



June 22, 2001

Unauthorized Practice Law Committee
The Florida Bar
650 Apalachee Parkway
Tallahassee, Florida 32399

Dear Ladies and Gentlemen:

It is my understanding that your Committee is considering whether control by an insurance company over how a claim is defended constitutes the unauthorized practice of law.

I found it astounding that this very self-serving matter is before a Committee of The Florida Bar. Obviously, this is a very self-serving issue for defense lawyers and this entire matter has arisen as insurance carriers have attempted to get control of exorbitant attorneys' fees. Everyone in the business community is very aware of what is at stake with regard to this issue. Defense lawyers are upset because they cannot build exorbitant fees, which they did in the past, that resulted in significant increases in premiums to Florida employers. There is absolutely nothing objective about the Bar's interests in this matter as it relates to the public. The only interest the Bar has is returning to the days of exorbitant attorneys' fees. Maybe, as many in the business community have suggested, we should support moving the regulation of The Florida Bar to an agency of state government. I can assure you that the Bar moving forward with this type of proposal has increased the talk within the business community with regard to regulation of attorneys by the state.

Let me provide you with a "real world" matter relating to this issue. There is no insurance company in the world that operates without reinsurance. Every time reinsurers come in to look at the files of a company they are reinsuring, the first thing they ask is "let us see your written procedure relating to the control of the file by the adjuster." In other words, reinsurers want to ensure that it is the adjuster controlling the file, and not the attorney. As president & CEO of the Associated Industries Insurance Company, Inc., I can assure you that every reinsurer I have ever met with has emphasized to me emphatically that if they ever feel we are letting the attorneys control our files, they will definitely not renew our coverage for the next year.

I am simply astounded that The Florida Bar has proceeded with this issue believing that the business community is too dumb to know what is going on here. Please rest assured that everybody in the business community knows full well that this entire issue is about the fact that defense lawyers have seen their fees fall because they got totally out of control over the years in billing insurers, and the employers who pay the ultimate premiums simply said "Enough."

Please be advised that Associated Industries of Florida, on behalf of our 10,000 member companies who employ over 1.5 million people in our state, is watching this issue very carefully, and we will continue to report to the business community exactly how it is being handled by The Florida Bar.

Sincerely,
Jon L. Shebel
President & Chief Executive Officer