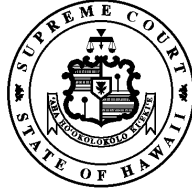


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## FORMAL OPINION NO. 42

### CAPTIVE LAW FIRMS

This Opinion concerns whether an attorney who is an employee of an insurance company, and, in that capacity, represents insureds of the insurance company, may use a law firm name that appears to be that of an independent law firm, or otherwise state or imply that he or she practices as an independent law firm.

HRPC 7.1 provides in part as follows:

A lawyer shall not make a false or misleading communication about the lawyer or the lawyer's services. A communication is false or misleading if it:

- (a) contains a material misrepresentation of fact or law, or omits a fact necessary to make the statement considered as a whole not materially misleading.

HRPC 7.5 specifies that a lawyer shall not use a firm name, letterhead, or other professional designation that violates HRPC 7.1.

An attorney who is an employee of an insurance company, but states or implies that he or she practices in a separate independent law firm violates HRPC 7.1 by making a material misrepresentation of fact.

An attorney who is an employee of an insurance company, but uses a firm name, letterhead, business card, or other professional designations that state or imply that he or she practices in a separate independent law firm also violates HRPC 7.5.

*The Disciplinary Board's mission is to maintain the integrity of the legal profession  
and protect the public from professional misconduct by attorneys.*

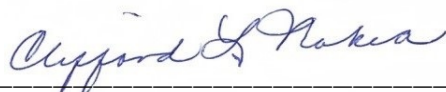
Additionally, an attorney who is an employee of an insurance company, but states or implies that he or she practices in a partnership or other organization, such as a corporation or limited liability company, violates HRPC 7.5(e) (lawyers may state or imply that they practice in a partnership or other organization only when that is the fact).

Compliance with the above-cited rules can be achieved if the attorney's letterhead, business card, and other professional designations communicated to clients and the general public clearly and accurately describe the attorney's relationship to the insurance company employer and specify that all personnel associated with the attorney are employees of the insurance company.

DATED: Honolulu, Hawai'i, March 28, 2002

Carroll S. Taylor  
Chairperson, Disciplinary Board

UPDATED: Honolulu, Hawai'i, March 19, 2015



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Hon. Clifford L. Nakea (Ret.)  
Chairperson, Disciplinary Board