



Legal Billing Guidelines¹

Effective March 1, 2025

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I. Introduction

The Legal Billing Guidelines (“Guidelines”) detail the expectations in billing for legal services provided to CNA or any of its insureds. The Guidelines are effective for all work completed and invoices submitted with line-item dates beginning March 1, 2025, and replace all prior Bill Guidelines and Addenda thereto.

Nothing in these Guidelines is intended to interfere with the attorney-client relationship or independent judgment of retained Counsel.

Submission of invoices by a law firm is deemed agreement to adhere to the Guidelines. CNA reserves the right to modify the Guidelines at any time and CNA will provide law firms with written notice of any modification.

These Guidelines are accessible in the T360 Document Library under the Law Firm Documents Public Folder via the following pathway: Document Library > Documents > Law Firm Documents Public Folder.

II. Montana-Specific Exemption

Any portion of these Guidelines inconsistent with the Montana Insurer Billings Practice Guidelines shall not apply to matters pending in Montana. Nothing in these Guidelines is intended to interfere with the attorney-client relationship.

III. Billing and Invoice Submission

A. Electronic Submission Requirement

Law firms must use Wolters Kluwer T360 Billing Platform (“T360”) for law firm legal invoice and litigation budget submission. Law firms shall not send duplicate invoices to the CNA claim professional.

B. Compliance with Budgets and Invoice Submission

The submission of an invoice is considered a representation by the law firm that the attorney responsible for the file has carefully reviewed the billing entries, that the invoice accurately represents the actual work performed and expenses that are reasonable and necessary in the handling of the matter.

Unless specifically excluded from the Budget requirement, as soon as possible, but no later than 45 calendar days from the assignment, law firms must submit a litigation budget for fees and expenses through T360. Law firms must work with the CNA claim professional to review and approve the budget. Invoices on matters where a budget is required, but not submitted and approved, will be automatically rejected by T360.

C. Invoice Format

1. Content

Each invoice must be submitted electronically for payment, must have its own unique invoice number and must provide a line-item breakdown of the fees and expenses. Each invoice should include the case caption/matter name, CNA claim number (if applicable), dates of service included in the billing period, invoice date, CNA’s share of the invoice (when such share is less than 100%) (see

Section C3. Cost Share below), CNA claim professional's name and the firm's tax identification number.

2. Details

The legal fee portion of the bill shall contain a summary showing the initials and names of each timekeeper, each timekeeper's role (partner, associate, paralegal, etc.), each timekeeper's hourly rate, the total number of hours billed by each timekeeper, and the total charges for each timekeeper. The invoice should reflect the total billed for the current amount due only. Any amounts considered past due should be listed separately.

As noted below, CNA does not pay interest on current or past due balances. Invoice billing periods and line-item dates must not overlap on separate invoices. Invoices that do not comply with the Guidelines set forth in this section will be rejected.

All backup documentation for expenses that exceed \$25 must be submitted with the initial invoice. In T360 these documents should be made available for viewing by CNA staff in the Documents section of the invoice by selecting View Access Type "Network" and Edit Access Type "Network".

3. Cost Sharing

Where two or more entities are sharing costs, CNA requires that the invoices reflect 100% of total actual time spent for fees and for all expenses. T360 will apply the appropriate cost share to the invoice prior to payment. Fees and expenses should not be prorated among carriers/entities within the body of the invoice. The percentage shares for invoice should be entered in the Invoice Description field in T360. Unless an exception is granted, CNA will not accept or pay invoices involving cost shares that include CNA's share only. As such, do not submit pre-split invoices.

D. Invoicing, Bill Review, Appeal, and Payment

1. Billing Cycle

Law firms are permitted to submit monthly electronic invoices for all matters on which work has been performed. Invoices submitted more frequently than monthly will be rejected. Monthly invoices less than \$1,000, unless the invoice is a final invoice on the matter or a quarterly invoice submission, will be rejected. **Final invoices should contain the notation "Final Invoice" in the Invoice Description field.**

Invoices that are \$10,000 or greater should be submitted monthly rather than quarterly.

Final legal invoices, including any expenses, must be submitted within 90 days of the resolution of the matter. A matter which is settled shall be considered resolved upon the exchange of all required settlement papers and any court-required approval. Matters resolved by means other than settlement shall be considered resolved upon the entry of a final judgment that is not subject to appeal.

Late invoices will only be considered for payment if the firm provides reasonable cause and explanation for the delay and obtains authorization from the CNA claim professional.

2. Legal Bill Review

CNA will conduct review of legal invoices to ensure compliance with reasonable, necessary and efficiency standards, including these Guidelines. The purpose of the review is to ensure legal work performed is reasonable, is in compliance with the Guidelines, as well as CNA's Defense Counsel Litigation Guidelines and procedures, is consistent with any agreement under which costs are being shared with another entity and/or with any other relevant agreement to which CNA is a party.

CNA may also conduct an audit to review a Law Firm's files and/or bills, may request supplemental documentation, and/or may request to interview personnel who have knowledge or information regarding any invoice submitted for payment by the firm. The review will be performed in a manner that preserves the attorney-client privilege and in a manner that will not compromise work-product protections. Law firms agree to comply with any reasonable requests for information and/or documents including original timesheets and receipts, to save data, and to cooperate with the legal bill review process.

3. Fast Pay Discounts

By submitting an invoice, the law firm agrees to participate in the Fast Pay Program. In the Fast Pay Program, the firm agrees to a discount on approved legal fees in exchange for expedited review and payment issuance. The percentage of Fast Pay discount may change from time to time as agreed upon between CNA and the law firm. Law firms may opt out of the Fast Pay Program by sending an email to OutsideCounselAgreements@cna.com.

If your firm has previously opted out of the Fast Pay Program, the firm may not opt back into the Fast Pay Program between September 1 and December 31 of the calendar year. CNA will not advance invoices for review or payment to meet any entity's financial year end.

4. Appeals

The firm may appeal adjustments made to the firm's invoice in the bill review process. Law firms have exactly 14 calendar days from the date and time of the invoice approval to appeal any adjustments. If no appeal is submitted in the 14-day time frame, the invoice will be advanced for payment to the law firm. All appeals will be wholly processed in the Wolters Kluwer T360 platform. Do not submit a new invoice to serve as an appeal for adjustments made to a prior invoice. Such invoices will be rejected. Only one appeal per invoice will be accepted.

5. Payment

Payment will be issued only after the entire review process, including appeals, has been completed. The entire bill review process will be conducted wholly within the Wolters Kluwer T360 billing platform.

For firms enrolled in CNA's Fast Pay Program, payments for unadjusted invoices will be issued within 30 days of successful invoice submission to T360. For law firms enrolled in CNA's Standard Pay Program, payment will be issued for unadjusted invoices within 90 days of successful invoice submission to T360.

Payment for any invoice that has been adjusted, whether appealed or not, will be delayed until the entire appeal process is complete. For those firms enrolled in Fast Pay, payment will be issued on or before 74 days from date of successful invoice submission and for those firms enrolled in Standard Pay, payment will be issued on or before 134 days from successful invoice submission.

Payment of any bill does not constitute a waiver of the right to subsequently review, dispute, seek reimbursement of, compromise or request future credits of legal fees or expenses paid to a firm that has violated any provision of the Guidelines. **CNA will not pay interest, late fees, or finance charges in connection with payment of invoices.**

6. Updates to Payment Information

Law firms must provide Wolters Kluwer and CNA with timely updates to any change in law firm name, address, tax identification number, payment address or other detail necessary for payment. Law firms shall make updates by completion and submission of a Company Import Sheet (CIS) to Wolters Kluwer at LawFirmServices@wolterskluwer.com and emailing the information along with an updated W-9 form to LitigationManagement@cna.com. Payment is made pursuant to CNA's current payment processes, which is handled by One Inc. Customer Care for One Inc. may be reached at (877) 313-4898.

IV. Documentation of Legal Fees

A. Hourly Fee Arrangements

1. CNA will pay the hourly rates that have been approved by CNA. Any invoices submitted to CNA for payment with incorrect rates or rates higher than those approved by CNA will be rejected.
2. If a law firm has an approved rate with CNA but is retained by a third party at a higher rate on a matter where CNA is obligated to pay defense costs, law firm agrees that CNA may apply the approved CNA rate.

B. Billing Increments

1. CNA will pay for only the actual, reasonable, and necessary time spent completing a task.
2. Actual and reasonable time worked should be billed in .10-hour increments rounded to the lowest .10 increment.
3. Time increments other than tenths of an hour are not authorized. Individual activities that comprise one task should not be broken down into sub-tasks.
4. Billing to break the task down into individual parts, which results in billing more time for the task overall, is not authorized. If the task billed is being split with another matter or invoice, the total amount of time billed must be clearly set forth in the invoice and include an indication of the number of matters or invoices across which it was split. For example, letter to CNA claim professional updating case is billed for 1.8 hours, which is split across six files should be billed at .3 and indicate in the line-item entry that the total time billed for the task was 1.8/6 files.

C. Capture of Billing Detail

Billing detail should be uploaded to T360 utilizing the most recent LEDES (Legal Electronic Data Exchange Standard) software formatting.

Every invoice shall document each task performed by an attorney or paralegal. The invoice should be in line-item format and shall clearly indicate, in chronological order, the following:

1. The date of the task

2. The hourly rate
3. The time billed for the task (in .1 increments)
4. Timekeeper initials
5. A detailed description of the task containing sufficient information for CNA to ascertain the nature of services performed and to determine the necessity for and reasonableness of the time expended, including any reference to any pre-authorized exception to the Guidelines

V. Prohibited Billing

CNA will only pay for hours worked or expenses incurred that advance the resolution of the matter. CNA will not pay for the below activities performed by the law firm or a vendor retained by a law firm:

1. Administrative/Secretarial/Clerical Tasks regardless of who performed the task including, but not limited to, the following:
 - a) File opening, organization, maintenance, transfer, and closure.
 - b) Filing documents with the court, including electronic filing.
 - c) Document organization, indexing, forwarding communications, searching for documents, placing items in chronological order, compiling documents, preparing exhibits, copying, bates stamping, handling payment issues, investigating or resolving issues pertaining to your own firm's potential conflict of interest, labeling, and uploading, downloading documents, printing, and scanning.
 - d) Activities related to electronically stored information, which are administrative/clerical in nature and do not require substantial legal knowledge or skill to perform or could be more effectively performed by an outside preferred vendor, including, but not limited to:
 - i. Processing data, tiffing, sorting, and/or OCRing
 - ii. Running basic searches (e.g. keyword, date range, coding, etc.) across data
 - iii. Moving data into a live hosted environment/database for review
 - iv. Organizing data in order (e.g. chronological, by custodian, etc.)
 - v. Performing analytics (e.g. email threading, near duplicating, etc.)
 - vi. Running productions (e.g. bates stamping, OCR of redacted pages, creating load files, creating media, etc.)
 - vii. Creating and updating basic coding panels
 - viii. Batching documents for review
 - ix. Bulk tagging
 - x. Creating basic reports (e.g. search hit, date range, coding summary, etc.)
 - xi. Uploading, downloading, printing, and scanning
 - e) Tasks related to scheduling.
 - f) Preparing or reviewing Law Firm invoices, discussing, or resolving invoice or payment issues, or administrative tasks in connection with electronic invoicing/e-billing.
2. Hours submitted in the form of "block billing".
3. "Billing by task" where a minimum amount of time is billed to perform a task regardless of how long in actual time it took to perform that task.

4. Unreasonable, unnecessary, duplicative or excessive time associated with a task.
5. Vague billing entries that do not clearly convey: (a) the nature of the legal task accomplished; (b) whether the task is billable; (c) whether the time spent was reasonable; ~~and~~ (d) why the work was necessary for the defense/pursuit of the case; and (e) an ability to differentiate between entries pertaining to the same or similar task.
6. Duplicate work by one or multiple timekeepers.
7. Time should be billed by the appropriate timekeeper based on the nature of the task.
8. Paralegals shall not bill for clerical or administrative tasks.
9. Routine or elementary legal research of issues of which the firm is presumed to have knowledge by reasonably experienced counsel in the jurisdictions in which they practice
10. Time spent by a timekeeper “getting up to speed” or familiarizing oneself with a matter resulting from changes in firm staffing.
11. In-firm conferences or communications that are administrative, instructional, providing status, educational or supervisory should not be billed. The Lead Attorney responsible for the file is responsible for monitoring the frequency and length of strategic and substantive conferences/communications to ensure billing is cost-efficient. In-firm conferences should not be routine or occur on a regular basis.
12. Two or more timekeepers attending hearings, motions, meetings, conferences, depositions and/or trials, etc. without prior written approval from CNA’s claim professional. The name of the CNA claim professional approving such attendance must be explicitly stated in the time entry and a copy of the written approval submitted in the document section of the invoice with a setting on “Network” view.
13. Trial preparation, if trial is not imminent.
14. Supervising, training, or mentoring inexperienced staff.
15. Professional development.

VII. Travel

A. Definitions of Local and Long-Distance Travel

1. Local travel is defined as travel within 100 miles roundtrip from the firm’s closest office as it considered to be within the firm’s service area.
2. Long distance travel is defined as travel greater than 100 miles roundtrip from the firm’s closest office.
3. All billing entries detailing the time spent traveling must be entered on the firm’s invoice as a separate line item from the entry describing the substantive task which necessitated the travel.

B. Local Travel Fees and Expenses

1. Time spent by a timekeeper for local travel is not compensable and should not be billed.
2. Expenses in connection with local travel are not compensable, such as mileage, parking, tolls, transit,

and meals.

3. If a firm does not provide mileage, the travel will be assumed to be local travel and will not be compensable.

C. Long-Distance Fees

1. Long-distance travel by auto should be billed at one half the timekeeper's hourly rate or one half of the time billed.
2. Other long-distance travel rules:
 - a. Where a timekeeper is safely able to work, such as on an airplane, train, or ferry, time spent while traveling is not billable unless actual work is performed on the CNA matter during the travel period.
 - b. If work is performed on the CNA matter during the travel period, the time is 100% billable for the actual, reasonable, and necessary time worked, provided the timekeeper adequately describes the work performed.
 - c. Should the timekeeper elect not to work on the CNA matter during a time when work could have been safely performed, travel time is not billable.
 - d. Time spent in connection with air travel where work is unable to be performed, such as driving to the airport, going through security, waiting at the gate, is billable at 50%.

D. Long-Distance Expenses

1. Long-distance travel expenses are compensable such as mileage at the IRS applicable rate, tolls, parking, etc. If the travel was pre-approved by CNA, CNA will reimburse firms for mileage at the IRS applicable rate, tolls, parking, airfare, ground transportation, lodging and meals.
2. Other Long-Distance Expense Rules
 - a. Airfare must be at economy or coach class rate.
 - b. Hotels must be reasonable.
 - c. Meal charges must be reasonable and are limited to \$75 per approved timekeeper per day. Meal charges must be in conjunction with overnight travel. No alcoholic beverages will be reimbursed.
 - d. Personal charges such as entertainment will not be reimbursed.
 - e. Taxis, shuttles or rideshare services should be used rather than rental cars where more cost-effective.
 - f. Rental cars should only be intermediate class and insurance coverage not charged to CNA. Rental cars should be refueled prior to return to the rental agency.
 - g. Mileage will be reimbursed up to the per mile rate allowed by the IRS. Law firms should not bill CNA for mileage if they also write it off as a business expense.
 - h. We will not pay for minibar charges, personal telephone calls, clothing, movie rentals, dry cleaning, or other similar personal items.

i. All receipts related to travel must be in the form of a copy of the original receipt, must accompany the invoice, must be properly itemized, and must be listed/attached in the same order in which they appear on the invoice.

j. Firms are required to book their own travel, which travel should be reasonable in nature.

VIII. Prohibited Overhead and Operating Expenses

All expenses should be billed at actual cost without any markup. The following list outlines prohibited expenses that are not compensable:

1. LexisNexis, Westlaw, other computerized legal research tools.
2. Courier and messenger services, law clerk/courthouse “runners” or other personnel used to deliver documents, file papers, or check court dockets.
3. Express or overnight mail or delivery services are not compensable.
4. Postage, except for bulk mailing or certified/registered mail as required by the venue.
5. In-house copying, printing, or translation that has not been pre-approved.
6. Hosting data, either in a live or non-live environment/database for review.
7. ESI User fees are not compensable.
8. Communication charges including telephone, video, fax, cellular phone charges and/or data fees.
9. Books, computer equipment, office supplies, publications, periodicals, subscriptions, librarian services, online databases whether a fixed cost or hourly expense.
10. Any cost to acquire, implement, or maintain case management databases or litigation systems including IT personnel.
11. Overtime charges, including salaries, meals, or transportation.
12. Rent, utilities, or storage charges including document storage.
13. Continuing legal education or attendance at seminars.
14. The use of law firm’s own conference rooms or facilities.
15. Software and equipment rental unrelated to specific litigation without prior CNA approval.
16. Refreshments during meetings or any alcoholic beverages.
17. Travel agent or booking service fees.
18. Temporary employee agency fees.
19. Premiums or mark-ups for law firm costs.

IX. Legal Expenses

The firm may pre-pay expenses and include those amounts on their invoice.

Supporting documentation is required for all expenses over \$25 and all travel expenses, regardless of amount. Expenses shall be submitted for reimbursement on the invoice as follows:

1. Supporting documentation must be uploaded to the invoice “Documents” section in T360 with View and Edit settings set to “Network”;
2. Each expense shall be itemized separately, in the same order as presented on the invoice;

3. Expense entries should correspond with the dates of service of fees billed on the invoice;
4. Provide the date the expense was incurred;
5. Identify by whom the expense was incurred;
6. Identify the nature of the expense;
7. Identify the amount charged; and,
8. Supporting documentation must be in the form of a copy of the original receipt.

Any prepaid expense that is included on a law firm invoice, should not be submitted to the claim professional for payment.

No vendor invoice should be submitted into the T360 platform for direct payment to that vendor.

IX. CNA Preferred Vendors

CNA has negotiated rates and service agreements with Preferred Vendors. CNA expects law firms to use CNA's national network of legal support vendors whenever possible. Preferred vendors should be used for the following:

- | | |
|----------------------------|--------------------------------------|
| 1. Court Reporters | 2. Independent Medical Examiners |
| 3. Document Management | 4. Jury, Witness & Trial Preparation |
| 5. eDiscovery | 6. Staffing/Contract Attorneys |
| 7. Expert Witness Panel | 8. Translation / Language Services |
| 9. Expert Witness Research | |

The preferred vendor list is in the Documents section in T360.

If the law firm does not utilize a Preferred Vendor when one is available, CNA reserves the right to reimburse only the amount that the Preferred Vendor would have charged for the same services.

In every engagement of a preferred vendor, Counsel shall provide the vendor with the CNA claim number and confirm with that vendor their ability to bill CNA directly. If a vendor has the ability to bill CNA directly, the law firm should confirm that they will do so and not reimburse the vendor directly nor charge CNA for any invoiced service from that vendor. If you have any questions about CNA's vendor programs, please email ClaimSupplyManagementOffice@CNA.com.

A law firm is not to enter into any agreement with any vendor or third-party service provider without our prior, written approval.

X. Temporary or Contract Employees

CNA recognizes that from time to time your firm must engage the services of temporary or contract employees to assist in large scale or special projects for a limited duration. If such a need arises, the CNA professional must authorize the arrangement in writing before Law Firm retains such employees. Each temporary employee should be identified as such.

- a) The cost for contract employees should be billed **only** in the expense section of the firm's invoice. Do not bill for services performed by the contract employee.

- b) CNA will pay only the actual cost of such personnel.
- c) Supporting documentation from the temporary agency or contract employee must be attached to the invoice indicating the work performed and the actual cost of the employee to your firm.
- d) At no time should the firm represent or imply that a temporary or contract employee is a member, associate, or regular employee of your firm.
- e) Temporary or contract employees are held to the same Guideline standards as regular employees of your firm.

XI. Dispute Resolution

Any disputes arising out of application of these Guidelines shall be governed by Illinois law, without regard to conflict of law principles. If informal attempts to resolve a dispute are not successful, any controversy or claim arising out of or relating to these Guidelines, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and shall be venued in Illinois.