

NEWSWIRE ARTICLE

Insurance-Focused Firms are Rebranding

By Henry Meier
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Two California firms long major players in insurance defense are making a concerted effort to shed that image and rebrand themselves as premiere general litigators capable of taking on higher-end (and higher paying) work.

Sedgwick LLP and Haight Brown & Bonesteel LLP recently began to try to transition their labels away from the commoditized insurance practice and toward a more general litigation image. The main impetus to shed the insurance defense label, according to lawyers at both firms and others in the legal industry, is that the work is often looked upon as less demanding, prestigious and lucrative than other practice areas. But, at the same time, the attorneys maintained the stigma is false and that they're very happy with the work they do for insurance companies.

"It's a reputation by default," said Craig Barnes, managing partner of Sedgwick's L.A. office. "There's a lack of information in the legal community. They see Sedgwick as an insurance defense firm and equate it with something cheap."

"Our insurance practice is something we're proud of," said Michael Davisson, a partner at Sedgwick. "We represent insurance companies in high-stakes matters. Our insurance practice represents about 35 percent of what we do, but only 10 percent is what you would call traditional insurance defense work."

This attempt at reinvention, including name and logo redesigns and even an office relocation, shows the firms walking a fine line between spiffing up their pitch to different prospective clients without alienating the stable business they rely on.

"We do work for insurance companies and are very happy to work for insurance companies," said Chris Stouder, Haight's managing partner.

"When we started 75 years ago, our first client was Fireman's Fund Insurance. Since then, we've grown into other things besides insurance defense, but make no mistake, we still are more than happy representing our insurance clients."

Haight has also moved its west Los Angeles headquarters to downtown Los Angeles to be closer to the city's center of business, Stouder said.

Neither firm expects the rebranding to alienate their current clientele in the insurance industry. "They don't see it as a slap in the face," said Ralph Campillo, another partner in Sedgwick's Los Angeles office.

So far insurer clients seem to agree.

Andrew Rudnicki, vice president of claims litigation at Farmers Insurance, said the rebranding wouldn't affect how he viewed either firm as a potential outside counsel. He said he's more interested in firms' flexibility with alternate fee arrangements that are mutually beneficial for both sides, something he said he's been successful with, especially in California.

"Right now, 95 percent of files that we have [at an outside firm] in California are alternative fee arrangements," he said. "Firms have to be flexible in how they approach this work, however."

Rudnicki said his company has a relationship with Sedgwick but that he personally hadn't dealt with the firm and that Farmers has no relationship with Haight, to his knowledge. Stouder, Haight's managing partner, said the alternate fee arrangement is something the firm has tried to embrace in some cases.

"We certainly do alternative fee arrangements with both insurance and non-insurance clients," he said. "There has to be a good level of trust between the client and the firm, however. It requires a lot more time upfront so both sides have a very good idea as to what the expectations are."

Campillo, the partner at Sedgwick in Los Angeles, said the firm has tried something similar but with a twist. It takes on cases with reduced billing rates for some insurance work, in part, to help train associates.

"We do some very high-exposure cases for our clients, and sometimes they'll say, 'We'd like to send some smaller cases or cases with less exposure your way,' but they want lower rates," he said. "That's where we can work to get our young lawyers involved to get them experience."

That may not be as profitable for the firm, Campillo said, but it often leads to a deeper relationship with the client.

"I want my client to know that we have different people with different skills and that we can handle a variety of types of cases," he said.

Both firms insist their branding efforts are more about creating a new public persona for themselves than discarding the vestiges of their past.

For Haight, it is about combining its history with a sleeker and updated public profile. The firm didn't formally change its name from Haight Brown & Bonesteel LLP, but it's effectively truncating the name in its branding and marketing strategies. In addition, the firm's new website, set to launch in December, will display the new Haight logo prominently, said Stouder, the firm's managing partner.

The Haight moniker or their "street name," as they call it, is an homage to one of its most influential managing partners, Fulton "Bill" Haight, and the famous street named after him in San Francisco. The clever wordplay is a way to connect the new image of the firm with its history, Stouder said.

"Even though the firm is changing, we want to hang on to our roots and traditions," he said.

Sedgwick chose to go a different route, formally shortening its name from Sedgwick Detert Moran & Arnold LLP. Partners felt the change streamlined the brand and allowed them to broaden their appeal as trial lawyers.

"We're looking to grow, but we aren't looking to grow just for the sake of growing," Stouder said. "It's not something we're rushing. We're looking for people who presumably and hopefully will be with the firm for the rest of their career."

Sandy Lechtick, a recruiter in Los Angeles who has worked with several insurance defense firms, including Lewis Brisbois Bisgaard & Smith LLP and Wilson Elser Moskowitz Edelman & Dicker LLP, said both the rebranded firms have work to do to recast their image into premiere general litigation shops. He called Sedgwick "an OK-looking guy that wanted to date the prettiest girl at the dance."

Haight's problem has been geography, he said. Located in the Howard Hughes Center between Santa Monica and the Los Angeles airport, the firm was often forgotten by other firms and potential clients located in downtown Los Angeles or Century City.

"A lot of people were saying, 'Who's Haight Brown,'" he said. "They were in Timbuktu."

Lechtick said he's never placed partners for either firm but moved attorneys from Sedgwick in the past. He said that despite a crowded market and increasing pressure on all firms to be more profitable, Sedgwick and Haight could come back stronger than ever.

"They're both fine firms, but the jury is out," Lechtick said.

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