

WHAT QUALITIES DO LAWYERS VALUE MOST WHEN SELECTING AN INSURANCE AND REINSURANCE LITIGATION CONSULTANT?

by Andrew J. Barile, CPCU

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Introduction

Insurance agents, insurers, and reinsurers are spending more money and devoting more resources on legal services and insurance advice than ever before. More companies are embroiled in legal disputes or being sued.

As an insurance and reinsurance litigation consultant, a reinsurance arbitrator, a reinsurance expert, and having 40 years of insurance experience as a wholesaler, MGA, insurer, reinsurance broker, reinsurer, both domestic and in Bermuda, I want to reveal how companies and their law firms are dealing with the increase in litigation and what qualities are of most value when the lawyers are selecting an insurance and reinsurance litigation consultant.

Qualities of an Insurance and Reinsurance Litigation Consultant (in order of importance)

1. expertise / ability
2. knowledge of the insurance and reinsurance industry
3. responsiveness
4. value of the case (monetary value)
5. honesty/transparency
6. reputation/professionalism
7. reliability
8. promptness
9. efficiency
10. longstanding/relationship

Litigiousness Increasing

Companies have experienced an increase in litigation in recent years, not only in the United States, but also in Europe. In-house counsel has seen an increase in litigation and, understandably, are alarmed by the increase. The concept of finding more people being prompted to file a claim is increasing worldwide. We find more often that U.S. lawyers are

pursuing litigation possibilities outside the United States.

Outsourcing Legal Work

More insurance companies and reinsurance companies are finding it more cost-effective to outsource their legal work to law firms to cope with the rise in litigation. It's certainly easier to control by outsourcing. In talking with lawyers, you can come to the conclusion that litigators handle litigation and arbitration better than the in-house staff can. Retaining local lawyers from the country in which they have legal problems is the smarter way to go. Only with the Internet can this work be cost-effective. You needn't fly around the world the way we did years ago.

Searching for the Ideal Insurance and Reinsurance Litigation Consultant

In-house legal counsel from insurance and reinsurance companies around the world are constantly asking their law firms to improve their service and are requiring:

- a more prompt turnaround
- increasing the amount of research on a case
- more regular updates
- in cases of court cases, a more thorough preparation
- understanding the treaty reinsurance agreement
- understanding the Arbitration Clause

All of these requirements have burdened the litigation lawyer with the major issue of selecting the appropriate expert that has the expertise and ability within the insurance and reinsurance industry. The insurance and the reinsurance industries are very complex, and locating the right litigation consultant with the right knowledge is very difficult.

Insurance and reinsurance litigation consultants can stay current by attending the NAI, the AAMGA, the NAPSLO, the NAIC quarterly meetings, the PriceWaterhouse, Standard and Poors, and A.M. Best conferences. Reading numerous insurance periodicals and attending the CPCU Society's Annual Meeting and Seminars are an important part of the schedule of a responsive insurance expert.

The consultant must give quality advice, and most law firms are focusing on value for money rather than hourly rates.

In an increasingly litigious society, insurance and reinsurance law firms seem to be working in closer partnership with their insurance and reinsurance litigation consultants than ever before, relying on the consultant to deliver the service they expect.