ICRMA

INDEPENDENT CITIES
RISK MANAGEMENT
AUTHORITY

www.icrma.org

Litigation Management Policies and Procedures

Liability and Workers' Compensation

October 2026

Change Record

Date	Description
7/2003 (LP)	• Revisions to Liability Litigation Management Policies and Procedures
8/2007 (WC)	• Creation of Workers' Compensation Management Policies and Procedures
11/2013 (LP)	• Added provision that hourly rates for Associates should be no greater than 80% that of existing approved rates for Partner rate charged.
4/2015 (LP)	• Require pre-trial reports 120 days before trial • Require status reports every 60 days • Claims reasonably expected to reach 50% of the member retained limit must have defense counsel assigned within 60 days of the receipt of the claim • Reduced the number of attorneys and paralegals that may work on a claim without pre-approval • Added hourly rates for Of Counsel and paralegals • Clarified the $300 appellate rate applies to partners only if an appellate law specialist is utilized for the appeal • Increased defense panel insurance requirements from $1 million to $2 million • Added language regarding biannual litigation management meetings and annual attorney audit • Added language clarifying that attorneys, not firms, are added to/removed from the Approved Panel Counsel • Require use of Approved Panel Counsel for all litigated claims except at the discretion of the Board • Added language that the member or adjuster shall discuss the attorney assignment with the Liability Program Manager before the engagement letter is sent • Added language that an arbitrator must be approved by the ICRMA Liability Program Manager
11/2015 (WC)	• Updated language: Typographical and Grammar, Clarifying, Practice, and Modernization.
12/2016	• Added language to clarify the definition of conflicts of representation for ICRMA defense counsel, effective immediately. • Revised the travel billing provision. Billing for travel may be no greater than 50% of the normal hourly rate (effective March 1, 2017).
7/2018	• Combined Liability and Workers' Compensation LMPP documents • Increased insurance requirements for WC attorneys from $1M to $2M to be consistent with liability requirements
1/2020 (Approved at 12/5/2019 board meeting)	• Added provision to require all attorneys submit invoices through ICRMA's bill review software • Updated requirement for Lessons Learned to be issued upon the completion of all Litigation • Attorney nominations to be considered by Claims Committee • Added a provision that the TPA be utilized to perform investigations • Added Medicare/Medicaid reporting requirement • Added "Early Resolution of Litigation" requiring a plan of action by Defense Attorney • Added "Filing of Motions" requiring authorization
8/2021	• Revised the maximum bill rates for the Workers' Compensation Defense Panel
1/2022	• Revised to make changes related to Workers' Compensation, Liability and maximum bill rates for the Liability Defense Panel
4/2022	• Added provision to allow high MRL Members the option to request higher attorney billing rates to count towards their MRL
4/2023	• Added "Justification" section to the Approved Panel Counsel provisions • Added an additional provision stating the requirement that all counsel assigned to ICRMA claims agree to submit all legal bills through ICRMA's designated bill review service • Added language to the conflict provision clarifying that all counsel assigned to ICRMA claims must agree not to initiate or maintain litigation against ICRMA or advise or represent a current or former Member of ICRMA in a dispute against ICRMA • Amended multiple aspects of the "Policies Regarding Fees, Expenses and Reimbursements" and "Billing Process" sections to simplify the billing process and better ensure timely payment of legal fees tied to ICRMA litigation, while maintaining high oversight standards.

1/2024	• Updated Defense Counsel Selection section to necessitate consultation with the Liability Program Manager prior to engagement only in the case of EPL or police liability claims. • Updated Removal from Panel to allow the Claims Committee and/or Board to approve. • Removed reference to a specific vendor for legal bill review services • Updated the Evaluation of Attorneys and Firms to state that the Board may review periodically. • Removed the requirement that all budgets must be approved by the Liability Program Manager. • Updated Expenses and Reimbursements in various sections.
7/2026	• Revised the maximum bill rates for the Workers' Compensation Defense Panel
10/2026	• Revised the maximum bill rates for the General Liability Defense Panel

Contents

1. DEFENSE COUNSEL 4
A. Approved Panel Counsel 4
B. Selection 5
C. Attorney Client Relationship 5
D. Compliance with the Procedures 5
E. Removal from the Panel 5
2. POLICIES REGARDING LEGAL SERVICES 6
A. Initiation of Legal Services 6
B. Legal Expenses 6
C. Evaluation of Attorneys and Firms 6
D. Monitoring Counsel 6
E. In-House Counsel 6
F. Conflicts 6
G. Biannual Litigation Management Meetings 7
3. CASE ANALYSIS AND STRATEGY 7
A. Initial Case Analysis – Liability Claims Only 7
B. Budget 8
C. Reporting 8
4. COMMUNICATION 9
A. Correspondence and pleadings 9
B. Depositions, Trials, Arbitrations and Hearings 9
5. SETTLEMENT AUTHORITY 10
6. POLICIES REGARDING FEES, EXPENSES AND REIMBURSEMENTS 10
A. Attorney Hourly Rate 10
B. Counsel Billable Activities 10
C. Reimbursable Expenses/Disbursements 10
D. Travel Costs 11
E. Non-Reimbursable Expenses 11
F. Defense Experts 11
G. Other Expenditures 11
7. BILLING PROCEDURES 11
A. Billing Statement 11
B. Legal Fees 11
C. Final Disposition of Case 12
8. LITIGATION AND TRIAL REPORT 12
9. FINAL REPORTS 12
A. Closing Report 12
B. Evaluation of Counsel 12
C. Audit of Defense Firms 13
10. DISPUTES BETWEEN PARTIES 13
A. Arbitration 13
B. Selection of Arbitrator 13
C. Arbitration Time Limits 13
D. Cost of Arbitration 13
E. Arbitration Procedure 13

Litigation Management Policies and Procedures

The Independent Cities Risk Management Authority ("ICRMA") has adopted Liability and Workers' Compensation Litigation Management Policies and Procedures, which represent a reasonable and effective path for the management of litigated matters. These guidelines ensure consistency in claim litigation management and define the expectations of claims defense counsel to achieve the best result in an efficient and cost-conscience manner consistent with ethical obligations. It is the intent of ICRMA to allow Members to select their own defense counsel, while at the same time recognizing that it is in the best interests of all Members to ensure the professional, competent, and cost-effective handling of litigation. Pursuant to ICRMA's Memoranda of Coverage, Members and retained counsel shall comply with these Litigation Management Policies and Procedures ("Procedures") for all claims required to be reported to ICRMA.

If any provision of this document conflicts with the ICRMA's Memoranda of Coverage, the then current Memorandum of Coverage ("MOC") governs whenever approved. Likewise, detail contained in the MOC should be used to clarify implementation of these Procedures.

1. DEFENSE COUNSEL

A. Approved Panel Counsel

Attorneys must meet and agree to the following provisions in order to be approved for, and maintain their membership on, the approved panel:

1. Nomination. The attorney must be nominated, in writing, by one of the current ICRMA Members or Third Party Administrators (TPAs), or by ICRMA. Upon review and recommendation of the Claims Committee, the Board shall have the responsibility of approving the panel of defense attorneys and the authority to add or delete individual counsel from time to time pursuant to recommendations from the Member, the Liability or Workers' Compensation Program Manager, or the Executive Director.
2. Justification. The Board strongly encourages Members to select attorneys from the ICRMA defense panel. If a Member finds it necessary to nominate a new attorney for inclusion on the panel, a brief description shall be submitted justifying why the attorney should be considered for addition to the panel.
3. Application. Upon application to ICRMA, the attorney shall provide a resume setting forth his/her experience as applicable to the handling of ICRMA claims and his/her areas of expertise. As part of the process, the attorney shall affirmatively agree to all provisions of this Litigation Management Policies & Procedures in order for his/her application to be considered by the ICRMA Board of Directors.
4. Experience. The attorney on an ICRMA claim must have at least five years of civil litigation practice, which includes substantial and significant defense experience in the area of public sector litigation in California, unless otherwise approved by ICRMA.
5. Insurance. The attorney must carry liability insurance appropriate to the legal profession, and in an amount not less than $2,000,000 per claim.

B. Selection

1. Defense counsel shall be selected by the Member, its TPA or its designated claims adjuster. The selection shall be based on the nature and complexity of the case, the experience and ability of the attorney, as well as other relevant factors.
2. Claims reasonably expected to reach 50% of the member retained limit must have defense counsel assigned within 60 days of the receipt of the claim. For employment practices or law enforcement liability claims, the Liability Program Manager must be consulted.
3. Members must retain defense counsel on ICRMA's Approved Panel Counsel to defend a claim. However, at the request of a Member, in extraordinary circumstances, such as a special expertise of proposed counsel not available from any Approved Panel Counsel, the Board in its discretion may approve selection of counsel other than Approved Panel Counsel, on such conditions as may be set forth by the Board.
4. Regardless of the selection process, the Member shall bear the financial responsibility of the defense expenses, including fees, until its retained limit is exhausted. The attorney must agree that the hourly rate charged by the firm shall not exceed the current approved rates for partners and associates.

C. Attorney Client Relationship

Defense counsel has an attorney-client relationship with any Member and/or individual covered party/ies who are being defended and also with ICRMA as to the defense of the claim.

D. Compliance with the Procedures

Defense counsel agrees to comply with these Procedures.

E. Removal from the Panel

Any defense counsel may be removed from the Approved Panel Counsel list for failure to adhere to or satisfy these Procedures.

The nominating Member, the Liability or Workers' Compensation Program Manager, Claims Committee, Governing Board, or the Executive Director may also seek removal of defense counsel from the Approved Panel Counsel list. Removals will be approved by the Claims Committee and/or Governing Board.

ICRMA's administrative team may also remove defense counsel from the Approved Panel Counsel list for clerical reasons (e.g., counsel deceased, has left the jurisdiction, has been disbarred).

Any defense counsel removed from the Approved Panel Counsel list shall not be permitted to apply for reinstatement until three years from the conclusion of the legal action that gave rise to the conflict or from the date of removal, whichever is later. The Claims Committee and/or Governing Board may at their discretion elect to reinstate a defense counsel previously removed from the panel.

2. POLICIES REGARDING LEGAL SERVICES

All counsel assigned to ICRMA claims agree to the following:

A. Initiation of Legal Services

All legal services performed shall be initiated by an engagement letter for Liability claims and by a legal referral letter for Workers' Compensation claims, sent by the Member's TPA on its behalf and copied to ICRMA in the form set forth in the exhibits. No work shall be performed and billed unless such work has been undertaken pursuant to the engagement letter or legal referral letter.

Liability for any failure of the engagement letter or legal referral letter to properly reflect these Procedures shall accrue to the Member. If any provision of the engagement letter or legal referral letter conflicts with ICRMA's Memoranda of Coverage, the then current MOC governs whenever approved.

B. Legal Expenses

All invoices for legal services for Liability claims must be submitted to a legal bill review service provider selected by ICRMA for review before payment can be processed. For Workers' Compensation claims, statements for services must be submitted to the TPA for review and handling.

C. Evaluation of Attorneys and Firms

The performance of each pre-approved attorney may be evaluated periodically by the Board. The Board reserves the right to remove any attorney from the panel.

D. Monitoring Counsel

ICRMA has the right to retain monitoring counsel, whose fees will be paid by ICRMA. The fees and costs for this shall not be applied against the Member's retained limit as long as counsel acts only as monitoring counsel. Defense counsel shall fully cooperate with monitoring counsel.

E. In-House Counsel

A Member has the right to utilize its own in-house City Attorney as counsel to represent the Member in any litigation. However, the in-house counsel shall satisfy and comply with these Procedures. If the attorney is a city employee, his or her salary shall not be considered a defense cost nor will it count toward satisfying the member retained limit.

The ICRMA Member is likewise bound to satisfy and comply with these Procedures.

F. Conflicts

The defense counsel selected and the law firm of which he/she is a member must certify that they have no ethical or legal conflicts that would disqualify them from representing ICRMA or any of the Members. In addition, (i) defense counsel shall certify that they will refrain from initiating or maintaining any legal action against ICRMA or any Member, either by way of complaint or cross complaint, during the time that they are included on the panel and accepting defense work from a Member and/or ICRMA, and from advising or representing a Member or former Member in

any dispute against ICRMA; and (ii) they shall agree to disclose any facts that would or could potentially disqualify them from representation of a Member at the time of the case assignment, or immediately upon discovery. The prohibition from initiating or maintaining any legal action against any Member is deemed to apply to tort claims or lawsuits for damages by a third party against a Member. The prohibition shall not be deemed to apply to a complaint or cross-complaint against a Member which arises out of a third party claim or lawsuit against a Member, where the complaint or cross-complaint: (1) seeks or alleges indemnity, contribution, reimbursement, comparative fault and/or declaratory relief; (2) does not otherwise affirmatively seek damages; and (3) is approved in writing by the Liability Program Manager as being appropriate as part of the overall strategy of defending a third party suit against the Member. The Liability Program Manager shall notify the Member against which the complaint or cross-complaint is proposed of such approval prior to the filing of the complaint or cross-complaint. The approval of the Liability Program Manager is subject to review by the Claims Committee at the request of any Member against which such a complaint or cross-complaint is brought or proposed. The request for review shall be made in writing to the Executive Director within ten business days of receipt of the written approval by the Liability Program Manager.

G. Biannual Litigation Management Meetings

Defense counsel shall participate in litigation management meetings, at least biannually, between the Member, TPA, and the ICRMA Liability or Workers' Compensation Program Manager (as appropriate).

3. CASE ANALYSIS AND STRATEGY

A. Initial Case Analysis – Liability Claims Only

Within sixty (60) days following assignment of a case, defense counsel shall complete and return a case analysis to the Member, its TPA, and ICRMA's Liability Program Manager in the form attached in the exhibits. The case analysis should include a comprehensive evaluation of the case and litigation plan, which could include the following:

1. Evaluation of the allegations and legal liability.
2. Defense plan and strategy, including the anticipated course of action to be taken and the prospect for success (i.e. motion to dismiss, motion for summary judgment, negotiated settlement, and trial).
3. The facts or elements which must be proved or disproved and the discovery necessary to establish these.
4. The necessity for and timing of the discovery, filing of motions, negotiations, or other objectives.
5. A description of how the work will be distributed among those who will be working on the case.
6. The tactics to be used in defending the case and the advantages to be gained by use of these tactics.
7. Evaluation of settlement status and availability of Alternative Dispute Resolution (ADR).
8. Investigation, which includes identification of any additional information or documentation that is needed to disprove the plaintiff's claims or to establish defenses in the action. Whenever possible, this

investigation and information-gathering shall be done by the Member or the Member's claims adjuster. Claims not in litigation should be investigated by the TPA adjuster. This includes obtaining medical documentation, scheduling statements, and any adjusting duties necessary to resolve the claim. The TPA adjuster should coordinate the investigation, with the defense attorney, on litigated files.

B. Budget

1. Liability Claims:
   a. In addition to and submitted at the same time as the Initial Case Analysis, Defense counsel shall provide an estimate of defense costs for all litigated cases as set forth in the exhibits. Defense counsel is expected to stay within the estimated case budget throughout the litigation and to report on fees expended in relation to the budget as requested by the Member, its TPA and/or ICRMA's Liability Program Manager.
   b. All case budgets must be sent to the Member with a copy to the TPA and ICRMA's Liability Program Manager.
   c. Approved Revisions to Case Budget. Changes can occur in any case that will affect the defense litigation plan and consequently alter estimated defense costs. As soon as it is reasonably foreseeable that a revision to the budget is required, an updated litigation budget shall be completed with defense counsel's recommendation for a budget increase. Approval of the Member, its TPA and ICRMA's Program Manager shall be required for all revised budgets.
2. Workers' Compensation Claims:
   Budgets will be required in workers' compensation litigation at the discretion of and under conditions set forth by the Member or ICRMA's Workers' Compensation Program Manager.

C. Reporting

Defense counsel shall provide the following written status reports:

1. Prior to initiating extensive discovery, defense counsel will communicate an early resolution plan to the Member, TPA adjuster, and ICRMA Liability Program Manager or Workers' Compensation Program Manager.
2. After initial case analysis, defense counsel shall provide mandatory written status reports at sixty (60) day intervals setting forth all substantive developments. The defense attorney handling the claim should prepare the status reports. Defense counsel shall report only on new developments since the last report. It is not necessary to repeat the case facts or information previously reported. Status Reports should be as straight-forward and as objective as possible to allow the Member, its TPA adjuster and ICRMA's Liability Program Manager or Workers' Compensation Program Manager to meaningfully analyze the case and to determine the course of action to be taken. Status reports should include the following:

   - The ongoing strategy for defense or resolution of the case, including factual and legal analysis of issues related to liability

and damages;
- A description of planned discovery with a timetable for completion;
- A brief synopsis of the discovery completed since the last report and significant information obtain through discovery;
- Court dates, including, but not necessarily limited to, mandatory settlement conferences, trial setting conferences, arbitration and trial dates, and other hearings, and
- New settlement demands and the status of any efforts with regard to ADR.

Case developments that have a significant impact on litigation should be reported immediately by defense counsel.

3. Pre-trial report: No later than 120 days prior to trial, the defense trial attorney will provide a trial report (or binding arbitration report if applicable) which shall include:

   - An assessment of liability for all defendants;
   - An assessment of plaintiff's damages;
   - An assessment of the legal defenses and probability of prevailing;
   - The verdict value assuming liability including a survey of jury verdicts and comparable cases;
   - An appraisal of settlement value, considering verdict value and chances of prevailing and a status of efforts regarding ADR;
   - Evaluation of expert witnesses and their expected testimony for both plaintiff and defense, and
   - The defense fees and costs to date, along with a trial budget as set forth in the exhibits.

It is expected that cases will proceed to trial as expeditiously as possible. Defense counsel shall obtain the approval of the Member, its TPA and the ICRMA Liability Program Manager or Workers' Compensation Program Manager prior to continuing the trial date set by the court.

4. COMMUNICATION

A. Correspondence and pleadings

Copies of all correspondence and pleadings shall be promptly provided by defense counsel to the Member, its TPA claims adjuster, and ICRMA's Liability Program Manager or upon request to ICRMA's Workers' Compensation Program Manager. Defense counsel will promptly respond to all written correspondence or phone calls and will keep the Member, its claims adjuster and ICRMA's Liability Program Manager or Workers' Compensation Program Manager fully advised of the progress in each case.

B. Depositions, Trials, Arbitrations and Hearings

Immediately upon receipt, defense counsel shall send notice of all depositions, trials, arbitrations, mediations and hearings to the Member, its TPA claim adjuster

and/or ICRMA's Program Manager or Workers' Compensation Program Manager. Defense counsel will coordinate scheduling with the member and/or ICRMA Liability Program Manager or Workers' Compensation Program Manager prior to scheduling. ICRMA's Liability Program Manager or Workers' Compensation Program Manager must approve the selected arbitrator or mediator.

5. SETTLEMENT AUTHORITY

Defense counsel shall not settle any claim or lawsuit or make a settlement offer in any amount without prior authorization from ICRMA when the settlement requires contribution from ICRMA.

6. POLICIES REGARDING FEES, EXPENSES AND REIMBURSEMENTS

A. Attorney Hourly Rate

The hourly rate charged shall not exceed the approved rates as listed in the exhibits, unless the Member agrees to pay any difference between the maximum allowed rate and the actual rate charged. ICRMA must be notified in writing if the Member agrees to exceed the maximum allowed rate. Regardless of the amount paid to defense counsel, whether it is ICRMA's maximum hourly rate, or such additional amount as the Member may agree to pay, for purposes of computing the Member's retained limit, ICRMA's approved hourly rate shall be utilized. If the matter exceeds the Member's retained limit, ICRMA shall only pay the amount invoiced up to a maximum of the fees listed in the exhibits.

Members in extraordinary circumstances with a Member Retained Limit at or exceeding $2,000,000, for the applicable Program Year of a litigated matter may seek approval from the next meeting of ICRMA (Board of Directors or Claims Committee) to allow a Member's defense attorney(s) to bill at higher hourly rates than the not-to-exceed rates listed in the ICRMA Rate Schedule (Exhibit A). Such requests are to be on a case-by case basis. If approved, the higher hourly rates shall apply towards exhaustion of the Member's Retained Limit. Factors for the Board/Committee to consider when making such a determination may include, but not necessarily be limited to: (1) the complexity of the case; (2) the nature of the allegations; (3) the number of parties involved; (4) the number of attorneys the Member's defense firm anticipates it will need to utilize in litigating the matter, and (5) defense counsel's litigation plan.

B. Counsel Billable Activities

No more than two attorneys, and no more than one partner or one Of Counsel, shall be assigned to a matter without prior approval by the Member or Member TPA. ICRMA's Liability Program Manager or Workers' Compensation Program Manager should be notified. No more than one attorney's time should be billed for depositions, hearings, motions, or internal conferences or meetings unless advance approval has been obtained from one of the following parties: Member, Member TPA or ICRMA's Liability Program Manager or Workers' Compensation Program Manager.

C. Reimbursable Expenses/Disbursements

Reasonable and customary expenses incurred in the case are reimbursable. Defense counsel shall include all individual items of expense and disbursement in the regular billings. Reasonable and customary expenses include travel costs, filing

fees, court reporter fees, witness fees, and photocopying costs.

Reimbursable expenses incurred and disbursements made, with supporting documentation for expenses in excess of $25, are to be itemized and adequately described. All vendor statements shall be attached to the firm's legal bill.

Copying charges are limited to no more than .10 cents per page.

D. Travel Costs

Reasonable and necessary travel costs are reimbursable expenses. Travel hours shall be billed at 50% of the normal hourly rate.

E. Non-Reimbursable Expenses

Expenses such as staff overtime, word processing or other secretarial or administrative functions, overhead expenses, special publications, or attendance at continuing legal education seminars shall not be reimbursable.

F. Defense Experts

Prior to engaging the services of any defense expert, defense counsel shall obtain the approval of the Member, Member TPA or ICRMA's Liability Program Manager or Workers' Compensation Program Manager.

G. Other Expenditures

1. Defense counsel shall obtain the approval of the Member, Member TPA or ICRMA's Liability Program Manager or Workers' Compensation Program Manager (if applicable) for the following expenses: Independent medical examinations
2. Outside investigators
3. Filling of cross-complaints or counter-claims
4. Legal research projects expected to exceed ten hours
5. Voluntary settlement conferences or ADR methods
6. Expenses expected to exceed $2,000
7. Fees for trial support services
8. Video-taping of depositions
9. Filing of Motions

7. BILLING PROCEDURES

A. Billing Statement

For Liability claims, a complete statement for services rendered should be submitted to ICRMA's legal bill review service provider every thirty (30) days. Billing appeals must be handled in compliance with the procedures of the bill review software service.

For Workers' Compensation claims, statements for services shall be submitted to the TPA for review and handling.

B. Legal Fees

Legal services should be described in detail. Block billing will not be accepted. Any billing statement not in conformity with these rules will be returned to counsel. All charges for expenses shall be based on actual costs. No blanket charge for office

expenses, administrative charges or the like shall be accepted for payment. Use of couriers for same day delivery of documents or court filings is discouraged unless absolutely necessary. A descriptive statement should set forth the following:

1. Date the services were rendered;
2. A description of services including a description of each task performed;
3. Identity of the person(s) rendering the services described;
4. Rate at which the person(s) rendering the services is billed;
5. Amount of time expended by each person for the services described;
6. Calculated fee for that particular billing entry; and
7. The total amount paid to date.

This provision applies regardless of the attorney relationship with the ICRMA member including but not limited to employment at the Member, in-house counsel, or other retainer agreements.

C. Final Disposition of Case

Upon final disposition of a case (e.g., settlement, dismissal, etc.), defense counsel shall:

- Follow-up with the Centers for Medicare and Medicaid Services (CMS) regarding the claim before final settlement.
- Immediately contact all experts and vendors regarding final disposition.
- Ensure the return of any confidential documents provided in the case.
- Request a final billing from all vendors and experts, and submit his or her own final bill to ICRMA within 60 days. All final billing statements must be clearly marked "Final Billing Statement".

ICRMA will not pay for any services rendered after file closure.

8. LITIGATION AND TRIAL REPORT

At the conclusion of litigation or a trial, a brief summary shall be submitted to the TPA adjuster on Workers' Compensation claims.

9. FINAL REPORTS

A. Closing Report

At the conclusion of all Liability cases, a summary report shall be prepared and directed to the Member, TPA, and ICRMA's Liability Program Manager. This report should outline the results and lessons learned that may assist in future ICRMA litigation or risk management on liability claims.

Court orders and a fully executed settlement agreement shall be submitted to the TPA and ICRMA's Liability Program Manager when received. Regarding Workers' Compensation cases, the report shall be submitted to the TPA Adjuster with a copy to the ICRMA Member.

B. Evaluation of Counsel

ICRMA's Liability Program Manager and Workers' Compensation Program Manager shall periodically review these evaluations, as well as the performance and the initial case analysis and, if necessary, make periodic recommendations to

ICRMA concerning the continued status of a particular defense counsel on the approved panel counsel list.

C. Audit of Defense Firms

ICRMA may, upon a schedule determined by the Claims Committee, review all defense panel counsel. The purpose of the audit will be to ensure attorneys are consistently following these Procedures, review subjective data such as closing ratios, legal expense ratios, and total legal expenses, and to report attorney performance to the members.

10. DISPUTES BETWEEN PARTIES

A. Arbitration

Any dispute between defense counsel and the Member or between defense counsel and ICRMA pertaining to these Procedures shall not be subject to any court action, but shall instead be submitted to binding arbitration.

B. Selection of Arbitrator

Arbitration shall be conducted pursuant to the California Code of Civil Procedure. Arbitration shall be conducted by a three-person panel. Each party shall select one arbitrator and the two arbitrators shall then select a third arbitrator upon mutual agreement. No arbitrator shall be employed or affiliated with the ICRMA or any party to the dispute.

C. Arbitration Time Limits

The selection of arbitrators shall take place within twenty (20) calendar days from the receipt of the request for arbitration. Unless mutually agreed otherwise, the arbitration hearing shall commence within forty-five (45) calendar days from the date of the selection of the arbitrators.

D. Cost of Arbitration

Each party shall pay the cost of its selected arbitrator and one-half the cost of the third selected arbitrator. In addition, each party shall be responsible for its own costs, expenses and legal fees of arbitration.

E. Arbitration Procedure

Except for notification of appointment and as provided in the California Code of Civil Procedure, there shall be no communication between the "parties" and the arbitrator(s) relating to the subject of the arbitration other than at oral hearings. The procedures set forth in California Code of Civil Procedure Section 1293.05 relating to depositions and discovery shall apply to any arbitration pursuant to this Section. Except as provided otherwise above, arbitration shall be conducted as provided in Title 9 of the Code of Civil Procedure (commencing with Section 1280). The decision of the arbitrators shall be final and binding, and shall not be subject to appeal.

AGREEMENT TO COMPLY WITH PROCEDURES

I AGREE TO ABIDE BY THE ICRMA'S LITIGATION MANAGEMENT POLICIES AND PROCEDURES. I UNDERSTAND THE CITY AND ICRMA HAVE THE RIGHT TO ENFORCE THE TERMS OF THIS AGREEMENT AS TO THE UNDERSIGNED ATTORNEY.

Dated:

_____
[Attorney's Law Firm]

By: _____
[Signature of Individual Attorney]

_____
[Print Name]

Exhibit A - ICRMA Rate Schedule

Liability: The hourly not-to-exceed rate for ICRMA liability defense panel attorneys is established as follows:

Type of Case	Position	Rate
General Civil Litigation (including fire, police, premise liability, and dangerous condition of public property)	Partner	$350
	Of Counsel	$315
	Associate	$260
Civil Rights & Employment Practices Litigation	Partner	$300
	Of Counsel	$290
	Associate	$240
Appellate Work	Partner	$350*
	Associate	$250
All Cases	Paralegal	$175

The rates shown are subject to change only with ICRMA Board's approval.

*The $350 rate applies to partners only if an appellate law specialist, as certified by the State Bar, is being utilized for the appeal. If an appellate law specialist is not utilized, the rate listed above for the special type of claim instead applies.

Workers' Compensation: The hourly not-to-exceed rate for ICRMA workers' compensation defense panel attorneys is established as follows:

Position	Rate
Partner	$225
Associate/Attorney	$200
Paralegal	$140

The rates shown are subject to change only with ICRMA Board's approval.

Exhibit B – Engagement Letter

[INSERT DEFENSE COUNSEL NAME] [Date]

Re: Name of Claim _____
Date of Loss: _____
Date Claim Made: _____
Our File No.: _____

Dear Mr./Ms. _____:

This correspondence confirms that you have agreed to undertake the defense of the City in the above-captioned matter, and that you will be the attorney responsible for this matter. The City is a member of the Independent Cities Risk Management Authority ("ICRMA") which provides pooled self-insurance for the defense and indemnity of this claim pursuant to the Memorandum of Coverage between the City and ICRMA. The ICRMA program year for this claim is [enter year] and the city has a self-insured retention of $[enter SIR amount]. The Memorandum of Coverage provides as follows:

"The MEMBER acknowledges and agrees that its defense counsel has an attorney-client relationship with any COVERED PARTY who is being defended and also with ICRMA as to the defense of the CLAIM. MEMBER acknowledges and agrees that its defense counsel shall comply with ICRMA's Litigation Management Policies and Procedures (LMPP)."

This provision applies to your defense of this Claim. As a condition to this engagement, you agree to comply with all of the requirements of the LMPP, an up to date version of which is available at www.icrma.org. As provided in the LMPP, your Initial Case Analysis and Budget are due on [enter date]. Comprehensive status reports are due every 60 days thereafter. As a further condition, you certify that the firm has appropriate insurance as outlined in the LMPP. Please review the LMPP regarding other reporting requirements and contact me with any questions.

Your primary contact at the City shall be [enter name]. As provided in the LMPP, copies of all correspondence, pleadings, and reports should be sent to me, the City, and ICRMA's Program Manager. All statements for legal fees and costs must be submitted to [ICRMA's legal bill review service] for review prior to payment. Please reach out to ICRMA's Program Manager if you have not yet been set up in the system.

Thank you for accepting this case subject to the terms set forth in this Agreement. We look forward to working with you on this matter. Kindly countersign this engagement letter and return a signed copy to me.

Very truly yours,

_____
TPA Adjuster

Copy: [City]
[ICRMA Program Manager]

I AGREE TO THE TERMS OF THIS ENGAGEMENT AND AGREE TO ABIDE BY ICRMA'S LITIGATION MANAGEMENT POLICIES AND PROCEDURES. I UNDERSTAND THE CITY AND ICRMA HAVE THE RIGHT TO ENFORCE THE TERMS OF THIS AGREEMENT AS TO THE UNDERSIGNED ATTORNEY.

Dated: _____ _____
[Name of Attorney's Law Firm]

By: _____
[Individual Attorney]

Exhibit C – Case Analysis

Caption of Lawsuit: _____

Court: _____ Case Number: _____

Date Suit Filed: _____ Date of Service: _____

Fast Track? _____ Yes _____ No

Date of Loss: _____

I. PARTIES

A. Plaintiffs:

B. City and City-Related Defendants:

C. Third-Party and Other Defendants:

II. TRIAL DATE AND OTHER IMPORTANT DATES

III. JURISDICTION AND EVALUATION

IV. TRIAL JUDGE AND EVALUATION

V. EVALUATION OF COUNSEL

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

B. City's Defense Attorney's Name:

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

VI. STATEMENT OF FACTS

VII. INJURIES

VIII. SPECIAL DAMAGES

A. Medical Expenses:

1. Past:

2. Future:

B. Loss of Earnings:

1. Past:

2. Future:

C. Other (specify);

IX. LIABILITY ALLEGATIONS

A. Plaintiff's Contentions:

B. Defenses:

1. Legal Defenses:

2. Factual Defenses:

C. Plaintiff's Expert Witnesses and Opinions:

D. Defense Expert Witnesses and Opinions:

X. VERDICT EXPOSURE

A. Chances of Defense Verdict:

[Note: a percentage number shall be provided.]

B. Gross Verdict Range as to all Defendants:

C. Potential Offsets and Credits:

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

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

F. Punitive Damages (if applicable)

XI. SETTLEMENT HISTORY

A. Last Demand:

B. Last Offer:

C. History of Settlement Negotiations:

XII. RECOMMENDATIONS OF COUNSEL

A. Reasonable Settlement Value:

B. Proposed Litigation Strategy:

C. Other Recommendations:

XIII. MISCELLANEOUS

A. Does Complaint Conform to the Tort Claim Filed?
(If not, specify differences)

B. Is Indemnification or Contribution Available?
(If so, specify by whom, and in what amounts)

DEFENSE FIRM:

I have read and will comply with ICRMA's Litigation Management Policies and Procedures and I affirm that there are no known legal or ethical conflicts in our representation of the defendant(s) in this case:

Prepared by: _____
Print Name

Signature: _____

Date Prepared: _____

Appendix D – Litigation Budget

Case Name: _____ ICRMA Member: _____

Case Caption: _____ Venue_____

Defense Firm: _____ Partner in Charge: _____

Instructions: 1. Estimate the hours each attorney and paralegal will bill for each activity. 2. Total the hours for each person. 3. Multiply the hours by the hourly rate to project the per person fees. 4. Add all of the projected fees to obtain the pre-trial fees total.

Part I: Pre-Trial Budget/Pre-Trial Fees

A. Case Assessment, Development and Administration:

ACTIVITY	PARTNER HOURS	ASSOCIATE HOURS	PARALEGAL HOURS
1. Fact Investigation, Development & Admin.	_____	_____	_____
2. Case Analysis/Strategy	_____	_____	_____
3. Other Case Assessment	_____	_____	_____
4. Development & Admin.	_____	_____	_____

B. Pre-Trial Pleadings & Motions:

ACTIVITY	PARTNER HOURS	ASSOCIATE HOURS	PARALEGAL HOURS
1. Demurrer	_____	_____	_____
2. Answer/Cross-Complaint	_____	_____	_____
3. Other Pleadings	_____	_____	_____
4. Dispositive Motions	_____	_____	_____
5. Other Legal Research	_____	_____	_____
6. Other Written Motions	_____	_____	_____
7. Court Mandated Conf.	_____	_____	_____

C. Discovery:

ACTIVITY	PARTNER HOURS	ASSOCIATE HOURS	PARALEGAL
1.Written Discovery	_____	_____	_____
2.Document Production	_____	_____	_____
3.Depositions	_____	_____	_____
4.Expert Discovery	_____	_____	_____
5.Discovery Motions	_____	_____	_____
6.Other Discovery	_____	_____	_____
Est. Total Pre-Trial Hrs.	_____	_____	_____
Hourly Rate	_____	_____	_____
Hours x Hourly Rate = Estimated Pre-Trial Fees	_____	_____	_____

Total Estimated Pre-Trial Fees: **$**_____

Part II: Pre-Trial Budget Costs

Name of Expert or Cost	Indicate Type (expert, expert fee, or other cost)	Total Cost

Total Estimated Pre-Trial Costs: **$**_____

Total Estimated Pre-Trial Fees & Costs: **$**_____

Part III: Alternative Dispute Resolution

ADR RECOMMENDED (Y/N)	EST. FEES	EST. COSTS	TOTAL
A. Mediation ( )	_____	_____	_____
B. Non-binding Arbitration ( )	_____	_____	_____
C. Binding Arbitration ( )	_____	_____	_____
D. Other _____	_____	_____	_____

Part IV: Trial Preparation and Trial

Note: An updated pre-trial budget must be submitted with a pre-trial report 120 days before trial is set to begin.

A. Trial Fees
   1. Witness Preparation
      i. Fact Witnesses _____ Fee: $_____
      _____ Fee: $_____

      ii. Expert Witnesses _____ Fee: $_____
      _____ Fee: $_____

   2. Written Motions (itemize separately)

Motion: _____ Fee: $_____ Motion: _____ Fee: $_____
Motion: _____ Fee: $_____ Motion: _____ Fee: $_____

   3. Jury Verdict & Other Required Submissions _____
   4. Other Trial Preparations & Support _____
   5. Trial and Hearing Attendance _____
   6. Post-trial Motions & Submissions _____

Total Estimated Trial Fees: $_____

B. Trial Costs
   1. Witness Fees _____
   2. Trial Transcripts _____
   3. Trial Exhibits _____

Total Estimated Trial Costs: $_____

Total Estimated Trial Preparation, Fees & Costs: _____

Part V: Appeal

	EST. FEES	EST. COSTS	TOTAL
A. Appellate Motions and Submissions	_____	_____	_____
B. Appellate Briefs (Itemize Separately)	_____	_____	_____
C. Oral Argument			
1. Preparation	_____	_____	_____
2. Attendance at Argument	_____	_____	_____

Total Estimated Appeal Fees & Costs: $_____

TOTAL recommended litigation budget (Parts I, II, III, IV & V): $_____

PROJECTED COMPARISON --- SETTLEMENT AND DEFENSE COSTS AT EACH STAGE OF LITIGATION

Settlement/Jury Value Range	Stage of Litigation	Anticipated Defense Costs & Fees at each stage
$ _____ to $ _____	Now	$_____
$_____ to $ _____	Through ADR (Including any discovery necessary for ADR)	$_____
$ _____ to $ _____	Through Discovery	$_____
$ _____ to $ _____	Through Pre-Trial/Settlement Conference	$_____
$ _____ to $ _____	Through Trial	$_____

In executing and returning this analysis, you are warranting that you have read and will comply with ICRMA's Litigation Management Policies and Procedures regarding defense litigation management and that there are no legal or ethical conflicts in your representation of defendant in this case. If more space is required to respond to any requested information, please asterisk the same and attach an additional sheet or sheets to the analysis.

Prepared by: _____