

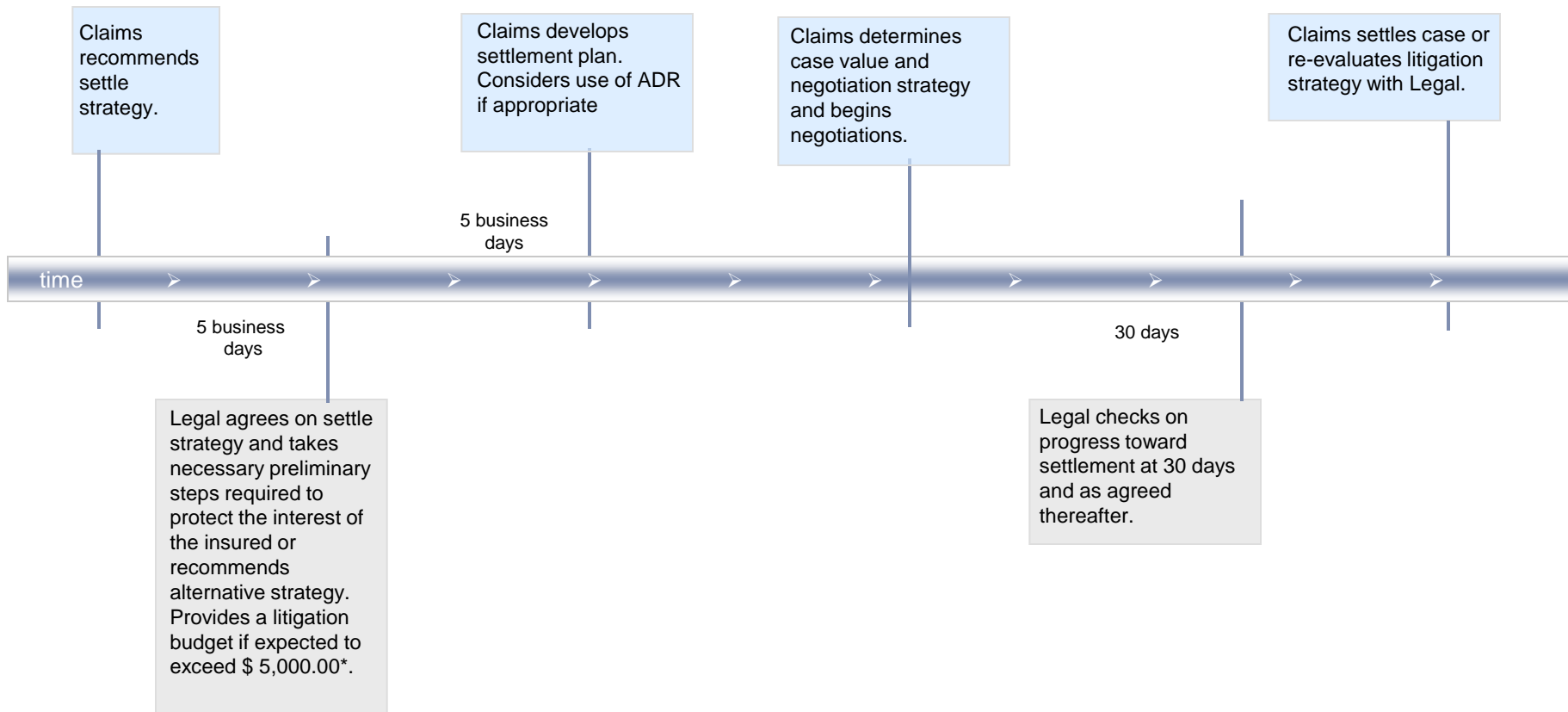
Liberty Mutual Insurance's Litigation Management Protocols

Property, Auto & Liability Commercial Insurance



PAL Settle Strategy

Claims



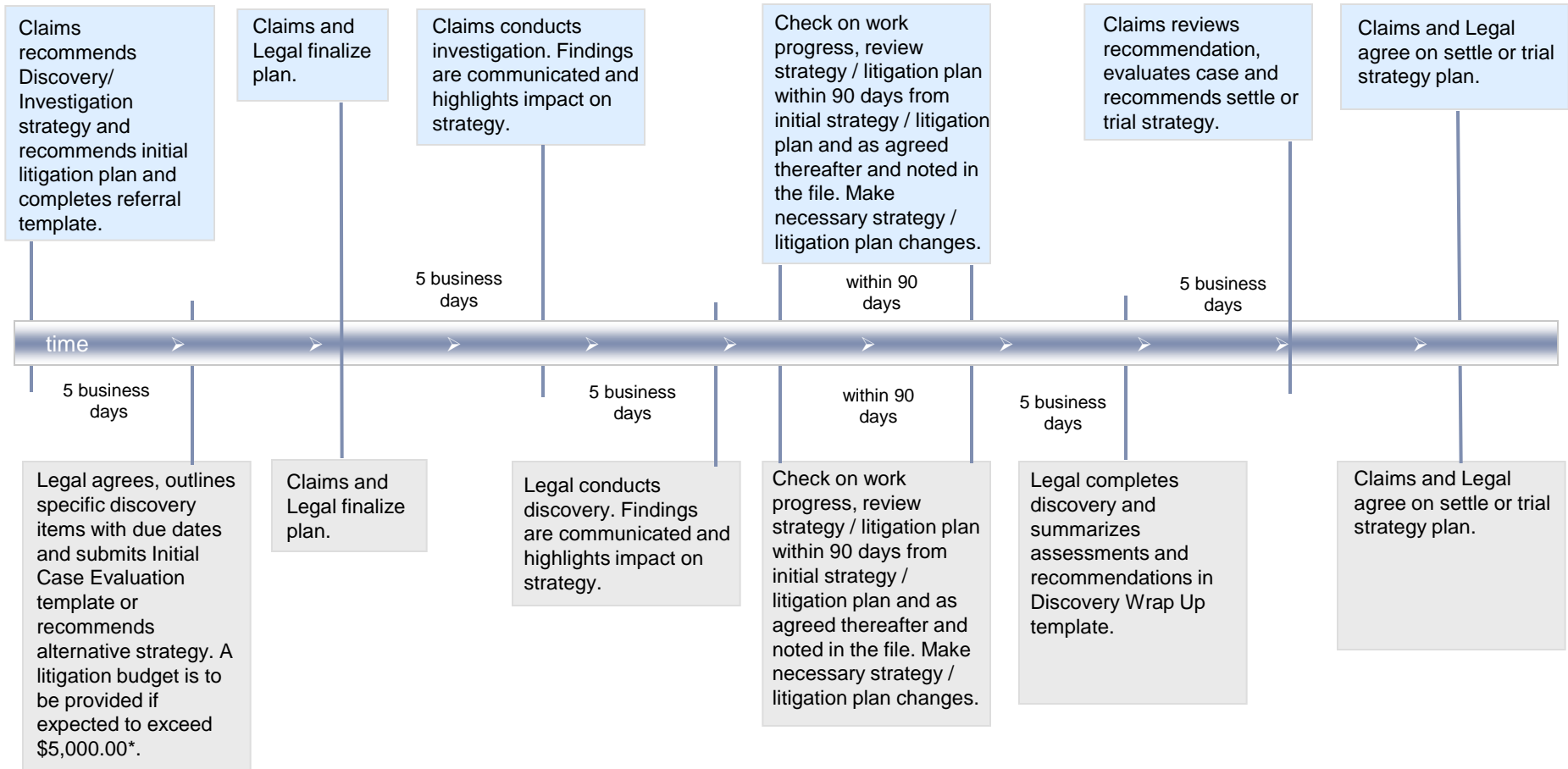
Legal



*Safeco Personal Lines will require a complete budget estimate regardless of expected amount. Use Simple Budget Template. Regional Agency Companies PAL - for budget estimates of over \$5,000.00 use Regional Company spreadsheet budget.

PAL Discovery/Investigation Strategy

Claims



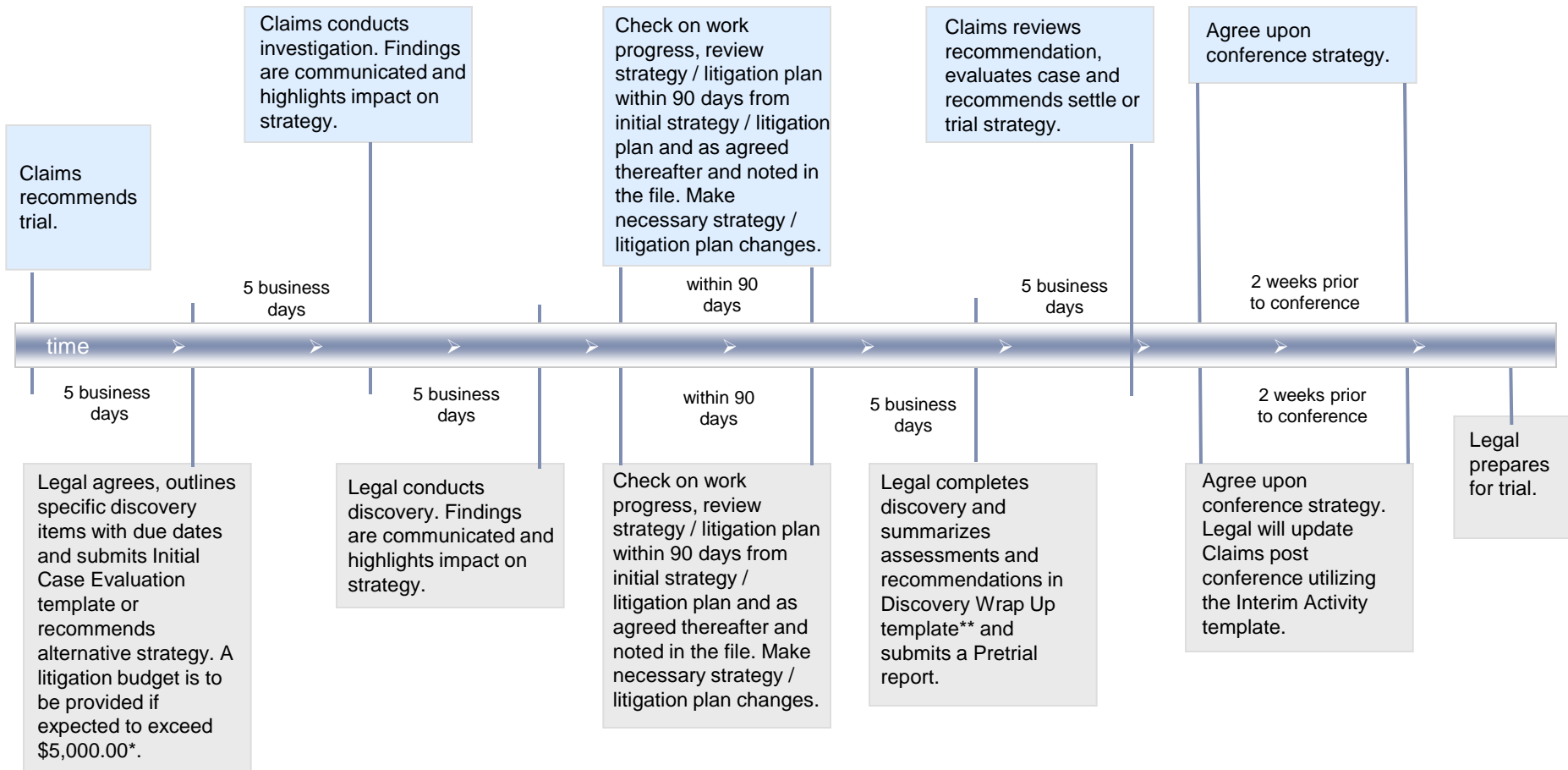
Legal



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PAL Trial Strategy

Claims



Legal



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 Regional Agency Companies PAL - for budget estimates of over \$5,000.00 use Regional Company spreadsheet budget, except spreadsheet is modified for Field Legal to have only one projected hourly billing rate, that being the billing rate of the attorney assigned to the overall handling of the file.
 ** Discovery Wrap Up template use subject to Market Requirements

PAL Tasks and Owners

The performance of the right task by the right resource is fundamental to the efficient and effective handling of litigation. This chart identifies frequently occurring litigation tasks and specifies the resource to perform that task.

Authorizations

Task	Owner	Explanation
Obtains authorizations from opposing parties and codefendants when applicable.	Claims	Securing authorizations is a Claims function unless special jurisdictional rule requires Legal's involvement.
Follow-up on requests for information and/or authorizations.	Claims	This is a Claims function; Legal will be involved only if it becomes necessary due to special circumstances.*
If Legal obtains authorizations Legal will forward all authorizations to Claims. Claims will process the authorizations and do the follow-up.	Claims	This is a Claims function; Legal will be involved only if it becomes necessary due to special circumstances.*

Interrogatories

Task	Owner	Explanation
Summarize Interrogatories.	Legal	Upon receipt of answers to interrogatories, Legal will use the Discovery Summary Template to update Claims on all new, relevant information contained in the answers. If no new information exists, Legal will note that "Information obtained is consistent with previously obtained information."

Medical Records

Task	Owner	Explanation
Summarize Medical Records.	Claims / Legal	Claims and Legal will each be responsible to independently review, and to collaborate if warranted, on the medical records. If no new information exists, Legal will note that "Information obtained is consistent with previously obtained information." Legal should use Discovery Summary Template for this task.

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PAL Tasks (continued)

Locating Witnesses or Insured

Task	Owner	Explanation
Locating missing witnesses or insured.	Claims	This is a Claims function; Legal will be involved only if it becomes necessary due to special circumstances.*

Expert Retention including Scheduling IME's / AME's

Task	Owner	Explanation
Scheduling IME's / AME's, correspondence, phone calls and follow up on reports.	Claims**	Consult with Legal on selection of expert/doctor, and information to convey to expert. Scheduling of exams will be arranged by the Claims Professional.
	Legal**	Consult with Claims on selection of expert/doctor, and information to convey to expert. When strategically warranted on high-end exposures, render technical support to claims on letters and documentary information supplied to the expert.

* Deviation from protocols due to special circumstances will require approval as determined by SBU.

** Scheduling IME's / AME's will be a Safeco Personal lines Claims Function as of the 4th quarter 2009.



PAL Communication Matrix

The timely and clear exchange of information between Claims and Legal is critical to attaining successful litigation outcomes. This chart highlights key common communication timeframes.

Discovery / Investigation Strategy

Activity	Actor	Type of Communication	Suggested Timeline
Strategy	Claims communicates to Legal	Claims recommends Discovery / Investigation strategy and recommends initial litigation plan and completes referral template.	At time of referral if appropriate.
	Legal communicates to Claims	Legal agrees, outlines specific discovery items with due dates and submits Initial Case Evaluation template or recommends alternative strategy. A litigation budget is to be provided if expected to exceed \$5,000.00*.	5 business days.
Investigation / Discovery	Claims and Legal	Findings are communicated and impact on strategy is highlighted.	5 business days.
Discovery	Claims and Legal	Claims and Legal check on work progress, review strategy / litigation plan within 90 days from initial strategy / litigation plan and as agreed thereafter and make necessary strategy / litigation plan changes.	90 days and as agreed thereafter and noted in file.
	Legal communicates to Claims	Legal completes discovery and summarizes assessment and recommendations in Discovery Wrap Up template.	5 business days.

Settle Strategy

Activity	Actor	Type of Communication	Suggested Timeline
Settlement	Claims communicates to Legal	Claims recommends settle strategy.	At time of referral if appropriate.
	Legal communicates to Claims	Legal agrees on settle strategy and takes necessary preliminary steps required to protect the interest of the insured or recommends alternative strategy. Provides an litigation budget if expected to exceed \$ 5,000.00*.	5 business days.
	Legal communicates to Claims	Legal checks on progress toward settlement at 30 days and as agreed thereafter.	30 days and as agreed thereafter.



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PAL Communication Matrix (continued)

Trial Strategy

Activity	Actor	Type of Communication	Suggested Timeline
Strategy	Claims communicates to Legal	Claims recommends trial.	At time of referral if appropriate.
	Legal communicates to Claims	Legal agrees, outlines specific discovery items with due dates and submits Initial Case Evaluation template or recommends alternative strategy. A litigation budget is to be provided if expected to exceed \$5,000.00*.	Within 5 business days of referral.
Investigation / Discovery	Claims and Legal	Findings are communicated and impact on strategy is highlighted.	5 business days.
Discovery	Claims and Legal	Claims and Legal check on work progress, review strategy / litigation plan within 90 days from initial strategy / litigation plan and as agreed thereafter and make necessary strategy / litigation plan changes.	90 days and as agreed thereafter and noted in file.
	Legal communicates to Claims	Legal completes discovery and summarizes assessments and recommendations in Discovery Wrap Up template** and submits a pretrial report.	5 business days.
Pre-Trial	Claims and Legal	Agree upon conference strategy.	2 weeks prior to conference.
Trial	Legal communicates to Claims	Summarizes Conference events utilizing the Interim Activity template, if warranted.	5 business days.
	Legal communicates to Claims	Submits Final Pretrial report.	2 months Prior to Trial.

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PAL Communication Matrix (continued)

Other Significant Activities

Activity	Actor	Type of Communication	Suggested Timeline
During Trial	Legal communicates to Claims	Claims and Legal will discuss trial developments highlighting impact on trial strategy.	Daily / Immediate.
(Phase independent)	Legal communicates to Claims	Legal will summarize activity, highlighting impact on current strategy. Activities under this category include but are not limited to: negotiations, customer demands, changes in Special Service Instructions, etc. ¹	Daily / Immediate.
(Phase Independent)	Claims communicates to Legal	Claims receives settlement demand and will obtain current case status from Legal before settling.	Daily / Immediate.
(Phase independent)	Claims and Legal	The expectation is that all external documents that should be exchanged will be exchanged within 5 business days.	5 business days.

*Safeco Personal Lines will require a complete budget estimate regardless of expected amount. Regional Agency Companies PAL budget needed on claims under \$5,000.00 only for heritage Safeco Commercial Claims and only through December 31, 2009. Use Simple Budget Template for these matters.

Regional Agency Companies PAL - for budget estimates of over \$5,000.00 use Regional Company spreadsheet budget, except spreadsheet is modified for Field Legal to have only one projected hourly billing rate, that being the billing rate of the attorney assigned to the overall handling of the file.

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¹ Additional Other Significant Activities maybe defined by SBU.

