

Estimating Claims – What Every Attorney Should Know

“How many claims should we expect?”

Whether to calculate risk, determine settlement value, or simply ensure the approval of the settlement and attorneys' fees, this question has become increasingly common—and increasingly critical. It is impossible to predict a particular claims filing rate, but qualified administrators understand the different factors that impact claims rates and, based on their experience with these factors, offer the parties reasonable claims estimates.

CASETYPE

Claims filing rates vary widely across practice areas, largely due to the specific allegations or the class members' relationship with the defendants.

PRACTICE AREA	CLAIMS RATE	DETAIL
Consumer (publication only)	0-2%	When sufficient class member information is available to provide direct notice, claims filing rates increase.
Consumer (direct notice)	3-10%	
Insurance/Finance	5-15%	Solid mailing lists and relevant information (e.g., policy, account) allow preprinted forms and individualized descriptions of settlement benefits, facilitating the process and driving up claims rates.
Securities	20-35%	Third-party filers often drive up claims rates.
Labor and Employment	15-60%	Payroll records, with addresses and work history, improve notice reach and the relatively large awards increase claims rates.

OTHER FACTORS

A number of other factors impact claims rates. Answering certain questions helps refine your estimates. For example:

- ▲ Is mail/email address information available? For what percentage of the class? How old is it?
- ▲ Will there be follow-up on undeliverable mail or email?
- ▲ How will class members be notified? Will there be any focus on claims stimulation? Will a credentialed notice expert opine?
- ▲ Will the notice be written in plain language?
- ▲ What will the class member receive? Are financial benefits clear and highlighted in the notice?
- ▲ How easy is it to file a claim? Is documentation required?
- ▲ Is mass media attention likely?

These are just a sample of typical factors and questions that impact and can help estimate claims rates. Every settlement brings a unique combination of circumstances, considerations, and questions.

Please contact us to assist with these and other notice and administration challenges.



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