The following questions were communicated to the Innovation Office. We have provided our responses in "blue" below.

How much is the sandbox "controlled " by insurance companies and large corporations, who can finance the applications to the sandbox, refine the applications and the focus groups, research, etc., needed to maximize their profits? Carriers and large corporation often simply assess initiatives and determine if they should play along or oppose it. If they play along then it shows they see some advantage for them. Their motivation is not access to justice, it is their bottom line profit and loss, return on their investment.

The Sandbox is in no way "controlled" by insurance companies. There are now 16 authorized entities in the Sandbox. Only one (Nuttall) is in any way related to insurance. The writer cites no other data to support this dramatic assertion and indeed there are no such supporting data.

The Innovation Office is an office of the Court made up of highly-respected members of the Utah legal and business community and the national access to justice academic community. This includes Heather Farnsworth, current Bar President, former Chief Justice Christine Durham, Nathanael Player, head of the Court's self-help center, Rick Hoffman, Bar Commissioner, and Rebecca Sandefur, the leading access to justice researcher in the United States. To receive authorization to offer services in the Sandbox, an applicant undergoes three levels of review (the IO executive committee, the full IO, and the Court).

Once admitted to the Sandbox, an entity must regularly report case-level data to the IO. Once Nuttall Brown launches their services (in January 2021), they will make a monthly report to the IO including what each customer's legal issue was, who provided the service, what the legal and financial outcomes were, how much the consumer paid, and consumer complaint data. These data are specifically targeted at illuminating whether and how consumers may be harmed by the new business model (i.e. whether consumers are (1) getting inaccurate or inappropriate legal results; (2) failing to exercise their legal rights through ignorance or bad legal advice; and (3) purchasing unnecessary or inappropriate legal services.

A Sandbox entity may only apply to "exit the Sandbox" and receive "permanent" authorization to practice upon a showing of low risk of consumer harm. Any such application would again be subject to the three levels of review described above. Permanent authorization does not mean that oversight ends however – the Standing Order contemplates that permanently licensed entities will still remain subject to the oversight and enforcement power of the Court through the IO or a follow-on regulatory body.

Is there a suggestion that "sandbox" regulatory approval does/does not mean waiver of liability?

The Sandbox does not shield any authorized entity from liability. Standing Order 15 is explicit about this: "aggrieved consumers may seek relief and remedy through traditional channels of civil litigation or, if applicable, the criminal justice process." *Id.*, p. 15. The Standing Order is also explicit that lawyers operating in the Sandbox continue to be obligated "to uphold their duties as required by the Rules of Professional Conduct." *Id.*, p. 16. Nuttall, Brown is no exception, they may enter into the relationship(s) described in the Court's order and the IO's recommendations without running afoul of the Rules of Professional Conduct, but they are still governed by the rules in general and must conform their conduct to ensure informed consent, no unwaivable conflicts, etc.

If a deal like this is pushed by billion-dollar corporations, those corporations (including insurance companies) has had consultants like McKinsey pencil out how much this will *save* insurance carriers or large corporations (think about the infamous "Hot Coffee" McDonalds case or Wilson v. IHC Hospitals, 289 P.3d 369 "**IHC repeatedly violated the in limine order [that evidence of collateral source benefits be excluded] by questioning witnesses about the collateral source benefits received…)**. If any rule adversely affected their bottom line, they would oppose it "strongly" or decide it was cost effective to violate the rule.

Plaintiffs personal injury attorneys are quite concerned that the insurance companies really are trying to drive them out of business so that injured plaintiffs cannot receive a full and fair resolution of their claims, thus profiting the insurance carriers or other large companies. If they are wrong about that, please point that out. They would love to be wrong about this.

The purpose of these regulatory reforms is to increase consumer choice for legal services and legal resolution. It is our belief that these reforms will increase opportunities for lawyers across many disciplines. Indeed, it appears clear that Nuttall Brown has found an opportunity to increase consumers' access to no- or low-cost legal services through partnerships with insurance companies. The partnership is a business one that, on its face, does not change how the actual legal service is performed. The firm partners with the insurance company to offer the company's customers legal coverage, either for free or at a low monthly subscription cost. "Should the consumer get into an accident, their legal fees with Nuttall, Brown are completely covered and, should they win/settle, the full value of the compensation goes to the consumer." (Nuttall Recommendation, pg. 3). The potential benefit to the consumer is significant – ease of access to qualified low cost or free legal representation. The consumer does not have to use the Nuttall firm, they are always free to use different counsel.

There are certainly potential conflict-of-interest risks attendant to this arrangement. Consequently, and as I noted above, Nuttall, Brown has to report to the IO monthly on several metrics, including financial and non-financial (legal) outcomes for their cases. The upside of this reporting obligation is that the IO and the Court can immediately discern whether consumer interests are being subverted because of a conflict of interest or some other unforeseen risk. If so, the arrangement is subject to, potentially, immediate shutdown. Further, Nuttall is required to disclose the business arrangement with the insurance company at the time the consumer either purchases the subscription or enters into the insurance agreement.

There is well-established international precedent for legal insurance including in Germany, France, the Netherlands, and Sweden. There is also national precedent through legal service plans, etc. Nuttall's proposal offers a different business model for lawyers to participate in, and capitalize on, these insurance platforms.