



THE HANOVER CUSTOMER PROFILE

INDUSTRY Insurance, Property
and Casualty

LOCATION Worcester, MA

EMPLOYEES 4,000+

YEARS IN BUSINESS 160+

Hanover: From Fragmented to Orchestrated E-Discovery



“I said to three different vendors, ‘Here’s the report I need,’ which I called a snippet report. I had created it in a Word doc so they could see what I was doing. I went to the first company, and he said, ‘No, no, no. You don’t understand. That’s not what you want.’ I went to the second company, and he said, ‘No, I think what you mean you want is this,’ which was nothing like what I was getting at. I went to Exterro and said, ‘This is what I want.’ The reply was, ‘Can we have a week to make it for you?’ That was it. After that, I knew I was finished with the search.”

–Linda Luperchio

Director, Information Lifecycle Governance, eDiscovery and Administration, Hanover Insurance Group

Hanover has always been committed to sound business practices and innovation. With that in mind, way back in 2012, they committed to enhancing their e-discovery capabilities, with an initial focus on three areas:

Alleviating Process Fragmentation

Hanover’s Legal and IT teams were looking for more visibility into, and control over, crucial parts of the e-discovery process and concluded that with the right e-discovery platform in place, there would be significant external legal counsel cost-saving opportunities. The team described the existing process as “fragmented” and wanted to have end-to-end process visibility and auditability.

Reducing E-Discovery Outside Counsel and Hosting Costs

Hanover’s internal counsel wanted a solution that would allow them to work collaboratively with outside counsel, eliminating the need for hosting a review system and allowing internal and external counsel a shared and yet protected environment to perform e-discovery activities.

Intelligent Metrics Tracking

Hanover’s team wanted a tool that would provide them with the ability to get an early look into the specifics of a matter and project e-discovery volume and costs. With this capability, they would be armed to make better informed decisions on appropriate next steps for each case.

ABOUT THE HANOVER INSURANCE GROUP

The Hanover Insurance Group, Inc., based in Worcester, Massachusetts, is one of the oldest continuous businesses in the United States still operating within its original industry. It was the original name of a property-liability insurance firm born in 1852, and it remained a publicly traded company under that name until the early 1990s, when it changed its name to Allmerica Property & Casualty Companies, which grew to become one of the 500 largest publicly traded companies of the United States. In 2005, Allmerica Financial Corporation reverted its name to "The Hanover Insurance Group, Inc."

Under the leadership of Linda Luperchio, Director of Information Lifecycle Governance and E-Discovery, the Hanover team evaluated more than 20 e-discovery products, and ultimately chose Exterro's Orchestrated E-Discovery Platform. According to Linda, Exterro's built-in workflows, integration capabilities, advanced analytics, and intuitive management dashboards distinguished it from other systems. "Our goal was to find a product that could serve Hanover's needs and also grow with the company."

The decision was also influenced by Exterro's willingness and ability to execute an accelerated product implementation, which included a rigorous 93-step User Acceptance Test (UAT) representing an end-to-end encapsulation of Hanover's e-discovery process.

The Hanover E-Discovery Team

Linda has one e-discovery analyst who drafts and manages legal holds, which is necessary since their team can have up to 60 holds at once with over a hundred custodians. So the analyst handles front-end of the legal hold process, and Linda reviews everything to ensure quality. There are also two IT people on the team: one is Linda's counterpart, who points Exterro to the data source and knows exactly what she's looking for; the other is Hanover's e-Discovery Technical Lead. An e-discovery analyst has also joined to allow for the increase in e-discovery cases and demand.

She continues, "The other benefit we have, is that even though I'm in the legal department, I can

also speak tech. That's a big deal. I help translate between the two worlds, because sometimes I think the abrasiveness that may arise between IT and Legal is simply from people not understanding each other. Once you have that, everything falls into place, because the bottom line is everyone wants the program to succeed. Everyone wants to do what we need to in order to protect the company."

Orchestrated E-Discovery

The process for Linda and her team starts with Exterro Legal Hold. As soon as there is a trigger, they immediately start the legal hold. While that's happening, they have created an internal web form that tells IT exactly what legal needs. They follow it exactly, and then Linda can print that form, and it becomes her collection report.

Then she uses the Exterro Data Mapping tool, which helps her look at a certain business unit to find out what data and applications they are using, so that she can decide where to harvest data from. "If a company does anything," Linda adds, "they should have a data mapping tool. It's the best tool to have."

From there, the documents are dropped into Exterro's E-Discovery Data Management Tool, which allows The e-discovery team to, as she puts it, "do anything."

She explains: "We can OCR the document so they're readable or searchable. We can search

"Hanover has an amazing partnership with our IT department," Luperchio says. "We work together all the time. There's not a day that I'm not with them. We're very close. We know what each other is doing. I keep them informed. They keep me informed. All of which helps us have a successful process."

—Linda Luperchio
Director, Information Lifecycle Governance, eDiscovery and Administration, Hanover Insurance Group

by keyword. We can proximity search. We can go in and include an exception. We can go into any field that is on that document, and search by just that field. We can exclude by just that field. There are a lot of options.”

Then it's onto the Managed Review tool, which Linda describes: “In there, we can Bates stamp, we can redact, we can do a CSV, we can do a DAT file. We can do anything we need to do to get it ready for production. Usually, once we get it to Managed Review, or sometimes even when it's in the E-Discovery Data Management, I'll have outside counsel come in at that time. We're have labeled or tagged things with what they've said they were looking for, or we might note a few of them as 'hot' because we think we found exactly what they're looking for. They go in. They drop files into a production set, which we set up, then we go in and run the production, and we're done.”

Because of the problems that arise in the transitions between e-discovery stages and various stakeholders, Linda says she wouldn't consider a tool that didn't put the entire process on a single platform. “Exterro has a tool called the 360 View, which allows me to look across the entire matter to see who's been in it, what's going on in it, if there are documents in privilege, and I have all of that in one tool.”

And not only is having an end-to-end tool important to Linda and her team, but having a tool that is user friendly is key. “I usually only spend about 20 to 30 minutes training. Then I have a two page cheat-sheet to help them. Recently, I did a training for someone who knew other e-discovery solutions, but that had not used Exterro. It took us less than 10 minutes.”

Defensible and Cost Effective

Each department in a company has its own driving force: Business Units are concerned about return on investment and costs; IT is concerned about security; Legal is concerned about defensibility. Hanover shows that you can meet the needs of all parties involved through e-discovery. Linda Luperchio tells us how:

“Everyone is looking at cost. Everyone is looking at savings. We did a cost-benefit analysis, and keep a database that tracks it. We're saving at least 75% on average per case by having everything orchestrated in house. We finished our review of savings for the past 12 months, and we saved, comparing external costs to internal, over \$2 million.

“But it's also very defensible. I can explain exactly what we're doing and why we're doing it with an audit trail that runs through the whole thing. In one of our cases, we had a judicial discovery master come in to look at our process, and after two days he said, “You know what? I have no questions. This is a good system. We're good.” So, I feel like it's been vetted. I feel like we've taken the time to do it right.”

Service Provider to other Internal Business Units

While building the process and working with the Exterro solution, Linda began to explore ways the company could innovate and expand its use to other areas of the business which involved requirements similar to those of typical e-discovery projects and could be equally streamlined with process improvements and the Exterro platform.

Internal investigations often involve email, and Linda estimates that a typical investigation will initially implicate about 100,000 emails on average. She described the company's previous approach to internal investigations as highly manual and inefficient, so she sought a new approach that was less dependent on manual intervention from IT. She stated, “Rather than have our IT department go in and collect or do a proxy to a mailbox, it made more sense for everyone to be using Exterro's solution. That way we could create a matter and track it throughout its lifecycle.” Over the years, this has developed even further, as Linda explains: “I see my team as a service provider. We have over 100 users right now, and everyone can go in and do all their own stuff. But I want to make sure that before that happens, I've set them up to succeed.”

“The eDiscovery team spends \$3000 for a terabyte for a year. Compared to average hosting costs of \$9 a month for a gigabyte, Hanover is saving huge amounts of money on data hosting. With 1,000 gigabytes in a terabyte, that's \$9000 a month or over \$100,000 a year. Since we have 14 terabytes of data involved in active matters, we're saving almost \$1.5 million right there.”

–Linda Luperchio
Director, Information Lifecycle Governance, eDiscovery and Administration, Hanover Insurance Group

At Hanover, the customizable nature of the Exterro tool allows Linda to use it beyond the standard e-discovery process to cover P&C business units, treasury department, employment, and internal audits, plus all the litigation—claims, bonds, and regular litigation for the company. As Linda puts it, “Everything flows through our discovery solution.”

Working with Outside Counsel and 3rd Party Service Providers

Not only does the Exterro's Orchestrated E-Discovery allow Linda's team to work with different units inside the company, but it works equally as well with third party service providers. Linda explains, “We have a partnership with Epiq, who are trained with Exterro. When I knew I was going to be looking for a service provider, I wanted to make sure that we didn't need the setup time. We have connectors that allow our outside counsel to come in through our firewall and use Exterro. I train them with a training tool that I created, and then send them over to Exterro to make sure that I didn't miss anything.”

This keeps all operations in one place, so that Hanover doesn't have to go to multiple technology solutions to find, collect, and track

activities. “Exterro makes it easy to allow outside users into the system securely,” Linda says. “We create a matter team for every single matter (we have 133 right now), and not a single matter has the exact same matter team, and they can only see the matter they are working on. I don't have to worry that someone's seeing something they shouldn't, because all they're going to see is the matter we have assigned to them. When they're done, the minute they're done, we deactivate their user account, and deactivate the matter. Then we leave it in holding for 90 days after resolution just in case there's an appeal. Then we get the sign-off from the people involved when all is done, and the data goes back to its original home and to its original retention: paper, hard copy, soft copy, doesn't matter. Then the matter is closed.”

Lessons Learned

Linda and the team at Hanover have one of the most mature processes in e-discovery. Here are her 4 “Must Haves” based on her experience:

- 1. Do not skimp on training.** Let your power users have as much training as they need, and make sure to continue that training over time so they've had a chance to see where the trouble spots are and ask questions.
- 2. Whatever you think you need for storage, double or triple it.** If you can do unlimited, all the better. When I started, I figured it would only be litigation. Now we are serving every part of our company.
- 3. Data Mapping—knowing what and where your data sources are—is vital.** Because how can you preserve and collect something, if you don't even know what and where it is?
- 4. Make sure you have policies in place to support your programs.** We have an information governance policy. We have a destruction policy. We have a mobile device, texting, and social blogging policy. We have all our policies to say why we do what we do, because when you get a big case, those questions are going to come up, and you don't want to try to explain it without something already in place.