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NEWS

Phila.-Based Weber Gallagher Opens Florida Outpost With Fowler White Partner

"I don't want to sound pessimistic, but the time of the smaller insurance defense shop is probably going away," said Weber Gallagher chairman Andrew Indeck.

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Insurance Litigation



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What You Need to Know

- Weber Gallagher has brought on two attorneys from Fowler White Burnett to establish a new office in Coral Gables, Florida.
- The firm is expecting to see additional growth this year as smaller shops begin consolidating under rate pressures and growing expenses.
- Weber Gallagher is continuing its client-driven geographic growth strategy in its Florida opening.

Weber Gallagher Simpson Stapleton Fires & Newby has opened a new office in Coral Gables, Florida, expanding its geographic reach to eleven locations as rate pressures lead to consolidation in the insurance defense market.

The firm, which opened its [tenth office in Chicago in May 2023](#), established its Coral Gables, Florida, location with the help of premises defense partner Michael Garcia and associate Antonio Villa de Ray, both of whom joined Weber Gallagher from Fowler White Burnett effective last week.

"I had other firms approach me, from Atlanta, Nashville, one flew me out to LA...they weren't the right fit for me," Garcia said. "They say, 'Go with what you feel'...this just felt right."

According to Weber Gallagher chairman Andrew Indeck, bringing on Garcia was a long term project.

"Mike was a perfect fit...We saw ourselves in him, and he saw himself in us, which is what we hope to see with any group or individual we bring in," said Weber Gallagher chairman Andrew Indeck. "It took almost a year of discussions for him to come on board, it took the same amount of time on our end. We just needed to see that right chemistry, that right fit."

In addition to considering fit, Garcia also noted that rate pressure played a significant role in his decision to join Weber Gallagher, an issue symptomatic of a larger trend across the insurance defense industry.

"It's hard to compete with lawyers charging triple your hourly rate. It's hard to be profitable," Garcia explained. "This was the right timing, and I think I got lucky at the same time."

Both Garcia and Indeck noted that rate pressures are creeping into profitability for defense work, especially in firms where some partners in other practice groups are charging thousands upon thousands of dollars per hour.

"We hear the stories of laterals coming to us from firms that are trying to be an international firm...billing at something like \$1500 per hour..We're not that," Indeck said. "Inevitably, practices such as ours become the poor stepchild...We're not really looked upon seriously, not considered an integral part of the business."

Garcia agreed. "If you're in a high sophistication firm, you're going to be at the bottom of the totem pole," he said. "That's the rate pressure."

Indeck named rate pressure as part of the changes and challenges to law firm business models since the beginning of the pandemic, also discussing rising costs and retention efforts as ongoing concerns.

"The legal environment has changed since the pandemic," Indeck observed. "The costs have risen dramatically in the legal business in the last three years...We do need to raise our rates to be able to compete and bring in people such as Mike."

"Our clients like us, they have been very amenable to our rate requests...Even an extra \$20 an hour, it's the only way we can compete," Indeck continued. "And now, many people are all of a sudden coming to our door [saying], 'We can't compete with firms bigger than our size in retaining talent. Can you help us?'"

"The smaller people are coming to us, saying, 'We just can't compete in this market,'" Indeck concluded.

Indeck expects this consolidation trend to continue throughout 2024.

"If what I'm seeing at the microlevel continues...you're going to see continued consolidation of firms," he said. "I don't want to sound pessimistic, but the time of the smaller insurance defense shop is probably going away, or will be greatly curtailed from what it once was...The price pressures from attorneys and the requirements from the clients...It's very difficult to operate in this environment on a smaller platform."

However, the anticipated shrinkage will also offer Weber Gallagher additional growth opportunities, the firm looking to add new offices in locations where clients are requesting additional services.

"We've had plenty of discussions with other groups, [although] there hasn't been a fit like Mike," Indeck said, noting that the firm was looking to expand its presence to include Maryland, North and South Carolina, Georgia, and the Washington, D.C., area.

"It's all client driven," he said, continuing this strategy beyond Weber Gallagher's Chicago opening last year.

In response Garcia and Villa de Ray's move to Weber Gallagher, Fowler White Burnett managing shareholder Christopher Knight said, "Michael Garcia and Antonio Villa De Ray mutually agreed to part ways with us. We wish Mike well on his future endeavors."

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