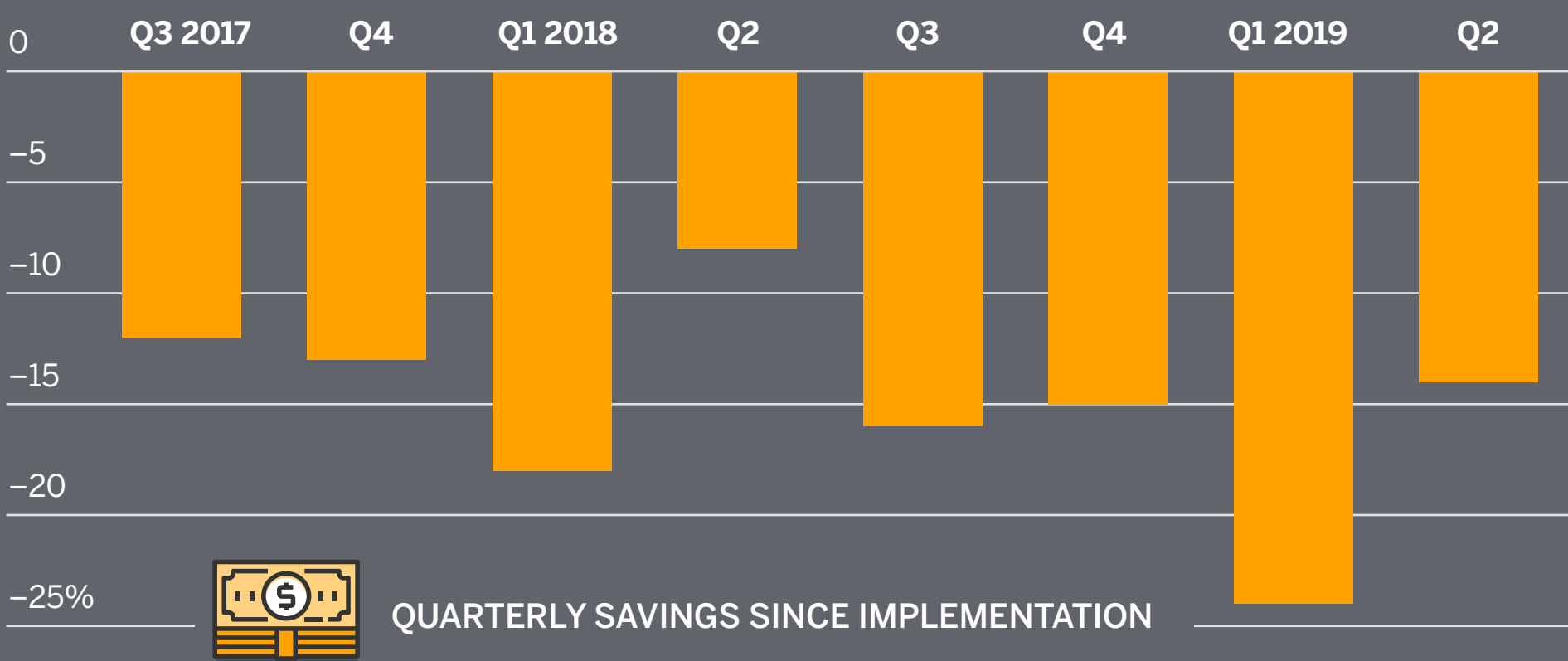# How to lower defense costs using analytics

Using proprietary data-mining techniques, Milliman Datalytics-Defense® is able to analyze companies' defense cost invoices and produce actionable insights. In 2017, NORCAL Group began using the application; the results below demonstrate the extent NORCAL was able to reduce their defense costs, all the while maintaining their overall claims-with-payment ratio.
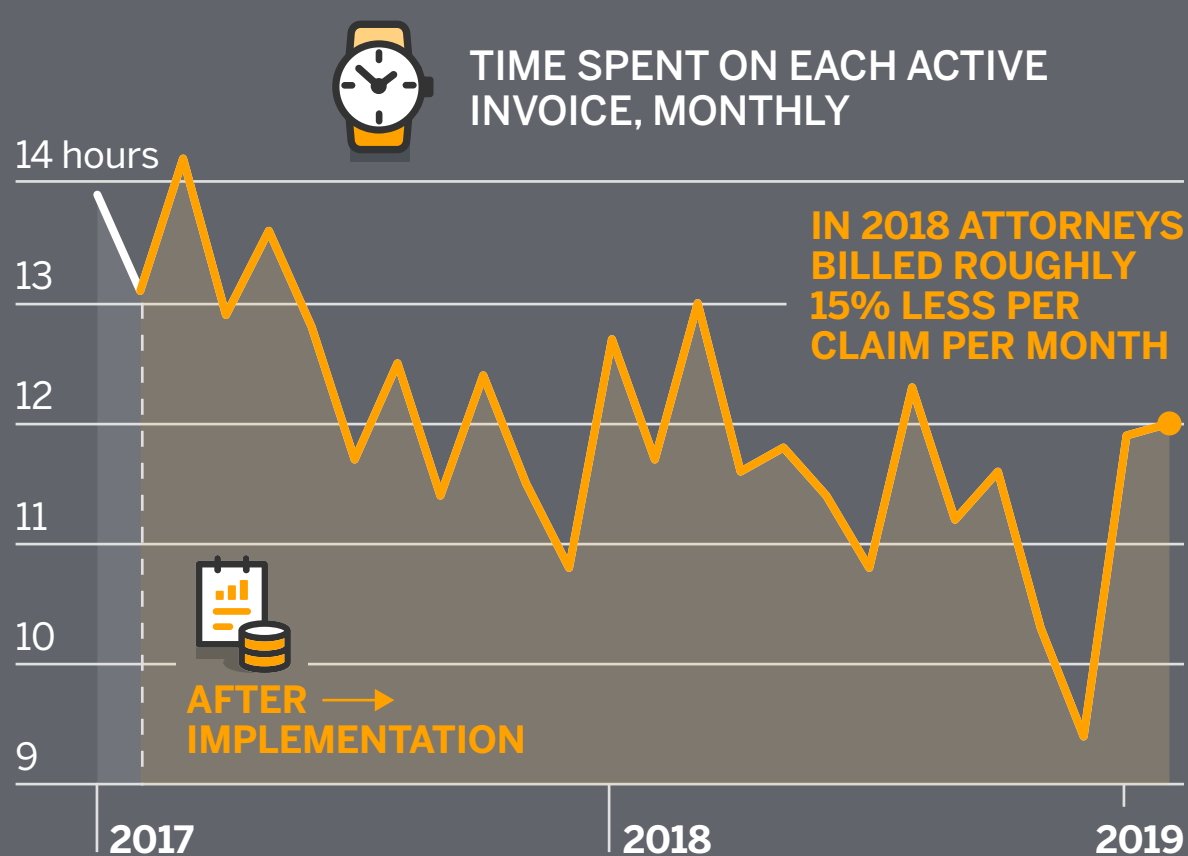
Defense costs were overall 15% lower than expected

NORCAL used Datalytics insights to implement changes, which led to significant defense cost savings.

Chart axis labels: 0, −5, −10, −15, −20, −25%
Bars: Q3 2017, Q4, Q1 2018, Q2, Q3, Q4, Q1 2019, Q2
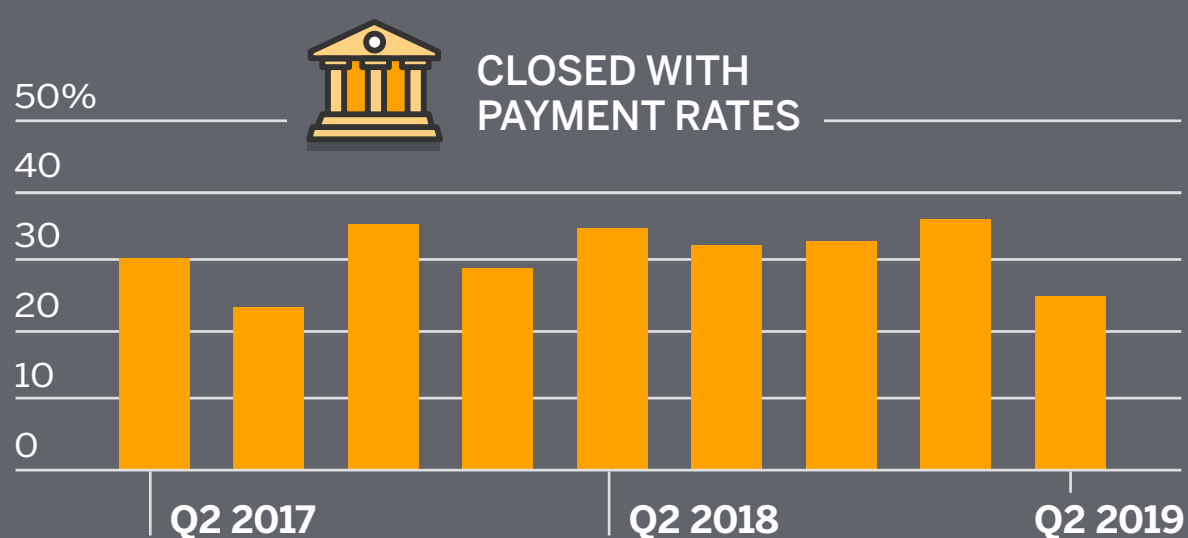
QUARTERLY SAVINGS SINCE IMPLEMENTATION

Datalytics enables the identification of vendors/partners that provide enhanced value ...

NORCAL was able to develop and manage a strategy to fuel collaboration which reduced inefficiencies.

TIME SPENT ON EACH ACTIVE INVOICE, MONTHLY

IN 2018 ATTORNEYS BILLED ROUGHLY 15% LESS PER CLAIM PER MONTH

Chart axis: 14 hours, 13, 12, 11, 10, 9
AFTER IMPLEMENTATION
X-axis: 2017, 2018, 2019

... which enables better overall results.

NORCAL, working with its partners, was able to increase the value proposition enjoyed by its policyholders while maintaining its low claims with payment ratio.

CLOSED WITH PAYMENT RATES

Chart axis: 50%, 40, 30, 20, 10, 0
X-axis: Q2 2017, Q2 2018, Q2 2019

Our data

200,000+ CLAIMS SINCE 2012

$10.5B+ IN LOSSES AND EXPENSES SINCE 2012

300% GROWTH SINCE 2017

For more information:
https://www.milliman-datalytics.com

Milliman
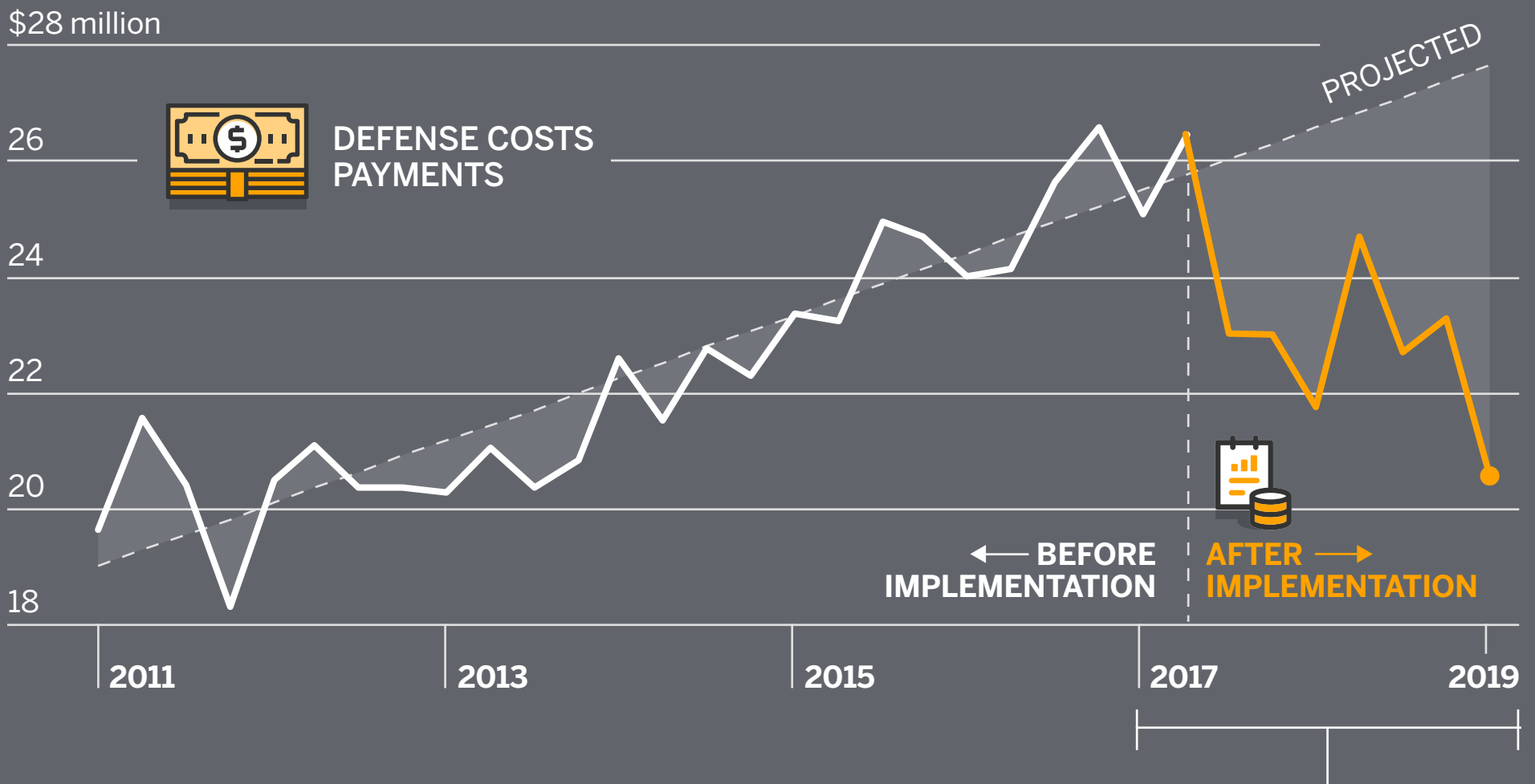
How to lower defense costs using analytics

Using proprietary data-mining techniques, Milliman Datalytics-Defense® is able to analyze companies' defense cost invoices and produce actionable insights. In 2017, a large MPL insurer began using the application; the results below demonstrate the extent the organization was able to reduce their defense costs, all the while maintaining their overall claims-with-payment ratio.
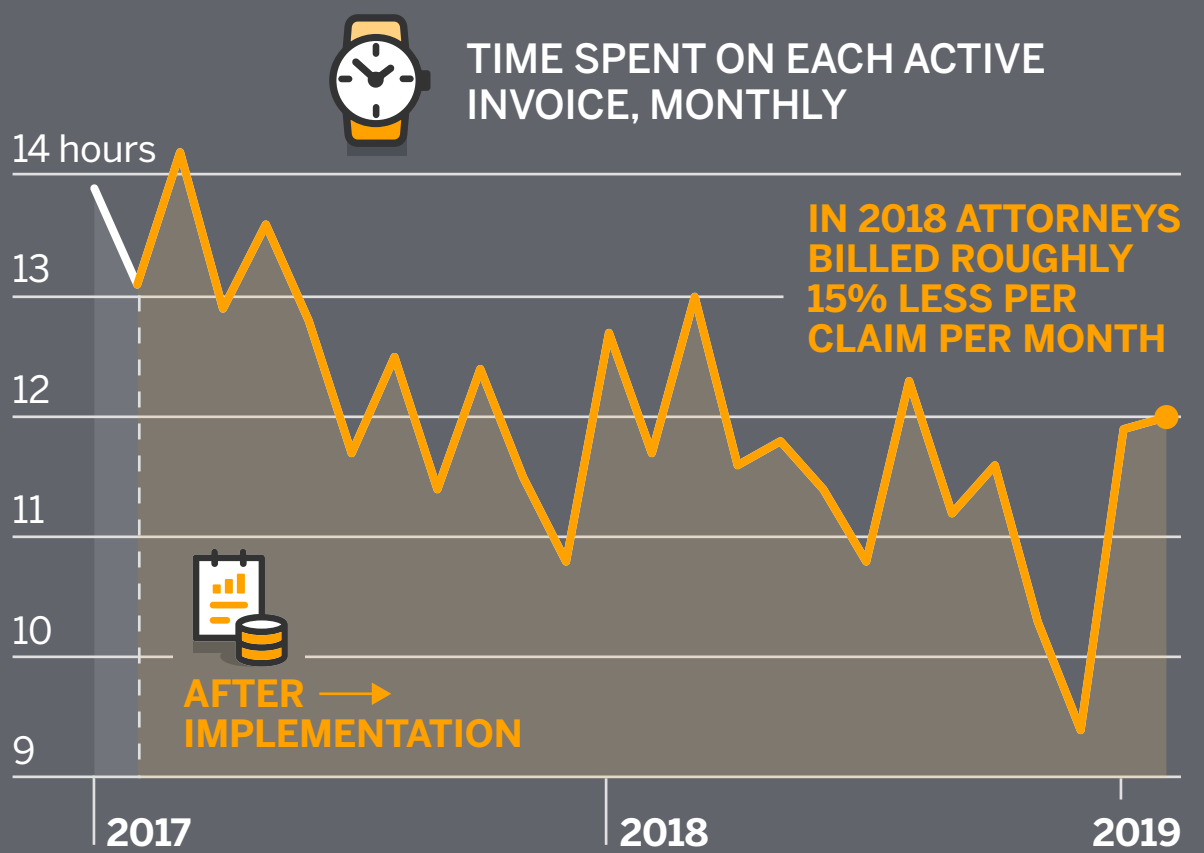
Defense costs decreased by $14 million per year

The client used Datalytics insights to implement changes, which led to significant defense cost savings.

DEFENSE COSTS PAYMENTS

PROJECTED

$28 million
26
24
22
20
18

2011 2013 2015 2017 2019

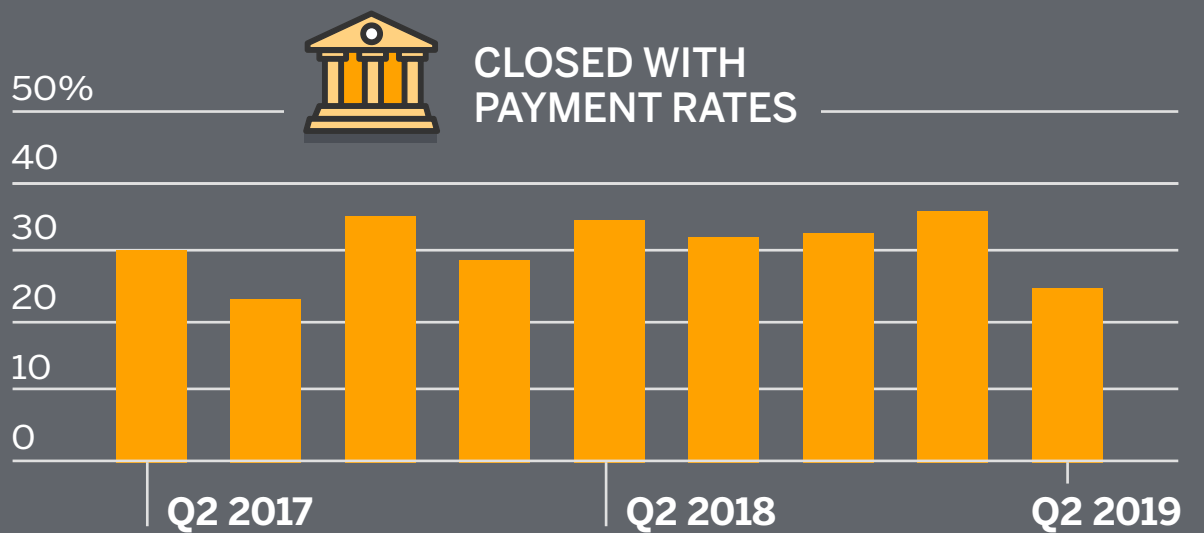← BEFORE IMPLEMENTATION

AFTER IMPLEMENTATION →

Datalytics enables the identification of vendors/partners that provide enhanced value ...

The client was able to develop and manage a strategy to fuel collaboration which reduced inefficiencies.

TIME SPENT ON EACH ACTIVE INVOICE, MONTHLY

IN 2018 ATTORNEYS BILLED ROUGHLY 15% LESS PER CLAIM PER MONTH

14 hours
13
12
11
10
9

2017 2018 2019

AFTER IMPLEMENTATION →

... which enables better overall results.

The client was able to increase the value proposition enjoyed by its policyholders while maintaining its low claims with payment ratio.
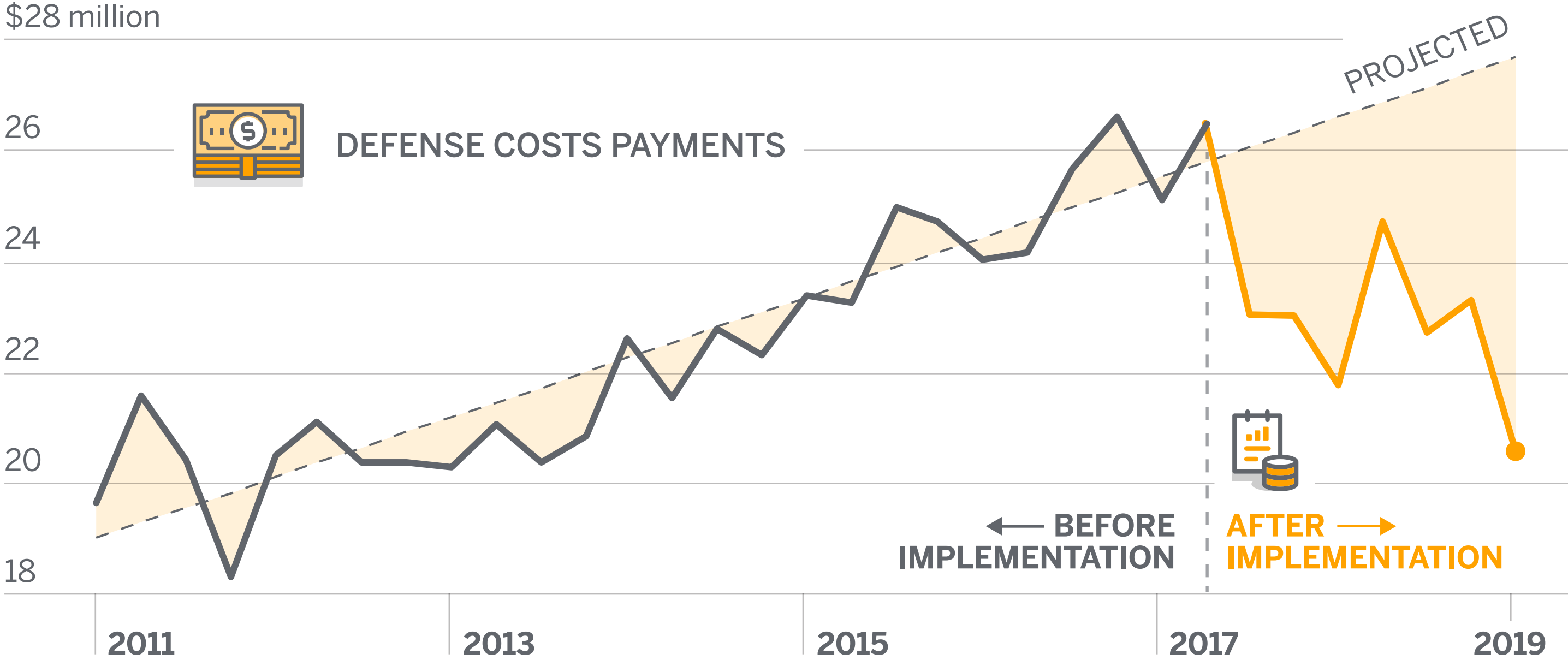
CLOSED WITH PAYMENT RATES

50%
40
30
20
10
0

Q2 2017 Q2 2018 Q2 2019

Our data

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$10.5B+ IN LOSSES AND EXPENSES SINCE 2012

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Milliman

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$28 million

26

DEFENSE COSTS PAYMENTS

PROJECTED

24

22

20

← BEFORE
IMPLEMENTATION

AFTER →
IMPLEMENTATION

18

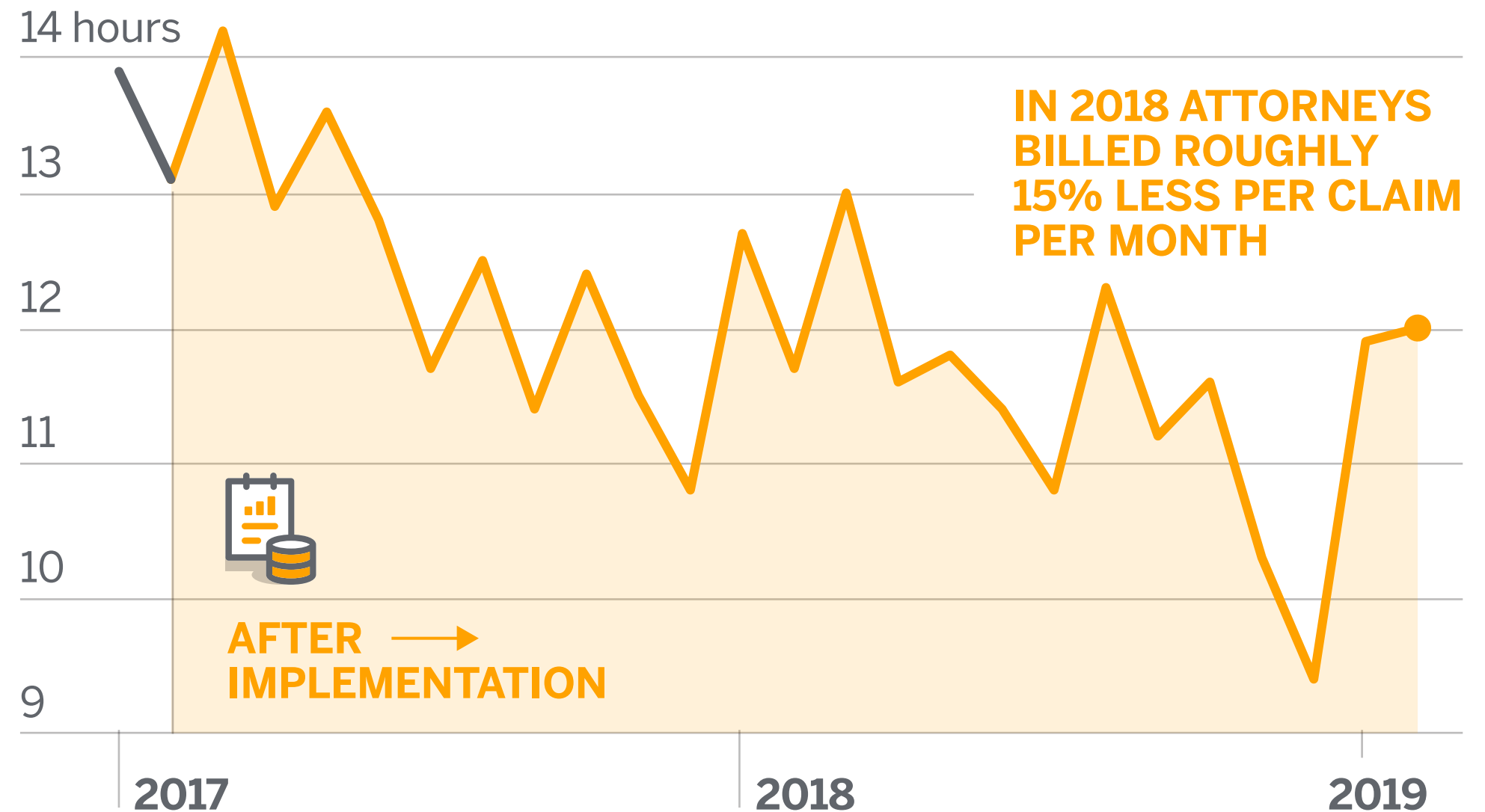2011   2013   2015   2017   2019

Datalytics enables the identification of vendors/partners that provide enhanced value ...

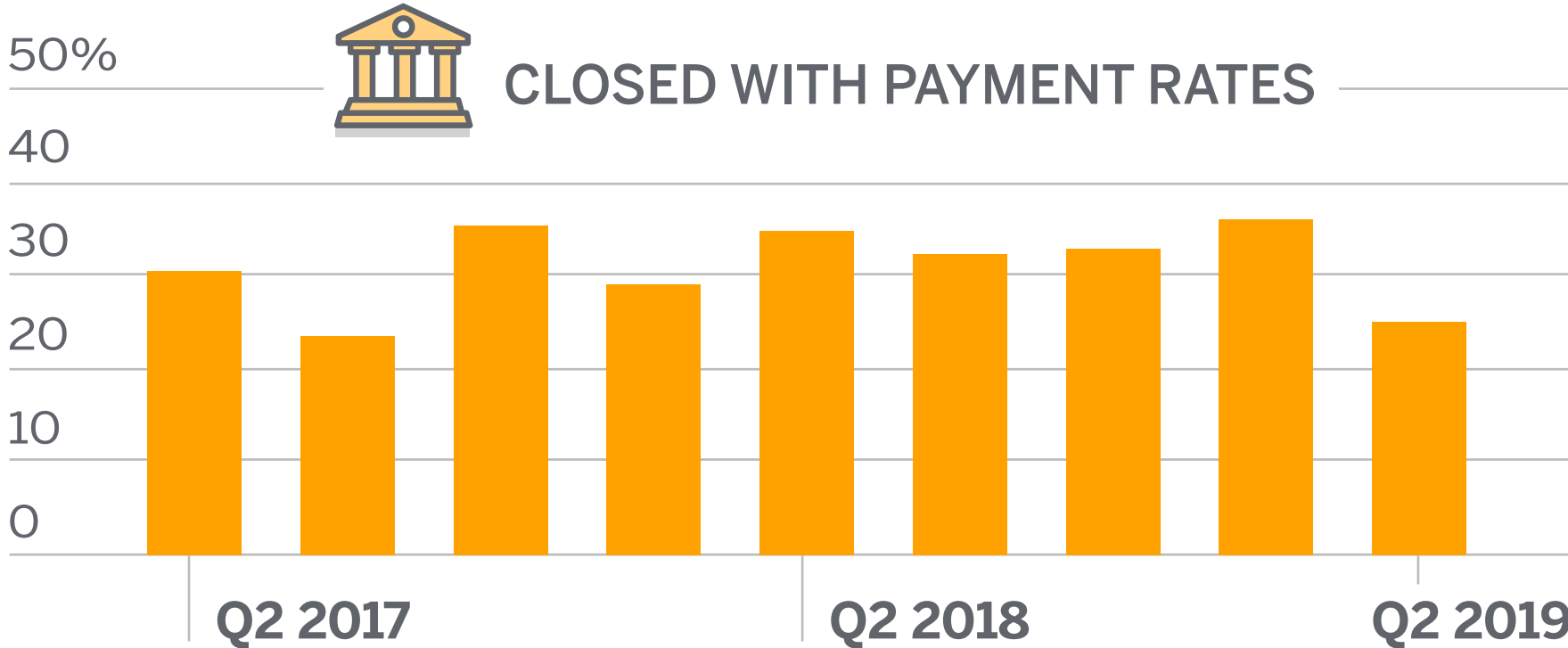The client was able to develop and manage a strategy to fuel collaboration which reduced inefficiencies.

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14 hours

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12

11

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AFTER IMPLEMENTATION ⟶

2017

2018

2019

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CLOSED WITH PAYMENT RATES

| | Q2 2017 | | | | Q2 2018 | | | | Q2 2019 |

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