

Executive Summary

Claims Committee Meeting, March 6, 2025
Board of Governors Meeting, March 12, 2025

Enterprise Litigation Management System – Mitratesch Additional Spend

Topic

This Action Item seeks Board approval for an additional \$350,000 in authorized spend under the Enterprise Litigation Management System “ELMS” contract with Trialnet, Inc. D/B/A Acuity Management Solutions, a Subsidiary of Mitratesch Holdings, Inc. “Mitratesch”.

History

The Enterprise Litigation Management System is used by both Citizens’ internal staff and contracted outside defense counsel to facilitate the management of all activity on claims related legal matters, including data analysis and reporting, management and auditing and payment of all law firm and litigation vendor billing, storage of all litigation related documents and communication between Citizens and its contracted outside defense counsel. Citizens is currently in a transition period with Mitratesch supporting the existing ELMS system, named “Acuity”, while staff works with Litify, Inc. to implement the new ELMS solution procured under ITN 22-0019.

On April 10, 2024, the Board approved additional spend in the amount of \$1,000,000 to provide for the anticipated “go-live” date of October 2024. Using best efforts from all involved, and to avoid a bifurcated implementation and ensure the delivery of full system functionality, the “go-live” date was moved by mutual consent to May of 2025. Until the “go-live” date, the Acuity system will be needed to continue providing critical ELMS services for Citizens. This additional approval will increase the total spend authorized for Mitratesch’s ELMS services to \$3,300,000.

The current contract for ELMS, with Mitratesch Holdings, Inc. (“Mitratesch”), dates to April 30, 2012, following the completion of ITN 11-0054. This resulted in the contract with Acuity Management Solutions (“Acuity”). On September 29, 2020, Acuity was acquired by Mitratesch, who continued the Software-as-a-Service (“SaaS”) solution, now called “Acuity ELM Essentials.”

Mitratesch is currently providing these ELMS services through the Acuity platform, after choosing not to participate in ITN 22-0019. That procurement resulted in the contract award to Litify, Inc. (Litify) for a new ELMS system which is currently being implemented. Thereafter, Single Source 22-2003 procured Mitratesch to contractually continue the required services, both in maintaining the current operating system and assisting with the successful transition to the new vendor, Litify, Inc. This contract with Mitratesch will expire on June 18, 2025, without any available renewal options. Citizens anticipates the remaining time prior to Mitratesch’s Acuity contract expiration will allow for the successful implementation and transition to Litify.

The original estimated contract amount for the Acuity ELMS services was \$1,950,000 for a recommended three (3) year contract period. This estimate for funding was based on certain assumptions pertaining to litigation volume and associated litigation expenses known at the time. On March 28, 2024, the Board approved an additional \$1,000,000 in Board authority due to increased

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litigation volume and increased hourly rates for contracted outside counsel, as well as ongoing transition assistance by Acuity personnel. At that time, spend estimates for the Acuity system were based on an October 2024 “go-live” date for the Litify system and did not contemplate the need for Citizens to continue the Acuity ELMS platform through May 2025. As such, this request for additional spend under the Mitratesh agreement is needed to allow continuity of ELMS services while Citizens continues its partnership with Litify to complete the implementation of the new system.

Given (1) the criticality of the ELMS system to Citizens’ Claims Litigation operations and the need for continued services, (2) Mitratesh being the current provider of those services through the Acuity platform, and (3) the time and process required to ensure a successful transition to the new Litify ELMS system, the attached Consent Item seeks Board approval for an additional \$350,000 in spend under the Mitratesh ELMS agreement.

Recommendation

The recommendation is listed in the attached Action Item.

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☐ **ACTION ITEM**

☐ **New Contract**

☐ **Contract Amendment**

☐ **Other** _____

☒ **CONSENT ITEM**

☐ **Contract Amendment**

☐ **Existing Contract Extension**

☒ **Existing Contract Additional Spend**

☐ **Previous Board Approval** _____

☐ **Other** _____

Action Items: Items **requiring** detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

☐ **Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

Consent Items: Items **not requiring** detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Enterprise Litigation Management System – Mitratesch Additional Spend
Purpose/Scope	This CAction Item seeks Board approval for additional spend, not to exceed \$350,000, for continuity of services and transition assistance, under the Enterprise Litigation Management System “ELMS” contract with Trialnet, Inc. D/B/A Acuity Management Solutions, a Subsidiary of Mitratesch Holdings, Inc. “Mitratesch”. This amount is in addition to the \$2,950,000 in total spend previously approved by the Board on May 18, 2022, and April 10, 2024. The total amount of authorized spend under the ELMS contract with Mitratesch, including the amounts previously authorized, and the sum requested now, will be \$3,300,000. Using best efforts from all involved, and to avoid a bifurcated implementation and ensure delivery of full system functionality, the “go-live” date for the new Litify ELMS was moved by mutual consent from October 2024 to May of 2025. Until the “go-live” date, the Acuity system is needed to provide critical ELMS services for Citizens. As a result, Citizens’ staff is requesting authorization for additional contract funding in the amount of \$350,000 to cover the cost of these services through contract expiration. The transition to the new ELMS vendor, Litify, Inc., is ongoing with an estimated completion date of May 2025.
Contract ID	Enterprise Litigation Management System 22-22-0003-00

Enterprise Litigation Management System – Mitratesch Additional Spend

Budgeted Item	☒ Yes ☐ No
Procurement Method	Mitratesch is currently providing these ongoing services, after choosing not to participate in ITN 22-0019. That procurement resulted in a contract award to Litify, Inc. (Litify) for a new ELMS system. Thereafter, Single Source 22-2003 procured Mitratesch to contractually provide necessary services, both to maintain the current operating system and to assist with the successful transition to the new ELMS vendor, Litify, Inc.
Contract Amount	The current approved contract amount is \$2,950,000 for the recommended three (3) year contract period. This estimate was based on certain assumptions pertaining to litigation volume and associated litigation spend known at the time, as well as the original anticipated Litify ELMS “go-live” date of October 2024. This additional request seeks \$350,000 for funding of existing ELMS services through the June 18, 2025, Mitratesch contract expiration. The Board originally approved this contract with Mitratesch totaling \$1,950,000 on May 18, 2022. An additional \$1,000,000 was approved by the Board on April 10, 2024.
Contract Terms	Single Source 22-2003 procured Mitratesch to contractually provide the required services, both to maintain the current operating system and to assist with the successful transition to the new vendor, Litify, Inc. The contract with Mitratesch has a three (3) year term and is set to expire on June 18, 2025, with no available renewal options.
Committee Recommendation	Staff proposes that the Claims Committee review, and if approved recommend the Board of Governors: a) Authorize additional spending authority under the Enterprise Litigation Management System Agreement with Trialnet, Inc. D/B/A Acuity Management Solutions, a Subsidiary of Mitratesch Holdings, Inc. of \$350,000 as set forth in this Consent Item which, if approved, would increase the total spend authorized to \$3,300,000; and b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.
Board Recommendation from Committee	If approved at its March 6, 2025, meeting, the Claims Committee recommends that the Board of Governors: a) Authorize additional spending authority under the Enterprise Litigation Management System Agreement with Trialnet, Inc. D/B/A Acuity Management Solutions, a Subsidiary of Mitratesch Holdings, Inc. of \$350,000 as set forth in this Consent Item which, if approved, would increase the total spend authorized to \$3,300,000; and a) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

Enterprise Litigation Management System – Mitrastech Additional Spend

Contacts	Jay Adams, Chief Insurance Officer Brian Newman, General Counsel & Chief Legal Officer
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