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WILMIC Fall Seminar Fast Approaching

Practicing Law in the Tough Economy Set For November 13

4.0 CLE credits applied for

You can still register for this year's WILMIC Fall Seminar, entitled "Tough Economic Times Force Change: Protect Your Practice. The half-



day, morning program will focus on the changing economy, changing clients' needs and how that impacts your practice. Online registration is easy at www.wilmic.com. The seminar is scheduled for Friday, November 13 at the Country Springs Hotel and Conference Center in Waukesha right off I-94. The program will include a bankruptcy judge as well as family law and estate planning practitioners serving on three different hour-long panel discussions moderated by WILMIC Senior Vice President Tom Watson.

In addition, for the first time, WILMIC is planning video replays December 4 at sites in Eau Claire, Kenosha, Green Bay, Wausau and Janesville.

The panelists will address the changes lawyers are experiencing in the areas of

bankruptcy, family law and estate planning and help seminar attendees consider ways to protect their practice in these tough economic times.

More lawyers are taking on bankruptcy cases to offset business lost in other areas of their practice. What are the risks of expanding your practice? What should you know about bankruptcy?

In family law, many lawyers are experiencing a slowdown. There are more pro se parties, some clients are finding it difficult to pay, and some lawyers are now providing more "unbundled services" to clients. Others are dealing with clients who also need bankruptcy relief. Panelists will discuss dealing with these changes and more.

In estate planning, lawyers are seeing an increasing number of unhappy, disenfranchised beneficiaries. Lawyers are also dealing with unrepresented parties. Panelists will help sort it all out.

For more information, contact Tom Watson or Stephanie Williams at (608) 824-1700, or go to www.wilmic.com. ■

WILMIC Fall Seminar

4.0 CLE credits to be applied for.

Live Program: November 13

Waukesha

The Country Springs Hotel
2810 Golf Road
Waukesha, WI 53187

Video Replays: December 4

Eau Claire

Plaza Hotel & Suites Conference Center
1202 W. Clairemont Avenue
Eau Claire, WI 54701

Green Bay

Radisson Hotel & Conference Center
2040 Airport Drive
Green Bay, WI 54313

Kenosha

Best Western Harborside Inn & Kenosha Conference Center
5125 6th Avenue
Kenosha, WI 53140-3403

Wausau

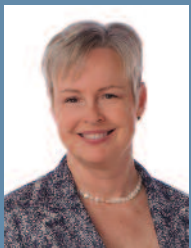
Westwood Conference Center
1800 Westwood Center Blvd
Wausau, WI 54401

Janesville

Holiday Inn Express
3100 Wellington Place
Janesville, WI 53546

Five Years Later: "The Ground Has Shifted Under Our Feet"

An interview with Katja Kunzke, President & CEO of Wisconsin Lawyers Mutual Insurance Company.



The complete Fall Seminar schedule can be found at wilmic.com/seminar.php

Claims Digest

By Brian Anderson, Claims Counsel



Brian Anderson, WILMIC Claims Counsel

Practicing law can be fulfilling and satisfying as lawyers help people in need. However, for a variety of reasons, things can sometimes go wrong.

This version of our claims digest will focus on claims brought against lawyers practicing in the areas of bankruptcy, family law and estate planning, three areas of law impacted by tough economic times.

Bankruptcy

A client retained a lawyer to handle a Chapter 7 bankruptcy. The lawyer collected a retainer fee and filed the action. The lawyer was shocked to receive a notice of dismissal from the U. S. Bankruptcy Court shortly after filing. The bankruptcy action the lawyer brought was filed a couple of weeks “early,” that is, within eight years of the client’s previous Chapter 7 bankruptcy which was handled by other counsel. The lawyer had relied on the questionnaire completed by the client, in which the client entered the wrong date for the last bankruptcy discharge. The client criticized the lawyer for not independently checking the date prior to filing and sought damages related to his debt and credit obligations that could no longer be discharged.

In another case, a lawyer filed a bankruptcy for a client and later learned from the Bankruptcy Trustee that the claimant’s mother died during the pendency of the

bankruptcy proceeding, leaving the client an inheritance. The client criticized the lawyer for not protecting his inheritance or advising him with regard to the effect that an inheritance would have upon the bankruptcy estate.

When clients do not obtain the expected discharge in bankruptcy or are faced with claims by the Bankruptcy Trustee for misrepresenting a bankrupt company or an individual’s “true financial position,” the lawyer is often the target. The lawyer could be held responsible for failing to fully investigate the client’s pre-bankruptcy assets and overall financial circumstances.

Family Law

While cleaning out files to destroy, a lawyer found a divorce file that was closed a decade earlier. The original and unfiled Qualified Domestic Relations Orders were in the file. The lawyer noticed that they had been sent back to him by opposing counsel, with some changes to be made before they were filed. However, they were simply placed in the file. Fortunately, both spouses were still alive and no one had retired. Unfortunately, the documents required signatures from the ex-spouse, who was no longer employed and would not cooperate.

In another case, a lawyer was retained to represent a woman in answering a contempt motion regarding compliance with a marital settlement agreement. Meanwhile, the husband’s wages had increased and his child support obligations increased. The lawyer advised his client that they would need to get confirmation of the salary increase before agreeing to any revision in child support. The lawyer contacted the ex-husband’s lawyer attempting to obtain this information. However, after getting no response, the lawyer did not follow up on the request.

After several months went by, the lawyer had to withdraw from the representation for unrelated reasons. He then heard from his former client that she had given up her right to claim back child support because of his failure to follow up in a timely manner. The client looked to the lawyer to make her whole for her losses.

In another case, a client complained that the changes to a marital settlement agreement, made during negotiations on the courthouse steps heading into a divorce trial, conflicted with other provisions of that document to his detriment. The client blamed the lawyer for failing to adequately advise him and protect his interests and for allowing changes to be made in a hurried manner and for allowing the client to enter into an agreement while under duress.

Estate Planning

A lawyer prepared a deed that transferred a father’s home to his daughter, with the father maintaining a life estate. This deed request was prepared pursuant to the direction of the father’s daughter. The father signed the deed, and his daughter and her family moved into the home. Within three months of the date the deed was executed, the father died. The other siblings claimed conspiracy, conflict of interest and undue influence between the lawyer and the daughter that prevented them from realizing their “just inheritance.” The daughter alleged that she had an agreement to take care of her father for as long as he lived, in exchange for the home after his death. There were no notes or further documentation that would support the “side agreement” the daughter described or that the father understood the deed’s impact on the other siblings’ inheritance. ■

Five Years Later: “The Ground Has Shifted Under Our Feet”

It was five years ago this past summer that Katja Kunzke was elevated to the position of President & CEO of Wisconsin Lawyers Mutual Insurance Company. As she marked the anniversary, we asked her to reflect on where the company was when she took over, the changing landscape that CEOs and insurance companies are navigating through during this economic upheaval and her vision for the future of the company.

Q: Compare the environment you are operating in today versus what it was like when you took over in 2004.

A: The ground has shifted under our feet. Things have definitely changed in five short years. Who could have predicted what happened a year ago with the stock market, the housing market and the economy in general? Things we were sure of back then, we're less sure of today. There is more uncertainty, not only for us, but for the lawyers we insure. People want quick answers today because

of that uncertainty. Clients' needs are changing and lawyers have to keep up with that change. In turn, our role as a lawyers professional liability insurance carrier has to necessarily change—we must understand the evolution of law and how we can better serve our policyholders and the legal profession in Wisconsin.

Q: Are you surprised by the rapid changes over the past five years? Did you expect that?

Katja Kunzke

A: I'm not surprised at the fact of change, just the changes themselves. Yes, the world has changed dramatically in five years. We'll probably be saying the same thing five years from now. I'm still learning all the features on my Blackberry. I don't know if I had even heard of a Blackberry five years ago.

Q: What challenges stand out over the past five years?

A: Always dealing with people, which I love but which challenges me tremendously. You can have all the procedures, guidelines and business models in the world, and those are important, but the human element is always there.

We have made some changes in how we handle our investments. We have re-balanced our investments after the stock market meltdown a year ago. We watch our indices, our investment portfolios, securities ratings and everything else on almost a daily basis. There are many people willing to give me advice—including my mother! I have to figure out whom to listen to. The challenge here has been figuring out what the new “due diligence” standards are.

Another challenge was ensuring continuation of service in spite of a small staff. We've done that with business continuation and succession plans, all part of “enterprise risk management.” After all, we have to ensure against our own risks as much as our policyholders have to insure against theirs.

Q: When we spoke to you in 2005, you had been President & CEO for a year. At that time, you said your job was like trying to drink from a firehose. Do you still feel that way?

A: I'm still drinking from that firehose. There is always plenty on my plate. Some of what we do is trial and error. Who

thought you'd have to audit your own bank? But that's the world we now live in. I do feel like I've grown a lot in five years in this job. But old challenges are replaced by new ones, so you can't sit back and relax.

Insurance is weirdly temporal—you simply can't stay in the present. Claims and accounting look backward in time; underwriting, reinsurance and investments look forward in time. So many of the decisions we make are based on guesses of what will happen in the future. To stay grounded, sometimes I simply have to go clean the company kitchen. It's a task where I know when I'm done and I know if I've done a good job.

Q: Besides cleaning the kitchen, what do you love about your job?

A: I love my office—it's gorgeous and it has big pictures of my kids! I have everything I need to do my job well. I'm well supported by our staff, our board, our service providers and the lawyers we insure. That's a great feeling.

I think I'm a good decision-maker, but I have also found that people want to be part of the process—have ownership—and that's good. We try to be as inclusive as possible, but sometimes we struggle with the difference between having a voice and having a vote.

I love the steep learning curve of my job and the daily challenges. And mostly I love knowing I'm part of a great group of people who work hard to support lawyers—I'm a big fan of lawyers.

Q: The company has seen growth in business of nearly 30% since you took over in 2004. Did you expect that?

A: We did set growth goals close to that, but you can't count on that. When it happens, it's very gratifying. I do think we're good at what we do. The growth is a vote



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Office hours at Wisconsin Lawyers Mutual Insurance Company are 8 am until 4:30 pm Monday - Friday. Hours and other information also found at wilmic.com.

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of confidence. There's plenty of room to grow some more, though.

We must remember that growth also brings more risk. We try to match the risk to the risk we already insure. We're not looking for growth just for the sake of growth.

Q: How have things changed for you in your role as President & CEO versus your previous roles at the company?

A: Some friendships have been strained. When you become the boss, that happens. It's hard. The old cliché is true: it's lonely at the top. Not all the decisions you make are popular. You do what you believe is best for the company. This job can look easy when someone else has to do it. But when you're in this chair making the decisions and you know those decisions will affect people, it's not easy at all.

My staff relies on an income, health insurance, retirement planning. They were all affected by the economy too. It affects families and I try to remember that the things we do have an impact on people. I don't do this job in a vacuum, that's for sure.

I don't have as much consistent interaction with policyholders and other lawyers around the state. But I do make sure I keep getting out—I go to as many functions and events around the state as I can. I won't give that up. It's important

to get out there and talk to lawyers and it's fun. It would be easy to lose touch if you're just sitting in the office every day. I can't do that.

Q: Despite advances for women over the past couple decades, female CEOs are still the exception rather than the rule. Do you feel you're a pioneer along with other women who are running companies? Are there advantages and disadvantages to being a woman in what is still a male-dominated profession?

A: There aren't many female CEOs in insurance companies. Perhaps we stand out as "pioneers," but I'd much rather stand out as a good CEO. So much of insurance, and management and practicing law for that matter, is about relationship management. It requires emotional intelligence as well as technical knowledge. I think women are really good at managing relationships. And as they say, Ginger Rogers had to do everything Fred Astaire did but she did it backwards wearing high heels. A lot of women CEOs I know can dance backwards in heels.

Q: Is this the career path you expected?

A: I never expected to have such a great job at 52. I'm delighted with this career path. I started out in private practice and then worked in the insurance business, handling claims. I love insurance work. It

allows one to be truly helpful to others while still permitting a balanced life. I am both challenged and rewarded—what more could I ask from my career?

Q: Have you changed in the past five years?

A: I'm more cautious than I was when I started this job. I have some sleepless nights. The things I can't control keep me up at night. We can do everything right, but if the economy tanks like it did a year ago, we're affected. If lawyers don't continue to get enough work to support their practice, our company would struggle, no matter how well we do our jobs.

I have found in the past year that we have to stick with our sound policies—we can't panic. We pull together, share our wisdom, ask questions—and listen hard. Then we keep what works and make necessary changes. The key is getting those two right.

Q: What do you see in WILMIC's future?

A: WILMIC will be here. We will continue to evolve. We'll change with the changing economy and the changing legal profession. We have a great future. We're stronger. We have a business plan for the future and I believe we will continue to grow. ■