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THE PANELIST

Insurance Defense Marketing News

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Keeping Up with Panel Managers

Due diligence on the panel management process consumes a significant portion of our time. Every week we are on the phone researching how panels function at insurers and self-insured entities across the country. Here are some recent developments that keep us alert to change.

Departmental Reorganizations



A leading national retailer told us recently that management of their entire panel counsel program was moved from the legal department to the risk management department. In the wake of this change, claims counsel who had been involved in the panel management process were uncertain of who was actually charged with making current panel selections.

As risk management departments grow and evolve, more are gaining responsibility for panel oversight. This may be a future trend to watch.

Internal Job Changes



A promotion, lateral move, or simple shuffling of responsibilities can mean that a claims professional who previously managed the overall panel counsel program or a sub-panel is now no longer in the loop.

This is a somewhat subtle change that can be difficult to detect. An insurance defense law firm that only maintains sporadic contact with prospective panel clients may not realize for months that they need to refocus their efforts toward a new panel manager.

Impact of Insurance Mergers on Panels



Ace and Chubb, Tokio and HCC, Allianz and Fireman's Fund ... the rush to consolidate continues. This is the most active insurance M&A market in a decade, according to industry experts.

As these merged entities seek operating efficiencies through cost reductions, insurance defense law firms will want to assess their exposure relative to the target companies.

Risk levels appear highest for law firms that:

- Rely heavily on the target of an acquisition for a large portion of their revenue;
- Fall behind in implementing litigation case metrics being adopted by panel managers; or
- Fail to maintain an on-going business development effort. Acquiring a new client takes time, and is best done well in advance of the need.

As claims departments merge and adopt the best practices of each entity, law firms should be prepared to face increased technical sophistication. Also, carriers will continue to refine law firm comparison statistics, based on metrics like time to close and average case cost, in 2016.

If your Marketing Committee is slow to activate a 2016 business development plan, or does not have the time to do so, call us for some ideas.

A mix of impending new capital requirements, flagging profit growth and low investment returns has led insurance companies to turn to consolidation to try to cut costs and improve profitability.

-- *The Wall Street Journal, Sept. 24, 2015*

Tips for Tracking and Responding to a Request for Proposal ("RFP")

Law firm proposals are becoming an increasingly important means of obtaining new business in today's competitive world. A "Request for Proposal" (RFP) is the triggering event, and can be issued by a municipality, corporate general counsel, or an insurance carrier.

While every law firm proposal will be different, there are several central sections that will appear in most responses to an RFP. Basic sections include but are not limited to those outlined here.

Need help with an RFP? Call us at 866-417-7025.



Introduction to the Firm

Geographic coverage, year founded, number of attorneys, and number of offices are all key facts that a law firm will want to include in its firm overview. Distinctive features related to diversity, awards, and other firm accomplishments are also important.



Practice Area Details

In preparing a law firm proposal, the firm will want to provide a substantive description of experience by practice area. Representative case information can help to underscore the depth of your firm's experience in an area.



Introduce the Attorneys

A detailed bio on key partners and associates is an essential part of your RFP. Highlight credentials, like Martindale ratings or board certifications, and include attorney photos as part of the get-acquainted process.



References

Be prepared to provide three to four references, ideally of the type applicable to the law firm proposal or RFP (i.e., municipal references for an RFP issued by a local city).



Visual Presentation

A 25-page Word document filled with dense text is boring! Increase your chances of winning the bid by adding a graphic designer to your team. A professional appearance that is consistent with your firm's website can help your RFP stand out from the competition.

Growth Opportunities

Start the Sale by Finding the Decision Maker

As every managing partner knows, long-term relationships are gradually giving way to a more formalized review and retention process when it comes to hiring insurance defense law firms.

The procurement department is gaining influence in corporate purchasing of legal services, according to a recent article in Bloomberg BNA. As law firms seek out self-insured entities such as retailers and hospitality firms to supplement carrier business, it becomes harder to identify who is in charge of hiring.

Procurement's growing influence in buying legal services is emblematic of more sweeping changes in the legal vertical.

Some key elements include:

- Legal services are now held to stricter business standards;
- Relationships remain a factor, but metrics are replacing subjectivity; and
- Business professionals as well as lawyers are involved in acquiring legal services.

-- <https://bol.bna.com/who-do-i-sell-to-selling-legal-services-is-a-new-ball-game/>

Blogs as Business Development Tools



"As corporate law departments have started more aggressively shopping for legal services, and using multiple law firms, blogs have emerged as a natural way for individual lawyers and practice groups to distinguish themselves from competitors and position themselves as experts within a specific area."

-- Bloomberg BNA, Sept. 16, 2015



Increase Your Firm's Online Presence

Let us help you with LinkedIn, blogs and attorney directories.

Call **866-417-7025** for details.

Managing the Costs of Allocated Loss and Legal Adjustment Expense



In the Spring issue of The Panelist we wrote about the 2015 CLM Litigation Management Study, and noted that claims executives "perceive outside firms are doing a better job of understanding their needs" compared to five years ago.

Now LexisNexis® Property & Casualty Claims and Litigation Cost Containment Survey, issued in September, brings new insight into carrier plans to manage loss and legal costs.

While the total number of cases managed by outside counsel and the associated legal spend are expected to remain steady, panel managers will be focusing on the priorities outlined below.

- Early case assessment
- Reducing legal defense costs
- Vendor management
- Legal bill review systems

Legal costs account for 20 percent of the total cost of defending a claim, according to the study, and claims executives seek a balance between reducing settlement and defense costs.

Recent trends toward regional counsel, panel consolidation, in-house attorneys and alternative fees are expected to continue in 2016.

Enhancements to electronic billing systems and technology investments are also identified as priorities by panel managers, according to the survey.

Marketing Tip: Proactive defense law firms that emphasize their ability to deliver early case evaluation, detailed litigation plans, mediation skills and streamlined billing will have the best chance to gain coveted new panel positions.

ACE Expands Cyber Coverage



ACE Group announced the launch of a Global Cyber Facility targeting large corporations, with primary capacity of up to \$100 million per insured. Building on the insurer's data breach team

and loss mitigation services, the new cyber offering goes beyond risk transfer to include risk audits, specialized policy forms, breach detection, loss mitigation, and access to cyber-security claims experts.

In a related announcement, ACE also now enables insureds to purchase privacy and network liability coverage in a single policy with their directors & officers (D&O), employment practices liability (EPL), fiduciary, and crime insurance. Read more in the news section at www.acegroup.com.

Auto Claims Rise with Traffic Congestion



Drivers are traveling more for business and pleasure as employment rates increase and gas prices fall, resulting in a corresponding rise in accidents and motor vehicle claims. GEICO and Allstate are both raising premiums to offset growing claims costs, according to *The Wall Street Journal*.

Distracted driving involving the use of mobile phones is now a factor in 25 percent of all motor vehicle accidents, according to the National Safety Council, which also contributes to the rise in injuries and fatalities.

The law firms that defend against motor vehicle accidents may be seeing a steady stream of cases in the near term.



Insurance Panel Business Development

We assist insurance defense law firms across the country with:

- Business development campaigns
- Responses to RFPs

*Call **866-417-7025** to learn more.*

About Us

Legal Expert Connections, Inc. is a national legal marketing agency focused on business development for attorneys and experts. We specialize in the insurance defense and employment defense market sectors.

You can focus on your law practice when we handle your marketing and lead generation. Our clients include small to mid-sized law firms that don't employ a marketing professional but do rely on our services for marketing communications and business development campaigns.



Margaret Grisdela, president, is an insurance defense marketing consultant with specialized knowledge of business development for defense law firms across the country. She leads a team of researchers, writers, graphic designers and others all focused on helping small to mid-sized law firms attract new clients.

We are available to create targeted marketing campaigns for a wide range of practice areas, including those outlined below.

- Consumer and commercial auto
- Employment practices liability
- Professional liability
- Inland marine / trucking
- Construction defects
- Product liability
- Premises liability

Geographically, we have conducted business development campaigns for insurance defense law firms in California, Florida, Idaho, Kentucky, New Jersey, New York, Oregon and Washington, among other states.



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