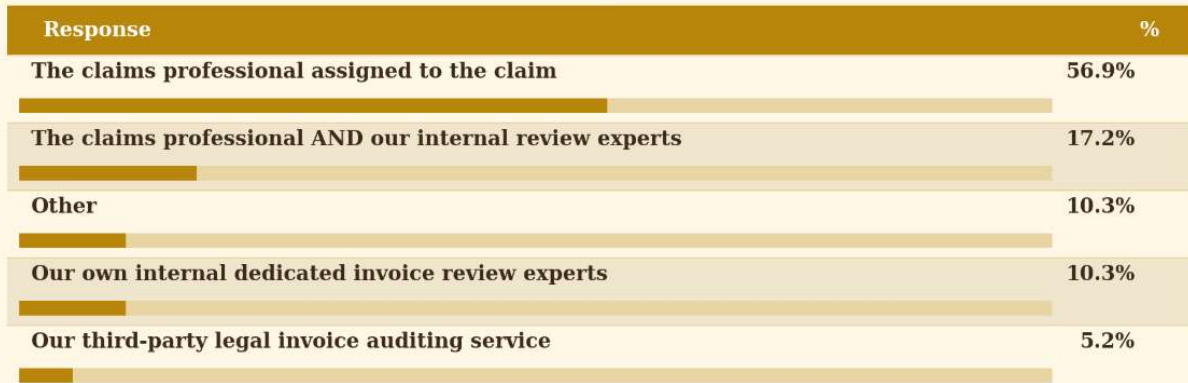
Study Year:	2019	2023	2026
Q69: Invoice Review Software	65%	69%	76.3%
Q70: 3rd-Party Review Experts	33%	43%	50.9%
Q71: Centralized In-House Unit	37%	29%	23.7%

Source: 2026 CLM National Litigation Management Study - Q69-71

Q72. Who do you consider to be the primary arbiter of whether an adjustment to a legal invoice should be made? (i.e., who is the ultimate “decision-maker” when it comes to invoice adjustments?)

Who Is the Primary Arbiter of Whether an Adjustment to a Legal Invoice Is Appropriate?

2026



Source: 2026 CLM National Litigation Management Study - Q72

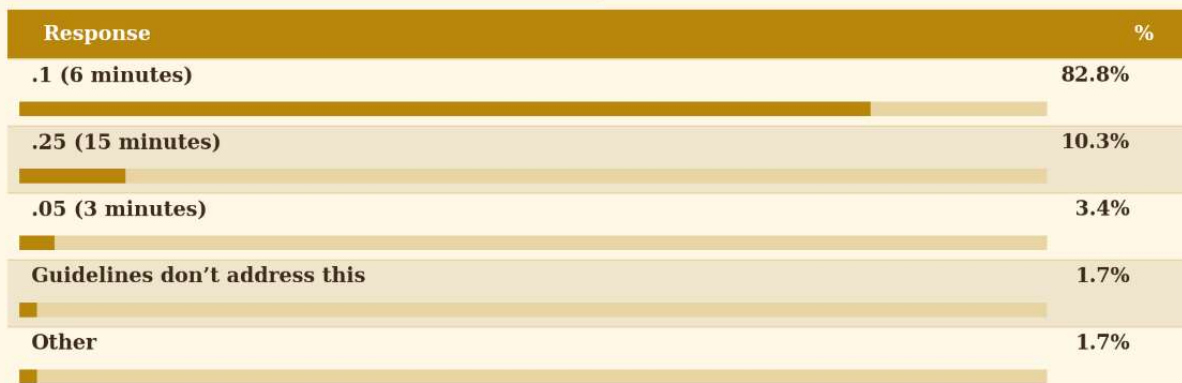
The claims professional remains the primary arbiter of invoice adjustments in a clear majority (56.9%) of organizations, consistent with the 2023 finding that 49% identified the claims professional as the decision-maker. When combined with internal review experts, the claim professional is involved in 74.1% of all legal invoice adjustment disputes.

We note that third-party auditing services serve as the primary decision-maker in only 5.2% of organizations — even though 50.9% use such services (Q70) — suggesting that outsourced review is (intended to be, at least) primarily advisory, not decisional.

Q73. What is the lowest required billable increment required in your billing guidelines for attorneys?

What Is the Lowest Required Billable Increment?

2026



Source: 2026 CLM National Litigation Management Study - Q73

The six-minute billable increment remains the overwhelming industry standard at 82.8%, virtually unchanged from 77% in 2023.

Our 2023 conclusion that “the three-minute increment does not seem to have taken hold” is reaffirmed by the 2026 data. Almost eight out of ten companies continue to use the six-minute increment.

Q74. Do you see a value in having a lower billable increment than you currently utilize with your firms?



Over nine in ten respondents (91.5%) see no value in lower billable increments, a decline from the 17% who expressed interest in 2023.

Q75. What would you estimate is the aggregate percentage of general reductions, post-appeal, that your organization makes annually on invoices submitted by PANEL counsel? Enter a whole number.

Study Year:	2019	2023*	2026
Mean Reduction	6%	~4.6%*	6.3%
Median Reduction	5%	~5.0%*	5.0%

Source: 2026 CLM National Litigation Management Study - Q75
* 2023 figures are approximated from reported ranges

Panel counsel invoice adjustments average 6.3% post-appeal, with a median of 5.0% — virtually unchanged from the 2019 and 2023 studies. This consistency suggests that adjustment rates have stabilized.

In terms of response distribution, it’s important to note that a small group of respondents reporting high(er) adjustment rates pulls the mean upward. Roughly 25% of organizations are reducing invoices by 10% or more, while the bottom 25% is reducing at 3% or less. Fifty percent (50%) fall into the 3-10% range.

In this context, we do want to call out that the 2024 CLM Defense Counsel Study highlighted that defense firms estimated their post-appeal adjustment rate at 9.5%.

Said differently, the perceived invoice adjustment rates given by defense counsel and insurance

executives differ significantly, and for purposes of this Study – whose objective is improved relationships, discussion, and collaboration – those differing perceptions matter a lot.

*Readers should note that we used a different format in 2023 (banded ranges replaced open numeric responses) and as such direct year to year comparisons were calculated and are not precise. In 2026 we reverted back to numeric responses for that reason.

Q76. What would you estimate is the aggregate % of general reductions, post-appeal, that your organization makes annually on invoices submitted by NON-PANEL counsel? Enter a whole number.

Non-panel counsel adjustments average 10.2%, roughly 4 points higher than panel counsel adjustments (Q75). The gap is not surprising — non-panel firms are less familiar with guidelines — but it continues to reinforce the economic value of being on panel.

Q76 · ECONOMICS & BILLING			
Post-Appeal Aggregate Reductions to Non-Panel Counsel Invoices			
2019 - 2026			
Study Year:	2019	2023*	2026
Mean Reduction	8%	~6.6%*	10.2%
Median Reduction	8%	~8.0%*	10.0%

Source: 2026 CLM National Litigation Management Study - Q76
 *2023 figures are approximated from reported ranges

*Readers should note again that we used a different format in 2023 (banded ranges replaced open numeric responses) and as such direct year to year comparisons were calculated and are not precise. In 2026 we reverted back to numeric responses for that reason.

Q77. Do you track the timing of invoice payment to law firms?

Q77 · ECONOMICS & BILLING	
Do You Track the Timing of Invoice Payment to Law Firms?	
2026	
Response	%
Yes	46.6%
No	43.1%
Maybe — not sure	10.3%

Source: 2026 CLM National Litigation Management Study - Q77

Given the pain points described by counsel in the 2024 CLM Defense Counsel Study, and in subsequent reports, we are frankly surprised to see that less than half of respondents say that they track the timing of payment.

Q78. Has the timing of legal invoice payment to law firms sped up or slowed down when compared to three years ago?

Q78 · ECONOMICS & BILLING	
Has the Timing of Legal Invoice Payment Sped Up or Slowed Down Compared to Three Years Ago?	
2026	
Response	%
Same — the timing of payment has not changed	55.9%
Sped up — we pay more quickly now	27.1%
Honestly, I have no idea	13.6%
Slowed down — we take longer to pay now	3.4%

Source: 2026 CLM National Litigation Management Study - Q78

Q79. Do you take a discount amount off legal invoices when you pay “promptly”?

Q79 · ECONOMICS & BILLING	
Do You Take a Discount Off Legal Invoices When You Pay Promptly?	
2026	
Response	% of Respondents
No	81.4%
Yes	16.9%

Source: 2026 CLM National Litigation Management Study - Q79

Prompt-pay discounts remain an uncommon practice in the industry. A strong majority (81.4%) report they do not take a discount off invoices in exchange for prompt payment, while only 16.9% do.

This suggests that while speed of payment is a known pressure point in carrier-firm relationships — and one documented elsewhere in this Study — the use of financial incentives to encourage timely invoicing has not taken meaningful hold. This question is new to the 2026 Study; no prior-year comparison is available.

Q80. Estimate the percentage of your law firms that have “opted-out” of any prompt-pay discounts. (If you don’t know or if you don’t apply prompt pay discounts, leave blank).

This question was directed only at the small subset of organizations (16.9%) that reported using prompt-pay discounts in Q79. Among that group, the few who provided estimates reported wide variation — from none of their firms opting out to nearly all of them doing so.

The limited and varied responses reflect the niche nature of the practice itself: where prompt-pay programs exist, their uptake by law firms appears inconsistent. One respondent offered an

unsolicited editorial, describing prompt-pay discounts as “an abhorrent practice.” This question is new to the 2026 Study; no prior-year comparison is available.

Q81. Do your billing guidelines allow external law firms to charge you for AI-enabled software that makes their work for you more efficient? Examples might include summarization tools, drafting and editing tools, and other AI-enabled solutions. Please select the answer that resonates with you the most:

The vast majority of organizations (87.9%) have billing guidelines that simply do not address AI-enabled software — leaving a significant policy gap at a time when law firms are rapidly adopting AI tools. Only 10.3% have guidelines that specifically reference AI-enabled tools.

As AI usage by defense firms accelerates, the absence of clear billing policy on this topic creates ambiguity for both carriers and the firms they retain. This question is new to the 2026 Study; no prior-year comparison is available.

Q81 · ECONOMICS & BILLING	
Do Your Billing Guidelines Allow Law Firms to Charge for AI-Enabled Software?	
2026	
Response	% of Respondents
No — our billing guidelines don't address this	87.9%
Yes — we specifically refer to AI-enabled tools in our guidelines	10.3%

Source: 2026 CLM National Litigation Management Study - Q81

Q82. Do you require law firms to seek prior authorization from you before using AI-related tools and software on the cases you have assigned to them?

A majority of organizations (55.4%) leave AI tool decisions entirely to their outside counsel, requiring no prior authorization before law firms deploy AI on their cases. However, nearly half do impose some form of oversight: 32.1% require general prior authorization, and 12.5% require it on a file-by-file basis.

Q82 · ECONOMICS & BILLING	
Do You Require Law Firms to Seek Prior Authorization Before Using AI Tools on Your Cases?	
2026	
Response	% of Respondents
No — we leave that decision to the firms	55.4%
Yes — prior authorization required in general (not file-specific)	32.1%
Yes — prior authorization required on each file	12.5%

Source: 2026 CLM National Litigation Management Study - Q82

Combined, 44.6% of organizations have established some gatekeeping mechanism over law firm AI use — a meaningful finding given how rapidly AI tools are being adopted by the defense bar. This question is new to the 2026 Study; no prior-year comparison is available.

Q83. Do your legal billing guidelines require the law firm to indicate in the legal bill (the narrative description) whether AI-tools or software were used to conduct the legal activity being billed for?

Transparency requirements around AI use in legal work are still in their early stages. Nearly three quarters (72.4%) of organizations do not require law firms to disclose in their bill narratives whether AI was used to complete the billed work. Only 15.5% require such disclosure, while 12.1% are unsure of their own guidelines on the matter.

Q83 · ECONOMICS & BILLING	
Do Billing Guidelines Require Law Firms to Disclose Whether AI Was Used to Complete the Work?	
2026	
Response	% of Respondents
No	72.4%
Yes	15.5%
I don't know	12.1%

Source: 2026 CLM National Litigation Management Study - Q83

As AI-generated work products become more common, the question of disclosure — and ultimately of appropriate billing rates for AI-assisted work — will become increasingly difficult to sidestep. This question is new to the 2026 Study; no prior-year comparison is available.

Q84. Which statement resonates most strongly with you regarding who should pay for the AI-related software and tools used by law firms on your files?

Q84 · ECONOMICS & BILLING	
Who Should Pay for AI-Related Software and Tools Used by Your Law Firms?	
2026	
<p>0%</p> <p><i>believe the claim organization should contribute to or pay for law firm AI tools</i></p>	
Remaining Responses	% of Respondents
Honestly, we are still figuring this out and have yet to arrive at a policy.	50.0%
Law firms should pay for these costs. We consider it overhead, almost without exception.	50.0%

Source: 2026 CLM National Litigation Management Study - Q84

The industry is evenly divided — and largely undecided — on who should bear the cost of law firm AI tools. Exactly half of respondents (50.0%) say law firms should absorb these costs as overhead, while the other half (50.0%) have not yet arrived at a policy. Notably, not a single respondent selected the option that claim organizations should contribute to or pay for law firm AI tools.

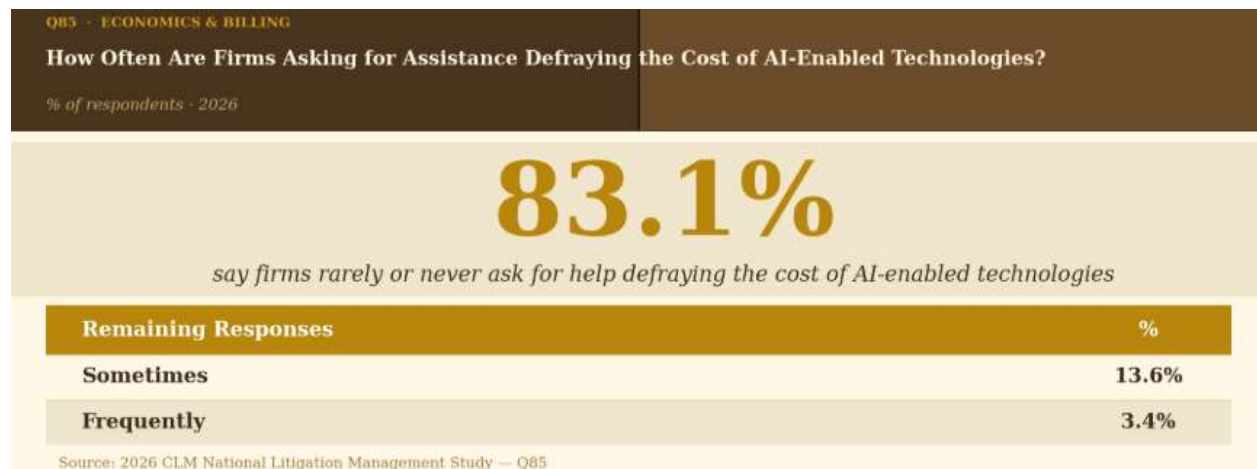
The clear implication for defense firms: even the half that is undecided is not leaning toward paying for firm AI tools. Firms should plan their AI investments assuming these costs will not be routinely passed through.

This is a complex issue. In our view, the plaintiff bar's wholesale adoption of AI represents a generational threat to our litigation community — one that will drive indemnity costs higher if left unanswered. Defense teams simply must respond.

The question of who pays for AI tools is therefore not academic. Asking law firms to absorb the cost of technologies that, under a billable hour model, reduce the very revenue those firms depend on is a fundamental disincentive. Firms are the group least economically motivated to adopt AI quickly and asking them to fund it is a path to the slowest adoption possible.

Carriers, whose indemnity exposure rises directly when the defense falls behind the plaintiff bar technologically, have the clearest economic interest in accelerating that adoption. That alignment of interest is worth considering as the industry works through the "who pays" question.

Q85. How often would you say firms are asking for assistance in defraying the cost of AI-enabled tools?



The data confirms what Q84 suggested: firms are not yet asking carriers to share the cost of AI tools. An overwhelming **83.1%** of respondents say this happens rarely or never, with only **3.4%** reporting that firms raise it frequently.

This is not surprising given the economic dynamics at play. But the 16.9% of respondents who report firms raising this question at least sometimes are likely encountering the industry's early movers — firms that have made meaningful AI investments, understand the competitive stakes, and are willing to have a direct conversation with clients about how those investments get funded.

Firms raising this question are not being opportunistic. They are being transparent about a real cost that the entire defense ecosystem will eventually need to confront. Carriers who engage seriously with these conversations today are better positioned to build the kind of technologically capable panel that the evolving plaintiff bar demands.

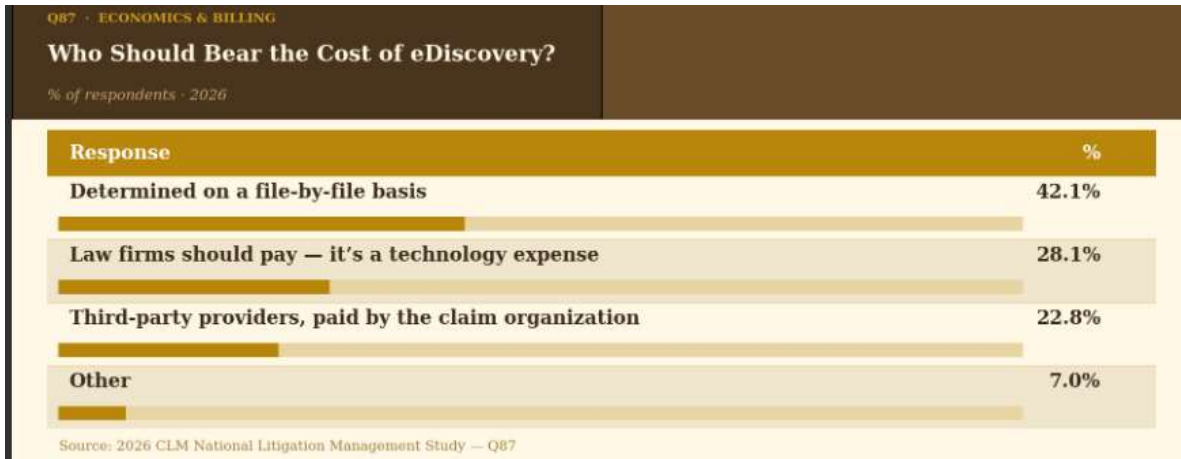
Q86. Do you give formal direction to counsel on eDiscovery vendors? If so, how is that direction communicated?

A slim majority (54.2%) give no formal direction on eDiscovery vendor selection, leaving the decision entirely to counsel's discretion. The remaining 45.8% provide guidance in some form — through outside counsel guidelines (13.6%), independent communication (22.0%), or formal vendor agreements (10.2%).



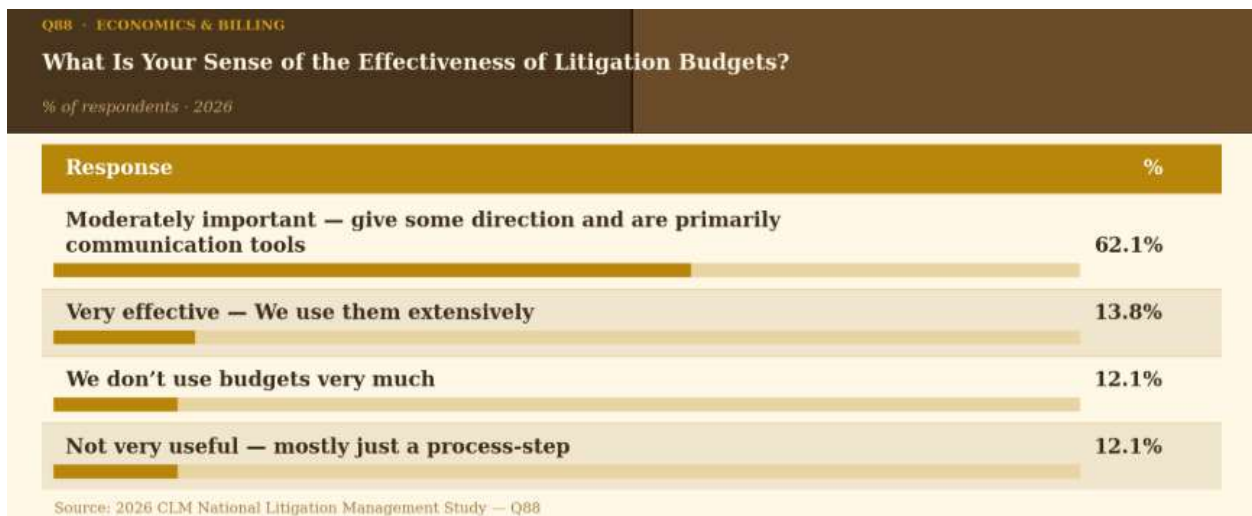
Formalizing eDiscovery vendor direction can be a high-leverage, low-effort addition to any billing guidelines program. Organizations that specify preferred vendors gain the ability to vet at the program level, establish consistent SLAs, negotiate volume pricing, and enforce uniform data security standards — replacing ad hoc, file-by-file decision-making with a scalable, accountable process.

Q87. Which statement best reflects your organization's view on who should bear the cost of eDiscovery software and data hosting tools?



There is no industry consensus on eDiscovery cost allocation. The three-way fragmentation mirrors the broader uncertainty about AI cost allocation (Q84).

Q88. At a high-level, what is your sense for the effectiveness of litigation budgets on your litigated files? Which sentence resonates the most?



A majority (62.1%) view litigation budgets as only moderately important — primarily communication tools rather than hard cost controls. Only 13.8% consider them “very effective.”

In the 2023 Study, 82% reported generally having budgets in place, yet the question of budget effectiveness consistently draws lukewarm responses. The bottom two responses combined (24.2%) reflect organizations that appear to have largely written them off.

Q89. Thinking broadly, on what percentage of your files would you estimate you use some form of law firm compensation that is not purely an hourly billable arrangement? This can be any kind of flat or phase structure, or any alternative to pure hourly billing. Enter a whole number.

% of Files Using Some Form of Non-Hourly Billing

Distribution statistics - 2026

Metric	Value	Metric	Value
Mean	6.2%	Q1 (25th pct.)	0.0%
Median	3.0%	Q3 (75th pct.)	5.0%
Std. Deviation	11.2%	Range	0-55%

Source: 2026 CLM National Litigation Management Study – Q89

In prior studies (2019, 2023) we have asked a binary question of whether AFAs were being used at all. In those studies, 51% and 43% respectively had said yes.

In 2026 we delved deeper to understand what percentage of files AFAs are being used in. These responses are more revealing. Non-hourly billing arrangements remain marginal, applied to a mean of just 6.2% of files, with a median of 3.0%.

At least a quarter of organizations use AFAs on none of their files. The hourly model’s dominance continues, despite the lukewarm assessment of how it aligns the defense team’s interests (Q41).

Q90. Compared to three years ago, do you feel that your organization uses alternatives to traditional hourly billing more, less, or about the same?

Use of Non-Hourly Billing Compared to Three Years Ago

Respondent share - 2015, 2019, 2023, 2026

Study Year:	2015	2019	2023	2026
About the Same	71%	69%	79%	81.4%
More	24%	21%	12%	10.2%
Less	5%	10%	9%	8.5%

Source: 2026 CLM National Litigation Management Study – Q90

AFA adoption is flat. Over three consecutive study cycles (2019, 2023, 2026), alternative billing has consistently failed to gain momentum despite persistent dissatisfaction with the hourly model.

The trend is quite striking across all four years. The "More" row has declined steadily from 24% in 2015 to just 10.2% in 2026, while "About the Same" has grown from 71% to 81.4%. AFA momentum is more than stalled. It has been quietly reversing for a decade.

Q91. Do you use any compensation arrangements with law firms in which the firms are paid a bonus or compensation that is tied to an agreed upon “success” or “outcome” or “win” on the file? (In other words, an arrangement where the firm benefits or shares in the success of the file).

Q91 · ECONOMICS & BILLING

Do You Use Outcome-Based Compensation With Firms?

Respondent share · 2026

Response	2026
No	94.9%
Some — Starting to Experiment	5.1%

Source: 2026 CLM National Litigation Management Study — Q91

Outcome-based compensation is virtually nonexistent, with 94.9% reporting no such arrangements.

Q92. Philosophically, are you open to using outcome/win/success fees to align incentives better?

Q92 · ECONOMICS & BILLING

Philosophically, Are You Open to Using Outcome/Win/Success Fees?

% of respondents · 2026

Response	%
Sort of — It depends on the specifics	39.0%
Yes — We need more aligned incentives	30.5%
No — Not really	30.5%

Source: 2026 CLM National Litigation Management Study — Q92

A combined 69.5% express at least conditional openness to outcome-based fees.

The gap between philosophical openness and actual implementation (Q91: 94.9% have no such arrangements) is one of the widest in the Study.

Q93. Help us to understand how common it is for law firms to propose something other than a traditional hourly billing arrangement for you to consider?

Q93 · ECONOMICS & BILLING

How Common Is It for Law Firms to Propose an Alternative Fee Arrangement?

Respondent share · 2019, 2023, 2026

Study Year:	2019	2023	2026
Very Rare	77%	82%	89.8%
Sometimes They Will	21%	15%	10.2%
Pretty Frequent	2%	4%	0%

Source: 2026 CLM National Litigation Management Study — Q93

Nearly nine in ten carriers (89.8%) say it is very rare for firms to propose alternative billing, consistent with prior studies. This sustained inaction by the defense bar — across multiple study cycles and despite demonstrated carrier openness (Q92) — is one of the most persistent disconnects in the litigation management ecosystem.

Firm-initiated AFA proposals have essentially disappeared, dropping from an already-low baseline to zero in the "pretty frequent" category in 2026. Combined with Q92's finding that 69.5% of carriers are at least philosophically open to outcome-based fees, the data suggests carriers are more ready for this conversation than firms are willing to start.

Q94. Please describe your general sentiment about the current level of non-hourly billing arrangements being used in your organization:

Q94 · ECONOMICS & BILLING			
Describe Your General Sentiment About How Widely AFAs Are Used			
Respondent share · 2019, 2023, 2026			
Study Year:	2019	2023	2026
Neutral — not a game changer either way	66%	66%	50.9%
Frustrated — I wish there were more	19%	28%	31.6%
Happy — things are good as they are	16%	5%	17.5%

Source: 2026 CLM National Litigation Management Study — Q94

Nearly a third (31.6%) express frustration at the lack of non-traditional billing arrangements — only slightly higher than the 28% who expressed this in the 2023 Study. We do note that the “frustrated” category has grown from 19% in 2019 to 28% in 2023 to 31.6%.

The persistence of this frustration, combined with firms’ failure to propose alternatives (Q93), suggests that any meaningful billing model innovation will likely need to be driven by the carrier side.

Section 6: Performance Measurement & Firm Relationships (Q95–Q114)

This section explores the overall health of carrier-firm relationships, how organizations measure firm and attorney performance, and where the most significant friction points persist. We have historically viewed this section as one of the most important for defense counsel to read carefully.

Q95. Compared to three years ago, and overall, do you feel that your Company’s relationships with its law firms are stronger, weaker, or about the same?

Our ability to see across an 11-year period of time yields interesting data points. The share of respondents reporting stronger firm relationships has declined steadily since 2015, from 71% to 43.1%.

But this trend deserves context: as carrier-firm relationships mature and stabilize, there may simply be less room to report improvement. Organizations that have maintained strong panel partnerships over many years are more likely to land in the "About the Same" category — which, at 39.7%, reflects a stable baseline rather than a problem.

Q95 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS

Carrier-Firm Relationships Compared to Three Years Ago

Respondent share · 2015, 2019, 2023, 2026

Study Year:	2015	2019	2023	2026
Stronger	71%	54%	48%	43.1%
About the Same	26%	40%	44%	39.7%
Weaker	3%	6%	9%	17.2%

Source: 2026 CLM National Litigation Management Study — Q95

The one number worth watching is the "Weaker" response, which has grown from 3% in 2015 to 17.2% in 2026. Even accounting for the maturity effect, that trajectory warrants attention — particularly given the pressures that panel consolidation, rate negotiations, and the defense talent shortage are placing on carrier-firm dynamics.

We also note that defense counsel reported a similarly declining trajectory in the 2024 CLM Defense Counsel Study, where “stronger” responses dropped from 61% in 2020 to 52% in 2024.

As highlighted elsewhere in this Study, the strength of these relationships is critically important, since we are a team of two constituencies with a common adversarial team of one (plaintiff counsel). We must be careful not to allow tensions between our two constituencies to overshadow our common purpose, or both of us will lose.

Q96. Compared to three years ago, how good a job are your panel firms doing in terms of “understanding your needs?”

Q96 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS

How Are Panel Firms Doing at “Understanding Your Needs” vs. Three Years Ago?

Respondent share · 2015, 2019, 2023, 2026

Study Year:	2015	2019	2023	2026
About the Same	26%	38%	55%	48.3%
Better	70%	60%	38%	34.5%
Worse	3%	2%	8%	17.2%

Source: 2026 CLM National Litigation Management Study — Q96

The "Better" response on firm understanding of carrier needs has declined from 70% in 2015 to 34.5% today — a pattern that mirrors Q95 and likely reflects the same maturity dynamic. As carrier expectations become better established and firms adapt to them over time, there is simply less headroom to demonstrate meaningful improvement.

The "Worse" response is worth noting, however, having grown from a negligible 2–3% through 2019 to 17.2% in 2026. This mirrors the Q95 trend almost exactly and may reflect the same underlying pressures.

Both constituencies are operating in increasingly complex operating environments. Still, with 34.5% reporting improvement and nearly half saying “things are holding steady”, the overall picture is one of reasonable stability.

That said, we anticipate the operating environment to continue to get more complex, not less, and dialogue around these issues is critically important to both groups.

Q97. Compared to three years ago, how are outside firms doing when it comes to “creating value” for your organization (defined as you wish)?

Q97 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS				
Compared to Three Years Ago, How Are Firms Doing at Creating Value for Your Organization?				
Respondent share · 2015, 2019, 2023, 2026				
Study Year:	2015	2019	2023	2026
About the Same	39%	48%	66%	43.1%
Better	58%	48%	30%	37.9%
Worse	3%	5%	4%	19.0%

Source: 2026 CLM National Litigation Management Study — Q97

It is notable that the "Worse" response jumps sharply from 4% in 2023 to 19.0% in 2026. This is the largest single-cycle increase of any "Worse" row across Q95, Q96, and Q97.

The "Better" response on firm value creation has declined from 58% in 2015 to 37.9% today. This is consistent with the pattern seen in Q95 and Q96 and likely reflects the same maturity dynamic as carrier-firm relationships stabilize over time.

The more notable development is the "Worse" response, which held relatively steady at 3–5% through 2019 before jumping to 19.0% in 2026.

Unlike Q95 and Q96 where the "Worse" category has grown gradually, this jump is largely concentrated in the most recent cycle — suggesting that value creation, specifically, may be an emerging pressure point.

Firm staffing challenges, rising rates, and the demands of an increasingly complex litigation environment may all be contributing factors. We don’t know. Still, with 37.9% still reporting improvement and 43.1% “holding steady”, the overall picture remains reasonably positive — but the "Worse" acceleration is worth monitoring.

Q98. Please indicate on the slider your general perception of law firms’ ability to describe their value in a way that distinguishes their firm from other firms.

Firms' Ability to Describe Their Value vs. Competitors

Mean score on a 1-100 scale · 2019, 2023, 2026

44.3

mean score — firms' ability to describe their value vs. competitors (1-100 scale)

Study Year:	2019	2023	2026
Mean Score	51	48	44.3

Source: 2026 CLM National Litigation Management Study — Q98

Carriers' confidence in firms' ability to articulate their distinctive value has declined steadily — from a mean of 51 in 2019 to 48 in 2023 to 44.3 in 2026. The direction of travel suggests the gap between what carriers expect and what firms deliver on this dimension is widening, not closing.

The 2026 distribution adds important nuance. The wide IQR (25–65) and standard deviation of 24.2 indicate that some firms are genuinely differentiating themselves — but the median of 40.0 means the typical firm is not.

We do note that when asked to rate themselves on this identical question, law firms rated their own firms in 2024 at an average of 81 out of 100. There is opportunity here for more conversation on this topic.

Having said all that, we do want to acknowledge the unique nature of how litigation executives and practitioners think about firms vs. attorneys. Possibly it's not helpful to apply a traditional business to business overlay to this issue. The industry's norm is to hire the attorney, not the firm (Q100); a majority of carriers set their panels at the attorney not the firm level (Q20).

Possibly the firm's ability to distinguish itself matters not at all if the attorney's distinction is more important. And we don't know how the industry's firm staffing crisis will influence this dialogue.

Q99. What is the one thing that you wish your outside law firms did a better job of?

Reporting and communication, and early case evaluation and resolution focus, were the most frequently mentioned topics. In addition to this smaller table, we have provided a full list of comments in the Appendices.

Category	Representative Themes	Frequency
Proactive Communication & Reporting	Timely, structured, and unsolicited updates on case status; adherence to reporting guidelines without adjusters	Frequently Mentioned

Category	Representative Themes	Frequency
	having to chase; concise, bullet-point case summaries; transparency about workload and bandwidth	
Early Case Evaluation & Resolution Focus	Providing realistic case valuations early in the life of a matter; pushing files toward resolution rather than letting them drift; candid odds assessments rather than hedging at 50%; settlement-focused orientation	Frequently Mentioned
Case Strategy & Advocacy	Willingness to try cases and fight on the merits; aggressive individual file handling; controlling pace rather than ceding it to opposing counsel; thorough deposition preparation	Commonly Mentioned
Data, Metrics & Analytics	Using data to define and demonstrate the firm's value proposition; tracking performance metrics; providing dashboard-level reporting; jurisdiction-specific, data-driven analysis	Commonly Mentioned
Strategic Partnership & Market Intelligence	Proactively identifying and communicating jurisdictional trends and local market conditions; educating carriers on social inflation and plaintiff bar tactics; operating as a strategic partner rather than a transactional vendor	Commonly Mentioned
Innovation & Technology Adoption	Embracing new technology with a clear strategic roadmap; avoiding institutional inertia; firms seen as stuck in ruts on par with or worse than the insurance industry; forward-looking business orientation	Mentioned
Consistency & Standardization	Delivering a consistent client experience across all offices in multi-office firms; avoiding the 'conveyor belt' approach to file handling; applying uniform standards at the attorney and firm level	Mentioned
Billing & Fee Transparency	Proactively proposing alternative fee arrangements; avoiding the perception of milking files for billable hours; orienting work toward resolution rather than quota billing	Mentioned

Q100. Is it your philosophy that you are hiring the firm or the specific attorney? (This is an intentionally annoying forced-binary question; pick one)

Are You Primarily Hiring the Firm, or the Specific Attorney?

Respondent share · 2023, 2026

Study Year:	2023	2026
Attorney	74%	81.0%
Firm	26%	19.0%

Source: 2026 CLM National Litigation Management Study — Q100

This is an emphatic result: 81.0% say they are hiring the attorney, not the firm. This figure has been remarkably stable across studies (74% in 2023, similar figures in prior years). We note with interest that in the 2024 CLM Defense Counsel Study, 54% of attorneys believed carriers were primarily hiring the firm — a substantial misalignment with how carriers actually think about the relationship.

Q101. Compared to three years ago, when it comes to complying with your file handling and reporting guidelines (not billing), how do you feel your law firms are doing?

Law Firm Compliance with File Handling & Reporting Guidelines vs. Three Years Ago

% of respondents · 2026

Response	% of Respondents
About the same	53.3%
Better	35.0%
Worse	10.0%

Source: 2026 CLM National Litigation Management Study — Q101

On file handling and reporting compliance — distinct from billing — the picture is largely stable with a positive lean. More than half (53.3%) say firms are performing about the same as three years ago, while 35.0% say firms are doing better. Only 10.0% report firms are doing worse.

Taken together, roughly nine in ten respondents see compliance performance as holding steady or improving — a more encouraging signal than the billing compliance trends documented elsewhere in this section. No prior-year comparison is available for this question in its current form.

Q102. Given the general “talent crunch” at defense firms, how receptive are you to granting approval if a firm asks to use two attorneys on one file, or to cover for each other at case events, or to cover for attorney PTO, etc.?

Receptivity to a Dual-Attorney Staffing Model (Senior + Junior)*Distribution statistics on a 1-100 scale · 2026*

Metric	Value	Metric	Value
Mean	75.8	Q1 (25th pct.)	65.0
Median	80.0	Q3 (75th pct.)	95.0
Std. Deviation	21.1	Range	15-100

Source: 2026 CLM National Litigation Management Study — Q102

Receptivity to flexible dual-attorney arrangements is high, with a mean score of 75.8 out of 100 and a median of 80. This reflects broad carrier openness to firms using two attorneys on a file or covering for one another at case events and during PTO — a practical accommodation to the defense talent shortage documented earlier in this Study.

The relatively high floor (Q3 of 95, meaning the top quarter of respondents scored 95 or above) suggests this is not just tolerance but genuine willingness among many carriers to embrace more flexible staffing arrangements. No prior-year comparison is available for this question in its current form.

Q103. Due to staffing challenges, are firms asking you to relax any requirements you have about only attorneys of a certain experience level or tenure being assigned to your files? (For example, only partners with 3-5 years of experience can work on your files, etc.)

Have Any Firms Asked You to Lower Your Experience Requirements?*In the last 12 months · % of respondents · 2026*

Response	%
No - that has not happened, or it's exceptionally rare	51.7%
Yes - we are starting to see such requests, but not very much	34.5%
Yes - this is becoming a common request	12.1%
This does not apply to us since we don't have such requirements	1.7%

Source: 2026 CLM National Litigation Management Study — Q103

Most organizations have not yet experienced meaningful pressure from firms to relax attorney experience requirements: 51.7% say it has not happened or is exceptionally rare. However, 34.5% are starting to see such requests, and 1.7% describe it as becoming common. Another 12.1% say the question does not apply because they do not impose such requirements.

Combined, roughly one in three organizations with experience requirements is encountering at least some pressure to relax them — a signal worth watching as the defense talent shortage continues. No prior-year comparison is available for this question in its current form.

Q104. Think about the focus of the metrics you formally measure and maintain about your law firms. Please assign a rough percentage to the focus your metrics place on each area listed below. (Whole numbers only - should total 100%)

Q104 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS		
Allocation of Formal Metrics Across Three Categories		
<i>Mean & median respondent allocation · 2026</i>		
Category	Mean	Median
Results & Outcomes	36.2%	40.0%
Process	34.3%	30.0%
Fees & Expenses	29.5%	25.0%
Total	100.0%	95.0%*

* Median does not sum to 100% due to rounding.
Source: 2026 CLM National Litigation Management Study — Q104

We’ve asked this question in prior studies but in different way. For example, in 2023 executives ranked their ability to measure law firm expense performance at a 58 out of 100, and their ability to measure law firm outcome performance as a 53 out of 100.

We asked this question differently in 2026 and received a different result. The average scores for the “metrics focus” scored highest for results, then process, and then fees and expenses.

This distribution is directionally positive — outcomes are receiving the most measurement weight, as we believe they should be.

Q105. Please indicate on the slider your comfort level with your current analytics and metrics, in terms of being helpful in measuring the overall performance of your litigation management program.

Participants’ comfort with their current analytics dropped to lowest level across three studies, with a mean score of just 47.0 out of 100.

This is a decline from the already-modest 56 reported in the 2023 Study, and the 55 scored in 2019. The 2026 median score of 41.0 means that more than half of respondents fall below the midpoint.

Comfort with Current Analytics & Metrics*Mean score on a 1-100 scale · 2019, 2023, 2026***47.0***mean comfort score with current analytics & metrics (1-100 scale)*

Study Year:	2019	2023	2026
Mean Score	55	56	47.0

Source: 2026 CLM National Litigation Management Study — Q105

The drop from 56 to 47, despite simultaneous increases in AI adoption (Q60) and technology investment, suggests that expectations for analytics may be rising faster than capabilities.

Q106. What single litigation metric do you wish you had better access to, or that you could measure or define, that you currently cannot obtain?

We have presented the frequently mentioned answers first, followed by commonly mentioned. As in 2023, participants wish they had more insight into outcomes and particularly the relationship between spend and outcomes. Organizations can measure how much they spend much more easily than they can measure what they get for the spend.

A full listing of responses can be found in the Appendices.

Category	Representative Themes	Frequency
Cost-to-Outcome & ROI	Total legal spend measured against the quality and economics of the final resolution; ROI on legal expense investment; cost per case compared across counsel types (panel vs. staff); overall 'bang for the buck' across similar file types by jurisdiction	Frequently Mentioned
Outcome & Result Benchmarking	Comparing case outcomes against reliable industry benchmarks; how trial results compare to industry norms; benchmarked settlement values; top-level results versus peers; outcomes by attorney in a given jurisdiction	Frequently Mentioned
Cycle Time & File Velocity	Time from suit filed to closure; time from assignment to resolution; attorney case cycle time relative to their overall backlog; file closure and resolution speed as a performance signal	Commonly Mentioned
Evaluation Accuracy & Trajectory	Tracking changes in case evaluation over the life of a file; comparing initial firm evaluation to ultimate result; measuring whether early assessments were accurate or required significant revision; quality-adjusted outcome measurement	Commonly Mentioned

Category	Representative Themes	Frequency
Attorney & Firm Performance (Individual Level)	Results tied to specific attorneys in specific jurisdictions; consistent attorney staffing throughout the life of a file; final outcomes compared to industry or company averages by individual attorney	Commonly Mentioned
Legal Spend Breakdown by Phase	Spend segmented by pre-suit, discovery, ADR, and trial phases; breakdown of billing by attorney role; percentage of legal billing attributable to expenses versus billable hours	Mentioned
Plaintiff Bar & Adverse Party Intelligence	Industry metrics on plaintiff firms and their effectiveness; verdict data on similar cases; data on plaintiff attorney track records and strategies; LSA-related results across multiple dimensions	Mentioned
Data Access & Scorecard Infrastructure	Frustration with scattered, siloed, or dated data rather than a specific missing metric; TPA arrangements cited as barriers to data access; desire for an integrated scorecard that captures real progress rather than activity metrics	Mentioned

Q107. If a firm asks for the performance results you have about their firm, will you share that information with them?

Willingness to share performance data with requesting firms remains near-universal at 96.4%.

Q107 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS			
If a Firm Asks for Their Performance Results, Will You Share That Information?			
Respondent share · 2019, 2023, 2026			
Study Year:	2019	2023	2026
Yes	92%	89%	96.4%
No	8%	11%	3.6%

Source: 2026 CLM National Litigation Management Study — Q107

It is worth noting that defense counsel are more skeptical that such information will be shared. In 2024 they ranked the likelihood of receiving this information at a 50 out of 100; in 2020 their score was 54 out of 100.

Q108. In your view, do firms ask for this information enough?

In Your View, Do Firms Ask for Performance Information Enough?

Respondent share · 2019, 2023, 2026

Study Year:	2019	2023	2026
No — firms do not ask enough	96%	86%	96.6%
Yes — firms ask enough	4%	14%	3.4%

Source: 2026 CLM National Litigation Management Study — Q108

A near unanimous 96.6% say that firms do not ask for their performance data enough, up from 86% in 2023. The message could not be clearer: carriers have data about firm performance that they are willing to share, and firms are failing to ask for it.

We view this to be an actionable, low-cost, high-impact opportunity identified in the Study for defense firms.

Q109. What are the three most important recurring friction points in your relationships with counsel?

Most Important Recurring Friction Points in Relationships with Counsel

Ranked by respondents · 2019, 2023, 2026

Friction Point	2019	2023	2026
Exposure Analysis — inaccurate exposure estimates	N/A	6th	1st
Strategy — not showing strategic focus	1st	1st	2nd
Cycle time — not moving cases fast enough	N/A	4th	3rd
Under-reporting	2nd	2nd	4th
Billing	4th	3rd	5th
Budgeting — inaccurate cost predictions	5th	5th	6th
Over-reporting	3rd	7th	7th
Other	—	—	8th

Source: 2026 CLM National Litigation Management Study — Q109

It is interesting to see the evolution of friction points across seven years of data. We encourage readers to ponder this table, but here are some high-level takeaways:

- Outcome and results-oriented concerns now top the list. Exposure analysis has risen from 6th to 1st. Strategic focus remains in the top 2 friction points.
- Cycle time (moving cases) remains omnipresent at 3rd
- Billing has dropped to 5th (even as billing has risen to the top of defense counsel's list)
- Budgeting remains low on the friction point list
- No one is apparently over-reporting.

We view all of these points to be consistent with an industry in which 80.6% of respondents are seeing higher indemnity costs (Q29). These findings reinforce for us that operational and strategic performance opportunities far outweigh the relevance of cost and fee control opportunities (provided of course that the economics can be made to work for defense firms hammered by a generational staffing crisis).

Q110. Generally, do you feel that a majority of litigated claims settle later in the litigation process than is necessary? (think in terms of litigation phases and not cycle time).

Q110 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS

Do a Majority of Litigated Claims Settle Later Than Necessary?

Respondent share · 2019, 2023, 2026

Study Year:	2019	2023	2026
Yes	80%	87%	84.5%
No	20%	13%	15.5%

Source: 2026 CLM National Litigation Management Study — Q110

The belief that cases settle “later than necessary” remains overwhelming at 84.5%, consistent with the 87% reported in 2023 and the 80% reported in 2019. More than eight in ten executives have held this view across three consecutive studies.

We have asked this somewhat vague question for a number of years primarily to gauge sentiment about how fast cases can move and whether they are moving “fast enough.” A smaller percentage of defense counsel hold this view: 63.0% of defense counsel felt this way in 2024.

Q111. Compared to three years ago, how have your cycle times on litigated files changed?

One-third (33.3%) report longer cycle times, more than double the 15.8% who say files are closing sooner. If cycle times were already perceived as too long and are now getting longer for a third of the industry, the compounding effect on total case costs is significant.

Q111 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS

Compared to Three Years Ago, How Have Your Cycle Times Changed?

% of respondents · 2026

Response	%
Same	50.9%
Longer — It’s taking longer to resolve litigation	33.3%
Shorter — Files are closing sooner	15.8%

Source: 2026 CLM National Litigation Management Study — Q111

Q112. Put yourself in the shoes of someone running a defense law firm. What do you believe is the biggest pressure they're facing? (Just a few words - nothing more).

Executives overwhelmingly identify talent and staffing as the greatest pressure on defense firms. This reflects a sophisticated level of empathy and awareness: carriers understand that the talent crisis is not just a carrier problem but a shared ecosystem problem.

The comments provided clearly articulate the challenges presented by rate pressure, divergent billing and file-handling guidelines – which range from just keeping up to talent attrition.

In our view, there was also an appreciation of the pressure to adopt AI tools at pace with the plaintiff bar, but we read some of those comments in the vein of “you’re going to have to keep up” as opposed to “we, together, need to keep up.” The unwillingness, at this juncture, for carriers to step forward and pay for such AI tools in the law firm environment (Q84) may be coloring our reading of this.

Readers can be their own judge of this. The full comments are in the Appendices.

Category	Representative Themes	Frequency
Talent Acquisition & Retention	Attracting and retaining qualified attorneys at all levels; keeping experienced associates (particularly at the 5–7 year mark); competing for talent against higher-paying alternatives; talent described as the single most cited pressure by a wide margin	Frequently Mentioned
Profitability & Financial Pressure	Rate pressure from carriers creating margin compression; difficulty covering rising overhead, salaries, and operating costs; revenue production and billing targets as a persistent source of firm-level stress	Commonly Mentioned
Associate Development & the AI Training Dilemma	AI increasingly performing the work (drafting, research, summarizing) that historically trained junior lawyers; concern that the next generation will lack foundational skills; firms caught between efficiency gains and investment in human talent development	Mentioned
Client & Guideline Compliance Burden	Managing divergent billing and file-handling guidelines across multiple carriers and divisions; administrative overhead seen as pulling talented attorneys away from case work; guidelines cited as a direct driver of talent attrition from insurance defense	Mentioned
Competitive Disadvantage vs. Plaintiff Bar	Lower compensation relative to plaintiff firms making insurance defense a less attractive career path; pressure from nuclear verdict environment and increasingly sophisticated plaintiff counsel; structural disadvantage in recruiting and retention	Mentioned

Category	Representative Themes	Frequency
Technology Adoption & Cyber Risk	Pressure to adopt AI tools at pace with the plaintiff bar and client expectations; cost and complexity of cyber and data security compliance; risk of malpractice from undertrained staff operating in high-volume, AI-assisted environments	Mentioned

Q113. How frequently do your panel firms and attorneys present to you metrics that they maintain about their own, or their Firm’s, performance (i.e., cycle time, average costs, average settlement, etc)

Q113 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS

How Frequently Do Firms Present Metrics About Their Own Performance?

Respondent share · 2019, 2023, 2026

Study Year:	2019	2023	2026
Very Rare	90%	84%	74.5%
Sometimes	9%	12%	21.8%
Pretty Frequent	2%	4%	3.6%

Source: 2026 CLM National Litigation Management Study — Q113

The frequency of firm-initiated metric presentations has improved from the 2023 Study (where 84% said “very rare”) to 74.5% in 2026, with the “sometimes” category growing from roughly 10% to 21.8%.

This gradual improvement is encouraging but still leaves three-quarters of the industry reporting that firms rarely present their own performance data.

Q114. Thinking very broadly, what percentage of your panel firms do you estimate maintain good metrics about their own performance? Please enter a whole number.

Q114 · PERFORMANCE MEASUREMENT & FIRM RELATIONSHIPS

% of Panel Firms That Maintain Good Metrics About Their Own Performance

Mean & median respondent estimate · 2019, 2023, 2026

Study Year:	2019	2023	2026
Mean	11%	20%	14.5%
Median	10%	10%	10.0%

Source: 2026 CLM National Litigation Management Study — Q114

Carriers estimate that only 14.5% of their panel firms maintain good metrics about their own performance (median: 10.0%). This is a sobering figure for the defense bar: the vast majority of firms are perceived as not having meaningful self-measurement capabilities.

These are numbers that have remained remarkably stable over seven years. The consistent

message is that carriers believe only a small fraction of their panel firms are doing this well. We view this to be such an under-appreciated opportunity for firms.

Section 7: Litigation Service Providers (Q115–Q125)

This section examines vendor management practices and the vendor ecosystem that supports litigation management operations. The management of litigation support provider relationships should be viewed as increasingly relevant as the percentage of non-fee litigation expenses as grown. This Study had the highest percentage of non-fee litigation costs ever reported -- 31.9% (Q33).

For this Study we focused on several questions. How many providers do organizations maintain as part of their pre-vetted and approved panel for each service type? What are the primary benefits they realize? And to the degree possible, what percentage of savings do they believe they realize (recognizing that there are other benefits as well beyond pure dollar savings)?

Q115. Depositions – How many separate court reporting (deposition services) companies do you consider to be on your pre-approved panel of court reporting companies? (These are companies that you mandate or ask your law firms to use on cases you have assigned to your law firms). If you don't have such a program, please enter "0".

Q115 · LITIGATION SERVICE PROVIDERS				
Number of Pre-Approved Court Reporting / Deposition Services Companies on Panel				
<i>Mean & median number of companies · 2015, 2019, 2023, 2026</i>				
Study Year:	2015	2019	2023	2026
Mean number of companies on panel	1.0	1.7	3.0	3.0
Median number of companies on panel	N/A	1.0	1.0	2.0

Source: 2026 CLM National Litigation Management Study — Q115

We should note that one respondent identified 20 pre-approved deposition services companies as their response. With this outlier removed, the mean drops to 2.5. Regardless, the median number of companies is slightly greater than it has been in prior years.

Q116. Please select the top 3 reasons you maintain a panel of pre-approved DEPOSITION SERVICES providers at all. (Please select up to three reasons).

Top Reasons for Maintaining a Pre-Approved Panel of Deposition Services Providers*Weighted score (Primary=3, Secondary=2, Tertiary=1) · 2026*

Rank	Reason	Weighted Score
1	Cost	78
2	Quality	54
3	Consistency	30
4	Convenience for attorneys	9
5	Convenience for claim professionals	8
6	AI summarization tools	6
7	Metrics	3

Source: 2026 CLM National Litigation Management Study — Q116

Cost led the list, followed by quality and consistency. Three additional write-in answers were provided that are worth noting. Digital capabilities, convenience, and ease of use / operational efficiencies were additional reasons provided.

Q117. Thinking only about cost, what do you estimate you save (as a percentage) by having a pre-approved panel of deposition services providers? Whole numbers only please. Leave blank if you don't have a pre-approved list.

Estimated % Cost Savings from a Pre-Approved Deposition Services Panel*Mean & median respondent estimate · 2026*

Metric	2026
Mean	18.2%
Median	15.0%

Source: 2026 CLM National Litigation Management Study — Q117

Mean cost savings reported were significant at almost 20%.

Q118. Records Retrieval – How many separate records retrieval companies do you consider to be on your pre-approved panel of records retrieval companies? (These are companies that you mandate or ask your law firms to use on cases you have assigned to your law firms). If you don't have such a program, please enter "0".

As with other program types, the mean and median number of panel providers has risen slightly when compared to 2023 and to prior years.

Number of Pre-Approved Records Retrieval Companies on Panel*Mean & median number of companies · 2015, 2019, 2023, 2026*

Study Year:	2015	2019	2023	2026
Mean number of companies on panel	1.7	2.0	2.0	2.3
Median number of companies on panel	N/A	2.0	1.0	1.5

Source: 2026 CLM National Litigation Management Study — Q118

Q119. Please select the top 3 reasons you maintain a panel of pre-approved RECORDS RETRIEVAL providers at all. (Please select up to three reasons).

Again, cost, quality, and consistency led the participants' responses. Additional write-in reasons included convenience, ease of use, and operational efficiencies.

Top Reasons for Maintaining a Pre-Approved Panel of Records Retrieval Providers*Weighted score (Primary=3, Secondary=2, Tertiary=1) · 2026*

Rank	Reason	Weighted Score
1	Cost	77
2	Quality	40
3	Consistency	32
4	Convenience for claim professionals	17
5	Convenience for attorneys	12
6	AI summarization tools	5
7	Metrics	1

Source: 2026 CLM National Litigation Management Study — Q119

Q120. Thinking only about cost, what do you estimate you save (as a percentage) by having a pre-approved panel of RECORDS RETRIEVAL providers? Whole number only please. Leave blank if you don't have a pre-approved list.

Estimated % Cost Savings from a Pre-Approved Records Retrieval Panel*Mean & median respondent estimate · 2026*

Metric	2026
Mean	16.8%
Median	10.0%

Source: 2026 CLM National Litigation Management Study — Q120

Mean and median estimated cost savings are as outlined. This is the first year in which we have asked this question and we have no prior year comparison points.

Q121. Please select the top 3 reasons you maintain a panel of pre-approved E-DISCOVERY providers. (Please select up to three reasons).

Similar to other service types, cost, quality, and consistency led the list of reasons for establishing panels in this service area.

Q121 · LITIGATION SERVICE PROVIDERS		
Top Reasons for Maintaining a Pre-Approved Panel of E-Discovery Providers		
<i>Weighted score (Primary=3, Secondary=2, Tertiary=1) · 2026</i>		
Rank	Reason	Weighted Score
1	Cost	33
2	Quality	33
3	Consistency	18
4	Convenience for attorneys	7
5	Convenience for claim professionals	3

Source: 2026 CLM National Litigation Management Study — Q121

Q122. Thinking only about cost, what do you estimate you save (as a percentage) by having a pre-approved panel of E-DISCOVERY providers? Whole numbers only please. If you don't have such a program, simply leave blank.

Q122 · LITIGATION SERVICE PROVIDERS	
Estimated % Savings from a Pre-Approved E-Discovery Provider Panel	
<i>Mean, median & range · 2026</i>	
Metric	Value
Mean	22.9%
Median	15.0%
Range	5-70%

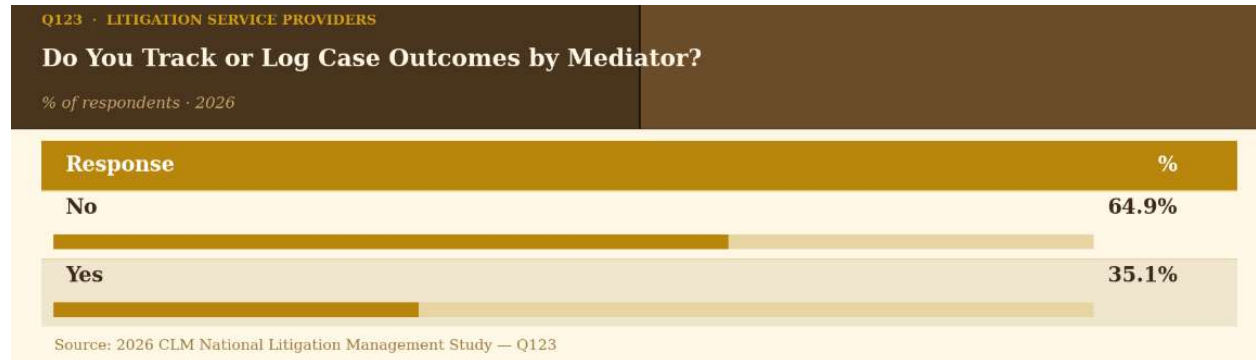
Source: 2026 CLM National Litigation Management Study — Q122

Those using e-discovery panels reported a wide range of estimated cost savings, with one organization reporting a 70% savings rate. That singular number pulled the mean upwards, so the median may be a more reliable figure; however, depending upon the magnitude of e-discovery costs, the potential savings are significant.

Q123. Mediators - Do you track or log case outcomes by mediator (to capture how many files settle at mediation, or within a specific timeframe of the mediation)?

Surprisingly, we have not asked this question before in a CLM Study, though we have asked the question in separate Industry Snapshots. In 2023 we asked how well executives believe their organization tracks the performance and effectiveness of specific mediators (the answer was a

34 out of 100), but we've not asked the basic question of whether outcomes are tracked or logged.



More than a third (35.1%) now track mediator outcomes, which we applaud.

However, the 64.9% who do not track this are unable to measure whether specific mediators produce better or worse resolution results for their organizations. We have noted in prior studies that mediator performance measurement remains one of the most challenging — and potentially one of the most rewarding — metrics in the industry.

Q124. In the past three years, how has your use of jury consultants and focus group services changed? (include both virtual and in-person services)



Whether it is a desire to determine the BATNA, avoid the risks of a nuclear verdict, or an attempt to fill in perceived gaps in exposure quantification, more than half of the respondents (55.4%) report increased use of jury consultants and focus group services. Only 5.4% report using them less.

We take note of the fact that use of focus groups and jury consultants has gone up, even as the percentage of cases resolved by trial has gone down (Q7). It may well be that such expertise is being used to decide whether to proceed to trial, or to better understand real exposure in an age of social inflation.

Q125. We have asked about deposition, records retrieval, and e-discovery services. Are there any non-traditional service areas or potential value-add partners that you have been using that you feel might be of help to others?

This was an open-text question. Among those who responded, non-traditional service areas clustered around two dominant themes: AI and technology-enabled tools, and medical and record intelligence services. Litigation investigation services and alternative legal service arrangements also drew meaningful attention. Training on social inflation strategies and language services were each noted as emerging areas of interest.

Category	Examples from Responses	Frequency
AI & Technology Tools	AI jury query tools, GenAI tools for law firm efficiency, document summarization tools/services	Frequently Mentioned
Medical & Record Intelligence	Medical record summarization, document review	Frequently Mentioned
Litigation Intelligence & Investigation	Surveillance/SUI, social media scrubbing, witness coaching	Commonly Mentioned
Alternative Legal Services	Settlement attorneys, external litigation management operations and technology companies	Commonly Mentioned
Training & Education	Social inflation strategy training and education	Mentioned
Language Services	Translation and interpretation vendors	Mentioned

Section 8: Industry Outlook (Q126–Q129)

These four open-text questions capture what we view to be the most forward-looking findings in the Study. When read together, they tell a remarkably consistent story.

Q126 Thinking very broadly, what is the most relevant threat to litigation management effectiveness from the defense perspective in the next three years? This can be anything you believe to be relevant, from social inflation to the plaintiff bar’s adoption of AI, to staffing challenges, to anything you believe is important. (Please be concise. We are simply looking to identify the topic)

Among those who responded, staffing and talent shortages emerged as the most pervasive concern, with respondents citing the migration of experienced defense attorneys to the plaintiff bar, aging-out of trial talent, and an inadequate pipeline of new insurance defense attorneys.

Social inflation and nuclear verdicts were cited with nearly equal frequency, reflecting continued anxiety about jury behavior and disproportionate settlement pressure.

The plaintiff bar’s adoption of AI drew substantial attention as a distinct and growing strategic threat. Legal system abuse, TPLF, and the absence of meaningful tort reform were commonly noted.

Defense industry adaptation failures, including antiquated technology and rising costs without improved outcomes, as well as carrier-side strategy failures rounded out the findings.

This table summarizes the comments made and a full list of the comments can be found in the Appendices.

Most Relevant Threats to Litigation Management Effectiveness

Defense perspective — next three years

Category	Representative Themes	Frequency
Staffing & Talent Shortages	Talent drain from defense firms and carrier claim teams; attorneys aging out or migrating to plaintiff side; insufficient pipeline development	Frequently Mentioned
Social Inflation & Nuclear Verdicts	Out-of-control verdicts, juror distrust of corporate defendants, settlement values disproportionate to actual damages	Frequently Mentioned
Plaintiff Bar Adoption of AI	AI used to monitor defense behavior, drive discovery, inflate demand values, and gain strategic advantage over defense teams	Commonly Mentioned
Legal System Abuse, TPLF & Tort Reform	Third-party litigation funding, venue manipulation, legislative inaction, and systemic exploitation of litigation processes	Commonly Mentioned
Defense Industry Adaptation & Cost Pressures	Antiquated law firm technology, rising defense costs without improved outcomes, failure to adopt AI to stay competitive	Mentioned
Carrier & Litigation Strategy Failures	Reactive case strategies, inability to control discovery, internal resistance to change, misaligned budgetary priorities	Mentioned

Q127. What's the most interesting thing presented to you by a law firm in the last year that you found to be innovative, new, impressive, and interesting to you?

Among those who responded, the single most striking finding is that the most frequently cited response was the absence of anything noteworthy — a pattern notable enough to warrant its

own category. Multiple respondents indicated that nothing impressive had been presented, with several characterizing this gap as a genuine problem. One respondent observed that litigation support technology vendors, not law firms, were producing the most interesting innovations.

Where law firms did stand out, AI adoption was the most commonly cited area of genuine innovation, including tools for plaintiff intelligence gathering, demand analysis, and AI prompt specialists embedded within the firm. Attorney development and training programs, alternative fee arrangement proposals, and fraud or litigation system abuse strategies each drew meaningful mention. Innovative case strategies and medical or diagnostic intelligence tools were also noted by a smaller number of respondents.

This table summarizes the comments made and a full list of the comments can be found in the Appendices.

Most Interesting or Innovative Presentations by Law Firms in the Past Year

Among those who responded

Category	Representative Themes	Frequency
No Notable Innovation Reported	Multiple respondents indicated nothing impressive had been presented; some noted the absence itself as a significant problem; one cited litigation support tech start-ups as more innovative than law firms	Frequently Mentioned
AI Tools & Technology Adoption	AI for information review and synthesis, AI-generated demand analysis, AI for plaintiff firm intelligence gathering, AI prompt specialists within firms, early adoption in partnership with carriers	Frequently Mentioned
Attorney Development & Training Programs	Internal trial academies, structured associate training and mentorship, transparent partnership pathways, junior attorney trial participation with senior coverage at no cost	Commonly Mentioned
Alternative Fee Arrangements	Non-hourly billing proposals, AFA structures, portfolio-level litigation arrangements, acknowledgment that the billable hour is misaligned	Commonly Mentioned
Fraud Detection & Litigation System Abuse	RICO lawsuit strategies against plaintiff firms and medical providers, fraud identification programs, litigation system abuse intelligence sharing	Commonly Mentioned
Innovative Case Strategy & Tactics	Nuclear verdict defense strategies, lien-based medical care defense, multi-case settlement days with plaintiff counsel, scenario-based outcome modeling on complex claims	Commonly Mentioned

Category	Representative Themes	Frequency
Metrics, Performance & Preferred Counsel Programs	Firm-level performance metrics presentations, preferred counsel program structures	Mentioned
Medical & Diagnostic Intelligence	Historical diagnostic imaging as a defense tool, real-time loss reporting integrated from the scene into claims systems	Mentioned

Q128. Thinking very broadly, what is the most important or relevant change, initiative or program that you intend to put in place in the next 12 months across your litigation management program? (Just a few descriptive words).

As we reviewed these open-text responses it was clear to us that there is a meaningful shift in posture in the industry’s approach to AI. The initiatives described appear to be no longer aspirational. They appear to be operational.

Among those who responded, AI tools and workflow automation emerged as the most frequently cited planned initiative, spanning demand summarization, predictive case evaluation, invoice automation, and broader AI usage programs.

Case evaluation and early resolution strategies were cited with nearly equal frequency, reflecting a strong appetite for getting ahead of litigation costs earlier in the claim lifecycle. Data infrastructure upgrades, including claims system overhauls, dashboards, and matter management platforms, were commonly noted, as were improvements to metrics and performance measurement programs.

Panel counsel management initiatives, including consolidation, scorecards, and analytics-driven assignment, also drew significant mention. Billing guideline updates and expanded alternative fee arrangements were a recurring theme, as were training and next-generation talent development programs.

TPLF identification and time limit demand tracking rounded out the findings as emerging priority areas.

Category	Representative Themes	Frequency
AI Tools & Workflow Automation	AI-assisted case evaluation and demand summarization, AI for identifying troublesome files, ChatGPT access for adjusters, AI invoice adjustment tools, AI-enabled time limit demand identification, AI usage programs	Frequently Mentioned

Category	Representative Themes	Frequency
Case Evaluation & Early Resolution	Risk-based case evaluation tools, predictive modeling, early focus groups, quick and early settlements, BI evaluation tools, think tank teams for litigation strategy, AI-driven case direction tools	Frequently Mentioned
Data Infrastructure, Systems & Dashboards	Claims system upgrades for data sharing and analysis, interactive billing and dashboarding portals, document management platforms, matter management software, dashboard of open and closed cases, data mining initiatives	Commonly Mentioned
Metrics, Analytics & Performance Measurement	New metrics programs, panel counsel scorecards and surveys, enhanced firm metrics, analytics models to match cases to best-fit attorneys, resolution metrics, better legal spend cost analysis	Commonly Mentioned
Panel Counsel Management & Consolidation	Panel consolidation, line-of-business specific panel review groups, expert and plaintiff firm directories, scorecard and survey programs, analytics-driven attorney assignment	Commonly Mentioned
Billing Guidelines & Alternative Fee Arrangements	Updated billing and handling guidelines, expanded AFA usage, flat fee arrangements, AI billing guideline updates for defense counsel, auto-approval of AI-adjusted invoices	Commonly Mentioned
Training, Development & Next-Generation Talent	Advanced litigation training programs, next-generation attorney development cohorts, trial participation programs for associates, attorney summits	Mentioned
TPLF & Emerging Risk Identification	Formal TPLF identification programs, AI-enabled time limit demand tracking	Mentioned

Q129. Consider P&C litigation management leaders as your audience. What advice do you have for your fellow industry leaders that you'd like to share? What positions us all for the future? Please share any thoughts you wish to.

Among those who responded, two themes dominated with striking consistency: the urgent need for industry-wide collaboration and intelligence sharing, and the critical importance of investing in talent at both the carrier and defense firm level. Respondents were direct in noting that the plaintiff bar has long operated as a coordinated community while the defense side has not, and that this gap is widening. Fraud, legal system abuse, and TPLF drew strong calls for more aggressive and organized pushback. Cultural and leadership mindset shifts — particularly around moving from posturing to performance and from short-term financial thinking to long-term investment — were commonly raised. AI adoption, defense counsel partnership quality, and proactive early case management each drew meaningful attention. A smaller but

qualitatively notable group challenged the industry’s reliance on cost-reduction metrics, arguing that measuring spend without measuring outcomes is a fundamental strategic error.

Category	Representative Themes	Frequency
Industry Collaboration & Intelligence Sharing	Calls to coordinate and share data, results, and strategies across the defense side as aggressively as the plaintiff bar does; interest in data consortiums; sharing trial successes and what is working	Frequently Mentioned
Invest in Talent — Claims & Defense Bar	Urgent calls to develop next-generation claim professionals and defense attorneys; warnings about expertise walking out the door with retirements; pay, training, and partnership investment needed on both the carrier and firm side	Frequently Mentioned
Fight Back: Fraud, Legal System Abuse & TPLF	Industry must aggressively address fraud, billing abuse, diagnostic overuse, and TPLF; advocate for tort reform; coordinate legal system abuse referrals and responses	Commonly Mentioned
Cultural & Leadership Mindset Shifts	Stop performing and start delivering; build credibility with plaintiff counsel and mediators; move away from posturing; recognize that a rising tide lifts all boats; embrace change rather than resisting it	Commonly Mentioned
Embrace AI & Technology Proactively	Adopt AI creatively and thoughtfully now; build clean, uniform data today to feed AI models of the future; use technology to close the gap with the plaintiff bar rather than fall further behind	Commonly Mentioned
Strengthen Defense Counsel Partnerships	Stop treating defense counsel as a cost center; engage as true business partners; invest in their training and technology; stay actively engaged in case strategy rather than placing firms on autopilot	Commonly Mentioned
Investigate Early & Manage Cases Proactively	Get on large losses immediately; retain the right counsel early; look for creative early resolution pathways; avoid letting cases proceed on a conveyor belt without strategic direction	Commonly Mentioned
Rethink Metrics — Focus on Outcomes, Not Spend	Reducing legal spend is a lazy and counterproductive goal; measure results and meaning, not just cost; evaluate total litigation spend including indemnity together, not in isolation	Mentioned

Study Sponsors

The generosity of the organizations who stepped forward to underwrite this important industry initiative cannot be under-emphasized. Each of these organizations understands how important to our industry's success such projects are. Please extend your appreciation to them.



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Methodology

More than 70 chief claim and litigation officers completed a lengthy 126-question survey, designed by a Steering Committee of 35 leaders in the litigation community.

Hosted on SurveyMonkey.com, the survey was composed of multiple choice, ranking, forced-binary, and open text questions. Many questions were intentionally framed to match questions in prior years, but many were new for 2026 and have no comparative data sets against which to compare.

Not all participants answered all questions. Some questions were inapplicable to a respondent's own organization. In other cases, participants simply didn't know the answer and chose to leave the question blank. However, participation was very strong, and most participants answered a high percentage of all questions.

Several questions were presented in a "forced binary" style. That is, participants were given only two choices, even though a proper answer might have been a third choice of "it depends." As frustrating as it is for survey takers to answer such questions, this style provides a much better sense for which direction a participant (and in the aggregate, the industry) is "leaning" on a particular question or issue.

Responses to the few "open text" questions have been summarized in list form. Identical or similar answers have been consolidated or merged.

Please ask us if you have any questions about the methodology we have used in presenting these findings.

APPENDICES

Appendix: Full Response Listing — Q23 - Most Valuable Attorney and Firm Attributes

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
Communication & Responsiveness	Trust
Communication & Responsiveness	Strong communication
Communication & Responsiveness	Communication
Communication & Responsiveness	Responsive
Communication & Responsiveness	Responsiveness
Communication & Responsiveness	Effective communication and reporting
Communication & Responsiveness	Timely in handling/reporting
Communication & Responsiveness	Timeliness
Communication & Responsiveness	Timely communication
Communication & Responsiveness	Trustworthy — they will tell me straight whether the case is good or bad
Communication & Responsiveness	Timely and accurate reporting
Communication & Responsiveness	Clear and timely reporting

Category	Response
Communication & Responsiveness	Ability to communicate and report effectively
Communication & Responsiveness	Communicative
Communication & Responsiveness	Attentiveness
Communication & Responsiveness	Reliable
Communication & Responsiveness	Concise
Communication & Responsiveness	Responsive/Anticipates needs
Communication & Responsiveness	Strong communication
Communication & Responsiveness	Trust worthy
Communication & Responsiveness	Trustworthy
Communication & Responsiveness	Sound advice
Communication & Responsiveness	Honest/accurate case assessments
Resolution Focus & Case Strategy	Proactive resolution focus
Resolution Focus & Case Strategy	Identifies and seeks early resolution strategy
Resolution Focus & Case Strategy	Claim outcomes
Resolution Focus & Case Strategy	Outcome — consistently favorable resolutions (proactive case management)

Category	Response
Resolution Focus & Case Strategy	Resolution focused
Resolution Focus & Case Strategy	Identification of early resolution
Resolution Focus & Case Strategy	Resolution mindset — they understand that closing cases quickly is most often the best option
Resolution Focus & Case Strategy	Quick exit strategy for the right price for cases of probable to clear liability
Resolution Focus & Case Strategy	Focus on resolution strategies, and not on plowing forward with discovery for the sake of discovery
Resolution Focus & Case Strategy	Drive to resolve
Resolution Focus & Case Strategy	Ability to negotiate early
Resolution Focus & Case Strategy	Early evaluation
Resolution Focus & Case Strategy	Objective and timely evaluations
Resolution Focus & Case Strategy	Accurate valuations/likelihood of success
Resolution Focus & Case Strategy	Accurate pre and mid evaluations
Resolution Focus & Case Strategy	Evaluates accurately from month 1
Resolution Focus & Case Strategy	Pragmatic
Resolution Focus & Case Strategy	Realistic
Legal Skill, Knowledge & Competence	Trial experienced — over 30 civil trials to conclusion

Category	Response
Legal Skill, Knowledge & Competence	Knowledge
Legal Skill, Knowledge & Competence	Expertise
Legal Skill, Knowledge & Competence	Expertise (ability to effectively litigate high exposure complex claims)
Legal Skill, Knowledge & Competence	Subject matter expertise
Legal Skill, Knowledge & Competence	Legal acumen and skill
Legal Skill, Knowledge & Competence	Technically competent
Legal Skill, Knowledge & Competence	Skilled
Legal Skill, Knowledge & Competence	Highly skilled litigator
Legal Skill, Knowledge & Competence	Demonstrated legal acumen and strategic thinking
Legal Skill, Knowledge & Competence	Competency
Legal Skill, Knowledge & Competence	Attorney competence and knowledge
Legal Skill, Knowledge & Competence	Knowledgeable
Legal Skill, Knowledge & Competence	Experienced
Legal Skill, Knowledge & Competence	Breadth and depth of practice groups
Legal Skill, Knowledge & Competence	Providing a clear analysis of liability and course of action

Category	Response
Legal Skill, Knowledge & Competence	Geographic knowledge of jury pool and judges
Legal Skill, Knowledge & Competence	Local connection with the bench, bar, and community
Legal Skill, Knowledge & Competence	Strong reputation in legal community/effective with plaintiff bar
Partnership & Client Alignment	Seeing us as a partner rather than just someone paying the bills
Partnership & Client Alignment	Partnership — we have a good relationship and they understand the value of partnership
Partnership & Client Alignment	Understands our litigation philosophy, guidelines and expectations
Partnership & Client Alignment	Holds clients' interests at least as highly as the firm's
Partnership & Client Alignment	Client-centric focus
Partnership & Client Alignment	Sensitivity to industry business needs
Partnership & Client Alignment	Accepts our culture
Partnership & Client Alignment	Open to collaboration
Partnership & Client Alignment	Collaboration
Partnership & Client Alignment	Collaborative
Partnership & Client Alignment	Communication and partnership mindset
Partnership & Client Alignment	Partnership

Category	Response
Partnership & Client Alignment	Alignment with claim handler
Partnership & Client Alignment	Relationship
Partnership & Client Alignment	Partners advising on strategies broader than individual claims
Partnership & Client Alignment	Understand current market conditions
Partnership & Client Alignment	Customer service — understands our needs and proactively solves for them
Partnership & Client Alignment	Willingness to collaborate
Partnership & Client Alignment	Exceptional and proactive partnering with clients and stakeholders
Trial Skill & Willingness to Fight	Aggressive
Trial Skill & Willingness to Fight	Trial experience
Trial Skill & Willingness to Fight	Ability to try a big case
Trial Skill & Willingness to Fight	Trial savviness
Trial Skill & Willingness to Fight	Competitive — not afraid to try a case
Trial Skill & Willingness to Fight	Willingness to litigate to conclusion
Trial Skill & Willingness to Fight	Willing to try cases
Trial Skill & Willingness to Fight	Willingness to fight

Category	Response
Trial Skill & Willingness to Fight	Not afraid to fight
Trial Skill & Willingness to Fight	Amount and types of cases taken to verdict annually
Trial Skill & Willingness to Fight	Trial readiness and credibility
Trial Skill & Willingness to Fight	Ability to try a case to verdict successfully — track record for success in the courtroom
Trial Skill & Willingness to Fight	Trial tested
Trial Skill & Willingness to Fight	Trial experience
Trial Skill & Willingness to Fight	Proactive, capable negotiator who is not afraid to pick up the phone to call plaintiff's counsel
Trial Skill & Willingness to Fight	Success rate
Proactivity & Strategic Thinking	Proactive
Proactivity & Strategic Thinking	Ability to move litigation along
Proactivity & Strategic Thinking	Strategic thinker
Proactivity & Strategic Thinking	Out of the box thinking/creative
Proactivity & Strategic Thinking	Entrepreneurial — will find a way around or through obstacles
Proactivity & Strategic Thinking	Strategy oriented
Proactivity & Strategic Thinking	Results-driven claims and litigation strategy

Category	Response
Proactivity & Strategic Thinking	Litigation effectiveness and case strategy
Proactivity & Strategic Thinking	Strategic thinking — early case triage and clear litigation strategy, avoiding unnecessary litigation spend
Proactivity & Strategic Thinking	Efficiency and proactivity
Proactivity & Strategic Thinking	Decisive
Proactivity & Strategic Thinking	Prepared
Proactivity & Strategic Thinking	Strategic
Cost Consciousness & Value Delivery	Cost discipline and transparency
Cost Consciousness & Value Delivery	Cost
Cost Consciousness & Value Delivery	Cost effective
Cost Consciousness & Value Delivery	Cost management and value delivery
Cost Consciousness & Value Delivery	Reasonable billing
Cost Consciousness & Value Delivery	Expense conscious
Cost Consciousness & Value Delivery	Efficiency
Cost Consciousness & Value Delivery	Cost effective — spends defense dollars wisely to put us in the best position
Cost Consciousness & Value Delivery	Budget conscious

Category	Response
Cost Consciousness & Value Delivery	Bills reasonably
Cost Consciousness & Value Delivery	Efficient — staffs cases according to their individual needs, not a predetermined formula
Cost Consciousness & Value Delivery	Understands cost-benefit analysis when it comes to legal spend vs. impact of spend on case value
Cost Consciousness & Value Delivery	Value oriented
Cost Consciousness & Value Delivery	Overall spend
Cost Consciousness & Value Delivery	Appropriate billing
Cost Consciousness & Value Delivery	Excellent results (efficient and effective)
Metrics, Data & Accountability	Metrics that align with our business
Metrics, Data & Accountability	Competitive KPIs and compliancy with standards and expectations
Metrics, Data & Accountability	Demonstrated use of metrics and data to track performance
Metrics, Data & Accountability	Consistency in provision of quality legal services
Metrics, Data & Accountability	Consistent
Metrics, Data & Accountability	Ability to articulate the value of their services
Metrics, Data & Accountability	Deep bench
Metrics, Data & Accountability	Has a deep bench and does not follow the 'account management model'

Category	Response
Metrics, Data & Accountability	Geographic footprint
Metrics, Data & Accountability	Tech savvy
Metrics, Data & Accountability	Training

Appendix B: Full Response Listing — Q24 - Reasons for Panel Removal

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
Lack of Responsiveness & Communication	Lack of communication and partnership.
Lack of Responsiveness & Communication	Lack of responsiveness.
Lack of Responsiveness & Communication	Delays in handling/reporting.
Lack of Responsiveness & Communication	Non-responsive, excessive billing, reactive, no initiative, cowardly inability to problem solve.
Lack of Responsiveness & Communication	Poor communication.
Lack of Responsiveness & Communication	Non-responsive to calls and requests.
Lack of Responsiveness & Communication	Lack of responsiveness.
Lack of Responsiveness & Communication	Unresponsive.
Lack of Responsiveness & Communication	Lack of communication.
Lack of Responsiveness & Communication	Lack of responsiveness.
Lack of Responsiveness & Communication	Unreliable/unresponsive.
Lack of Responsiveness & Communication	Lack of responsiveness.
Lack of Responsiveness & Communication	Lack of responsiveness and poor reporting.
Lack of Responsiveness & Communication	Not meeting our work standard, whether that be in ability to report and communicate or adverse results.

Category	Response
Lack of Responsiveness & Communication	Lack of response, lack of quality.
Lack of Responsiveness & Communication	Poor case management, lack of communication and cost control issues.
Lack of Responsiveness & Communication	Late information on important issues on a repeated basis.
Poor Performance & Case Outcomes	Performance.
Poor Performance & Case Outcomes	Poor results.
Poor Performance & Case Outcomes	Performance.
Poor Performance & Case Outcomes	Work product or trial issues.
Poor Performance & Case Outcomes	Failure to properly handle claims.
Poor Performance & Case Outcomes	Failure to execute legal services in an acceptable manner to the detriment of clients and stakeholders.
Poor Performance & Case Outcomes	Bad outcome due to poor handling. Not following guidelines/billing practices.
Poor Performance & Case Outcomes	Mishandling of a legal assignment.
Poor Performance & Case Outcomes	Poor decisions that impact case outcomes.
Poor Performance & Case Outcomes	Inability to try a big case.
Poor Performance & Case Outcomes	Poor partnership.
Poor Performance & Case Outcomes	Failure to move cases to conclusion, and a lack of quality.

Category	Response
Poor Performance & Case Outcomes	Lack of response, lack of quality.
Poor Performance & Case Outcomes	Poor service.
Poor Performance & Case Outcomes	Poor performance.
Poor Performance & Case Outcomes	Poor service.
Poor Performance & Case Outcomes	Malpractice (yes, sad that I'm writing this...).
Failure to Follow Guidelines & Billing Abuse	Overwork and bill files.
Failure to Follow Guidelines & Billing Abuse	Overwork and bill files.
Failure to Follow Guidelines & Billing Abuse	Failure to comply with our litigation guidelines.
Failure to Follow Guidelines & Billing Abuse	Lack of compliance with internal panel guidelines.
Failure to Follow Guidelines & Billing Abuse	Non-responsive, excessive billing, reactive, no initiative.
Failure to Follow Guidelines & Billing Abuse	Excessive billing, incorrect evaluation of strategy or values.
Failure to Follow Guidelines & Billing Abuse	Inflexibility and non-cost conscious.

Category	Response
Failure to Follow Guidelines & Billing Abuse	Bad outcome due to poor handling. Not following guidelines/billing practices.
Failure to Follow Guidelines & Billing Abuse	Unethical billing practices or poor file handling.
Failure to Follow Guidelines & Billing Abuse	Billing disputes.
Failure to Follow Guidelines & Billing Abuse	Poor case management, lack of communication and cost control issues.
Last-Minute Evaluation Reversals & Trial Avoidance	Lack of advocacy / fear of opponent.
Last-Minute Evaluation Reversals & Trial Avoidance	Unresponsive and reactive vs. proactive. Unwilling to take case to trial.
Last-Minute Evaluation Reversals & Trial Avoidance	Wanting me to settle at the last minute after telling me a case is defensible.
Last-Minute Evaluation Reversals & Trial Avoidance	Lack of responsiveness and changes in evaluation/strategy based on fear of trial, not a change in the facts or circumstances. Providing any evaluation which requires 'meeting in the middle' or indicates a 50/50 chance of success.
Last-Minute Evaluation Reversals & Trial Avoidance	Lack of response or sudden change in evaluation just before trial with no new information.
Last-Minute Evaluation Reversals & Trial Avoidance	Drastic change in position on the eve of trial not supported by documentation of a change in circumstances.
Last-Minute Evaluation Reversals & Trial Avoidance	Weak presentations, waffling on positions at the last minute.

Category	Response
Last-Minute Evaluation Reversals & Trial Avoidance	Refusal to take a stand and changing evaluation absent a material change in facts.
Failure to Partner & Align with Carrier Culture	Lack of communication and partnership.
Failure to Partner & Align with Carrier Culture	Not proactive/strategic and just checking boxes.
Failure to Partner & Align with Carrier Culture	They have an unwillingness to listen and follow our recommendations.
Failure to Partner & Align with Carrier Culture	Usually, it's a firm that demonstrates an inconsistent alignment with our vision, values, and execution strategy on claims.
Failure to Partner & Align with Carrier Culture	Not treating us as valuable partners in the handling and evaluation of matters.
Failure to Partner & Align with Carrier Culture	Failure to partner with us on important decisions.
Failure to Partner & Align with Carrier Culture	Lack of partnership.
Failure to Partner & Align with Carrier Culture	Failure to calibrate to expectations.
Case Management & Reporting Failures	Failure to provide a strong defense posture and a thoughtful, strategic resolution plan, including missed or mishandled discovery deadlines.
Case Management & Reporting Failures	Failure to move cases forward.
Case Management & Reporting Failures	Failure to push cases forward.

Category	Response
Case Management & Reporting Failures	Aversion to providing an analysis of the matter before it gets to a jury.
Case Management & Reporting Failures	Reporting inadequacies; significant changes in evaluation not supported by change in facts or law.
Case Management & Reporting Failures	Not meeting our work standard, whether that be in ability to report and communicate or adverse results (prolonged litigation/evaluation jumps with no new facts or information).
Case Management & Reporting Failures	Ineffective case resolution.
Case Management & Reporting Failures	Failure to move cases to conclusion, and a lack of quality.

Appendix: Full Response Listing — Q67 Most Significant Plaintiff Bar Trends

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
AI Adoption by Plaintiff Bar	Increased time limit demands and their use of AI.
AI Adoption by Plaintiff Bar	The significant uptick in AI usage, time limit demands and the fraud that comes along with both of these when done to extremes.
AI Adoption by Plaintiff Bar	Use of AI.
AI Adoption by Plaintiff Bar	AI driving TLD.
AI Adoption by Plaintiff Bar	The use of AI with monitoring defense counsel and carriers.
AI Adoption by Plaintiff Bar	Verbose and complicated demand packages prepared by AI makes the adjuster's job more challenging.
AI Adoption by Plaintiff Bar	Investment in technology; aggregating information (creating 'big data'); leveraging AI to create limitless case handling capacity.
AI Adoption by Plaintiff Bar	AI in all of its forms.
AI Adoption by Plaintiff Bar	The use of AI tools in demand packages, mediation statements, etc. is a significant threat.
AI Adoption by Plaintiff Bar	Extensive use of AI to create robust demand packages.
AI Adoption by Plaintiff Bar	Proliferation of time limit demands in concert with use of AI.
AI Adoption by Plaintiff Bar	Using AI to assess our adjusters, defense counsel, craft demand letters, etc.
Time-Limited & Policy Limit Demands	Inflated demands with short time limits, set-up practices to open policy limits, coordinated plaintiff bar, exert pressure on regulatory bodies.
Time-Limited & Policy Limit Demands	Aggressive time-limited demands early in the litigation process.

Category	Response
Time-Limited & Policy Limit Demands	Increased time limit demands and their use of AI.
Time-Limited & Policy Limit Demands	The significant uptick in AI usage, time limit demands and the fraud that comes along with both of these when done to extremes.
Time-Limited & Policy Limit Demands	Timing of issuance of TLD/PLD is more frequently pre-suit and ahead of meaningful investigation.
Time-Limited & Policy Limit Demands	Time-limited policy limit demands on an increasing number of files.
Time-Limited & Policy Limit Demands	'Hiding the ball to keep us in the dark' for as long as possible and then dumping hundreds of pages of records with a time limit policy limit demand.
Time-Limited & Policy Limit Demands	Limits demands on low-impact, low-value injuries; often supported by life-care plans.
Time-Limited & Policy Limit Demands	Makes policy limits demand from day one and won't negotiate until you are close to the trial date.
Time-Limited & Policy Limit Demands	AI obviously, but plaintiff attorneys have gone from being difficult to negotiate with early to strictly refusing to have a conversation about settlement until prior to depositions.
Time-Limited & Policy Limit Demands	Proliferation of time limit demands in concert with use of AI.
Plaintiff Bar Collaboration & Data Sharing	Inflated demands with short time limits, coordinated plaintiff bar, exerting pressure on regulatory bodies.
Plaintiff Bar Collaboration & Data Sharing	Third-party funding, rise of traumatic brain injury allegations, data tracking capabilities of plaintiff's counsel.
Plaintiff Bar Collaboration & Data Sharing	Using actuarial probabilities of trial verdict success as a basis for case selection, and keeping records on carriers regarding settlement values for claim types.
Plaintiff Bar Collaboration & Data Sharing	Working together vs. defense attorneys fighting for individual clients.

Category	Response
Plaintiff Bar Collaboration & Data Sharing	The biggest advantage the plaintiff bar has over us is the level at which they cooperate and collaborate with each other.
Plaintiff Bar Collaboration & Data Sharing	They are much faster to embrace technology, much less regimented in their approach to ethical considerations, and much more willing to share their experience freely among their peers. Insurers are poor at all of these things.
TPLF — Third-Party Litigation Funding	TPLF.
TPLF — Third-Party Litigation Funding	Third-party funding, rise of traumatic brain injury allegations, data tracking capabilities of plaintiff's counsel.
TPLF — Third-Party Litigation Funding	One new trend is using third-party litigation funding on lower-value, single-plaintiff cases. Initially, TPLF was used to enable mass tort filings. Now, we have noted TPLF funding on low-value claims under \$50k.
TPLF — Third-Party Litigation Funding	Mass advertising, creating class action litigation and TPLF.
TPLF — Third-Party Litigation Funding	Third-party litigation financing.
TPLF — Third-Party Litigation Funding	Litigation funding.
Bad Faith Setup & Stipulated Judgments	Manufacturing bad faith exposure through premature, inflated demands and technical compliance traps rather than merits-based evaluation. Asserting non-clinical diagnoses to inflate damages. Presenting life-long care plans.
Bad Faith Setup & Stipulated Judgments	Bad faith set-up. Stipulated judgment/covenant not to execute.
Bad Faith Setup & Stipulated Judgments	Covenants not to execute with outrageous stipulated judgments on questionable grounds as to whether the insured could enter into such an agreement.
Bad Faith Setup & Stipulated Judgments	Plaintiff attorneys weaponizing delay, documentation, and 'bad conduct' narratives to inflate case values.
Delayed Settlement & Refusal to Negotiate Early	Unreasonable demands; willing to try more cases in hopes of hitting on one.

Category	Response
Delayed Settlement & Refusal to Negotiate Early	Refusing to settle cases early and just putting them into litigation where they linger causing increased defense costs and higher severity.
Delayed Settlement & Refusal to Negotiate Early	AI obviously, but plaintiff attorneys have gone from being difficult to negotiate with early to strictly refusing to have a conversation about settlement until prior to depositions.
Delayed Settlement & Refusal to Negotiate Early	Willingness to try any case, reasonable or not.
Delayed Settlement & Refusal to Negotiate Early	Unwillingness to discuss resolution until the 11th hour.
Medical Inflation & Injury Exaggeration	Manufacturing bad faith exposure through asserting non-clinical diagnoses (TBI and spinal injuries) to inflate damages. Presenting life-long care plans.
Medical Inflation & Injury Exaggeration	Third-party funding, rise of traumatic brain injury allegations, data tracking capabilities of plaintiff's counsel.
Medical Inflation & Injury Exaggeration	Constant referral or pushing of surgery to all claimants of all ages regardless of conservative care or not.
Medical Inflation & Injury Exaggeration	Limits demands on low-impact, low-value injuries; often supported by life-care plans.
Medical Inflation & Injury Exaggeration	Exploitation of traumatic brain injury with ill-defined subjective complaints.
Venue & Judicial Manipulation	Inflated demands with short time limits, coordinated plaintiff bar, exerting pressure on regulatory bodies.
Venue & Judicial Manipulation	Disregarding positive carrier legislation, relying on corrupt judges to allow cases to move forward to pose threat for a nuclear verdict by liberal venue/jury.
Venue & Judicial Manipulation	They are exploiting cumulative trauma laws in California and that is behind some of this increase in frequency of litigation.

Appendix: Full Response Listing — Q106 Litigation Metrics

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
Cost-to-Outcome & ROI	Overall cost to outcome
Cost-to-Outcome & ROI	Total spend per litigation phase vs final claim outcome
Cost-to-Outcome & ROI	Cost to outcome
Cost-to-Outcome & ROI	Comparing average cost per case by external panel counsel and staff counsel (the latter do not bill time). Haven't yet cracked that nut.
Cost-to-Outcome & ROI	I ultimately want to be able to determine our bang for our buck and be able to compare timelines and costs for roughly similar types of cases by jurisdiction. Right now, I can't do it.
Cost-to-Outcome & ROI	ROI on legal expense investment
Cost-to-Outcome & ROI	indemnity savings.
Outcome & Result Benchmarking	Case outcomes versus reliable benchmarking
Outcome & Result Benchmarking	Verdicts on similar cases
Outcome & Result Benchmarking	Our top-level results vs industry
Outcome & Result Benchmarking	How our trial results compare to industry
Outcome & Result Benchmarking	Final outcomes compared to an industry or company average by attorney.
Outcome & Result Benchmarking	Benchmarked settlement values.
Outcome & Result Benchmarking	Results and Outcomes
Outcome & Result Benchmarking	results

Category	Response
Cycle Time & File Velocity	Cycle time
Cycle Time & File Velocity	Cycle time from date suit filed to closure
Cycle Time & File Velocity	File closure/resolution time
Cycle Time & File Velocity	Attorney case cycle time with us compared to their backlog overall
Cycle Time & File Velocity	The time from assignment to resolution and the change in evaluations throughout the life of the file.
Cycle Time & File Velocity	I ultimately want to be able to determine our bang for our buck and be able to compare timelines and costs for roughly similar types of cases by jurisdiction. Right now, I can't do it.
Evaluation Accuracy & Trajectory	Frequency of change in evaluation of case
Evaluation Accuracy & Trajectory	Whether the outcome was of high quality. A settlement far less than the initial demand could be excellent if good lawyering was involved or of no importance if the first demand was inflated.
Evaluation Accuracy & Trajectory	initial evaluation to final evaluation
Evaluation Accuracy & Trajectory	Initial evaluation from firm to compare to ultimate result
Evaluation Accuracy & Trajectory	The time from assignment to resolution and the change in evaluations throughout the life of the file.
Evaluation Accuracy & Trajectory	Likelihood of success
Attorney & Firm Performance (Individual Level)	results tied to individual attorney in a given jurisdiction

Category	Response
Attorney & Firm Performance (Individual Level)	Consistent staffing throughout the file (e.g., how many attorneys did this file go through)
Attorney & Firm Performance (Individual Level)	Final outcomes compared to an industry or company average by attorney.
Attorney & Firm Performance (Individual Level)	Outcome and resolution metrics
Legal Spend Breakdown by Phase	% of legal billing related to expenses vs billable hours by role
Legal Spend Breakdown by Phase	Legal spend by phase(s). Pre suit, discovery, ADR and trial
Legal Spend Breakdown by Phase	Total spend per litigation phase vs final claim outcome
Legal Spend Breakdown by Phase	increasing expert costs
Plaintiff Bar & Adverse Party Intelligence	industry metrics on plaintiff firms
Plaintiff Bar & Adverse Party Intelligence	Tracking/access to LSA-related results across multiple dimensions
Plaintiff Bar & Adverse Party Intelligence	Data on plaintiff attorney effectiveness
Plaintiff Bar & Adverse Party Intelligence	settlement vs tried
Plaintiff Bar & Adverse Party Intelligence	rate of appeal
Data Access & Scorecard Infrastructure	Not sure, we have plenty of metrics but they are scattered and some are dated. We need a better overall scorecard that can measure real progress
Data Access & Scorecard Infrastructure	Just more data. Using a TPA has made data mining difficult

Category	Response
Data Access & Scorecard Infrastructure	Industry data on rates
Data Access & Scorecard Infrastructure	Guideline compliance
Data Access & Scorecard Infrastructure	Timely communication of major information.

Appendix: Full Response Listing — Q112 Defense Firm Pressures

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
Talent Acquisition & Retention	Talent
Talent Acquisition & Retention	Staffing, too much drain on their time non-case related
Talent Acquisition & Retention	Staffing
Talent Acquisition & Retention	Attracting and retaining legal talent.
Talent Acquisition & Retention	Hiring and retaining talented attorneys
Talent Acquisition & Retention	keeping and attracting talent
Talent Acquisition & Retention	Talent
Talent Acquisition & Retention	Staffing challenges. - Not enough talented lawyers in the marketplace.
Talent Acquisition & Retention	Staffing
Talent Acquisition & Retention	workload
Talent Acquisition & Retention	Hiring and retention of staff
Talent Acquisition & Retention	Staffing and billing
Talent Acquisition & Retention	Experience staff, retention & pressure of plaintiff bar's success with nuclear verdicts.

Category	Response
Talent Acquisition & Retention	Staffing/retention with experienced attorneys
Talent Acquisition & Retention	Retaining 5-7 year associates, who are the next generation of attorneys representing the firm
Talent Acquisition & Retention	finding or retaining good talent
Talent Acquisition & Retention	Challenges retaining and hiring attorneys and staff; same as staff counsel.
Talent Acquisition & Retention	Retention of staff.
Talent Acquisition & Retention	Litigation guidelines and billing for multiple divisions within multiple carriers is such a hassle that good, talented lawyers are leaving insurance defense firms.
Talent Acquisition & Retention	Staffing / expertise
Talent Acquisition & Retention	Retaining talent with tighter budgets
Talent Acquisition & Retention	Talent and tech
Talent Acquisition & Retention	staffing and profitability
Talent Acquisition & Retention	Talent density & retention
Talent Acquisition & Retention	Keeping up with associate pay demands
Talent Acquisition & Retention	Being able to attract and retain associate attorneys who want to remain in the insurance defense practice area.
Talent Acquisition & Retention	Talent
Talent Acquisition & Retention	Staffing

Category	Response
Talent Acquisition & Retention	talent management. getting people in and paying them enough to stay.
Talent Acquisition & Retention	Talent and salary
Talent Acquisition & Retention	Lack of available talent
Talent Acquisition & Retention	Staffing
Talent Acquisition & Retention	Talent deficit
Talent Acquisition & Retention	increasing salaries, new associates - work demands, commitment
Talent Acquisition & Retention	Talent development
Talent Acquisition & Retention	Paying for talent
Talent Acquisition & Retention	Acquiring and retaining talent
Talent Acquisition & Retention	Rate pressure causing lower margin and inability to attract and retain talent
Talent Acquisition & Retention	Attracting talent (lower pay, more stressful work, etc than plaintiff firms)
Profitability & Financial Pressure	profit
Profitability & Financial Pressure	Making a profit.
Profitability & Financial Pressure	cost of everything just like every industry
Profitability & Financial Pressure	Revenue Production

Category	Response
Profitability & Financial Pressure	Billable hours
Profitability & Financial Pressure	staffing and profitability
Profitability & Financial Pressure	The cost of doing business and working with insurance companies who refuse to accommodate the severity environment and staffing pressures.
Profitability & Financial Pressure	Rate pressure causing lower margin and inability to attract and retain talent
Associate Development & the AI Training Dilemma	How to juggle increasing use of AI while maintaining a proper training track for younger lawyers whose learning opportunities (e.g. drafting, summarizing, researching) will increasingly be better and more efficiently completed by AI.
Associate Development & the AI Training Dilemma	Retaining 5-7 year associates, who are the next generation of attorneys representing the firm
Associate Development & the AI Training Dilemma	Malpractice due to lack of experience, high caseloads, and a lack of internal controls.
Associate Development & the AI Training Dilemma	Talent development
Client & Guideline Compliance Burden	Compliance with multiple versions of billing and handling guidelines.
Client & Guideline Compliance Burden	Litigation guidelines and billing for multiple divisions within multiple carriers is such a hassle that good, talented lawyers are leaving insurance defense firms.
Client & Guideline Compliance Burden	Timely and meaningful reporting
Client & Guideline Compliance Burden	Meeting the various demands of competing interests (clients, staff & courts)
Client & Guideline Compliance Burden	Staffing, too much drain on their time non-case related

Category	Response
Competitive Disadvantage vs. Plaintiff Bar	Experience staff, retention & pressure of plaintiff bar's success with nuclear verdicts.
Competitive Disadvantage vs. Plaintiff Bar	Attracting talent (lower pay, more stressful work, etc than plaintiff firms)
Competitive Disadvantage vs. Plaintiff Bar	achieving results from a system that favor collusion among medical and plaintiff counsels
Competitive Disadvantage vs. Plaintiff Bar	The cost of doing business and working with insurance companies who refuse to accommodate the severity environment and staffing pressures.
Technology Adoption & Cyber Risk	Adoption of AI
Technology Adoption & Cyber Risk	Talent and tech
Technology Adoption & Cyber Risk	How to juggle increasing use of AI while maintaining a proper training track for younger lawyers whose learning opportunities (e.g. drafting, summarizing, researching) will increasingly be better and more efficiently completed by AI.
Technology Adoption & Cyber Risk	cost of cyber and data security
Technology Adoption & Cyber Risk	Differentiating from other firms. Articulating a value prop.
Technology Adoption & Cyber Risk	Malpractice due to lack of experience, high caseloads, and a lack of internal controls.

Appendix: Full Response Listing — Q126 - Threats to Litigation Management Effectiveness

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
Social Inflation & Nuclear Verdicts	Social inflation and juries
Social Inflation & Nuclear Verdicts	Social inflation, staffing, and AI adoption
Social Inflation & Nuclear Verdicts	Settlement values disproportionate to actual damages due to fear of oversized verdicts.
Social Inflation & Nuclear Verdicts	Continued social inflation. Plaintiff's bar use of AI. Loss of talent amongst defense firms.
Social Inflation & Nuclear Verdicts	Social inflation and continued ECO set-up.
Social Inflation & Nuclear Verdicts	Staffing and talent. Social inflation. Pervasive advertising.
Social Inflation & Nuclear Verdicts	Social inflation, staffing challenges, nuclear verdicts
Social Inflation & Nuclear Verdicts	Plaintiff bar advertising, including focus on nuclear verdicts. This unrealistically inflates expectations of all injured parties.
Social Inflation & Nuclear Verdicts	AI, social inflation, staffing challenges
Social Inflation & Nuclear Verdicts	Social inflation / injury inflation
Social Inflation & Nuclear Verdicts	Social Inflation and decaying morality.
Social Inflation & Nuclear Verdicts	Social inflation and TPLF
Social Inflation & Nuclear Verdicts	Social inflation, AI driven lawsuits, corrupt judges/venues/plaintiff attorneys
Social Inflation & Nuclear Verdicts	Social inflation is too broad. I think the biggest factor is a combination of a general numbness to large numbers and a growing distrust and dislike of corporate America. Jurors have openly admitted to essentially awarding punitives as compensatory damages.

Category	Response
Social Inflation & Nuclear Verdicts	Social inflation and defense counsel staffing.
Social Inflation & Nuclear Verdicts	Staffing challenges and social inflation
Social Inflation & Nuclear Verdicts	Social Inflation — out of control verdicts, causing carriers and defense counsel to avoid trying cases, which continually increases cost of settling cases. Third Party Funding. Staffing challenges for firms and carriers.
Staffing & Talent Shortages	Social inflation, staffing, and AI adoption
Staffing & Talent Shortages	Continued social inflation. Plaintiff's bar use of AI. Loss of talent amongst defense firms.
Staffing & Talent Shortages	Staffing and talent. Social inflation. Pervasive advertising.
Staffing & Talent Shortages	Talent/Staffing
Staffing & Talent Shortages	Social inflation, staffing challenges, nuclear verdicts
Staffing & Talent Shortages	AI, social inflation, staffing challenges
Staffing & Talent Shortages	Staffing — the insurance industry's billing rules have gotten so restrictive that good attorneys are leaving for the plaintiff side
Staffing & Talent Shortages	Expertise drain.
Staffing & Talent Shortages	The intersection of short-sighted carrier budgetary concerns and defense counsel staffing
Staffing & Talent Shortages	Social inflation and defense counsel staffing.
Staffing & Talent Shortages	Staffing for both claims and law firms

Category	Response
Staffing & Talent Shortages	Staffing challenges and social inflation
Staffing & Talent Shortages	Developing new attorneys who will enter and stay in the insurance defense practice.
Staffing & Talent Shortages	Talent
Staffing & Talent Shortages	AI and staffing impacts
Staffing & Talent Shortages	Staffing challenges, overall migration away from the insurance defense bar
Staffing & Talent Shortages	Staffing challenges — as trial attorneys are aging out or switching to the plaintiff's side there is a lack of talent coming in behind them.
Staffing & Talent Shortages	Social Inflation — out of control verdicts, causing carriers and defense counsel to avoid trying cases, which continually increases cost of settling cases. Third Party Funding. Staffing challenges for firms and carriers.
Staffing & Talent Shortages	Loss of talent both in claims and attorney offices.
Staffing & Talent Shortages	Industry attrition without sufficient talent development to fill the gaps.
Staffing & Talent Shortages	Staffing challenges on the claims and defense counsel side
Plaintiff Bar Adoption of AI	Continued social inflation. Plaintiff's bar use of AI. Loss of talent amongst defense firms.
Plaintiff Bar Adoption of AI	Use of AI in discovery, case management
Plaintiff Bar Adoption of AI	AI, social inflation, staffing challenges
Plaintiff Bar Adoption of AI	The way plaintiff attorneys are using AI to monitor defense firms and carriers.

Category	Response
Plaintiff Bar Adoption of AI	Plaintiffs' use of AI
Plaintiff Bar Adoption of AI	Social inflation, AI driven lawsuits, corrupt judges/venues/plaintiff attorneys
Plaintiff Bar Adoption of AI	AI utilization by plaintiff bar
Plaintiff Bar Adoption of AI	Impact of AI on litigation overall
Plaintiff Bar Adoption of AI	Plaintiff bar's adoption of AI
Plaintiff Bar Adoption of AI	AI and staffing impacts
Plaintiff Bar Adoption of AI	Inability of defense firms to adopt AI technology to stay competitive
Plaintiff Bar Adoption of AI	AI use by plaintiffs bar
Legal System Abuse, TPLF & Tort Reform	Legal system abuse
Legal System Abuse, TPLF & Tort Reform	Increased claims and/or litigation, with varied complexities, driven by litigation system abuse, putting pressure on damages assessments and ability to settle, increasing expert and attorney costs, challenging effective strategies and tactics
Legal System Abuse, TPLF & Tort Reform	TPLF and the need for tort reform.
Legal System Abuse, TPLF & Tort Reform	Social inflation and TPLF
Legal System Abuse, TPLF & Tort Reform	The most relevant threat is state legislatures not acting at their level to curb the plaintiffs' bar abuse of the litigation system. Specifically CA, TX and CT amongst others.

Category	Response
Legal System Abuse, TPLF & Tort Reform	Social Inflation — out of control verdicts, causing carriers and defense counsel to avoid trying cases, which continually increases cost of settling cases. Third Party Funding. Staffing challenges for firms and carriers.
Legal System Abuse, TPLF & Tort Reform	Lack of legislation/tort reform to control legal system abuse
Defense Industry Adaptation & Cost Pressures	The intersection of short-sighted carrier budgetary concerns and defense counsel staffing
Defense Industry Adaptation & Cost Pressures	Law firms are pricing themselves into oblivion. They want higher and higher rates for new associates at the same time that technology is replacing the tasks that those same junior associates are qualified to do.
Defense Industry Adaptation & Cost Pressures	Defense costs keep going up but so are average case values. Why are we spending more on defense per case and not getting better results on indemnity?
Defense Industry Adaptation & Cost Pressures	Technology at law firms is antiquated. I am concerned that defense firms are going to fall behind and lack long-term strategies for defending against the plaintiff bar.
Defense Industry Adaptation & Cost Pressures	Managing the velocity of demands while remaining in compliance with internal and external standards
Defense Industry Adaptation & Cost Pressures	Inability of defense firms to adopt AI technology to stay competitive
Carrier & Litigation Strategy Failures	Lack of strategy or control of the case — we let plaintiff run discovery their way. No one knows how to value cases; we wait for demands then take the long way through litigation for all the wrong reasons.
Carrier & Litigation Strategy Failures	I think the biggest threat to effective litigation management is the insurance industry and a refusal to change despite clear and convincing evidence that a change is required.
Carrier & Litigation Strategy Failures	Defense costs keep going up but so are average case values. Why are we spending more on defense per case and not getting better results on indemnity?

Appendix: Full Response Listing — Q127 - Most Interesting or Innovative Law Firm Presentations

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
No Notable Innovation Reported	Can't think of anything — that is unfortunate.
No Notable Innovation Reported	Nothing — that's the problem!
No Notable Innovation Reported	Nada.
No Notable Innovation Reported	Not much, to be honest. Most interesting presentations have been from litigation support tech start-ups.
No Notable Innovation Reported	Sadly, nothing. Many firms are too busy to provide that 'value add' service.
No Notable Innovation Reported	Nothing stands out.
No Notable Innovation Reported	Nothing.
AI Tools & Technology Adoption	AI tools; alternative fee arrangement (one early discussion).
AI Tools & Technology Adoption	Defense's use of AI to get intel on plaintiff firms to be better prepared to try cases.
AI Tools & Technology Adoption	AI generated demand packages.
AI Tools & Technology Adoption	AI proposition for information review and synthesis.
AI Tools & Technology Adoption	AI tools.
AI Tools & Technology Adoption	Early adoption of AI in partnership with us to ensure comfort.

Category	Response
AI Tools & Technology Adoption	Creation/utilization of AI prompt specialists within the law firm.
Attorney Development & Training Programs	Having a junior attorney take a role in a trial for development and a senior attorney attend at no cost.
Attorney Development & Training Programs	There are several firms making efforts to change and align incentives to train, mentor, and develop young lawyers and I am always willing to support them.
Attorney Development & Training Programs	The most interesting thing I saw was a firm that brought in a business consultant and ended up restructuring partner buy-outs and providing clear, objective pathways for young attorneys on their paths to partnership. It's incredibly sustainable, builds stability and unburdens the firm from the financial pressures of aging partners.
Attorney Development & Training Programs	Their training of new associates.
Attorney Development & Training Programs	Training program for young attorneys / internal trial academy.
Alternative Fee Arrangements	AI tools; alternative fee arrangement (one early discussion).
Alternative Fee Arrangements	Proposals for AFAs/non-hourly billing models.
Alternative Fee Arrangements	AFAs.
Alternative Fee Arrangements	Agreement that the billable hour is a terrible tool and their willingness to consider other compensation structures.
Alternative Fee Arrangements	Offer to handle an entire portfolio of litigation.
Fraud Detection & Litigation System Abuse	Extensive information sharing related to fraud and methods to combat litigation system abuse.
Fraud Detection & Litigation System Abuse	Engagement in identification of fraud.
Fraud Detection & Litigation System Abuse	During a client meeting, primary defense counsel reviewed RICO lawsuits filed by Uber in CA, NY, and Philadelphia against plaintiff firms and medical providers alleging directed referrals to pre-selected providers for unnecessary

Category	Response
	treatment with artificially inflated bills. These suits are being closely monitored by the defense bar.
Fraud Detection & Litigation System Abuse	Strategies related to defending against nuclear verdicts and those related to defending against lien-based medical care.
Fraud Detection & Litigation System Abuse	Third-party litigation successes.
Innovative Case Strategy & Tactics	How to defeat inflated damages claims.
Innovative Case Strategy & Tactics	Nuances of California CCP 999 and its effects on pre-litigation demands.
Innovative Case Strategy & Tactics	A four-point projection on a very complicated construction defect claim that went through potential outcomes given each of the four points.
Innovative Case Strategy & Tactics	Strategies related to defending against nuclear verdicts and those related to defending against lien-based medical care.
Innovative Case Strategy & Tactics	Settlement day/days coordinated by counsel with multiple cases against the same plaintiff firm or attorney.
Metrics, Performance & Preferred Counsel Programs	Metrics.
Metrics, Performance & Preferred Counsel Programs	Preferred counsel program.
Medical & Diagnostic Intelligence	Loss reporting platform straight from the trucker at the scene, integrated into our claims system.
Medical & Diagnostic Intelligence	Historical diagnostic imaging.
Other / Miscellaneous	Witness coaches.
Other / Miscellaneous	The challenges they face keeping a business afloat.

Appendix: Full Response Listing — Q128 - Planned Initiatives in the Next 12 Months

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
AI Tools & Workflow Automation	Using AI to get a better understanding of where a case may end up before spending money on litigation.
AI Tools & Workflow Automation	Update our guidelines regarding defense counsel use of AI and data security measures to protect our insureds and our company.
AI Tools & Workflow Automation	Our 2026 litigation management program will continue to prioritize proactive funnel management to reduce attorney conversion within our dedicated unrepresented-claim teams. We will implement a targeted data strategy that strengthens workflow execution, ensures our teams consistently influence litigation strategy throughout the claim lifecycle, and enables GenAI and advanced modeling capabilities. In addition, we will deploy an advanced litigation training program to enhance strategic decision-making and sharpen tactical execution.
AI Tools & Workflow Automation	New document management platform; digital court reporting; internal AI capabilities.
AI Tools & Workflow Automation	We are going to be capturing file-level litigation information from outside counsel, and using it to feed an AI process that will identify cases trending in a troublesome direction.
AI Tools & Workflow Automation	AI and resolution metrics.
AI Tools & Workflow Automation	Efficiencies gained by utilizing AI summary tools; trial strategies to reduce large verdicts.
AI Tools & Workflow Automation	Licensed access to ChatGPT for adjusters. Summarization tool for demands, voluminous medical records, lengthy complaints, and motions. File audit/summarization tool — mainly for adjuster file transfers which could be sent to counsel as well.
AI Tools & Workflow Automation	AI-assisted workflow tools to improve efficiency.
AI Tools & Workflow Automation	Auto-approval on AI-adjusted legal invoices.
AI Tools & Workflow Automation	AI usage program.

Category	Response
AI Tools & Workflow Automation	AI enhancements to better identify time limit demands and lawsuits.
Case Evaluation & Early Resolution	Further use of settlement counsel and tools that summarize the case and litigation.
Case Evaluation & Early Resolution	Third-party auto BI evaluation tool.
Case Evaluation & Early Resolution	Improved systems for risk-based case evaluation.
Case Evaluation & Early Resolution	Continued expansion of attorney roundtables and increased use of early focus groups.
Case Evaluation & Early Resolution	Claims evaluation tool.
Case Evaluation & Early Resolution	Quick/early settlements.
Case Evaluation & Early Resolution	Our 2026 litigation management program will continue to prioritize proactive funnel management to reduce attorney conversion within our dedicated unrepresented-claim teams. We will implement a targeted data strategy that strengthens workflow execution, ensures our teams consistently influence litigation strategy throughout the claim lifecycle, and enables GenAI and advanced modeling capabilities. In addition, we will deploy an advanced litigation training program to enhance strategic decision-making and sharpen tactical execution.
Case Evaluation & Early Resolution	Predictive modeling early in a claim file, helping identify probable litigation further down the lifecycle.
Case Evaluation & Early Resolution	We are going to be capturing file-level litigation information from outside counsel, and using it to feed an AI process that will identify cases trending in a troublesome direction.
Case Evaluation & Early Resolution	Efficiencies gained by utilizing AI summary tools; trial strategies to reduce large verdicts.
Case Evaluation & Early Resolution	Creating a team that involves claim professionals and panel counsel that will serve as a think tank to help create a revised litigation strategy and share effective methods for defense counsel.

Category	Response
Data Infrastructure, Systems & Dashboards	Our 2026 litigation management program will continue to implement a targeted data strategy that strengthens workflow execution and enables GenAI and advanced modeling capabilities.
Data Infrastructure, Systems & Dashboards	Interactive communication/billing/dashboarding portal with all our firms.
Data Infrastructure, Systems & Dashboards	New document management platform; digital court reporting; internal AI capabilities.
Data Infrastructure, Systems & Dashboards	We are in process to greatly upgrade our claims system to allow data sharing and significantly improved data analysis.
Data Infrastructure, Systems & Dashboards	Additional automation in our claims management system.
Data Infrastructure, Systems & Dashboards	Dashboard of all open and closed cases.
Data Infrastructure, Systems & Dashboards	Data mining.
Data Infrastructure, Systems & Dashboards	Improved matter management software.
Metrics, Analytics & Performance Measurement	New metrics.
Metrics, Analytics & Performance Measurement	Better cost analysis of our legal spend.
Metrics, Analytics & Performance Measurement	Panel counsel scorecard/survey.
Metrics, Analytics & Performance Measurement	Our 2026 program will deploy an advanced litigation training program to enhance strategic decision-making; includes targeted data strategy and GenAI modeling capabilities.
Metrics, Analytics & Performance Measurement	Predictive modeling early in a claim file, helping identify probable litigation further down the lifecycle.

Category	Response
Metrics, Analytics & Performance Measurement	Better metrics to gauge effectiveness of counsel.
Metrics, Analytics & Performance Measurement	AI and resolution metrics.
Metrics, Analytics & Performance Measurement	Dashboard of all open and closed cases.
Metrics, Analytics & Performance Measurement	Enhancing firm metrics.
Metrics, Analytics & Performance Measurement	Analytics models to analyze best outcomes based on case mix to drive to best attorneys for that particular case.
Panel Counsel Management & Consolidation	Expert panel directory and plaintiff law firm directory.
Panel Counsel Management & Consolidation	Panel counsel scorecard/survey.
Panel Counsel Management & Consolidation	Our 2026 program includes ensuring teams consistently influence litigation strategy throughout the claim lifecycle.
Panel Counsel Management & Consolidation	Line of business-specific panel counsel review groups.
Panel Counsel Management & Consolidation	Analytics models to analyze best outcomes based on case mix to drive to best attorneys for that particular case.
Panel Counsel Management & Consolidation	Panel counsel consolidation.

Category	Response
Billing Guidelines & Alternative Fee Arrangements	Alternative fee arrangements.
Billing Guidelines & Alternative Fee Arrangements	Updated billing guidelines.
Billing Guidelines & Alternative Fee Arrangements	AFAs.
Billing Guidelines & Alternative Fee Arrangements	Updated handling and billing guidelines.
Billing Guidelines & Alternative Fee Arrangements	Use of flat fee or alternative billing.
Training, Development & Next-Generation Talent	Our 2026 program will deploy an advanced litigation training program to enhance strategic decision-making and sharpen tactical execution.
Training, Development & Next-Generation Talent	We are investing in the next generation in a number of ways including: automatic second chairs at trials if they're associates, multiple timekeepers attending critical events, and starting a direct-access next-gen cohort to our claims leaders developed without their firms' approval.
Training, Development & Next-Generation Talent	Attorney summit.
Training, Development & Next-Generation Talent	Creating a team of claim professionals and panel counsel to serve as a think tank to help create revised litigation strategy and share effective defense methods.
TPLF & Emerging Risk Identification	Identification of TPLF.
TPLF & Emerging Risk Identification	AI enhancements to better identify time limit demands and lawsuits.

Appendix F: Full Response Listing — Q129 - Advice to Fellow Industry Leaders

Responses grouped by thematic category; individual responses may appear in more than one category

Category	Response
Industry Collaboration & Intelligence Sharing	We have to start working together as an industry to share results and tackle fraud and fight back against frivolous claims. As long as the plaintiff bar continues to work together and we do not, we will never win this game.
Industry Collaboration & Intelligence Sharing	Coordination on fighting legal system abuse.
Industry Collaboration & Intelligence Sharing	We are strongly considering participation in data consortium efforts and encourage others to do the same. Leveraging the power of data across the defense side would help us combat plaintiff bar collaboration.
Industry Collaboration & Intelligence Sharing	The plaintiff bar realized early on that a rising tide lifts all boats. The insurance industry has failed to recognize that reality and is getting crushed, particularly in blue states, as a result. Absent change, that trend will continue — if not accelerate.
Industry Collaboration & Intelligence Sharing	We MUST find ways to coordinate, cooperate and collaborate to the same level as the plaintiff attorneys or we will continue to watch social inflationary forces destroy our bottom lines.
Industry Collaboration & Intelligence Sharing	That we collaborate more; just as the plaintiffs do.
Industry Collaboration & Intelligence Sharing	Developing a way to share information without violating antitrust regulations.
Industry Collaboration & Intelligence Sharing	We need to do a better job of exchanging ideas and learnings across the industry for the benefit of all. We are far behind our opponents and the gap is getting wider every day.
Industry Collaboration & Intelligence Sharing	We need to share more information across the industry around what is working. For example, sharing success stories at the trial court level, whether that be a verdict (and what led to it) or a granted summary judgment motion.
Invest in Talent — Claims & Defense Bar	Invest in defense bar and also staff development.
Invest in Talent — Claims & Defense Bar	Remember the good old days when, as a newbie adjuster you could find an attorney that knew their stuff and you would always lean on that person to help you. They're going by the wayside, which is yet another reason we're having a hard time finding claim professionals that can competently handle litigated files. We need to re-establish these partnerships.

Category	Response
Invest in Talent — Claims & Defense Bar	You have to do better. You have to pay better. You have to take a long-term look at the future and stop prioritizing quarterly financial results.
Invest in Talent — Claims & Defense Bar	Claims is also facing talent shortages with retirements and inability to develop younger associates.
Invest in Talent — Claims & Defense Bar	There needs to be an emphasis on supporting counsel and the business imperative that they have to train new talent. We also need to make better use of AI tools in order to combat the plaintiff's use and need to be diligent about training our staff and supporting training of the firm's staff in negotiations tools and strategies.
Invest in Talent — Claims & Defense Bar	We need to consider how AI tools can be leveraged to fill the talent gap both with outside counsel and in our own programs.
Invest in Talent — Claims & Defense Bar	Keep an eye on your older talent. It's walking out the door with retirements and taking its expertise with it. This includes people who can meet one on one with plaintiff and defense attorneys in person.
Invest in Talent — Claims & Defense Bar	The defense bar is facing a new level of talent challenge so to ensure the health of a vital business partner we need to truly embrace a business partnership with them to mutually solve talent and technology challenges.
Invest in Talent — Claims & Defense Bar	We must make changes and more fully support our defense counsel partners. We are not setting them up for success and it's causing the plaintiff bar to outperform us in results by a wide margin.
Fight Back: Fraud, Legal System Abuse & TPLF	The industry needs to address fraud and abuse which has become ubiquitous.
Fight Back: Fraud, Legal System Abuse & TPLF	More fraud referrals.
Fight Back: Fraud, Legal System Abuse & TPLF	We have to start working together as an industry to share results and tackle fraud and fight back against frivolous claims.
Fight Back: Fraud, Legal System Abuse & TPLF	Coordination on fighting legal system abuse.
Fight Back: Fraud, Legal System Abuse & TPLF	Advocate for reforms to lessen the impact of social inflation and TPLF.
Fight Back: Fraud, Legal System Abuse & TPLF	We need to educate the public about the cost of fraud and cost of the system driving up settlements — treatment abuse, billing games, and diagnostic overuse to drive value, not following tort-reform laws and courts allowing it.

Category	Response
Fight Back: Fraud, Legal System Abuse & TPLF	Embrace change and fight legal system abuse.
Cultural & Leadership Mindset Shifts	What is old is new again. Plaintiff counsel have been vocal about their frustration when there is clear liability and no offers are forthcoming. The claims practices acts call on us to do that and so few do. Using advances, remembering this is about people.
Cultural & Leadership Shifts	What positions us all for the future is trust and resilience — internally and externally. Internally: empower adjusters and managers with training, escalation paths, and authority frameworks so they can act quickly with confidence. Externally: build a reputation for being fair, consistent, and prepared. Plaintiff counsel and mediators learn quickly which carriers posture and which carriers perform. The industry needs fewer performative fights and more principled, well-supported positions — because credibility is now one of the most valuable forms of leverage.
Cultural & Leadership Mindset Shifts	Innovation is more critical than ever. Sharing innovative ideas will benefit all.
Cultural & Leadership Mindset Shifts	You have to do better. You have to pay better. You have to take a long-term look at the future and stop prioritizing quarterly financial results.
Cultural & Leadership Mindset Shifts	Embrace change and find ways to incorporate AI in ways that make sense while maintaining knowledge and industry experience.
Cultural & Leadership Mindset Shifts	We need to try cases to drive down overall values.
Embrace AI & Technology Proactively	Learning to use AI more effectively and creatively.
Embrace AI & Technology Proactively	Collect data in a uniform and rigorous way now so that you will be able to have a framework to feed AI models that are not yet available.
Embrace AI & Technology Proactively	Embrace change and find ways to incorporate AI in ways that make sense while maintaining knowledge and industry experience.
Embrace AI & Technology Proactively	There needs to be an emphasis on supporting counsel and the business imperative that they have to train new talent. We also need to make better use of AI tools in order to combat the plaintiff's use and need to be diligent about training our staff.
Embrace AI & Technology Proactively	We need to consider how AI tools can be leveraged to fill the talent gap both with outside counsel and in our own programs.

Category	Response
Strengthen Defense Counsel Partnerships	A more organized defense bar.
Strengthen Defense Counsel Partnerships	Litigation is going to cost more and we need to choose wisely who we retain, why we retain them and when. Once retained, don't just put them on autopilot — we must stay engaged in a partnership to get the best results for us and for counsel.
Strengthen Defense Counsel Partnerships	The defense bar is facing a new level of talent challenge so to ensure the health of a vital business partner we need to truly embrace a business partnership with them to mutually solve talent and technology challenges.
Strengthen Defense Counsel Partnerships	We must make changes and more fully support our defense counsel partners. We are not setting them up for success and it's causing the plaintiff bar to outperform us in results by a wide margin.
Strengthen Defense Counsel Partnerships	Do not treat your defense counsel as simply a cost center to be made more efficient. Look for ways to partner more effectively.
Investigate Early & Manage Cases Proactively	Get out on those large commercial auto losses immediately — retaining the right attorney to help investigate, gather the facts and preserve evidence — and move those cases towards early exit ramps.
Investigate Early & Manage Cases Proactively	Quality over quantity. Pay attention to the details and investigate early. It will save you millions in the long run.
Investigate Early & Manage Cases Proactively	Strong litigation management guidelines.
Investigate Early & Manage Cases Proactively	Having counsel keep cases off a conveyor belt and look for creative ways to move cases forward.
Investigate Early & Manage Cases Proactively	Litigation is going to cost more and we need to choose wisely who we retain, why we retain them and when. Once retained, don't just put them on autopilot — we must stay engaged in a partnership to get the best results.
Rethink Metrics — Focus on Outcomes, Not Spend	We need to move away from litigation management as a 'metric.' Goodhart's Law — when a measure becomes a goal, it stops being a good measure. We need to look at meaning, not metrics. Reducing legal spend is a lazy metric. Instead, we need to focus on results and the meaning of those results.

Category	Response
Rethink Metrics — Focus on Outcomes, Not Spend	Pay attention to what your overall spend (litigation and indemnity) is when determining your claims department performance. Focus on one over the other will cloud your understanding of severity and where the issues lie.
Rethink Metrics — Focus on Outcomes, Not Spend	Communication is key. Call in person frequently.