

# **ALLIANZ: PLACING THE VALUE ON ORIGINAL LEGAL THINKING**

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## **As Europe's largest insurance company, Allianz may have an emphasis on stability and predictability but when it comes to servicing its legal needs, creativity is key**

As Head of Legal and Compliance for Iberia and the South American Region at Allianz Seguros, Barcelona-based Joaquín Valenzuela's role encompasses responsibility for all the company's legal and compliance issues. But what is important is not necessarily how lawyers generate advice but the quality of it.

"We obviously have to ensure Allianz complies with the relevant legal regulation within each territory we oversee but compliance is an increasingly important element of what we do. Previously it may have meant different things to different sides of the business but in the insurance and finance sectors in general it is now increasingly well-defined," he says.

In recent years Allianz's operations in Spain may have become more centralised, but Valenzuela believes that it remains important for the 12 members of his team, which includes seven lawyers, to connect with business divisions. Increasingly the role of the inhouse lawyer is that of a manager.

"Lawyers are assigned specific clientfacing responsibilities, which is good for their visibility but fundamentally helps gain a better understanding of specific businesses' operations – life, health, commercial, automobile, etc – and the recurring legal issues they encounter. I need to know that matters are being managed without my continuous oversight."

It is an important time for the industry, he believes, albeit one in which there is ever-greater competition.

"We are seeing companies looking to consolidate their positions. Areas such as construction insurance may be down, but life assurance and pension investment activities are up. Investors are looking for more stable investment opportunities and insurance companies have to focus on the long-term."

Con sede en Barcelona, el papel de Joaquín Valenzuela como director de asesoría jurídica y cumplimiento normativo de Allianz Seguros se extiende más allá de lo propiamente jurídico, en una empresa que pone su énfasis en la estabilidad y la previsibilidad, pero cuando se refiere a servicios jurídicos, la creatividad es clave.

In order to react to both day-to-day and future legal needs, he believes however that it is important to mix both internal and external capabilities and places importance on local understanding and knowledge of the business. Allianz España sits within the same regional group as Portugal and Latin America in the Allianz structure.

Besides corporate and compliance issues, inevitably a large part of the legal teams' work is focused on the management of litigation, for which the legal department has two distinct strategies, he explains.

“For high value and very complex issues we use three or four leading firms, but for smaller litigation issues the focus is very local – we have a network of 300 freelance lawyers in Spain who work with the Claims Division.”

In order to manage complex cases, M&A and regulatory issues, it is vital that the legal department works in partnership with outside firms. He is therefore looking for external lawyers that understand Allianz’s business and can bring fresh thinking about how to work together.

“We have a very capable in-house team but work and cost pressures impact on what we are able to retain inhouse and what we can justify sending externally. We do not use a formal panel of law firms but have an emphasis instead on those that take a long-term view of our relationship.”

Notable, he says, has been the willingness of one major firm to train Valenzuela’s own lawyers even though it might mean less day-to-day work. “They rightly took the view that, going forward, we would likely need more help with mentoring and managing complex issues, through which they are arguably better placed to demonstrate the value of their own expertise.”

It is in any event not always easy to change legal advisers, says Valenzuela.

“For a multinational like us, for certain issues, a firm’s brand is important. But so also is an understanding of the industry, our structures and ways of working. We have to rely on law firms to get the job done on time when we cannot do it internally, although that comes with a price.”

It is however much easier to agree different working styles and cost expectations with firms with which you have a strong relationship, he says. “I want my external lawyers to understand our company and the international scope of our business, but I remain very comfortable in my belief that not every piece of advice has to be ‘crafted’.”

Firms have to stand by the advice they provide but how they generate it, for example, with junior lawyers or through outsourcing, is ultimately not of great consequence, says Valenzuela.

“It is not a question of defining high value or commodity work. What is important is that a matter is done well, on time and to budget. How the firm manages this, internally or externally, in Spain or elsewhere, is of much less importance.”

Joaquín Valenzuela is the Barcelona-based Head of Legal and Compliance at Allianz Seguros, part of Allianz, Europe’s largest insurance company.

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