

A Different Way to Think About Legal Problems

Introducing the Concept of Primary Legal Care and
Specialty Legal Care

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The Current Problem – A Mindset

The way employees encounter the legal world is something that needs more consideration. Traditional legal insurance tends to be prescriptive—addressing legal needs only once the individual has an acute legal problem. This insurance works great when a legal problem is encountered because the legal insurance plans typically pay all or most of the legal costs incurred by an employee when a legal problem arises. Employees often have no deductibles or co-pays, and the legal insurance plan actually pays the providers directly in most cases, saving employees huge out-of-pocket expenses for lawyer fees.

But do we have legal concerns that we may not know about? The problem is that because these legal encounters may not occur in a predictable manner for most people there isn't an overwhelming feeling that a legal problem might arise. That often leads employees to a lack of focus or planning for legal problems, leading many employees to believe that they will not need legal insurance coverage to protect their families. In fact, when polled many employees say that "I do not have a legal problem," or "I don't need that legal insurance program."

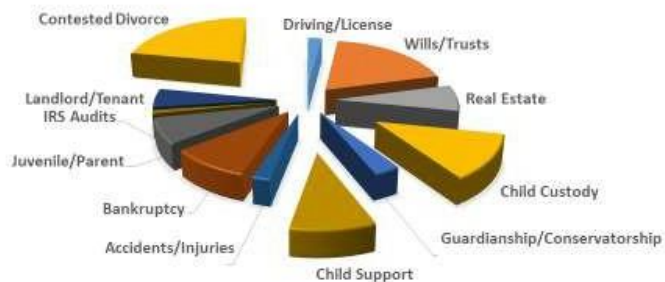
But, statistics tell a different story. Typical usage on a legal insurance plan shows that in excess of 80% usage is normal for employees, and the use of the legal plan for at least one legal matter is very likely each year.

Covers Most Common Legal Needs for Members

Top 10 legal issues


- ✓ Divorce
- ✓ Child custody battles
- ✓ Child support order modifications
- ✓ Will and trust drafting
- ✓ Real Estate
- ✓ Vehicle-related issues
- ✓ Juvenile and school Issues
- ✓ Guardianship
- ✓ Bankruptcy
- ✓ Landlord and Tenant Disputes

LEGAL MATTER SAMPLE USAGE 2016



Additionally, in the last study the American Bar Association did, they found that "70% of employees will have a legal problem in the coming 12 months." The result is that legal problems are far more prevalent than many believe.

Employees tend to think about whether they actually have a legal problem and not whether events in their lives may have legal consequences. All employees face big events. With our ever-complicated society come more and more complicated social issues, like financial issues, child issues, health issues, housing issues, support issues, family issues, education issues, neighbor issues and all kinds of similar



problems that may have direct or indirect legal consequences. These events that happen to employees are those everyday occurrences we all experience like getting married, having a baby, adopting a child or moving a parent into a nursing home. Many of these events often happen with much less fanfare, such as having a birthday, celebrating a child's graduation or moving.

But, without realizing it, most of these life actions can produce legal issues, either in real time or in a delayed manner. Often, there is no apparent or immediate legal description of the issue or problem. Instead, these life event actions are what we might call problems of everyday life.

Indeed, many employees will admit to facing these kinds of events almost every year. What often keeps employees from realizing the magnitude of these issues and some of the legal consequences is that they may not realize the close association between these problems and a major bout with the American legal system.

What we may not be spending enough time on is determining how widespread these problems of life are among employees and how impactful these issues can be on their lives.

For example, life events related to housing can include how to find money to make a serious water damage repair, how to get a landlord to make repairs, how to keep a landlord from retaining a security deposit after one terminates a lease, how to resolve a serious roommate rift or how to get a guest to leave one's apartment when they have overstayed their invitation to stay with the employee who invited them.

Life events arise when employees are facing domestic issues, such as when to initiate adoption proceedings, what agency to use, a child's bullying at school problem, or how to help resolve a friend group conflict, or high school issues, such as a charge for drug possession when a student carried drugs for another, or vehicle issues, when a friend demands an employee's child take them to a corner drug dealer, or when a classmate demands an employee's child post pictures with them on Facebook or when a teacher has a real bias toward one's child.

Life events include problems related to money issues, such as the bank not being able to find the paycheck an employee just deposited, or where the bank places a hold on a check from a relative for \$5,000 an employee deposited and then wrote checks to cover back rent, or those issues related to not being able to access one's funds, or when an employee is trying to recover money owed by a boyfriend that has suddenly disappeared, or when one is trying to remove a lien from their property title after they paid the contractor for the shoddy work, or when an employee is dealing with a contractor that will not return to the job in the middle of disconnecting the employee's bedroom toilet.

Life also requires employees to deal with elder parents, including their issues of medical bills that they cannot pay, or their medications they are confused about taking, or when the nursing home seems to be hiding the real condition of an elder parent and will not release their records, or the lack of security for an elder parent in their deteriorating housing, or when an employee's dad will not move out of his house even though he keeps falling, or when an elder parent announces they have just married a new spouse after their spouse of 45 years dies unexpectedly and this new spouse is 40 years younger than the living parent, or finding out that a girlfriend of an employee's dad has a power of attorney over his



healthcare and financial affairs instead of the employee.

All these problems can become serious legal problems. But, what employees may not realize are two things: one, how these life events almost never start out as legal problems that one thinks they need to immediately run out and get a lawyer to help with or, two, how fast these problems can morph into serious legal problems.

What employees may really need is to re-think everyday life problems and how it might help to have access to better advice earlier so that when or if these problems become more serious employees can be more engaged and more prepared. More importantly, we might be able to see how to gain understanding that enables employees to take actions early that might actually prevent some of these everyday problems from escalating to acute issues. This type of support might be more proactive, accessible and, thus, engaging and effective.

How can we do this? By changing the way employees understand the effects of everyday problems on their lives in a long-term manner. And, by equipping employees with the right tools to support them once they better understand legal and legal related scenarios in their daily lives.

Life Events

One way to approach this new way of thinking is to think in terms of life events. Most of the events discussed above can be classified as life events. When an employee decides to purchase a home, or have a child, or put a parent in a nursing home or declare bankruptcy there are so many preemptive legal solutions that can make things easier for them in the long run. Not only is access to preemptive solutions beneficial for the overall legal health of employees, but it can also ease the burden of financial issues and the stress associated with drawn out legal matters. In turn, employees feel more prepared and confident that they are taken care of when those things actually happen to them.

What are Life Events?

Life events are those events that happen to each one of us at different times in our lives that impact the way we change and move through the years. No single aspect of any life event is necessarily connected to a legal issue or problem, and often, as we unpack one of these events, we are not at all engaging the legal consequences that could be related to these life issues.



Looking at these sample life events, we can see why it is unlikely that these issues will give rise to legal issue thinking or orientation. Who in the world thinks of calling a lawyer when one is having a child? Only a very small part of the American population ever thinks of calling an attorney as they are going to get married. For parents of children heading off to college, lawyers and legal issues are the furthest things from their college planning mindset.

But our diagram above fills in some of the issues that are related to these innocuous life events. We begin to see that there are legal problems and issues that are related to each life event. We begin to see that buying a house could result in having neighbor problems, noise problems, drainage problems, pricing problems, defects in construction issues, title issues, mortgage payment disputes, tax assessments, property assessments, joint repair bills and maintenance, foreclosure, homeowner rules and fees, boundary rights, flooding problems, insurance claims from roof leaks and all kinds of other problems that do not come to mind automatically when an employee announces, "I am buying a home."

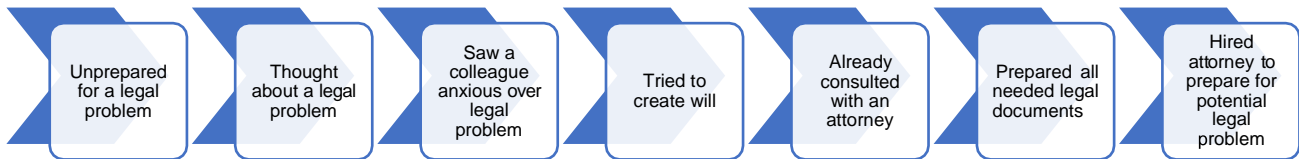
We also see that in the excitement of having a child at college, we did not think of drug and alcohol arrests, MIPs, court hearings, suspension for violating codes of conduct, alleged sexual assault, education bias, professor discrimination, housing evictions or back rent demands, security deposits not returned, car repossessions, student loans and debt demands, academic dishonesty, bullying, Greek hazing, gang assaults, traffic violations and grade disputes.

In expecting a child, one of the most joyous times of a couple's life, they are not thinking about guardians, financial difficulties, lengthy medical treatments, difficult childbirth, genetic defects, significant medical bills, insurance coverage disputes, life insurance beneficiaries, wills and trusts

needed, powers of attorney, trustees and executors, bank accounts, student payment 527 accounts, faulty daycare centers, hospitalizations, babysitter liability and a host of other more serious issues.

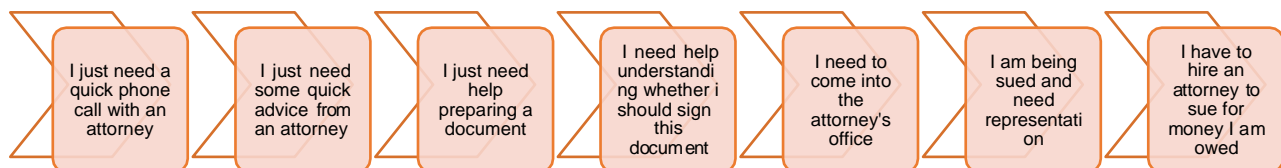
We simply do not think of these issues when we think of life events. But, what if we did? What if we changed our thinking and did want to face these issues. What do we need? What would we do differently? Would everyone want the same tools? Would every employee take the same action?

In truth, no two employees in any company will take the same actions – life events, life crises and the legal consequences of each will affect each employee differently. The sense of preparedness for legal issues runs on a continuum for employees:



Some employees have a handle on the legal aspects of these events, but most employees do not have any idea that, one, a legal issue may be involved or, two, what to do if a legal issue arose.


When asked, employees also react to the idea of legal issues occurring in many different ways. However, few employees have an idea about how they would access legal help, if a legal problem arose.



New Thinking about Life Events Could be the Key to Success

What seems clear is that almost all employees who encounter life events in the course of each year could use advice, consultation and information on all of the legal consequences inherent in each of the likely events that may arise. This means changing employees' thought processes on how they look at life events. While it may be counter-productive to treat every life event as a serious legal problem, employees might still need a trusted advisor who could easily be called or emailed just to talk without any pressure or agenda about the life event and its potential legal consequences. This change in thinking might simply be to regularly get a trusted professional's opinion about their life event.

A change in employees' thinking might also require going beyond just advice and consultation and might necessitate designing services that would engage more employees in preventative services. As we have seen, many employees who encounter life events almost never think



about these life events as having serious legal consequences. Because employees are not thinking about life events as legal problems, many employees take no action only to find out their life event came with a host of legal issues. At that point, it would be too late to take the needed preventative actions that could have helped that employee completely avoid serious legal issues.

But, what if there are easy to use solutions to help employees better understand and predict the effects of these life events and their corresponding legal issues? What if an employer could offer a set of tools that had more components than a traditional legal plan? What if the new kind of legal plan had two major components instead of one? First, the legal plan would still have all the traditional paid-for insured legal benefits and coverages that traditional legal plans have had for 15 years.

But what if it had a unique, cutting edge second component? These tools even for employees who do not have a legal need at the moment could still have expanded services or solutions to offer fast, immediate access to trusted advisors whenever a question arises or if any employee undergoes a life event such as marriage, birth of a child, death of a parent, divorce or any such change of life. All of these life events require changes to be made within the business part of our lives, changes in beneficiaries, wills, trusts and powers of attorney, with all kinds of legal implications.

With this second set of tools could employees be completely prepared for the legal side of life events at a minimal cost?

Primary vs. Specialty

To explain these two major components of help, we can use an idea borrowed from the medical field. This idea comes from health plans that offer employees both primary care and specialty care. Primary care involves doctors, nurses and medical practitioners who can offer real help in the form of assessment, diagnosis and treatment solutions. Specialty care involves more specialized doctors and surgeons who perform more specialized operations that might be needed only in some cases. The medical plan is not complete without both kinds of help.



The Concept of Primary Legal Care and Specialty Legal Care

Likewise, this two-component care offering can help employees in the legal field. Specialty care has been available in the form of legal insurance plans for the past 15-20 years at many large companies. Plans offer coverage from lawyers who will perform the most complicated legal representation and lawsuit type assistance for employees. This coverage comes in the form of specialty care once an issue escalates past the abilities of primary support or if an issue is acute or long-term. Most employees who think they will need a lawyer in the course of the year will sign up for the company legal insurance plan.

If a legal insurance plan wanted to expand its offering to include more help at an earlier phase from trusted advisors, what would this legal plan now look like? Providing easily accessible help earlier is a more holistic than traditional legal care, and it might provide for both preemptive and prescriptive solutions. Members have all the coverage they need, but their plan access is easy and managed by member service specialists who can help them determine what kind of care they really need.

Primary Legal Care

The Role of a Primary Legal Care Provider (PLCP)

Just as one takes their car to a mechanic for a tune-up, employees need someone who can take preventive care of their life issues. Because even if an employee knows they may not have a serious legal problem, an expert assessing where they are in their life with respect to

insurance, taxes, financial and legal issues will be the best help to assess their overall life health.

>>> Quick Access for Quick Questions

>>> Simple **Business of Life** Issues

>>> App Scheduled Phone Consults

>>> Online Document Prep

"My 16 year old daughter is babysitting now, what do I need to know?"


what is legal primary care

A primary legal care provider (PLCP) can be a point person for an employee's life assessment as these life events happen to an employee and their family. These lawyers and practitioners can help employees learn the basics of understanding each life event, focusing on financial wellness and prevention. The PLCP can be a primary partner for this life walk. A PLCP focuses on one's financial and legal health, spotting trouble areas and making sure an employee gets recommended help quickly along with risk assessments, so they can navigate through the more complicated issues of life.

The features of primary care are anchored around professional legal, insurance, financial and tax advice for life events, not just legal problems. With support from our member service specialists, employees can call in, schedule a session with a professional and either make plans or address a current issue. Members also have access to identity theft protection, an attorney assisted estate plan for two and more. If, by chance, the member's issue cannot be resolved through primary care, or if it is too acute to begin with, the membership specialist will make sure to get them on track to receive the appropriate specialty care.

What is Not True Primary Care

All insured legal plans in the market today are specialty legal plans. They are set up to cover legal problems that are existing and will pay the legal fees for those members who access the services. In addition, all of these plans have some services that might arguably be called primary care services,



including consultations with attorneys on any legal matter and document centers whereby legal documents can be downloaded by a member. Once the concept of primary legal care and specialty legal care is introduced to the marketplace, one or more of these legal insurance plans may make the argument that they too have a primary care component.

It is important to have an understanding of what exactly is primary legal care.

What is primary legal care? Primary legal care is a holistic, primary care attorney-driven review of an employee's situation, assessment of the needed actions and complete advice and help on matters that will resolve the legal matter relatively quickly – protracted legal representation or litigation is not needed. Primary legal care includes:

- Quick Access to Practicing Attorneys for Quick Questions/Answers
- Quick Access to Practicing Insurance, Tax and Financial Advisors
- Simple Business of Life Issues Strategies and Understanding
- Mobile App Scheduled Phone Consultations
- State-Specific Online Document Preparation When Legal Documents Will Meet Employee Need
- Further Consultations With Primary Care Attorney to Review Completed Document Center Documents and Recommend Appropriate Changes

For employees who will access the primary care legal services, access can be by either an 800-line call center search or by using an easy-to-use mobile app downloaded onto any member's phone. Whenever there is a concern that involves lawyers, such as having a baby, getting married, sending children off to college, selling an elder parent's house or many other related life events, members can access their primary care attorney via the mobile app, set their appointment and experience a fast but easy consultation with their primary care attorney. If documents are needed, attorneys can provide easy access to the Document Center.

Documents can be easily accessed and drafted with or without attorney assistance depending upon each member's personal preferences.

For primary care in which employees want quick answers or quick access to easy legal solutions, they can use the mobile app or the 800-line call center to set appointments within 24 hours directly with primary care attorneys for legal solutions and consultations. They can also assess their legal-related issues through a mobile app connection to insurance, taxation and financial experts, all of whom are credentialed and part of the primary care network that provides quick advice.

Types of Primary Legal Care Provider (PLCP)s

Having a PLCP offers an employee an ongoing, trusting relationship with one legal, tax, financial or insurance professional as needed, over time. There are many experts to choose from:

- Tax experts can provide advice and help on the financial impact of certain life decisions in advance of completing the transaction. By seeking tax advice early, transactions can be structured in certain ways to ensure tax planning and savings.
- Insurance experts can provide all types of insurance and financial investment advice for employees of all ages and for many different insurance investment opportunities. Excess insurance, specialty limits and umbrella coverages can offer inexpensive but protective tools.
- Financial experts can offer all types of forward-looking investment, retirement or savings advice. Other financial advisors can offer credit and debt assistance, consolidation and advice on how to rid oneself of debt.
- Lawyers offer assessments of all types of life events and raise the legal issues any potential legal issues with employees who are not thinking about the legal consequences. Offering advice coupled with legal document solutions can save thousands of dollars in later legal trouble.

Hi-Tech Access

Yet another creative element available in this primary legal care component is ease of access. No more scanning through thousands of lawyers manually, calling several possible options, leaving messages and trying to remember appointments. With a web app, members can access a curated list of high-performing attorneys from the palm of their hand or with just a few clicks. Or, they can even call one of the high-touch member service specialists to find the right attorney and to schedule a session for them. By diversifying access to attorney and advice services, this primary legal care is not only more engaging but more realistic. Primary legal care can make it as easy as possible to get help any way the member prefers.

Member Service Specialist

In addition to the most comprehensive coverage, ease and flexibility of access and life event focus in primary legal care, this component offers personal guidance for members in the form of member service specialists. These individuals act as a concierge service, supporting members from the first point of contact all the way through the resolution of their legal matter.

When members have questions, or encounter a legal situation, they can call the member service specialists for preliminary help, to set up any necessary advice sessions or to help them find the right specialty care attorney. That member service specialist will also check in with them for the duration of their situation. Members will know they have a real, approachable person who is dedicated to them.

If more in-depth specialty legal care is needed, the choice of attorney is absolutely critical. As part of its specialty care system, a unique service delivery system continues that high-touch focus by offering two specialty legal care service delivery models: one, a full-service industry highest touch customer

specialist assistance service and, two, the freedom-of-choice network directory self-help service. Each plan member can choose the level of customer assistance they prefer.

Specialty Care

The goal of specialty care continues to be to connect members to the right attorney for their individual legal situation. When they encounter really tough, protracted legal issues, especially if they might be long-term like divorce, it's important for members to feel comfortable and compatible with their attorney.

defining legal specialty care
SAME GREAT INSURANCE BENEFITS AND HELP

Legal Insurance Provides:

- An attorney with expertise specific to your legal matter
- Access to a national network of attorneys with exceptional experience that are matched to meet your needs
- Coverage for in and out-of-network
- Concierge assistance navigating common legal issues

Home & Residential
Purchase/sale/refinancing of primary residence and vacation/investment home, Tenant dispute², Tenant security deposit dispute², Landlord dispute with tenant¹, Security deposit dispute with tenant¹, Construction defect dispute², Neighbor dispute², Noise reduction dispute², Foreclosure²

Auto & Traffic
First-time vehicle buyer¹, Vehicle repair/lemon law litigation¹, Traffic tickets², Serious traffic matters (resulting in suspension or revocation of license)², License Suspension (Administrative proceeding)²

Financial & Consumer
Debt collection², Bankruptcy (chapter 7 or 13)², Tax audit², Document preparation, Consumer dispute², Small claims court¹, Mail order/Internet purchase dispute¹, Bank fee dispute¹, Cell phone contract dispute¹, Warranty dispute¹, Healthcare Coverage disputes & records¹, Student loan refinancing/collection defense¹, Financial Advisor¹

Family
Separation¹, Divorce^{1,2}, Prenuptial agreement², Name change², Guardianship/Conservatorship², Adoptions², Juvenile Court Proceedings²

Estate Planning & Wills
Will or codicil, Complex will⁴, Living will or Health Care Power of Attorney, Living Trust Document, Probate of small estate¹

General
Identify theft defense², Civil litigation defense², Incompetency defense², Misdemeanor defense², Mediation², Initial consultation¹, Review of simple documents¹

Benefits for illustrative purposes only

What is specialty legal care? Specialty legal care is what most of us know as a legal plan. Comprehensive insured legal plan benefits that pay the legal fees for all or most of each covered legal problem. Most large companies have a specialty legal plan in place, we just may not use this terminology. This plan covers areas of law that will require involved legal issues; divorce, traffic issues, real estate/landlord-tenant issues, children and elder parent issues often require substantial insured benefits because they are the most widely used benefit areas.

Engagement Efforts

In the past, employees chose to enroll in a legal plan because they had an immediate legal need while many employees did not enroll only to find out they had a legal problem arise unexpectedly and it was too late to enroll. This new plan is designed to engage more employees in preventative legal services.

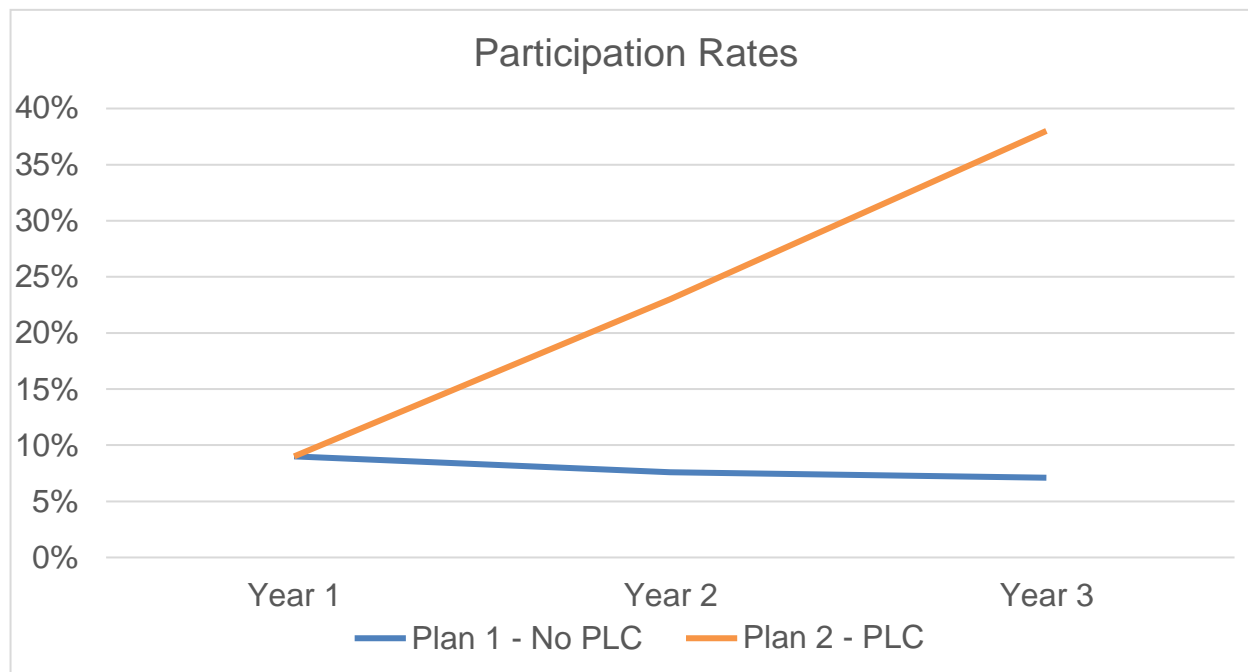
As an example, consider the following client company taken over from one of the legal plan companies offering a legal insurance plan. Four enrollment periods ago (four years), the client, with 36,000 employees, switched plans to this legal plan. At the time of the switch, the other legal plan had 4,060 employees enrolled in the legal plan, and it was reported that this was the highest rate of participation in some eight years of the plan’s operation.

Legal Plan Provider	Plan Year	# Enrolled Members	Year over Year Increase
Other Legal Plan	2014	4,062	
LegalEASE Takeover: 12/31/14	2014	6,114	51%
LegalEASE Year 2	2015	8,445	38%
LegalEASE Year 3	2016	12,006	42%
LegalEASE Year 4	2017	15,008	38%

In the most recent period, the participation in this two-component legal plan has swelled each year to a whopping 15,000+ employees enrolled in the legal plan. What is the explanation for this?

Increased Easy-Access Options Will Increase Participation

Employees use certain benefits more than others because employees face different life events at different life stages. The legal insurance plan with, one, the most breadth of coverage and, two, the most targeted coverage for the most popular benefits will provide the best value for the most employees. Many legal insurance plans on the market today meet this specialty legal care need.



There will likely be two factors that help to increase participation in a legal plan from an average of 6-12% from plans that only offer specialty legal care to a participation rate that could approach 45% of the employee base when a legal plan offers both primary legal care and specialty legal care.

- (1) It will be in large part satisfied employees that will be responsible for years two, three and beyond in increased participation. Where other legal plans may not function as well as some plans with high-touch assessment functions enabling employees to get help in their legal matters, the legal plan with the high-touch compatibility/matching specialists will have the needed enhancements that drive increased participation in these later years.
- (2) The easy access and “just plain help” from primary legal care providers that are available to easily point out issues, offer easy to access solutions and help to ensure all the right moves are made by an employee.

Understanding life events and how, provided it is easy and affordable, employees can access trusted advisors in a no hassle manner and receive specific help for their situation is what may drive participation to an unheard percentage of 45% or higher rates.



Conclusion

With this new two part plan approach, employees can now move from a need-based purchase to a protection-based purchase. Instead of buying a legal plan because an employee needs legal help right now, employees can look longer term and plan for their future just like they do with life insurance where they buy it and hope they do not need it but know their family is protected just in case. Employees can truly protect their families, get real advice and legal assistance for the many life events they will encounter during all phases of their lives. A legal plan is an investment just like life insurance only much less expensive.

