Highlights of this Article

- How solo practitioners can get on an insurance panel as approved legal counsel
- Legal marketing ideas for small insurance defense law firms
- Where to look for a list of prospective insurance carrier clients

How Solo and Small Law Firms Can Get on Insurance Panels

It can be difficult for a solo practitioner to be named to an insurance panel as approved legal counsel. Carriers are typically concerned about: a) your capacity to meet their needs; b) reduced flexibility in blending rates across associates and partners; and c) the management time needed to oversee a high number of small law firms.

While the term “solo” is used here, the same concepts frequently apply to small law firms with three to five attorneys in some combination of partners and associates.

As of mid-2014, many small law firms are noticing a decided shift by insurance carriers away from smaller firms to more regional law firms. This is true even if the carrier is happy with the services provided by the small law firm.

Nevertheless, there are ways that the determined solo practitioner can build an insurance defense practice and enjoy the benefits of a relatively steady, albeit lower paying, stream of insurance defense cases.

Business Development Ideas for Small Insurance Defense Firms

Small or solo law firms may find it most productive to identify prospective clients using the legal marketing techniques outlined below.

Target Smaller Insurance Carriers

The Pareto principle would indicate that 80% of the panel counsel market is dominated by 20% of the national insurance carriers. While this does appear to apply in many large markets, the small carriers frequently also maintain some type of outside panel counsel program.
Aligning the size of your law firm with the needs of a smaller carrier could create a nice fit for both parties.

The state insurance department in most states publishes a list of carriers who are licensed to offer insurance, organized by category of insurance (e.g., auto, homeowners, or casualty). Sift through the list to find small carriers that might make good prospects for your law firm. Pay special attention to those carriers that are either headquartered or domiciled within your state.

Once you have identified the firms, try to identify and gain an introduction to the firm’s claims professionals or General Counsel.

**Research Business Opportunities through Local Claims Associations**

Do a Google search for a claims association in your state, county, or city. Many large metropolitan areas do have a claims group that is open for membership to adjusters, insurance professionals, attorneys, and suppliers.

Another resource that might be helpful is through the publisher of the Casualty Adjuster’s Guides (http://www.cagworld.com), which offers a series of directories for many markets across the country.

The Risk Management Society (www.rims.org) also maintains an active network of chapters in all 50 states. Members are risk professionals for national, regional, and local businesses and other entities.

While members of these groups may or may not be decision makers or have hiring authority, it is worth your time to at least determine if a group offers business development opportunities for your law firm. The concept here is “no stone left unturned” in today’s competitive insurance defense market.

**Focus on Local Self-Insurers**

“Self-insured retention” programs (SIRs) are maintained by many commercial entities as a means of risk management and cost containment. Basically this means that the entity will handle the primary claims process and payments to claimants for matters under a certain financial level.

Retailers, restaurants, grocery stores, hotels, and other high-traffic venues are all likely to maintain some level of self-insurance program.

While the volume of cases tends to be smaller, the competition for a seat on the panel may also be less intense than it is in the national insurance market. Make it a point to get to know the General Counsel or Risk Manager at some of these local firms in an effort to get on their panel of outside counsel.

**Explore the Municipal Market**

Counties, cities, townships, and villages all have a need for legal services. Depending on the size of the municipality, they may have an in-house legal department. Even this, however, does not mean that all legal work is handled in-house.
Most counties and cities maintain some type of vendor registration program. Spend a little time on the website for your local municipalities, and you are likely to find that it is fairly easy to register as a prospective vendor. You may need to pay a nominal registration fee.

Once you are on the mailing list, you will automatically be notified when an RFP relating to legal services is put out for bid. You can then decide if you want to submit a proposal.

Advantages and disadvantages to this type of work include the fact that it can be awarded on the basis of politics and price. It will help to know the right people, and to come in with a favorably priced bid. You might want to check on the availability of past awards (or even losing bids) to gain insight into price points that seem to be competitive. Supporting your local politicians in one or both parties may also be worth considering.

Network Actively

Tell everyone you know that you are seeking defense work for insurance matters. Non-competing attorneys, including former law school classmates or friends from the local bar association, are usually happy to make a good referral on a case outside their area of expertise.

Also mention your interest to friends, neighbors, church members, relatives, executives you meet at the local chamber of commerce, and new contacts you make.

You never know where your next referral might originate.

Pick a Niche Reflecting Local Needs

Take some time to consider market niches within your metropolitan area. Knowledge of local market conditions offered by your law firm may be of interest to a carrier or another law firm in need of local counsel.

Industry-based experience is one approach. In Orlando, Fla., for example, this could mean in-depth knowledge of amusement parks or hotels. Miami-based law firms could develop experience with cruise ships, which require that most cases be brought in Miami-Dade County.

Language or cultural diversity is yet another angle. Language skills – Spanish, Russian, Korean, or others – can serve to attract carrier or self-insured clients who feel more comfortable working with an attorney who can demonstrate an understanding of cultural business practices involved in a dispute.

Study the Educational Sector

Universities, colleges, community colleges, and trade schools all face legal disputes involving premises liability, employment law, sexual harassment, professional liability, and more. The same can be true for the K-12 market, although this tends to involve government contracting.

Many educational institutions for higher learning maintain a panel of outside legal counsel, typically through the school’s Office of General Counsel. An RFP (Request for Proposal) process is frequently used to staff the panels.
With a little research, you should be able to determine if and how entities in the local education market defend themselves in regard to insurance-related legal matters.

**Five Selling Points for Solo Practitioners**

Solo practitioners seeking to attract insurance carriers or self-insureds can emphasize the following advantages:

1. Access to local courts
2. Affordable billing rates
3. Direct access to a partner
4. Fast response times
5. Specialized knowledge of local market conditions

**Captive Law Firms**

Some insurance companies employ a series of “captive” law firms to defend the interests of insureds when a claim or litigation arises. In this case, the lawyer is likely to be an employee of the insurance company, yet operating out of his or her own independent law firm.

Solo practitioners who wish to maintain an independent office while also being relieved of business development burdens may find this to be an appealing arrangement.

Check with your State Bar for guidelines in regard to relevant attorney advertising guidelines and ethical considerations.

**In Summary**

Solo practitioners and small law firms have a chance to develop business in the insurance defense field, but it takes some concentrated planning and implementation.

Start early (yes that means NOW). Marketing for insurance defense success is a long-term process that benefits from a continuous focus on business development campaigns.

Contact author Margaret Grisdela to discuss a marketing campaign for your law firm. See the following page for contact information.
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Legal Expert Connections, Inc. is a national legal marketing agency focused on business development for attorneys and experts. Our services include insurance defense marketing, employment defense marketing, and content marketing. The firm also serves as an outsourced legal marketing department for law firms that do not have an in-house marketing department but need to maintain an active business development program.

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