

THE BERMUDA TRIANGLE IN TEXAS: HOW TO NAVIGATE THE TRIPARTITE RELATIONSHIP

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“This so-called tripartite relationship has been well documented as a source of unending ethical, legal, and economic issues.”

Justice Gonzalez in *Traver*



THE GENESIS

- ▶ The insurer “will have the right and duty to defend the insured against any ‘suit’ seeking those damages.”



- Based on this language, the insurer hires defense counsel to defend the insured from an underlying lawsuit.

THE TRIPARTITE RELATIONSHIP



Insurer

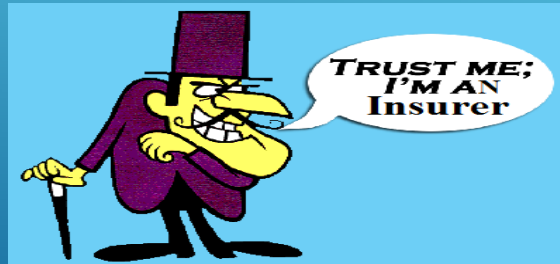


The Insured



Defense Counsel

THE CARRIER'S POINT OF VIEW –
WE ARE THE EXPERTS



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- ▶ The insured does not have the experience and expertise evaluating and hiring defense counsel. Thus the insured could end up with an attorney who was less qualified to represent the insured's interests.
- ▶ Due to the insured's lack of experience, the insured may not be able to work with selected defense to obtain the best outcome.
- ▶ An insured-selected attorney is not likely motivated to control costs.

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