



LegalEASE Employee Health. Legal & Financial Stress Impact Study 2021, Part II

By Robert L. Heston, Jr.

Your Employee Health Program and its Relationship to Employee Stress **Understanding a Critical Facet of Your Employees' Wellness**

LegalEASE Employee Legal Health Study: How to Analyze and Implement Behavior Changing Financial and Legal Programs for Employees as Part of Your Company's Wellness Program

Part Two

The Solution

Can HR Implement a Program that Helps Employees Reduce Stress and Helps the Employer Reduce Stress Costs?

What if there is a solution for this aspect of personal employee stress brought into the workplace? What if employees can get help to solve or resolve financial, legal or identity theft issues? What if this solution can be offered by the employer, and what if the solution costs the employer no money and/or resources?

Employer costs incurred by stress and employee legal problems, discussed above, comes in many forms: absenteeism, presenteeism, injuries, accidents, and decreased productivity. However, until this analysis, there has been no definitive study that pinpoints the financial burden to an employer for employee stress attributable to legal problems. As this study analyzed

above, there is empirical evidence that suggests these company productivity costs are enormous. Is there a solution?

For years, some employees have had access to a voluntary or worksite benefit that provides legal help, support, and advice, and, in some cases, even pays for the lawyer's fees associated with financial and legal disputes and lawsuits. These benefit programs are called legal plans.

Because of how critically important litigation problems can be to employees, the awareness of legal plans as a voluntary employee benefit has skyrocketed in recent years.

INNOVATION CHECKS

- ✓ According to research by the National Resource for the Consumers of Legal Services, the total number of Americans purchasing legal service plans is expected to increase from approximately six million in 1990 to more than 38 million by 2017.
- ✓ Several consulting firms estimate that by the end of the decade, more than 35% of companies will have a legal service plan.

I. Legal Plans: A Unique Employee Benefit

Employers are responding to requests from employees for personal legal help by adding legal plans as an employee benefit. Many legal plans are offered on a voluntary [employee-paid] platform. In fact, a 2010 Universe Study of benefits estimated that 28% of employers have installed an

employee-paid legal plan to give workers the option of purchasing insurance to cover unforeseen legal fees.¹¹⁶

Legal plans encompass the key attributes and outcomes that benefit both employer and employees:

- paid-for benefits that reduce stress, which reduces healthcare and prescription drug costs.
- integration of a loyalty/retention benefits strategy.
- increased work productivity associated with a resource that helps employees handle legal problems early and quickly.

- better concentration on the job because of easy access to sound legal help.
- reduced emotional distress and upset among employees since legal problems are resolved sooner vs. later.
- a built-in mediation benefit for work-related conflicts between employees; and
- an inexpensive product for value-conferred – an attractive return on investment.

A. What are Legal Plans?

Legal plans can be found in several different designs, ranging from those that provide basic benefits to others offering comprehensive insurance benefits. These are often provided in a group environment, including large corporations, associations, small companies, financial institutions, unions, and other types of affinity groups.

The benefits typically provided in a legal plan are like services provided in a dental or vision

- Indemnity plans;
- Access plans; and
- Discount plans.

1. Indemnity Plans

Indemnity plans are most thought of as insurance, similar in coverage and benefits to dental or vision plans, including complete claims administration. Beneficiaries submit claims supported by paid provider bills or payments can be made directly to the provider attorneys in some cases. There are specified covered benefits with stipulated limitations. The legal benefit plans may include deductibles and waiting periods depending upon the plan being analyzed.

Legal indemnity plans typically cover specified services up to a certain maximum coverage, and the services are typically defined in a policy, Summary Plan Document or Plan Booklet. For example, a legal plan may cover a motor vehicle license suspension representation up to a total amount of \$750. This means the plan will pay the lawyer a fee of \$750, and the employee will be charged by the attorney for fees and expenses over \$750. If the line item is paid in

plan and are structured to meet certain needs for employees in the groups.

Legal plans are now marketed to corporations and organizations through either an employer-paid or a voluntary benefit services platform which is currently the most popular offering.

Legal plans are usually grouped by coverage type:

full under the legal plan, the employee owes nothing for the attorney's services.

Along with these maximum coverages, a legal plan might also provide certain services at no charge for an employee's dependents. Free consultations are often provided on legal matters to give employees a professional opinion about a legal problem without incurring initial legal fees. As such, the legal plan can help an employee avoid a legal problem by providing resources and services that help the employee learn about the potential risks of a legal threat. These consultations are valuable and give an employee insight into whether the legal matter is strong or weak, as well as whether to pursue the matter, settle or ignore the legal challenge.

Other benefits can be provided at a discounted or zero charge and are specified in the plan:

- document reviews,
- living wills,
- simple wills,
- complex wills,
- dispute resolution letters and phone calls,
- a certain number of hours of legal assistance with specified matters such as governmental agency disputes or small claims court problems in which representation without a legal plan might be difficult to obtain.

2. Access or Managed Legal Plans

The other popular type of legal plan found in the employee marketplace is the access plan, named for its preventative and informative nature. An access plan is a legal plan that typically has a few specific legal benefits and services covered either fully or at discounted rates. Most access plans, however, do not offer insurance or reimbursement, and the employee is liable for all legal expenses.

The difference is in the plan administration, with the most sophisticated legal plans

having the most developed and streamlined administration. This management includes supervised plan delivery systems, significant customer service evaluation, member performance ratings, sophisticated credentialing methodologies and complaint and problem resolution services. In addition, the level of preventative help available with some plans can be significant.

Access plans are somewhat misunderstood but serve a critical purpose for many employees:

- An access plan is usually more affordable than an indemnity plan.
- The benefits in an access plan meet as much as 92% of an employee's needs and covers all the expenses when a legal issue arises.
- An access plan provides a critical legal resource to a network of attorneys, which is particularly beneficial since only a small percentage of employees has an attorney to call when a legal issue/problem arises.¹¹⁷

3. Discount Legal Plans

Discount legal plans usually offer a minimum number of benefits and have a scaled-down administration infrastructure. In fact, many of these plans have little infrastructure beyond a toll-free number that an employee uses to access services for an initial consultation.

In some plans, an hourly rate discount is offered. These discounts do not automatically determine whether a legal plan is a discount plan or a legal access plan. There are usually two defining factors:

1. whether the discounts are real and measurable; and
2. whether there is an administrative and technology infrastructure in place to administer the plan and give access to benefits.

As HR managers and employees begin to think about legal access plans, several questions emerge:

- How do legal plans work?
- What components do legal access plans offer employees?
- Are there legal plans that are better than others?
- How does HR find the best legal plan for company employees?

B. What are the Key Components of Legal Plans?

Legal plans vary widely in many aspects, such as the scope and quality of attorney networks, the ability to access attorneys and assistance, plan designs and particularly customer service. There may be a different legal plan that is best for different employee bases, and each company, association or

organization may have a distinct set of priorities that may or may not fit a certain legal service company's capability to deliver optimal service. We encourage HR and Benefits Managers to conduct an analysis that will locate the right Legal Plan for their employee base.

About This Study

This Study seeks to provide an analytical framework by which different legal plans can be analyzed to help HR determine the best fit for their employees. It also seeks to suggest characteristics in legal plans that can address and reduce employee stress associated with the rise of unexpected legal and financial issues. Plans with superior Plan administration or design structure may have better capabilities to help HR better understand how different legal plans are in design and functionality and these will be extensively analyzed.

One of the most overlooked general components in analyzing legal plans is the service satisfaction experience needed by employees when they access network provider law firms. Service satisfaction crosses several key legal plan components and can be the difference in whether a legal plan is helpful or harmful to an employee base. We have already seen the stress an employee suffers when he feels like his lawyer is not concerned about client service satisfaction. When lawyers are disconnected from their employee clients during protracted litigation, employee satisfaction with network providers can plummet, risking the integrity of the legal plan and endangering the credibility of a company's insurance benefits platform, or a service issue with an attorney. The satisfaction issue is a critical element in a legal plan, and we will examine this satisfaction issue in detail.

It is also important to look at several key, and not so obvious, factors that can make a legal plan superior to others and find one that can substantially reduce employee stress from legal problems. With the explosive growth and dynamic nature of the legal plan industry, the focus has been merely on benefits and often with little attention to detail or infrastructure. Financial instability, loss of customer or product focus, and/or poor management has caused the demise of many legal plans, leaving the HR Managers who selected the legal plan for their employees embarrassed and grasping for answers.

In a broad sense, a legal plan provider selection should be based minimally on key factors:

- experience of the Plan Attorneys
- track record with key clients
- integrity; and

- plan processes and demonstrated service components.

C. Key Components in Analyzing

INNOVATION CHECK

- ✓ Employees are often paralyzed when a legal issue arises. A good legal plan must address this fundamental problem.

We have already seen the problems employees face when thrust into the legal system. Every year, many employees are forced to forego legal services until the last possible minute or until there is no other choice simply because they have no idea who to call or what legal representation will

cost. It is not uncommon for an employee to be served with a lawsuit and simply ignore it.

Recall that the following are common reasons employees cite for not responding to a lawsuit or consulting with an attorney:

- “I did not do anything wrong, so they cannot get me for anything.”
- “I didn’t know a lawyer I could call for help.”
- “I didn’t know what type of lawyer I needed.”
- “The plaintiff is wrong, and so I didn’t feel I needed to respond.”
- “I cannot possibly afford a lawyer’s fees.”¹¹⁸

Is there a certain type of legal plan that can help? Narrowing our analysis, a bit, there are

most critical questions to ask in evaluating legal plans.

- What kind of help and counseling/guidance services are available in the plan to help employees that have never been involved in a legal problem?
- How many attorneys are in the network? Is there adequate access in the network?
- What does the Plan have in place to help employees select compatible attorneys?
- What are the benefits, and how do they compare to benefits in other legal plans?
- What are the limitations and exclusions?
- What web resources are available?
- What extra services are available?¹¹⁹

To help HR Managers analyze different legal plans, the following is a more detailed list of critical operational questions that, in addition

to the above, represent vital basic service-related concerns that should be addressed in a legal plan.

1. While the legal plan must have a large and developed network of attorneys, selecting the plan with the greatest number of lawyers does not always lead to the right legal plan. How does the plan select its lawyers and what proof does the legal plan use to demonstrate that quality lawyers are selected? How tight is the relationship between the Network Attorneys and the Plan?
2. How is quality of service measured in all aspects of the legal plan? By what specific measures can a legal plan administrator demonstrate quality rendered by the law firm providers in the actual legal services provided to employees?

3. What type of technology platform is used to administer and integrate all of the legal plan service delivery functions? Is it proprietary? Secure? Encrypted? Is there a true case management system [CMS] identifiable and in place?
4. What infrastructure is in place to offer personalized assistance for employees that don't know how to navigate the legal system or work with attorneys to get explanations without incurring massive legal bills? What is identifiable beyond an 800 line and Customer Service Representatives?
5. What system is used to ensure that each employee has the most compatible attorney to handle his legal matter in every litigation situation? What matching processes are identifiable in the legal plan? How is compatibility with lawyers ensured?
6. Which legal plan guarantees specific performance standards and will place its legal plan fees at risk for each employee?

INNOVATION CHECK

- ✓ Industry experience shows that only a few legal plans can consistently deliver outstanding service on a national basis.

HR managers can start the process of assessing outstanding delivery with a few preliminary steps.

1. Look for legal plan companies that have been in the marketplace for several decades. The legal plan field may be new to HR managers, but the best legal plan attorney networks have been built over the past few decades.
2. Neither A. M. Best nor Moody's rates legal plans unless the plans offer insurance products, so be sure to check a company's ownership and principal leaders and decide of how its business is run. If the legal plan is offered by a public company, check the stock prices for trends in sales, revenues, and earnings for at least the past two years. These are seemingly basic rules, but many HR managers unintentionally overlook this most important foundational step and select a legal plan company that could be financially unsound.
3. Identify legal plans that operate in the employee benefits industry but do not offer additional unrelated products or divisions and operations in other areas. It's important for the organization to have breadth and economies of scale in legal plans and to be laser-focused on legal plan administration.
4. Pinpoint companies with several decades of real legal plan experience and beware of companies that claim many years of know-how by piggybacking other areas of insurance experience into their legal plan practice.
5. Locate a legal plan that can offer both access plans and indemnity, or fully insured, plans. Employees have a wide range needs and goals; some want a less expensive access plan, while others want a fully insured plan with a full array of benefits.

Once an HR manager has identified several plans that appear to satisfy these initial considerations, it is time to become more familiar with legal plans and decide as to which plan is superior. Are there superior

legal plans that can better manage or even prevent some or much of the stress that employees will inevitably experience during the legal problem?

II. Are There Superior Legal Plans that Provide Services and Help for Employees that Other Legal Plans Do Not?

Overview: Critical Components that Make-up a Superior Legal Plan

Table 10 provides a high-level overview of some of the best practice elements in legal plans. Since some legal plans have these components and others do not, this Study will

argue that it may be possible that some legal plans are better than others in managing the stress that employees experience during legal problems.

Table 10

1. Affordability of the legal plan solution for employees	Can evaluate different solutions in legal plans to make sure they are affordable for employees, since this is a voluntary benefit that will likely be payroll deducted.
2. Determining the coverages in the Legal Plan	Are the benefits in legal plans coverages where the employee pays a monthly fee and has some or all the benefits paid in full? Legal Insurance Plans, if they are affordable usually are the legal plans that represent the best option for employees. Paid-in-full coverages solve the problem of the lack of employee emergency funds on hand when a lawsuit unexpectedly arises. And keep employees from withdrawing funds from their savings or retirement plans because a lawsuit is going to cost \$10,000 or more.
3. Evaluating the Plan's help culture and infrastructure	Many legal plans claim high satisfaction rates, but in fact have a host of serious problems in either their plan structure or their Company culture. Employees may pay for months or years for a legal plan and need it to work well in a crisis and have a real helping hand focus when a legal problem arises. HR can evaluate different plans and look for structural components that are in place to ensure a help-focus.
4. How large is the network? Are there any holes?	Legal plans vary markedly in terms of the size and scope of the Network of Attorneys. If a plan does not have attorneys near your employees, employees are often forced to use out-of-network benefits which are not nearly as good as in-network benefits in most legal plans. It is imperative to ensure that there is a wide variety of quality lawyers for your employees when they need them.
5. How do employees select attorneys?	Every legal plan solution uses a directory of attorneys giving employees access to attorneys when they need them. But a directory of names does not help much if an employee does not know any of the lawyers. In fact, according to the American Bar Association, 70% of Americans do not know how to select an attorney that is best for them. Look for the legal plan that offers both a directory system and a matching system that matches the attorney and client in a manner that helps the client to the right attorney based on a number of client-driven preferences.
6. In taking an employee's needs are there developed mechanisms for making sure the plan listens to what an employee wants in an attorney?	Helping employees select attorneys solely based on area of law or closest attorney is not an effective mechanism for finding the right match between an employee and an attorney. Look for the legal plan that has a serious and verifiable infrastructure in place that promotes detailed intake about the employee's problems and specific needs in an attorney and developed mechanisms to quantify these needs and be able to use technology to match an employee's specified needs to a Network Attorney's verifiable characteristics and experience.
7. Is there a dedicated person assigned to each employee for the life of their legal matter who will respond to them like a concierge whenever an employee needs or does not understand something in the legal matter?	Most legal plans have Customer Service reps who can read a directory referral or answer a few questions. But is there a dedicated person who assigns themselves to each employee when they first call and who stays with that employee for the life of their legal matter to advise them on how to work best with the attorney and how to best understand what the attorney is doing. The American legal system is complicated and once an attorney is hired, clients often feel "alone" or feel as if their attorney is not accessible, especially if they are paying him/her by the hour. Look for the legal plan that has a dedicated Member Service Specialist who acts like a concierge, without cost, and will help the employee throughout the legal matter, as much as he/she needs, on handling the non-legal issues in their case and in understanding the legal system.
8. Is there an infrastructure that matches attorneys and clients	Only certain legal plans have a complete and identifiable infrastructure that includes a system where the client and the attorney are actually matched together for the best fit.

based on criteria the employee needs or wants in an attorney?	Given that a legal matter can be long and arduous and make the employee feel very lonely in the process, the plan with the system of making sure the client has an attorney that matches the needs he/she expresses is critically important. Be sure to locate all case management and matching processes in the plan and analyze these to see if they produce significant outcomes.
9. Is there a distinct, specific follow-up procedure in place that creates a real high-touch responsive client-centered follow-up program	Because legal problems can be so intense and divisive, the legal plan that has definitive requirements and staff to follow-up with each employee on each legal matter after each court or attorney touch point will provide a real measure of the employee's satisfaction with the program and the attorneys. Employees embroiled in the legal system can become dissatisfied very quickly especially where their legal benefits are not comprehensive, and employers will end up re-creating the absenteeism, presenteeism, and increased healthcare costs problems that they thought they would decrease when the legal plan was installed. Find the legal plan that has the verifiable follow-up procedure infrastructure and steer away from the legal plans that do not even know that a client used the attorney directory and may have hired an attorney. Follow-up on lawsuits is critically important to the cost-effectiveness of the legal plan for the employee and the employer.
10. Tracking Attorney performance and client satisfaction	Legal plans often claim to have Quality Control. In your analysis, find the legal plan that has measurable and reportable quality assurance data that will give you a snapshot – or details – about how satisfied employees are with the plan. Most important in this area is the legal plan that follows-up with every employee – it is the only way true satisfaction can be determined. Only 2% of employees who use the plan respond to employer or legal plan satisfaction surveys since most employees do not want anyone to know they had a legal matter.

These critical legal plan functions can be distilled into three major areas that can be used to distinguish one plan from another using a slightly more detailed and

sophisticated analysis. Using this more detailed analysis we can examine each plan for these more developed components:

- A. Built-in infrastructure that ensures the right provider can be accessed and is available to help employees with needed expertise,
- B. Comprehensive legal coverages and benefits, and
- C. Experienced, and credentialed and qualified network attorneys that have been thoroughly vetted.

INNOVATION CHECK

- ✓ In other words, are there legal plans that have more service and help components than others? Are there truly Superior Legal Plans that HR Managers should look for their employees and their bottom line?

A. Certain Components that are built into the Infrastructure Can Enhance Attorney-Client Interaction to Supercharged Levels

As we have seen, the stringent requirements, rules and procedures of the American Legal System convey an extraordinary seriousness and create much fear and apprehension among employees thrust into the legal system unexpectedly. And when an employee is involved in the legal system, he tends to think his case is the most serious. We have also seen that many

employees suffer significant stress when they become entangled in the courts because they have fundamental misconceptions about how the legal system works and they are not able to find the right lawyer. Often, the expectations of employees concerning the American Legal System are not aligned with what actually happens during a court case.

One of the most harmful misconceptions is an employee's expectation that the legal system will quickly see that the employee was wronged and ensure a quick and favorable resolution. In this situation, the employee typically expects a quick result in

his favor and does not expect to compromise or settle. When a case drags on, legal bills mount, compromise becomes a must and frustration, anger, mental distress and anxiety levels rise significantly.

1. A lack of communication between an attorney and an employee-client can create major levels of stress for the employee and the attorney-client relationship.

When an employee has questions about the legal processes, increased stress can be caused by non-communication with the attorney as the case plows through the legal system. Employees have a substantial number of questions about how the legal system works, why it is not listening, why cases do not move faster, and why there are so many interruptions. Because employee-litigants are paying for each hour of attorney time during the litigation, they begin to lay some of the blame for the delays and

complications on their own attorneys. The fact that their attorneys may not communicate well with them adds to this stress and frustration that as it drags on becomes a serious amount of stress. In fact, many clients and attorneys end up in serious and stressful battles and develop incompatibility issues because the employee's need for information is largely ignored by their attorney. We discussed this at length in Part I of this Study at page 45.

2. A built-in infrastructure and culture that offers the personalized assistance by an expert trained to help employees navigate the complex legal system

INNOVATION CHECK

- ✓ A legal plan with a trained counselor help system can improve the relationship between an employee and the attorney during the heated and protracted litigation by explaining legal procedures and legal lingo where the attorney may not be available to explain these confusing procedures to the employee-client.

INNOVATION CHECK

- ✓ A legal plan with a trained counselor or advocate built into its infrastructure can provide an excellent source of information for an employee that needs to understand the legal issues and procedures in his case but cannot afford to pay extra hours of attorney time.

An employee involved in the legal system may face major consequences, but his case may not be as important to the system as an employee thinks it is, as we have seen. As a result, frustration intensifies, and anger might be added to inner turmoil. What an employee needs are increased help in better understanding the legal system, legal procedures, and case status. Explanations can take several hours or more to make a

client feel comfortable. What we have seen is that lawyers typically have the expertise to advise and to help clients, but the legal bills to explain every facet of the legal matter or the legal system can exceed expectations. An employee wants the knowledge but not the attorney's bill.

If a legal plan can provide a trained counselor to simply discuss the legal system or legal

procedures with an employee and explain non-legal procedural issues or hurdles at no cost to the employee, the employee will better understand the American Legal System and in particular his attorney's actions. Leaving the legal answers and opinion to the attorneys, these counselors can focus on the line of communication with the client and the system processes. By answering questions about legal procedures or the legal system, what is to come or directing the employee to web-based resources, these counselors can reduce or head off the stressors of anger, frustration, depression, and mental upset which increase the lawsuit winds its way through the system. These counselors can also help an employee adjust expectations about their case.

A counselor-type specialist might better prepare an employee for what he will encounter in litigation. Instead of the employee being surprised midway through the process that his case is near the bottom of a hefty court docket, or the employee's

case being snagged on strict legal rules, the employee will be armed with information in advance. A customer specialist assigned under a Superior Legal Plan can monitor the progress of the individual employee's case. While very few legal plans have this infrastructure support, there is at least one legal plan with experts in a specialist department that can assist a client throughout litigation. This specialist "walks side by side" with the employee while the network lawyer handles the legal matter – being available as needed to answer expectation-type legal process questions.

The counselor provided by a well-structured legal plan can walk with the employee through every stressful step, explaining pitfalls and legal system roadblocks, helping him work better and more efficiently with the attorney and minimizing lost work time... all at no cost in the best legal plans. In the end, an employee under this type of legal plan has both an advocate in his attorney and an advocate in the counselor.

INNOVATION CHECK

- ✓ An effective legal plan assigns a counselor and advocate to follow up with the employee on a scheduled basis and at critical points in the legal process.

There are significant benefits to having a legal advocate or counselor with this in place.

- A trained counselor can take the temperature of the employee-attorney dynamic.
- A regular review can determine whether the goals of the legal plan — to reduce employee stress and increase productivity — are being met.
- Trained counselors can uncover issues — attorney compatibility, information needs, resource requirements, non-legal help needs, personality conflicts, the need for an aggressive approach — and the applicability of other available benefits saving time and money and thus decreasing stress issues.
- Legal plans with this type of rich infrastructure can uncover potential problems between the employee and attorney early on and address or remedy the situation. In some instances, the counselor can provide resources, additional information and, in limited circumstances, additional lawyer help and resources.
- The attorney-client confidences are preserved.
- A side benefit is that the overall satisfaction with the plan will be high.

Action Item: HR must identify a legal plan that has a detailed service infrastructure in place.

INNOVATION CHECKS

- ✓ HR should actively search for the legal plan that has a detailed service infrastructure in place, identifiable components, routine, and regular follow up with the employee and his attorney.
- ✓ The right legal plan can provide help early in finding the right attorney that can enhance the employee-attorney relationship while the case is progressing.

3. This Second Employee Access System Can Provide More Focused Help throughout the Lawsuit

Part of this compatibility equation from the perspective of a first-time legal system participant is the expectation that he will find a compatible attorney and have a good working relationship. The first timer will likely expect the attorney to be a counselor, consultant or even a psychologist. He wants to be taught how the legal system works, what to expect as the case goes through the system and every detail explained similarly to the repeated detailed explanations provided by health and dental plans. Because of the costs involved in time billing, however, most attorneys cannot spend the time an employee needs to better explain the legal system. See Study, Part I, pp. 46.

A Superior Legal Plan also offers a complete live counselor or advocate to help work through client-attorney communications as the lawsuit progresses, which vastly reduces stress when a lawyer does not meet expectations in employee-attorney interactions. The Superior Legal Plan will have a built-in counselor infrastructure that uses live counselor-specialists to help the employee better understand the legal system and what the attorney is doing on the employee's behalf. Importantly, the specialist is not a customer service representative that simply looks up an attorney from the directory if the employee does not have internet access.

Figure 15

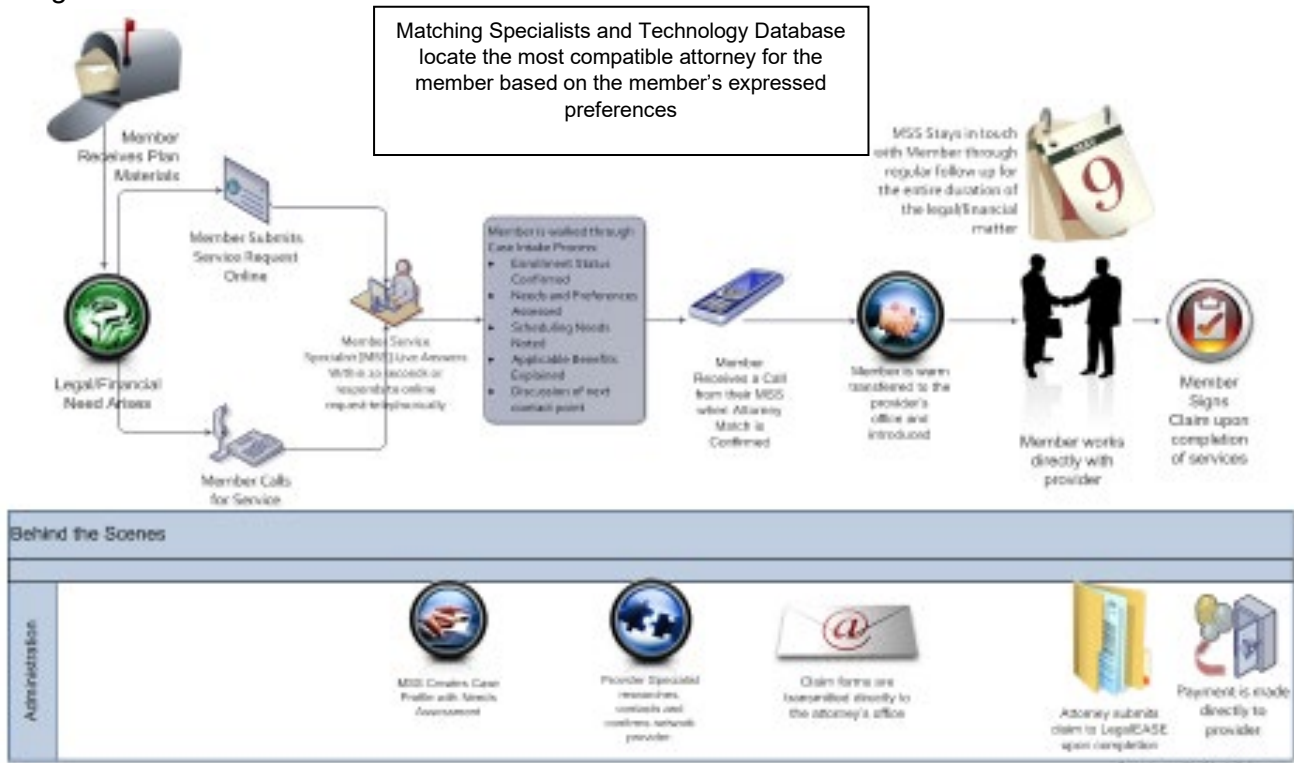


Figure 15 shows how this counselor-based help system works. The key to success for the counselor component is high-touch contact initiated by the specialist after each employee touchpoint with the attorney or court system during the legal battle. This is particularly important when a case is protracted in length or intensity because these situations bring about employee feelings of pressure, disconnection, anger, frustration, distress, and even depression. With this high-touch specialist component, the employee does not feel uninformed or pressured to squelch questions. In fact, in many cases, the employee discovers that the legal plan and attorney truly care what happens to the employee.

With this specialist infrastructure, an employee quickly realizes that even when the attorney is not adept at “counseling” the client or is not able to cultivate a “warm and fuzzy” therapeutic communication channel with the client, the specialist can help the

employee understand the case, procedural rules and how the legal system works. Having a specialist included in the plan does not mean non-lawyers practice law, but it does mean that if an attorney appears “standoffish” or dismissive, the employee can still obtain no-cost detailed explanations about the most routine procedures in a legal dispute. Instead of a recurring set of dissatisfied employee expectations because of a misunderstanding between an attorney and the employee that needs better explanations, a Superior Legal Plan promotes trust because the combination of the specialist and the network attorney increasingly meets an employee’s expectation for counseling and teaching during the legal battle.

We know that employee productivity and job focus are diminished when a worker is plunged into litigation, and the right legal plan with built-in counselor help at every touchpoint can address these costly issues.

We saw how much distress and tension an employee has when his attorney fails to meet expectations and is unavailable, unresponsive, or tied to too many clients. This lack of help and information creates serious differences in expectations, and this plunges an employee into massive, stressed levels during the lawsuit.

The important component of this type of more sophisticated system is the focus on compatibility, of particular importance in legal matters in which an employee will be inextricably intertwined with the lawyer throughout the life of the often-stressful lawsuit. This differs significantly from much shorter-term interactions with physicians or dentists except in the most serious medical cases. Compatibility is critical because of the lack of information among the workforce about legal problems and procedures, coupled with the highly charged, highly stressful, and acrimonious environment that seems never-ending in lawsuits. Many legal matters last if four or five years. In one recent Ohio divorce case between two attorneys, legal proceedings have gone on for 17 years even though the couple was only married for seven years.

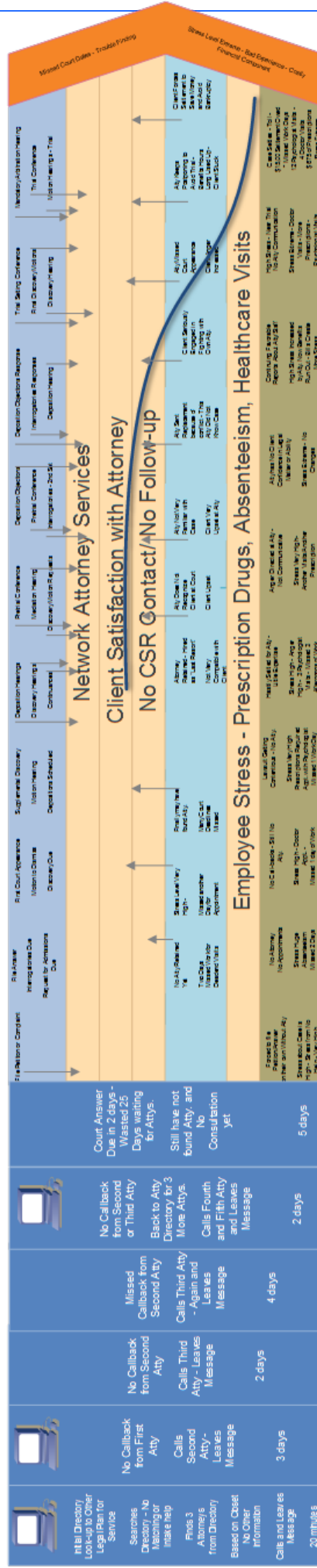
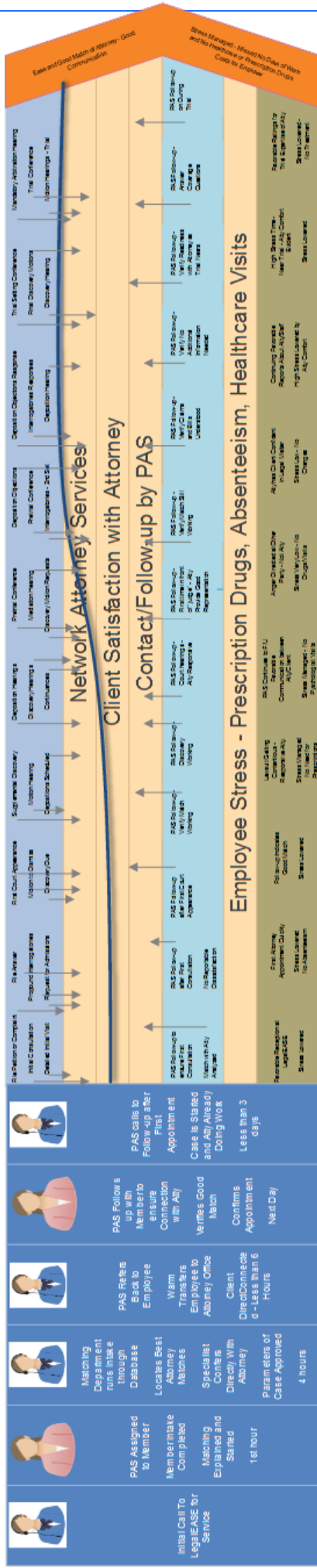
Figure 16 below, is a diagram that shows generally each of the steps involved in a litigation matter [obviously, each state's civil court runs slightly differently but this diagram captures most of the general dates and processes in a litigation matter]. Each line points to a step in the process that will potentially take an employee away from work, or will potentially cause the employee to fret, worry and stress over what might

happen that day in the litigation matter. Usually, employees will experience increased stress levels worrying about what the legal procedure is, how much it will cost, and what outcome [or harm] will occur.

Against this backdrop of the entire legal matter, we can focus on the early proceedings and see a heavy line in both illustrations that translates into how long it takes an average legal plan to find the attorney and begin representation in Figure 16. If the heavy line represents the start date for litigation for the employee, we can see in the lower diagram that legal proceedings may occur in many cases before an employee can nail down representation using the "hit or miss" directory-based legal plan infrastructure. During that delay which can be days or even weeks, the blue boxes on the left show that the employee is not procrastinating but is trying to find an attorney to help with many false starts. In most legal plans, there is no other legal plan mechanism to help the employee find an attorney sooner beyond the directory.

In the upper illustration, by again focusing on the heavy line, one can see from comparing the Superior Legal Plan to the legal plan without this matching infrastructure that the elapsed time in connecting to the attorney with an appointment is lessened by days and even weeks. And, importantly for the employer, Figure 16 shows the number of days of missed work to find an attorney [the missed time for attorney search] is diminished to virtually no missed work time using the Superior Legal Plan's matching system.

Figure 16: Superior Legal Plan Holders vs. Non-Legal Plan Holders



4. The Right Legal Plan can Provide Help Early in Finding the Right Attorney that can Enhance the Working Relationship between the Attorney and the Employee While the Case is Progressing.

a. A directory of attorneys may not be the best method to access a compatible attorney.

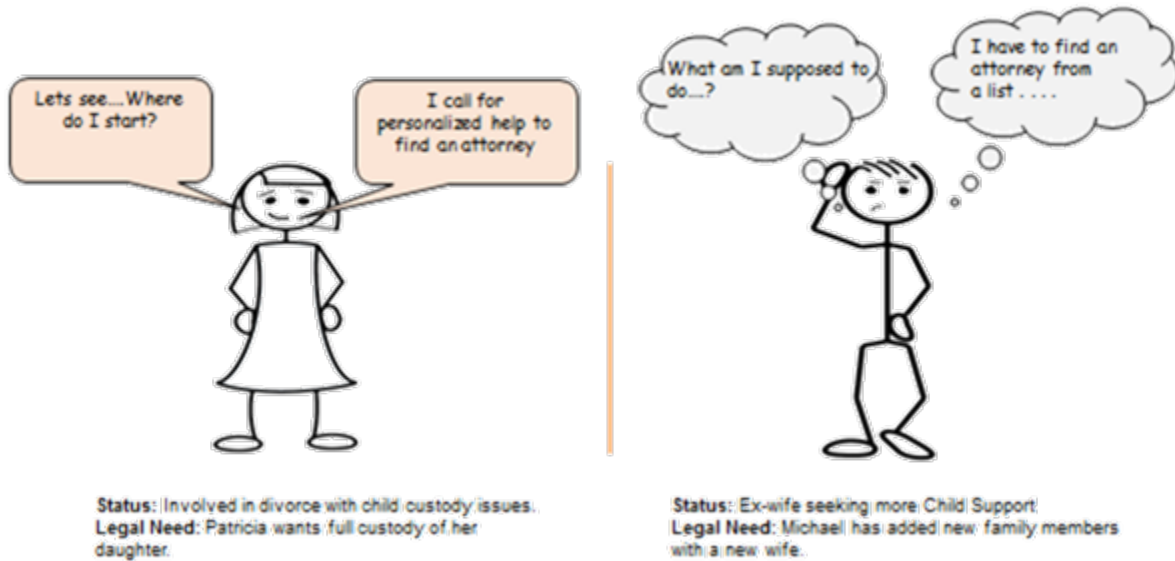
In the past five years, directories and listings of attorneys online have proliferated on the web. Consumers can easily access a directory or online listing of attorneys today and find attorneys in seconds. Assuming a consumer knows the attorney, they can find the attorney's contact information easily. But does a directory or online attorney listing really help select the right attorney? We have seen in Part II of this Study the problems in selecting the right attorney that employees have when using an online directory. See page 9.

Facing a similar problem are legal plans with only directory access or an online listing for attorney searches, and legal plan members, like consumers, often provide the same little or no help beyond the non-plan online searches since an employee is still forced to pick unknown attorneys from a list. For many legal plans, the directory provides very little analysis or credentialing information. Little more in-depth attorney information is available for a Plan Member than might be available outside the plan for public online lists. Additionally, many legal plans do not spend much time or expenditures developing their attorney networks and may have no real contractual or other connection between the legal plan and the network attorney.

The problem facing the employee is monumental because without knowing an attorney or having a relationship with an attorney, even after using an online directory, an employee is forced to take time off from work to interview prospective attorneys to find the right attorney for them. Some legal plans offer slightly more help by having a simplistic customer service lookup: a staff person to look up the attorney on the directory for the client. While that sounds helpful, in many instances it simply means the customer service representative will use the same directory available to the employee to locate an attorney and that same lack of in-depth information about the attorneys exists for the customer service look-up.

Figure 17 illustrates the problem facing two employees as they prepare to find a Network Attorney in their respective legal plans provided by their companies as part of their benefits package. Patricia on the left has a Superior Legal Plan with a special kind of matching and compatibility access infrastructure and Patrick on the right has the normal system of locating attorneys in legal plans – the self-service attorney directory web-based lookup.

Figure 17



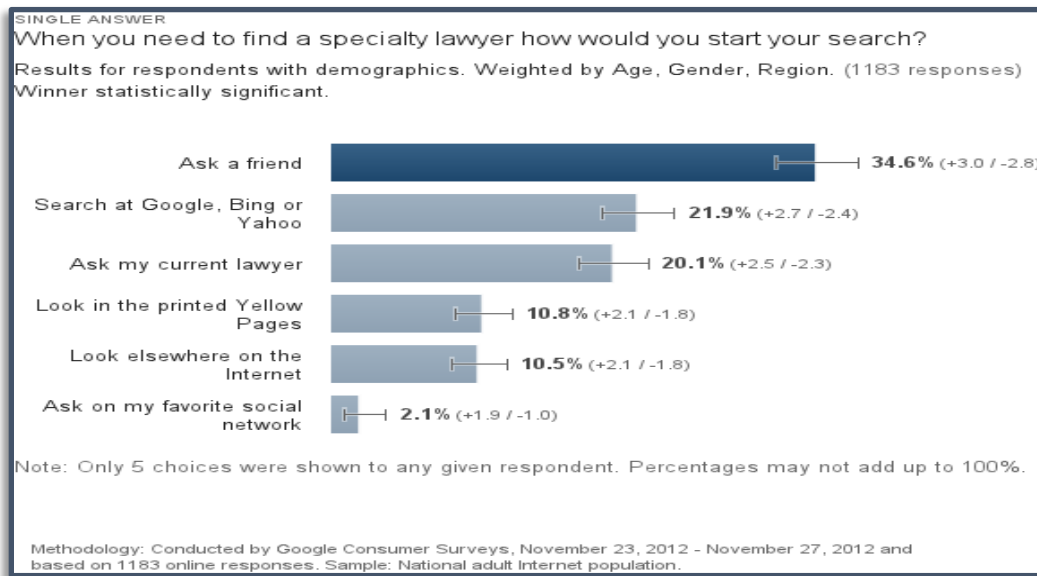
Envision a situation in which one of your employees encounters a legal problem unexpectedly and the desperate search for good legal representation begins. In trying to find an attorney quickly, the employee often first confides in work colleagues, even though the matter is private and embarrassing. If that same employee encountered a medical emergency, he would quickly reference his medical provider network directory to find a physician covered by his healthcare plan.

As we have seen, 91% of employees do not know an attorney as they know their family physician, dentist, or optometrist. As a result, access to attorneys, particularly at the onset of a new legal emergency, can be challenging and frustrating. Days and even weeks can go by before the employee can find an attorney they are comfortable with and can afford. Time delays and serious consequences can result. Cases are

routinely dismissed because clients do not adhere to or meet court deadlines. Even serious cases, like those involving death or major accident, can be dismissed if an employee can't retain an attorney in a timely manner.

There is a serious gap between the increasing need for and access to lawyers. The fact is that most employees don't know an attorney or know what services to expect from a lawyer, the process of finding the best possible attorney only adds to the tension. Coupled with the fact the legal problem is already in full swing, employee stress is sure to mount. If an employee does find that "perfect" lawyer, he may be shocked at the high cost of legal services. It's no wonder the American Bar Association found that 70% of Americans involved in the legal system do not understand how to select an attorney according to Figure 13 reproduced on the following page.

Figure 13

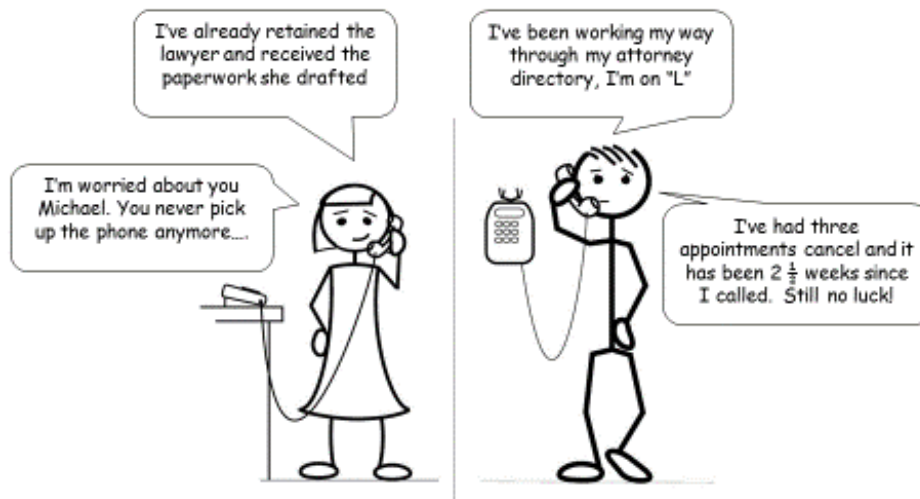


“...more than 70 percent of those needing an attorney in the next 12 months don’t know how to tell a good lawyer from a bad one.”¹²⁰

American Bar Association

Figure 17a below shows that Michael, on the right, is working his way through the list of attorneys with substantial amounts of wasted work time.

Figure 17a:



After 2 full weeks of searching for an attorney

The problem is centered on the lack of a system that provides substantial selection assistance in finding the right attorney.

Without information that can be used to provide more help and matching to the right attorney, employees enrolled in many legal

plans waste as much work time in absenteeism costs as employees that do not have legal plans. Many of the problems in this area are indigenous to the American Legal System, but many are avoidable with the proper legal plan infrastructure to help an employee when he is selecting an attorney. Not all legal plans have this help and instead simply provide a directory of lawyers. The basic web-based directory system with no live counselor or support is provided with the best of intentions — to provide the maximum choice and freedom in selecting attorney providers — but most employees have no idea how to select the right attorney from a directory.¹²¹ An easy, efficient selection process in the medical field or dental field creates instant paralysis when it is the only method of finding an attorney.

Additionally, HR often realizes this shortcoming in the selection process of a legal plan. Hours of phone calls and often several days of work time are lost to interview, explain, and visit with attorneys in the legal plan network who have the potential to help. After days of calling, leaving messages, and waiting for call-backs, employees begin to feel pressure given the court deadlines. Stress increases and employees start to search for other methods by which to call attorneys in an online ad or Yellow Pages listing, or other directories. In many instances, days and even weeks go by with no luck in the search process where the pressure intensifies for employees by hovering legal deadlines.

What often ends up happening with an employee using every available means of finding an attorney is that desperate to find someone to help, the employee takes the first available attorney, regardless of demeanor, location, or experience and often settling on the cheapest retainer fee. Deadline desperation trumps all. When an employee chooses the first available attorney rather than a carefully researched attorney that matches needs, the employee is set up for increased stress and worry as the lawsuit progresses.

The entire search process before an attorney is found also produces massive amounts of worry, concern, and frustration resulting in stress, depression, and the need for doctor/psychologist visits for help and prescription drugs. In fact, as borne out by our three metrics and the calculations regarding how much this employee stress costs employers, actual measurable absentee time is lost in substantial amounts during the first days and weeks of a new legal problem.

We have seen in this Study what happens when an employee is unexpectedly drawn into the legal system by being served with a lawsuit in which there are 30 days to file a response. What that company found is that on average, an employee spends 22 hours of work time within the first five days of the lawsuit trying to find an attorney.¹²²



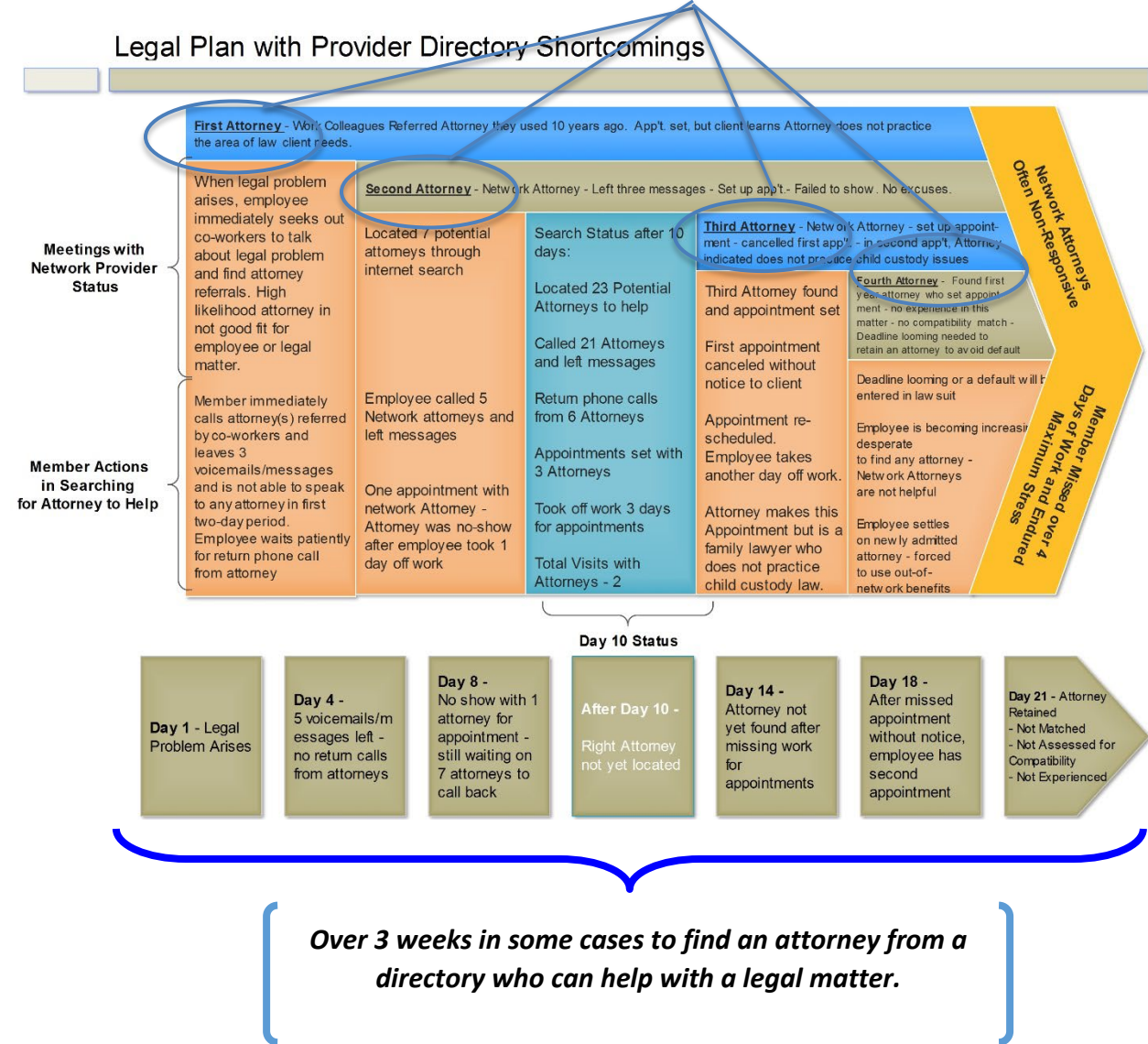
b. Most all Legal Plans Use Network Directories to Help Employees Access Attorneys

Figure 18 on the next page shows the stops and starts that can happen when an employee attempts to use some type of provider directory. Without knowing which provider, they are looking for, the search becomes a “trial-and-error” process. Figure 18 shows how much time can elapse from the day the directory is first consulted until a

provider attorney appointment can be secured. Figure 18 also shows how many voicemails, callbacks and additional providers must be called for appointments, before contact might be made in many cases. Days and weeks can pass before a provider appointment can be made in many cases.

Figure 18

4 Different Provider Attorneys not Available for Client



On its face, this directory seemed to be an efficient and helpful method for finding a lawyer quickly. What can be easier than accessing the online directory, plugging in a zip code, and getting a host of names of attorneys in one’s area? However, there is a less obvious and overlooked problem with the legal plan network directory method for finding an attorney. Any directory of professionals — doctors, dentists, ophthalmologists, optometrists — works well for fast and easy access when an employee knows the professional for which he is

looking. For example, a physician or dental directory enables an employee to find his own doctor or dentist and obtain contact information easily and quickly. We discussed this in Part I of our Study. See, Study, pp. 44.

We can see from [above] Figure 18, a typical employee experience using the directory when a legal problem arises unexpectedly. We can see the affected employee going from attorney to attorney trying to find an attorney who can respond to them or help them. Many voice messages are left, several

days of work are missed for attorney appointments only to find out the attorneys cannot help, and many days go by with increased stress levels as the deadline to respond to a lawsuit loom. In effect, the directory with all its choices often provides very little help in matching an employee to a compatible attorney.

All these false starts require work time to be taken off for appointments or for searches that may not be successful. This absenteeism hurts employers. The same lost work time and stress caused by not knowing an attorney that can help when an employee does not have a legal plan can be like lost work time and stress searching for attorney help even when a legal plan is in place.

The problem with a provider directory lookup comes when an employee does not know the professional for whom he is searching and may not recognize a single name in the directory. This happens often with attorneys because very few employees know any attorney they can call to help when a legal emergency arises. In fact, with many legal plans merely using a directory format to help members find attorneys - the result may be similar or the same as not having a legal plan. Having a legal plan in place does not ensure that the employee will find an attorney faster since more than 70% of employees do not know attorneys they could readily call when a legal crisis arises.¹²³ This problem is illustrated by the cartoon in Figure 17 above.

5. Most Employees Need More Access Help than a Directory – Is There a Better System to Help Employees Find the Right Attorney Faster?

The question is whether there is a Superior Legal Plan that could offer more selection help than having an employee flounder around in the attorney search process either without a legal plan or with a legal plan that employs the directory search process. At first

blush, having any kind of legal plan with a network of lawyers would be helpful. Almost every legal plan maintains some type of directory with fast access to attorney and practice areas for the closest plan attorneys in the network.

INNOVATION CHECKS

- ✓ Most legal plans maintain some type of directory to find an attorney when needed.
- ✓ A Superior Legal Plan has a second access infrastructure to help an employee when he cannot find an attorney he knows in the directory.
- ✓ The second system utilized by a Superior Legal Plan is not available in most plans and contains a more sophisticated matching system that helps the Plan Member select the attorney based on the criteria he/she wants to have in a Network Attorney.

In a Superior Legal Plan, we can analyze this second access system - the sophisticated personal service and matching infrastructure that drills down into the search process early to match employee needs and Network Attorneys. This case management system facilitates finding an attorney that can be a good fit for each employee and has processes designed to help each employee in need of an attorney select the right attorney — a compatible attorney — and minimize time lost in searching for and interviewing attorneys.

Question How does this second system – a case management system - work to provide real help from trained service specialists that ask

questions to determine what an employee really needs and wants in an attorney and what factors are going to make a difference for the employee as the lawsuit pressure builds?

Answer A Superior Legal Plan recognizes that the provider directory does not provide much help, as only 9% of employees know an attorney or recognize one from a list.¹²⁴ This second access system provides several components designed to help employees find the best provider using dialogue and questions/analysis to pinpoint a compatible attorney.

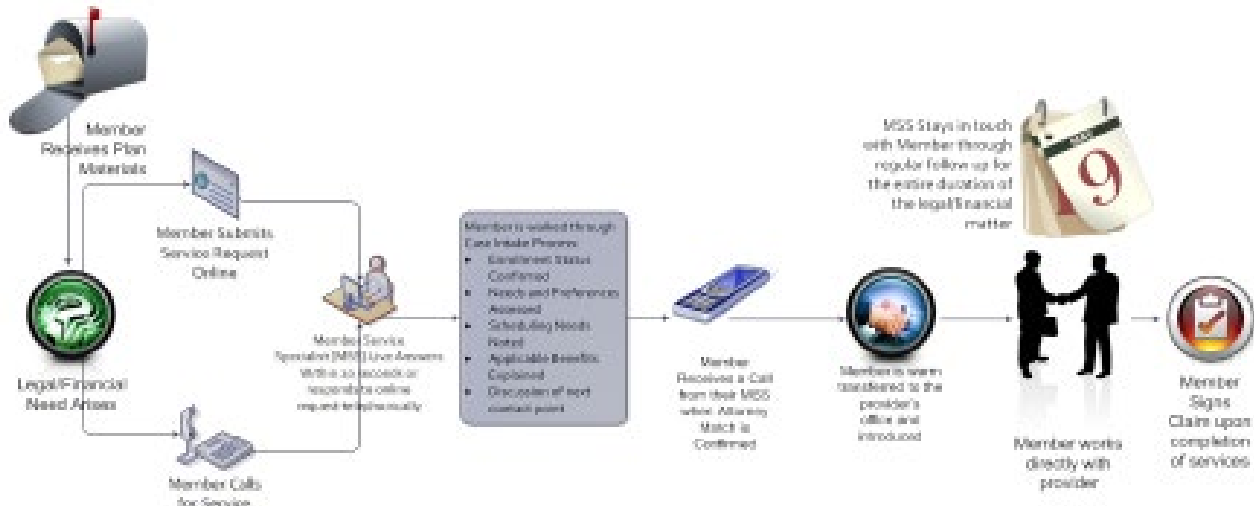
A legal plan's attorney search infrastructure would be particularly helpful if it included the following three-step system to help an

employee that did not know an attorney locate a compatible Network Attorney.

1. A case management system for detailed intake of each case. Live specialized counselors would walk an employee through a detailed decision tree. Questions would help an employee at the beginning of the legal matter to identify the type of attorney needed and preferences for the attorney's characteristics — aggressiveness, gender, cultural factors, and temperament traits.
2. A matching specialists department to match preferences with potential attorneys. Matching specialists would sift through intake information to match an employee's preferred traits and characteristics to those of the attorneys in the network database. The specialist would keep the employee informed if the search took longer than the parameters of normal response.¹²⁵
3. Direct connection of employee with an attorney. After making a match, the specialists would connect the employee directly to the attorney, eliminating the need for an employee to miss four or five days of work to interview five or six attorneys in search of a match. If an employee was not satisfied with the match, the matching specialist would match the employee with another attorney on a priority basis. Before selecting an attorney, the employee would have detailed information and request information or information to ensure the best match.

We can see all these components in this Case Management System illustrated in Figure 15 on the following page.

Figure 15



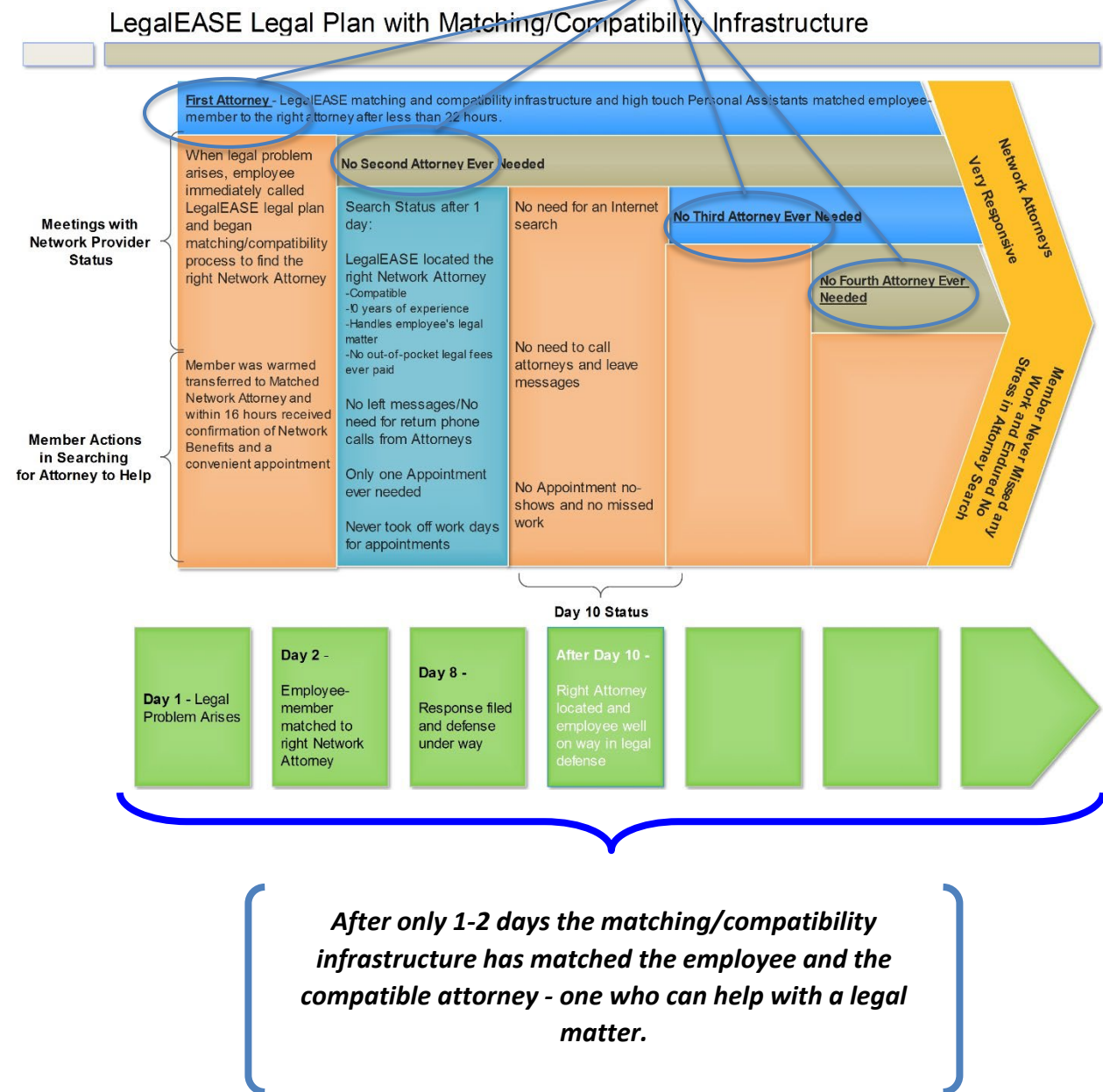
This second access system uses a specialized case management matching system that compiles data on the attorneys in the plan network and analyzes them against information that has been inputted into the intake system based on a Plan Member's expressed preferences. It uses several employee character preferences

matched against attorney database criteria to find the most compatible match.

Figure 18a on the next page shows the stunning difference in how a Superior Legal Plan provides substantial help early in the matter.¹²⁶

Figure 18a

1 Provider Attorney Available for Client



Let's look again at the missed work to find an attorney issue. With this compatibility/matching infrastructure, we can see substantial reductions in the missed workdays where an employee has located an attorney to help using the compatibility and matching system and is not leaving messages for 5-10 attorneys or waiting for an

attorney to call them back. Figure 18a shows a clear reduction in the days of work NOT missed illustrated by comparing the red boxes in Figure 18 with the green boxes in this Figure 18a.

We can see a matched attorney is found within a day from the initiation of the initial

search in most cases creating much less wasted time, virtually no voicemails left, and no unnecessary appointments with attorneys that cannot help. This second system takes a little more time at the outset to match the stated needs of the employee-client with the characteristics of the right attorney. More time taken by the legal plan at the outset produces much less stress and much less wasted time.

Instead, by Day 2 in most cases, the Superior Legal Plan has already matched and referred

a compatible Network Attorney, and the Attorney is already working for the employee. Gone is the entire search process before an attorney is found that produced massive amounts of worry, concern, and frustration resulting in stress, depression, and the need for missed workdays, doctor/psychologist visits for help, and prescription drugs. In fact, as borne out earlier in this study, we see that actual measurable reductions in absentee time are substantial during the first days and weeks of a legal problem.

INNOVATION CHECK

- ✓ An advocate and case manager focused on getting answers to every question or issue substantially decreases employee stress and missed work time.

Many types of employee dissatisfaction are reported when an attorney is not a proper match for a client.¹²⁷ An employee may not realize many of the basic requirements that are analyzed when faced with selecting an attorney, characteristics such as the attorney's gender can be critical. It sounds basic, but in the frenzy of being served with a lawsuit and trying to find any attorney, things that become important as the litigation progresses are often lost in importance at the beginning of the legal matter. By realizing this is important to the employee and giving it thought before an attorney is selected, the

employee is not "stuck" with the wrong attorney.

The underlying critical component is to help an employee find not just any attorney but a compatible attorney. A Superior Legal Plan will have a system not unlike the eHarmony® web-based system that uses a substantial number of evaluations and compatibility criteria to find a good dating match.¹²⁸

Figure 19 shows the effectiveness of the case management and compatibility system.

Figure 19



We can see that the delay at the outset in getting help in the directory access system is completely nonexistent using the Compatibility Matching Access System. We can also see how the Superior Legal Plan

with its detailed matching infrastructure can place emphasis and focus on attempting to find the right attorney at the outset, often within hours of the initial call for help from the member.

INNOVATION CHECKS

- ✓ Employee-attorney compatibility is beneficial both initially and long term.
- ✓ A case management system determines if the match will remain compatible as litigation proceeds.

The Superior Legal Plan will recognize that:

- employees simply do not know an attorney like they know a doctor or dentist that can help them.
- employees have serious difficulties finding legal representation and getting a response from an attorney, particularly at the beginning of litigation; and
- without help from the legal plan in reviewing attorney compatibility, many employees miss as many as three or four days of work to go to unsuccessful appointments with attorneys, most of which cannot help them.

An effective legal plan has an identifiable infrastructure that recognizes employee-members need help finding and connecting with the right lawyer, not just any attorney. The right legal plan infrastructure will include a compatibility methodology that matches the employee and the attorney based on significant compatibility criteria dictated by

what the client wants and needs in an attorney.

You may recall our detailed employer cost-based study on how much time is wasted by employees when a legal problem arises in the initial search phase trying to find the right attorney to help them. Legal plans with a

specific and identifiable access structure providing live help for employees will greatly decrease the time spent searching for an attorney and increase employee productivity. Importantly, the employee can be confident the legal plan has conducted an exhaustive and detailed search based on the client's criteria and will find an attorney who will be a good match for the employee-member.

Instead of basing a decision in picking an attorney on who will help you through the entire protracted litigation process using a web-based look-up of attorneys with brief descriptions of the years of experience and

areas of practice of the attorney, there are legal plans with a second more compatible-centric infrastructure. In this infrastructure, technology and trained counselors help combine to dig deeply into the characteristics of an attorney in the network and analyze how the providers might best match up with the employee who needs the help. This is designed to ask questions of the employee in the initial search for the attorney of what they need in a network attorney to provide the best compatibility match. The legal plan then uses its technology to analyze and match the best attorney for the employee.

B. A Superior Array of Covered Benefits and Extra Legal-Related Coverages Will Reduce Employee Stress

1. Needed Legal Benefits and Coverages

A Superior Legal Plan focuses on legal benefits coverage and can help reduce or eliminate stress in two major areas:

- by providing legal indemnity benefits coverage that pays for or results in cost-saving for the unexpected legal expenses; and
- by expanding benefits to include legal-related benefits that employees need.

One of the more important elements – the schedule of Covered Benefits – in any legal plan has two parts:

1. a paid-for, comprehensive set of benefits that covers the core needs employees and their families will have when a legal emergency hits; and
2. a host of legal-related benefits to supplement the actual legal plan benefits along with a live counselor to offer assistance.

As we have seen above, an employee can easily be overwhelmed, frustrated, upset, angry, and stressed in the absence of legal benefits and assistance. HR Managers have a unique opportunity to provide employees with a vast scope of paid-in-full or paid-for coverages through a voluntary employee benefit legal plan at no cost to the Company. Additionally, as shown above, an indemnity plan pays 100% of the legal fees for many covered legal matters, leaving only minimal out-of-pocket costs for an employee. The actual coverages provided by legal plans for

a small fee each month can be astoundingly helpful to an employee who does not have the savings for a legal emergency.

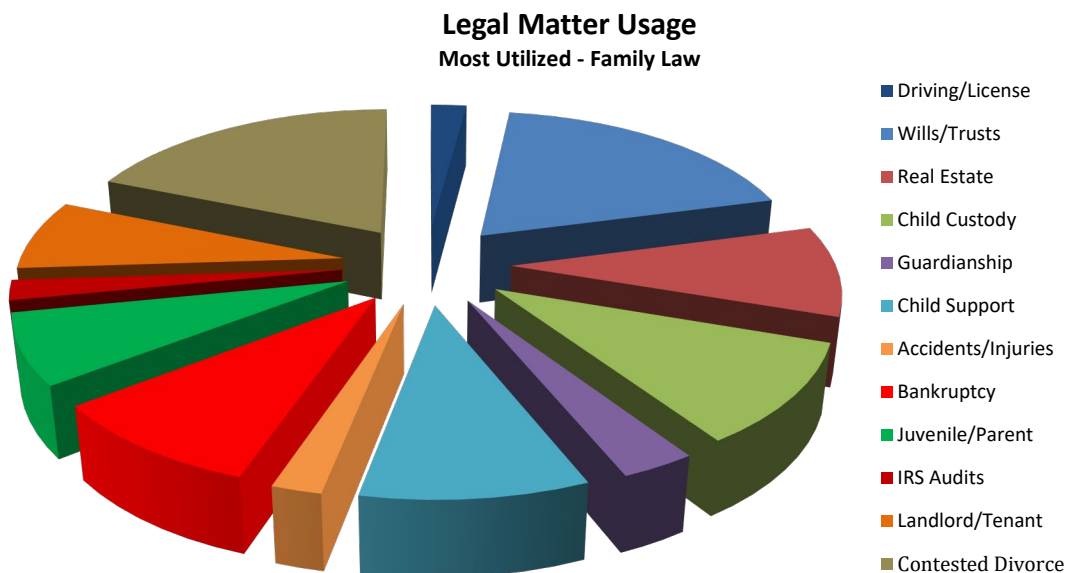
Certain legal plans set up as employee benefit programs have coverages extending to most concerns workers face when encountering unexpected legal problems. Attorney fees for legal needs are 100% paid in full when members work with a network attorney unless otherwise indicated:

- Court Adoption Proceedings Uncontested
- Guardianship Uncontested
- Estate Administration and Closing
- Divorce Contested*
- Defense of Insanity of Infirmity Proceedings
- Consumer Protection
- Small Claims Assistance
- Defense of Civil Damage Claims
- Juvenile Court Proceedings
- Driver's License Suspension and Revocation
- Traffic Offense Protection [includes DWI/DUI]
- Tenant Rental Issues
- Neighbor Disputes
- Real Property Issues
- Administrative Hearings
- Document Preparation
- Living Will
- Foreclosure
- Conservatorship Uncontested
- Name Change Proceedings
- Divorce Uncontested
- Motions to Modify Decrees
- Protection from Domestic Violence
- Debt Collection
- Small Claims Representation
- Personal Bankruptcy
- Parental Responsibilities
- Driver's License Restoration
- Criminal Misdemeanor Protection
- Personal Property Issues
- Buying and Selling a Home
- Refinancing of Primary Residence
- IRS Audit Protection IRS Collection Defense
- Simple Will/Codicil/POA
- Living Trust
- Tax Audits

2. Family Law Coverage: An Absolute Must

Far outweighing any other legal plan usage is family law: divorce, child custody, and visitation.

Figure 20



INNOVATION CHECKS

- ✓ Divorce is the most contentious legal issue with the largest, most lengthy, and most costly court battles.
- ✓ For the average employee, a divorce might cost \$5,000 to \$50,000 or more, and take several years to resolve. This can create a substantial burden on the spouse who is not seeking a divorce or forced to file because of the other spouse's conduct of the other spouse.
- ✓ Between 22% and 38% of the legal challenges hitting American workers are connected to family law problems.¹²⁹

Divorce, separation, child custody, child support, divorce decree modifications, adoptions, and hundreds of other related categories of legal problems are the most common and cause the American working family a host of emotionally upsetting legal problems. A company considering a legal plan should focus their RFPs or proposals to (i) ensure the most comprehensive coverage for divorce and family law issues, and (ii)

eliminate a legal plan that does not offer family law issues as core coverage. This area of law assuredly constitutes a significant need for employees. It is shocking, however, how many companies have taken the step to add a legal plan but selected a legal plan that does not cover the most widely utilized area of law: divorce. As a result, the entire employee base has no coverage in the most needed area.

INNOVATION CHECKS

- ✓ What is the impact of the High Cost of Divorce for Employees under Other Legal Plans with Not Enough Coverage
- ✓ Does the Number of Hours of Divorce and Divorce-Related Coverage Make a Difference in Legal Plans?

The following chart shows the employee out-of-pocket cost for divorce and child custody/support matters over a three-year period using three different plan coverage levels: 1) Paid up to 28.5 hours, 2) Paid up to

15 hours, and 3) No divorce coverage.

Total amount employees will pay out of pocket for Divorce/Family Law matters depending upon the Legal Plan chosen by HR.

Table 11: Legal Plan Comparison Using Divorce Date

Plan Specifications		Superior Legal Plan	Legal Plan 2	Legal Plan 3
Hours Covered by Plan		28.5 Hours Covered	15 Hours Covered	No Coverage
Hours Left Uncovered By Plan		0	13.5	28.5
Attorney's Hourly Rate		\$207.00	\$207.00	\$207.00
Out of Pocket *Per Case		\$0	\$2,794.50	\$5,899.50
Number of Employees Enrolled in Legal Plan	37% Usage	Out of Pocket Expense for All Cases at 37% Usage for Divorce/Family Law		
20	7	\$0	\$20,679	\$43,656
50	19	\$0	\$51,698	\$109,141
100	37	\$0	\$103,397	\$218,282
500	185	\$0	\$516,983	\$1,091,408
1,000	370	\$0	\$1,033,965	\$2,182,815
2,500	925	\$0	\$2,584,913	\$5,457,038
4,000	1480	\$0	\$4,135,860	\$8,731,260

How are these amounts calculated?

In this example, divorce is expanded to include child custody, child support, and all other post-divorce matters. Based on the analysis, 4 employees per 100 will go through a court-filed legal proceeding and 23 employees per 100 will go through a Non-Court Filed Legal Proceeding.

Depending on the coverage offered, employees can end up paying thousands of dollars out of their own pockets...

Additionally, it is not clear from definitions that some Legal Plans cover divorce-related legal matters. These are often not delineated in the Utilization Reports and include legal matters that are related to child

custody, modifications of custody orders, modifications of previous property settlement orders, changes to visitation orders, QDRO preparation fees for a divorce, and several other related matters. A superior legal plan includes all these matters in its definition of divorce and thus provides very expansive coverage in the divorce benefit.

A legal plan that ignores or minimizes the importance of a robust divorce benefit is therefore ignoring the tremendous amount of financial and emotional stress this amount of money will place on every employee going through a family legal matter.

3. Superior Legal Plans also offer more “legal-related” benefits and services that can help reduce employee stress.

INNOVATION CHECK

- ✓ Certain legal plans offer more “legal-related” benefits and services that can help reduce employee stress.

Another critical is the area of “legal-related” benefits, which are benefits related to legal problems but in which an attorney is not the professional that typically renders services to solve problems such as debt and credit problems in which debt counseling, debt management, or debt consolidation are needed.

not help an employee work his way out of credit card debt problems by consolidating, negotiating, or managing the debt, nor does an attorney help an employee work through an identity theft problem unless a lawsuit is involved.

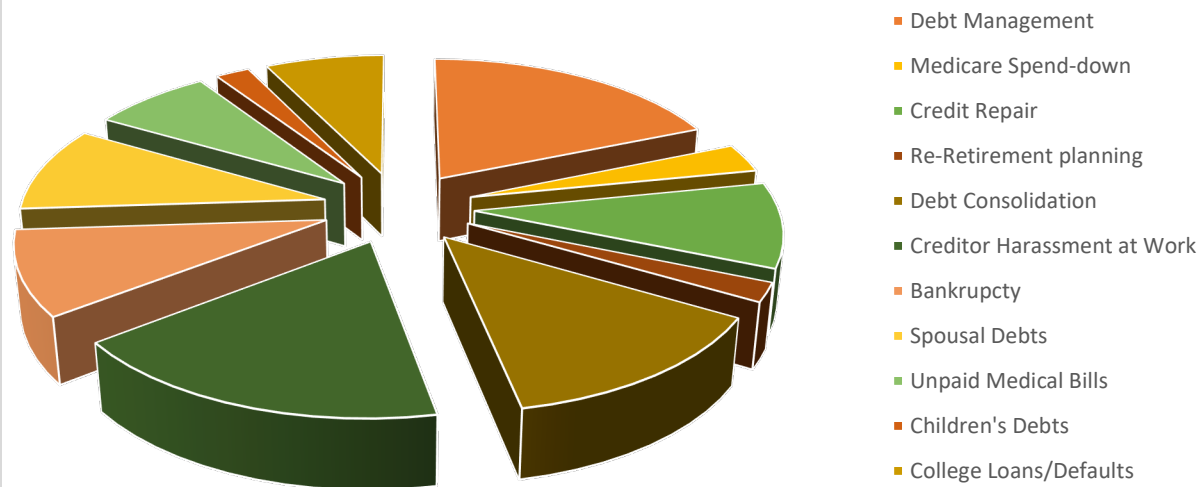
While an attorney can help an employee solve debt problems by declaring bankruptcy or represent an employee sued by a debt collection agency, an attorney typically does

The 2013 10th Annual Study of Employee Benefits Study shows that almost 80% of the employee base is unproductive when employees are suffering through financial problems.¹³⁰

Employers...	Employers...
78%	58%
...say employees are less productive while at work at our company when they are worried about personal financial problems.	...say that financial stress contributes to employee absences at our company.

We looked earlier at a table of usage on what compromises these “legal-related” issues in Figure 8 in Part I.

Financial Matter Usage 2013



If an HR Manager analyzes the benefit packages of legal plans, significant differences in legal-related services available to employee-members provided under the various plans will be highly apparent. While most legal plans cover routine legal problems in some manner, certain legal plans will expand benefits, either at no cost or an up-sell packaged cost, to peripheral litigation issues not requiring an attorney.

For example, assume an employee has several maxed-out credit cards and is having

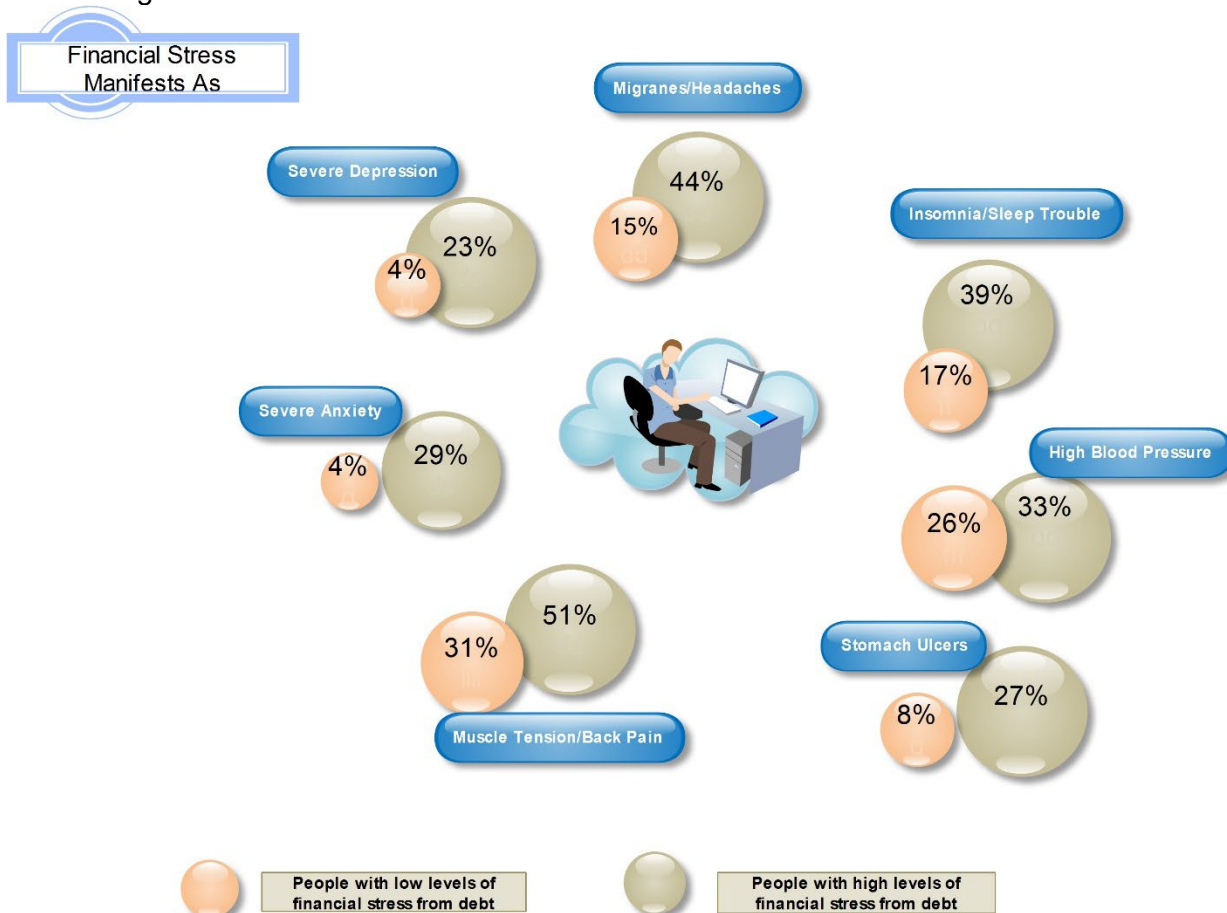
difficulty making monthly payments. Collection agencies are phoning the employee at home and work. An attentive HR Manager that carefully identified a Superior Legal Plan with more extensive coverage and implemented that plan as part of the benefits package proactively helped the employee deal with the crushing effects of debt. Legal plans with expanded benefits help an employee (i) manage debt, (ii) reduce debt, (ii) establish a saving account, and (iv) build up savings, even though these may not be actual legal problems.

INNOVATION CHECKS

- ✓ An employer benefits from a more extensive legal plan.
- ✓ Costs to the company go down as wage garnishments and attendant HR costs decrease.
- ✓ With each wage garnishment, potential liability exists to creditors, and the employer must guard against this liability.
- ✓ Because the legal plan handles these issues, employers save money in productivity hours when an employee doesn't have creditors calling the workplace.

Figure 21 on the next page also shows how financial stress from owing money can affect the psyche of an employee in today's world.

Figure 21



AP-AOL Health Poll: Debt Stress: the Toll Owing Money Takes on the Body

Because legal and financial problems can be so debilitating, it is critical that HR take the time to understand each of these challenges

that can cause a mountain of stress-related employee workplace problems.

C. Network Attorneys – Specific Focus on the Right Kind of Attorneys and How They are Added to the Network.

One of the most critical legal plan evaluation components is how the attorney network has been built and how it is administered. In this

respect, not all legal plans are the same and have marked differences affecting quality and service.

1. Needed Requirements for Each Attorney to be added to the Network

An effective legal plan should have the following requirements:

- more than 25 years of experience as a legal plan administrator, distinguishing companies that have operated for decades in an unrelated insurance field but without the requisite 25+ years of legal plan administration
- a provider network with a special selection process and attorney mode that does not use the same attorney network as other less quality-driven legal plans
- a significant volume of legal referrals made to provider law firms each day that reflects highly developed plan operations
- strict credentialing requirements
- strict adherence to attorney-client privilege principles in all communications
- a developed law firm model that embraces network recruitment goals
- a developed best service delivery method that promotes ease of access in the legal plan; and
- a proven track record of satisfied client companies that can provide their own independent satisfaction reports.

Credentialing standards for attorneys to be in the plan network should be analyzed carefully and plans must have substantial practice experience requirements. Certain legal plans have more developed infrastructure components ensuring that an

employee's fundamental issues are considered carefully and addressed by the attorney prior to being retained.

A Superior Legal Plan infrastructure includes several components:

- attorneys with the right disposition and knowledge to address an employee's expectations
- a database of attorney qualities to help a client determine the most responsive attorney for his legal matter and preferences
- ongoing training and analysis to ensure an employee's needs are met
- quality assurance and follow-up that measures client satisfaction with the attorney's handling of the legal matter and the employee's expectations about how the legal matter will be handled and resolved
- a higher level of working, identifiable credentialing requirements; and
- a 10+ years' experience requirement for each provider to be in the network.

Some legal plans reduce stress for employees by creating a network of attorneys that helps employees better understand legal processes and how long the legal matter might take to resolve – in short, attorneys who are more client-centric and communicative.

tough, and pointed questions about the attorney's practice experience.

As a starting point, Superior Legal Plans make a commitment to understanding as much as they can about an attorney and their practice experience before bringing them into the Network. Superior Legal Plans use a detailed questionnaire that asks detailed,

These integral, sometimes pointed questions, if mandated, can help the legal plan better understand the service orientation of each attorney being considered for admission to the network – prior to admission into the Network. Although, these questions alone are not a guarantee, by using this detailed analysis client service metrics will be better understood. The mechanism that a Superior Legal Plan uses to further understand predictors about the attorney's client service

orientation is to ask these questions and have systems in place to ensure the answers are correct. HR, in its analysis should uncover this client-service orientation for

attorneys in the plan and if the plan can produce no such evidence of this process the assumption should be that none exist.

Action Item: HR Managers must determine if such a certification and background process is in place.

Background checks can help also, but often disciplinary actions are sealed from public scrutiny and not always dispositive. A Superior Legal Plan uses this certification process to analyze how an attorney has practiced law in their career and how many clients have complained or been happy with the services, all of which are definitive

indicators of how the attorney will treat new employees with legal problems.

A Superior Legal Plan typically has these identifiable credentialing requirements that impact the type of attorneys brought into the network on two fronts:

1. Attorneys must meet identifiable and substantial credentialing requirements not offered in other legal plans to become a member of the network.
2. Attorneys must face rigid re-credentialing standards to ensure the best attorneys can be in a network and remain in that network.

While not all legal plans offer either of these requirements, many legal plans make statements to the effect that they do. It is important for HR to make certain that these

processes are established and followed by any legal plan they are analyzing for their employees.

Action Item: HR must analyze legal plan statements about credentialing and infrastructure to ensure that the legal plan has all, or at least some, of the stated credentialing requirements in place.

2. **Attorney Experience:** A Critically Important Component to the Overall Service Impact of the Legal Plan and a Major Part of the Reduction of Stress for the Employees.

INNOVATION CHECK

- ✓ An experienced lawyer will anticipate needs and adequately prepare an employee for what is coming up, including whether the employee needs to attend a court hearing or proceeding or not.

While not all legal plans can end up reducing stress and creating peace of mind at the outset of a legal matter, a Superior Legal Plan can help employers reduce employee stress and unproductivity in certain ways by sorting through information not always available to the public to determine how client-centric an attorney has been in their actual representation of clients. This analysis

can help a legal plan provide quality experienced lawyers that communicate exactly what the employee faces in the lawsuit, how much time the lawsuit will likely take and how each different step in the process will be conducted – all communicated using the employee’s realistic expectations to keep stress levels in check and at a minimum.

An attorney with ten or more years of experience is not a guarantee in every case, but that attorney is better equipped to assist clients because he has seen for years how

certain cases are likely to be resolved. An experienced attorney, like any experienced professional, can be better equipped to provide expertise and resolve a legal matter.

INNOVATION CHECK

- ✓ The difference in attorney experience levels manifests itself in terms of how the attorneys interact with clients on an expectation level.

Experienced attorneys generally offer more help for employees for many reasons.

- They have typically handled more of the types of cases like those of the employees may retain them to handle.
- The knowledge of the rulings of judges and outcomes of lawsuit disputes are clearer to the experienced attorney and the attorney will know how to proceed and whether to settle.
- Already-developed relationships with judges, court personnel and other lawyers, works to an employee's advantage.
- An employee can save money on legal fees if his lawyer knows what works and which litigation tools are winners, losers and fruitless.
- A sense for how to handle weaknesses or strengths in different cases can be invaluable in deploying a strategy.
- By creating and discussing realistic expectations about the lawsuit before the matter enters the litigation process, an employee's fears can be calmed.
- An experienced attorney will often not shy away from explaining the challenges and stresses of litigation even if they may not be retained.
- An experienced lawyer will often freely and openly discuss an employee's expectations about litigation and will not guarantee a win.
- By offering a clear set of expectations at the beginning of the lawsuit and a clear understanding of potential delays an employee's stress and frustration can be minimized.

a. Legal Plans are Not All Equal and Do Not Always Reduce Stress; Some Legal Plans May Actually Increase Stress. A Superior Legal Plan offers Attorney Profiles that Help an Employee Obtain a More Experienced Attorney to Help with a Legal Problem.

This is perhaps the easiest legal plan differentiator to understand. Employees are dealing with heart-wrenching problems every

day on a battleground known as the U.S. Legal System that they do not know how to manage. Here are a few examples:

- An employee is filing for or responding to a petition for divorce.
- An employee is fighting a former spouse for custody of their children.
- An employee must file a probate contest to ensure his father's estate does not go to the drug-addict brother who was not properly removed from the will when the father was alive.
- The neighbor's new pool deck resulted in flooding to an employee's house at the first downpour, destroying a lifetime of photos of the employee's son killed while fighting in Iraq.

The stress related to the underlying legal problem can be massive and crippling, as we have already seen, particularly when the problem first arises. Most legal plans offer attorneys that, to all outward appearances, can provide legal help when a legal problem arises. But, while many assume all lawyers are the same, there can be vast differences in experience levels, communication levels, empathy, and overall client or customer service experiences. And it's a mistake to assume that any attorney providing at least some help for an employee can alleviate some level of stress.

Not all lawyers are as helpful as employees need, as we saw in Part I, page 41. And if the

legal plan does not have the right infrastructure to select the most helpful, client-centric Network Attorneys, in place, employees can feel like their legal plan isn't working and their lawyer is not helping. Sometimes a legal plan may not have the right lawyers in its network, and if the network does not have employee-oriented lawyers, the employee may have service issues and misunderstandings. We saw this in those legal plans that either (i) have minimal experience requirements for entry into the attorney network, or (ii) fail to mandate or enforce substantial attorney experience network entry requirements [10+ years of practice experience].

Consider these quotes:¹³¹

"You are a lot more vulnerable with a lawyer than with a doctor. Even when a doctor is dealing with a medical condition, it is easier to get second opinions. It is easier to figure out what is going on. With a lawyer, you have no idea if you can trust them; you don't know the laws. You can't go and investigate every law. That is the job that you entrust them with."

Female, 25
Los Angeles, California

"The law, in general, can be very frustrating to the average human being. He is dealing with a world that is just not natural to deal in, and then he must deal with people in this unnatural world who are charging him fees that are going out of sight; they are never-ending."

Male, 58
Boston, Massachusetts

"I guess there is not one standard of lawyers. It's always hit or miss, it seems."

Male, 35
Chicago, Illinois

"The reputation is that lawyers can push the limits. They can take advantage of things other people cannot take advantage of. Power of attorney — you give them power of attorney. They can sign things for you. They can take money from you. You hear about them taking money from other people. That is where they get a bad reputation."

Male, 46
Dallas, Texas

"There is no rating system for an attorney; so, you don't know what you are getting, unless you have a personal experience."

Male, 39

Dallas, Texas

“You know that if you want a referral or are trying to find an attorney, there is not a whole lot out there, and it’s not easy to find a good one.”

Male, 38
Chicago, Illinois

Additionally, once a lawsuit begins, an employee may experience discontent, frustration, and even anger with his lawyer for several reasons. The lawyer may seem aloof, unconcerned, distracted, bored, overbearing, arrogant, or pretentious and incomprehensible with the use of legal terminology. Some lawyers may seem uncommunicative and inexplicably slow in dealing with the employee’s problems, and

the attorney’s actions may make the employee feels that the true nature of his problem and its proper solution is misunderstood. The lawyer’s fee-charging practices may seem mysterious, particularly if the fee is never discussed. When the client is finally billed, the fee may seem outrageously high.¹³² And client expectations are often not aligned with the reality of the legal system.

b. Attorneys should be compatible with clients.

One of the most important yet frequently overlooked concerns faced by an employee hiring a lawyer is the attorney’s personality and demeanor – in short, their compatibility with each client. Whether the employee is filing for divorce, seeking compensation for catastrophic injuries, or fighting to stay out of jail, almost any legal matter is accompanied by a great deal of stress and anxiety. Clients often believe attorneys should be amicable, so the employee has a reasonable degree of confidence and the two navigate the difficult legal process together. An employee may have to discuss very personal information, so they must feel comfortable being open and candid with the attorney. This does not always happen when the client feels like the

attorney is disconnected or aloof relative to their case.

There also needs to be a good fit between the employee’s personality and that of his attorney. The attorney-client relationship requires close interaction and cooperation, so personalities that clash can have a devastating impact on the professional relationship. An employee must also select an attorney whose approach — casual, antagonistic, or business-minded — is consistent with how the employee wants the case handled. In most instances, the attorney-client relationship lasts many months and perhaps years, making it crucial for the employee to choose an attorney he likes and with whom he feels comfortable.¹³³

Question So if not all lawyers are client-centric, can certain legal plans have a well-defined attorney network profile that provides a better, more communicative Network Attorney for employees?

Answer In a word: yes.

We have discussed the fact that some legal plans have low minimum experience requirements and others with only a few years of experience requirements admit

attorneys with less than the stated experience requirements. Experience is important because it helps to determine how settled, confident, and realistic an attorney

can be in helping clients navigate the legal system. While recently graduated lawyers may provide competent help and advice, many “new” attorneys with minimal experience tend to make unrealistic promises of outcomes often because they have never experienced the type of case the client is bringing to them. There is a significant difference in how an attorney who has handled many similar cases over a ten-year period can advise a new client compared to an attorney never having

handled a case before this client. The lack of experience can be quite problematic for employees who expect their attorney to know how to handle, negotiate, settle, and prosecute cases quickly and affordably. Clients want and need experience to help them remain calm in an arena that has very little predictability in outcomes. Feeling like one’s, attorney is not experienced and may not have a handle on litigation pressures can cause a substantial increase in stress in clients.

c. Experienced attorneys often have a broader view that can help employee-clients better understand their legal options.

In addition, there are substantial economic pressures in small firms to bring in new cases and “new” attorneys often succumb to these pressures to attract a new retainer agreement into the office. New retainers equal new needed fees and the temptation to take a case where one does not have experience is often more acute with newer attorneys who need new members to meet overhead expenses.

attorney. Indeed, while some consumers have had positive experiences with lawyers, many others have had negative experiences. These two opposites create a situation where it is difficult to know whether a lawyer is good or bad, reasonably priced, or expensive. Because of this uncertainty, the very prospect of hiring a lawyer can engender feelings of vulnerability and anxiety. Like the onset of a working relationship with unknown contractors, people generally enter a relationship with a lawyer from a stance of mistrust.

While limitations can happen with any attorney, those with 10 or more years of experience are likely to have established practices that are productive enough to pay the overhead and not reach into areas of law beyond the firm’s expertise. This experience level can be a major factor in hiring the best

We have seen certain legal plans that offer two components that can make a significant contribution toward offering the best-equipped attorneys for a legal plan network:

1. a 10-year experience requirement, and
2. an attorney credentialing platform that is detailed and enforced and will likely give each client an experienced, quality attorney.

INNOVATION CHECK

- ✓ A Superior Legal Plan has a ten-year attorney experience requirement and enforces that requirement.

Law firm experience really does make a difference: A law office with two to 10 lawyers is characterized as a small law firm, and the benefits of working with a small law office can

include one or more of the factors mentioned above. There are also additional benefits of working with a small firm.

- Small firms, or “boutique firms,” can often bring more expertise to their given specialty. In a firm environment, lawyers develop areas of expertise since they do not have to be all things to all people.
- A small law firm can handle a broader range of legal matters. Some cases are simply too complex for a sole practitioner to handle.
- Since no lawyer can be available all the time, a small law firm has the benefit of having other lawyers to help on a matter and provide better coverage.
- Lawyers at small firms pool their knowledge and experience. It’s always helpful on a complicated legal matter to be able to consult and strategize with other lawyers, and a small law firm is a great environment in which to do this.¹³⁴

Question Does a Superior Legal Plan with its more experienced attorneys lower the cost of employee stress?

Answer In many instances, yes.

d. In many cases, an experienced attorney can have a calming effect on employee-clients

In addition to those factors, there are four advantages that experienced attorneys can offer which those inexperienced attorneys

generally cannot, simply by virtue of their experience.

1. An experienced attorney knows how much of the evidence, in any case, will be able to be admitted into the courtroom and whether the admitted evidence makes the case strong or weak.
2. Experience helps an attorney use the evaluation of evidence, noted above, to recommend a go-forward strategy that will either encourage settlement or a court trial.
3. An experienced attorney knows which court proceedings are vital for the employee’s attendance and saves an employee from unnecessarily missed workdays.
4. Experience often arms an attorney with skills to calm an upset, stressed employee.

Imagine an employee returning home after work, answering the door, being greeted by police officers being charged with a felony. The employee is jailed for a crime he did not commit. An experienced lawyer will likely know immediately that the employee was charged incorrectly, and the police have the wrong person.

criminal justice system to have the charges dropped. There are very different skill sets in criminal attorneys, often based on relationships with police departments and prosecutors; as such, there are many scenarios in which experienced lawyers that have been credentialed through legal plan infrastructure processes can make a tremendous difference for employees with serious legal problems.

Given their experience in the criminal courts, many experienced criminal attorneys have developed relationships with court personnel and police officers, enabling them to “reach” the proper authorities in the police and

For an employee facing divorce, attorney experience can make a marked difference.¹³⁵

- If an employee needs help negotiating a divorce agreement, the ideal attorney is a problem solver, works well with people, is adept at compromise, and is comfortable in

court. Sometimes, although the employee and spouse have no intention of going to court, an attorney's trial record and successful history in court will have some bearing in negotiating a successful settlement.

- If an employee knows from the start that a divorce trial is certain, the employee needs an attorney with considerable courtroom experience, which not all lawyers have.
- An attorney should be familiar with the judges in an employee's jurisdiction. Knowing the courtroom style of the judge likely to hear the case and how the judge has ruled on previous cases like an employee's case, positions the attorney to adapt his legal strategy and style to that of the judge. Inexperienced lawyers simply do not have this depth of experience.

Stress, anxiety, prescription drug costs, and missed work for physician visits can be lowered when an employee has a legal plan that gives them the calming effects of an experienced attorney but measuring stress reduction is not as easy in this category. While stress reduction may not be measurable as are some of the stress effects in the next challenges discussion, different legal plans can help an employer save on the three employee productivity costs we analyzed extensively shows.

Imagine a legal plan with limited coverage and inexperienced network lawyers dashing from case to case to meet monthly cash flow needs. Although legal plan lawyers are meant to be advocates for plan members,


such attorneys can add to worker stress with wasted time rabbit chasing, bad strategy decisions, or improper court filings, all tied to a lack of experience. The employee worries about a worst-case outcome while the case lawyer seems unable to break through to resolution. Not understanding what is happening and not having an experienced attorney to explain events leads to more time off from work, a dragging case, an increased likelihood of depression, workplace conflict, and more prescription drug and healthcare costs. While not measured as carefully, the wasted time of using inexperienced attorneys in legal matters can also lead to more employee presenteeism, absenteeism, and heightened workplace accident potential due to a distracted employee.

Question Is every lawyer with experience or a stellar background guaranteed to be superior?

Answer No, but there is a correlation between the backgrounds of experienced lawyers measured over longer periods of years that indicate how lawyers and law firms will conduct their affairs in their communities and how much integrity these lawyers may have.

Action Item: HR must select a legal plan that has an identifiable infrastructure in place and demonstrates, beyond words, that high credentialing standards are required for network admission. As a result, the legal advice employees receive will help put otherwise upset employees at ease.

Experienced attorney advice can often take away the stress, worry, anger, absenteeism from being dragged into a legal matter alone and can reduce absenteeism and stress treatment costs. Experienced advice also allows the employee to stay at work during many legal proceedings and make a more informed decision on whether to settle a case sooner or proceed to trial.



Question How much of the employer costs related to absenteeism, prescription drugs and physician/psychologist visits can a network of experienced attorneys save an employer?

Answer An exact cost is difficult to calculate because every legal case is different and has a different chance of settling or going to trial. However, there are models that can demonstrate that experienced attorneys can significantly reduce employee stress which results in employer savings.

We have seen that an experienced attorney with at least 10 years of experience will often better know either to settle a weaker case sooner or know what hearings and appearances are not important for the employee to attend, we can argue, at minimum, that an experienced attorney will

reduce the number of court appearances an employee will have to make. By eliminating unnecessary trips to court and time off work, an experienced attorney can also lower the employee's stress level. This, in turn, reduces physician/psychologist visits because the employee feels in "good hands".

Part Three

Can Superior Legal Plans Offer Cost Savings to the Stress Caused by Legal and Financial Problems?

Question By identifying and adding a Superior Legal Plan vs. another legal plan, can employers save substantial money in our three metrics?

Answer If we refer the Study, Part I, pp 72, (See Study, Part I, pp. 45) and the analysis of the impact on a company of legal and financial issues, we will see exactly how legal plans can resolve many or all of impact legal stress has on both employees and employers.

What we can see is that in Table 12 on the next page, there were some serious issues created by legal and financial problems that affect both employees and the companies by which they are employed. If we analyze the same legal and financial problems as before from the alternative perspective where the

Company had a legal plan for its employees and ask the question, “can these problems be solved” – the answer is “Yes” when the Company offers the Superior Legal Plan. Let’s focus on each of the problems and now the solutions in Table 12 to see the solutions created by Superior Legal Plans.

Table 12

HR Issue	Employer Impact	How Legal Stress Can be Addressed
Retirement Fund/Savings Costs	More and more employees are tapping their retirement and savings accounts when they need thousands of dollars to pay for an unexpected legal problem. This creates a huge drain on employee savings and adds a substantial amount of stress to the lives of employees when they are not reaching their financial goals	Legal Insurance plans provide paid-for or paid-in-full coverage for many of the most common legal problems employees face, negating the need to tap savings or retirement funds for unexpected legal fees. Depending upon the legal plan, many employees’ legal matters will be paid-in-full by the plan eliminating the financial worry part of the stress equation.
Healthcare Visit Costs	Doctor and Psychology/Psychiatrist visits are the inevitable result of unexpected and devastating stress and anxiety-producing legal problems. We have measured the costs of these visits that directly result in increased healthcare costs to an employer.	Depending upon the legal plan selected, the employee will have a sophisticated attorney matching infrastructure that will help employees quickly and easily find the right attorney without endless visits and calls for attorney appointments that do not work out for the employee. This has the effect of reducing the stress associated with not know the right attorney or not being able to find the help needed to meet the lawsuit deadlines.
Prescription Drug Costs	Doctor and Psychology/Psychiatrist visits also result in the prescription of stress related drugs, such as Xanax and other anti-depressants. Because the never-ending nature of legal problems and because of the most difficult problem even finding the right attorney, legal problems, and the stress they cause result in prolonged prescription drug use. We have measured the costs of these visits that	Because legal plan varies in their help infrastructure certain plans, but not all plans, use experts to guide employees through the legal problem staying with them at every turn and being available to help employees understand how to best work with the attorney each time a new legal procedure arises. This added help will help employees better understand the process and the hurdles and will keep their anxiety and stress levels much lower than employees who do

	directly result in increased healthcare costs to an employer.	not have help to work with their often-unhelpful attorneys.
Absenteeism Costs	Most HR Managers do not realize the costs related to missed work time when a legal problem arises. Employees just generally are unprepared for legal problems and do not know attorneys, qualified in the needed area, who can be called and retained when a legal problem arises. This causes many missed workdays for appointments with attorneys to find the right attorney. Many employees never find the right attorney, and this just should not happen. And once the lawsuit is in progress, many court procedures end up causing missed work time. Depending upon one's attorney this can either be increased or decreased lost work time.	Certain legal plans are built on an employee chassis and designed to help employees reduce the number of out-of-work events to keep absenteeism costs lower. Certain plans have components that will provide more responsive attorneys, more events with better explanations and more help so the employee understands when – and when not – to take time from work for a legal procedure. While every lawsuit will require some missed work time, the most communicative attorneys can sometimes help to keep these losses at a minimum.
Turnover	Turnover can be a huge problem, because of either the missed work to find an attorney, or because of the underlying legal emergency itself. Many employees unnecessarily are terminated because of missed work that may not have to happen. This results in increased training and new hire costs.	Legal plans with the right infrastructure and benefits can keep employees at work and concentrating more than employees who have no legal plan or the wrong legal plan. Often employers undertake great stress because their best employees may miss much work creating a termination need or dilemma that can rock the entire employee population.
Employee Engagement and Performance	Employee engagement is highly associated with corporate performance. Towers Watson found that in companies with high levels of employee engagement, operating income improved by 19% over 12 months, while in companies with low levels of engagement it declined by 33%. Commonly called presenteeism, employees with high levels of employee stress are spending company time dealing with their financial and legal woes at work – as much as 20 hours per month per employee – according to the PFEEF.	Legal problems are one of the most common employee problems that cause presenteeism – picture the employee just served with divorce papers unexpectedly imagining how his/her life is completely turned upside down. Legal plans that have detached, inexperienced lawyers often increase this presenteeism effect in employees when the employee is left feeling alone with no one helping them and wondering how they will not only get along in life but pay for all the fees and expenses. Lawyers that are communicative and responsive can be responsible for large decreases in presenteeism and increased employee concentration and performance.
Morale	Employees facing legal problems find it difficult to avoid decreasing morale in life, including their work life. Companies facing low employee morale risk higher costs associated with turnover, lower productivity and performance, lower appreciation for benefits and pay, and lower participation in benefits overall.	Legal plans with the right high touch counseling, in addition to responsive attorneys, can help keep employees positive throughout the difficult lawsuit and can help employers reduce morale costs. When HR considers that as many as 70% of employees will have one or more legal problems in a year, according to the American Bar Association, this employee morale can be a substantial risk.

Loyalty	Employees who are not satisfied with their pay and benefits are less likely to be loyal to their employer. According to the 10 th Annual Study of Employee Benefits Trends Report, 61% of employees who are very satisfied with their benefits also feel a very strong sense of loyalty to their employer, compared to 24% of employees who are very dissatisfied with their benefits.	Employers providing no legal plan, or the wrong legal plan, face an enormous backlash that can affect the entire benefits structure. Employees who pay for an inferior legal plan or do not have one, end up feeling that they wasted a large of amount of money even when they took steps to try to buy a legal plan and have it in place when it was needed. When an employer can do the needed diligence and select the right legal plan that really provides protection and financial security for the employee in a life-threatening or substantial life event – the payoff and rewards in loyalty to the employer can be substantial.
---------	---	---

The shocking revelation is how easy it might be for HR to solve some or all these problems for employees and reduce some or all these costs by taking time to understand differences in legal plans and making a commitment to choose the Superior Legal Plan — one that has the right components to help employees connect with quality attorneys quickly. The employer can decide

whether it wants to cover all the costs, which stimulates participation, or if its employees will share or pay the costs. Regardless, a company can save tens of thousands of healthcare and missed work costs every year when its employees are enrolled in a Superior Legal Plan. Let's see if this savings is real.

A. Can We Measure These Savings from Implementing a Superior Legal Plan?

We have already shown that superior legal plans can offer infrastructure and benefits that may result in less absenteeism, less stress resulting in fewer physician/psychologist appointments, and less stress-related prescription drugs for these same employee legal problems. Can we measure these reduced costs to

determine if a Superior Legal Plan might produce a better ROI for the employer when compared to other legal plans?

Earlier, we examined four (4) problems an employee faces in engaging the American Legal System:

1. an employee may not always know an attorney to represent him when a legal emergency arises
2. many employees believe their case should be the most important case the attorney is handling, despite the pressing needs of the attorney's other cases
3. an attorney may not meet the employee's needs or expectations by failing to take time to explain complicated legal procedures, terms, and processes; and
4. a lack of help and communication from the attorney works to significantly increase stress and anxiety from the legal or financial problem.

The final question that needs to be answered is clear: Can a Superior Legal Plan reduce our three measurable metrics — absenteeism, prescription drug costs and

medical visits for treatment of the stress and anxiety — in any of these four areas – more than other legal plans?

Action Item: To provide effective help to employees, it is vital for HR Managers to understand whether certain legal plans can effectively provide a significant solution for employees suffering serious stress costs in absenteeism, prescription drug costs and physician/psychologist visit costs. Since legal plans do not all function in the same manner, it is imperative for HR to identify legal plans that are most likely to reduce legal problems and costs for employees.

In Part II, we also determined the Superior Legal Plan had three (3) major categories of benefits or infrastructure where employee

stress was lessened because of the efficiency or superior service in the Superior Legal Plan:

1. Compatibility/Matching System of Funding and Accessing the right attorney to help with the legal problem
2. The fully paid-for benefits that help defray the substantial costs and eliminate the need for finding large amounts of money to pay legal and retainer fees if a legal problem unexpectedly arises
3. The more experienced Network Attorneys who can help reduce the stress and anxiety for employees simply because they have the experience (a) to know clients need to understand the legal system, how their case is being affected, and what procedures, deadlines and court mandates mean to their case; and (b) to navigate through litigation without unexpected surprises or setbacks that can upset the client.

We can take the same tables that we used earlier in this Study that showed the actual costs of legal problems and analyze whether the costs can be reduced by choosing a

Superior Legal Plan, resulting in savings in our metrics for the employer and thus less stress for the employee.

B. Can stress costs be reduced when the time it takes to search for any attorney is reduced and a more compatible attorney is found? Will employer costs be reduced from having the sophisticated Attorney match/compatibility system that most plans do not have?


Question Will a Superior Legal Plan focused on compatibility reduce employer costs?

Answer Yes. Again, the systemic processes would absolutely create a less stressful environment for the employee and create a platform in which employee absenteeism when a legal problem arises would be reduced from three days or more to zero days.

1. Can we reduce Absenteeism Costs?

To determine if the compatibility/matching infrastructure that enables employees to find

attorneys that are a better match faster than we looked at in a Superior Legal Plan can



reduce costs, we can start with Table 3, provided again on the following page, showing the time it takes to search for and find an attorney to help with a contentious civil litigation lawsuit focuses only on a portion of one of the three productivity cost areas – missed work time to search for an attorney. This also assumed the legal plan

had a normal directory lookup system of finding attorneys. Table 3 concluded that that there is a substantial missed work cost to the employer per 100 employees - \$85,127, even when the employee had a legal plan, and the directory search system was used in the plan.

Table 3: Employer Cost due to Missed Time: Initial Attorney Search

Employer Cost due to Missed Time: Initial Attorney Search							Caused By:			Total Employer Cost due to Missed Time: Initial Attorney Search
							Visits to Attorneys Unable to Help with Legal Matter			
Legal Matter	Work Hours Per Day*1	Hourly Wage [Including Benefits]*2	Number of Employees Affected by "Court-Filed" Legal Proceedings *3	Number of Employees Affected by "Non-Court-Filed" Legal Proceedings *4	Total Number of Employees Affected by "Court-Filed" + "Non-Court-Filed" Legal Proceedings *5	# Missed Work Days per Affected Employee	# Missed Work Hours per Affected Employee	\$ Missed Work Hours per Affected Employee *6	Total # Missed Work Hours per 100 Employees *7	Total \$ Missed Work Hours per 100 Employees *8
Divorce	8	\$30.11	4	23	27	3.8	30.4	\$915	821	\$24,714
Criminal Matter	8	\$30.11	3	4	7	3.8	30.4	\$915	213	\$6,407
Probate an Elder Parent's Estate	8	\$30.11	2	18	20	3.8	30.4	\$915	608	\$18,307
Civil Litigation (Neighbor Dispute)	8	\$30.11	2	9	11	3.8	30.4	\$915	334	\$10,069
Consumer Warranty Problem - Small Claims	8	\$30.11	5	12	17	3.8	30.4	\$915	517	\$15,561
Traffic Ticket/License Suspension	8	\$30.11	2	6	8	3.8	30.4	\$915	243	\$7,323
DW/DUI	8	\$30.11	1	2	3	3.8	30.4	\$915	91	\$2,746
Total Number of Legal Matters per 100 Employees						26.6	212.8	\$6,407	2,827	\$85,127

Assumptions & Definitions

- *1. 8 hours is the average number of hours worked per day
- *2. \$30.11 is an average hourly wage and includes benefits
- *3. The number of employees " Affected by ' Court-Filed' Legal Proceedings is calculated per 100 employees
- *4. The number of employees " Affected by Non-Court-Filed' Legal Proceedings is calculated per 100 employees
- *5. This figure is calculated by adding " Number of Employees Affected by ' Court-Filed' Legal Proceedings *3" to " Number of Employees Affected by ' Non-Court-Filed" Legal Proceedings *4"
- *6. This figure is calculated by multiplying " # Missed Work Hours per Affected Employee" by " Hourly Wage [Including Benefits] *2"
- *7. This figure is calculated by multiplying " # Missed Work Hours per Affected Employee" by " Number of Employees Affected by Court-Filed + Non-Court-Filed Legal Proceedings *5"
- *8. This figure is calculated by multiplying " Total # Missed Work Hours per 100 Employees **" by " Hourly Wage [Including Benefits] *2"

Will the Superior Legal Plan cut this absenteeism cost?

To compare the normal legal plan (with its inefficient directory provider search function – see Study, Part II, pp 16) to a Superior

Legal Plan with its superior matching/compatibility infrastructure we can recall the following differences:

1. The directory system works well when one knows the name of their provider, such as in a medical or dental insurance plan, but creates confusion and offers little help where a provider is not known (Study, Part II, pp 18)
2. The matching/compatibility infrastructure provides a client-centric choice system that enables a client to analyze and “vocalize” their preferences. This system also deploys a systematic matching/compatibility process that ensures an available attorney who has reviewed the client intake information and said “yes” that they can handle and accept this type of client and this type of case.
3. A direction connects infrastructure that makes the connection between the client and the matched attorney’s office without the need for a client to await responses to voicemail or emailed messages. This direct connect infrastructure also minimizes missed appointments or the need for taking off work to visit with an attorney who is the wrong provider or a provider who cannot provide the needed help.

Recall that these differences were highlighted in Figures 18 on page 22 and 18a on page 26. Comparing that figure 18 (that uses the normal legal plan directory) with Figure 18a (using the matching/compatibility infrastructure, we can see that the Superior Legal Plan will reduce the number of workdays missed by 75% because of the propensity to facilitate the search much faster than the online directory system.

While each search will be different, we can see that the faster search time translates to a total saving to the employer that has a Superior Legal Plan infrastructure from the time that would be lost without the Superior Legal Plan is a savings of \$63,845 per 100 employees. This figure is calculated by taking the total employer cost of missed

workdays, \$85,127, and multiplying by 75% to determine the savings in lost search missed work time. That means, with a Superior Legal Plan, employer cost is reduced from \$85,127 to \$21,282 per 100 employees. This is illustrated in Table 3a by incorporating new calculations in Table 3 with 75% less missed work time. Another way of seeing the significance of this number is to recognize that the average number of missed workdays per legal matter is 3.8 days which with the Superior Legal Plan is reduced to approximately 1 day. This is one of the important areas in which HR can save the Company substantial amounts of money simply by taking time to find the Superior Legal Plan with this matching and case management infrastructure.

Table 3a: Employer Cost due to Missed Time: Initial Attorney Search with Superior Legal Plan

Employer Cost due to Missed Time: Initial Attorney Search										Caused By:			Total Employer Cost due to Missed Time: Initial Attorney Search	
										Visits to Attorneys Unable to Help with Legal Matter				
Legal Matter	Work Hours Per Day *1	Hourly Wage [Including Benefits] *2	Number of Employees Affected by "Court-Filed" Legal Proceedings *3	Number of Employees Affected by "Non-Court-Filed" Legal Proceedings *4	Total Number of Employees Affected by "Court-Filed" + "Non-Court-Filed" Legal Proceedings *5	# Missed Work Days per Affected Employee *6	# Missed Work Hours per Affected Employee	\$ Missed Work Hours per Affected Employee *7	Total # Missed Work Hours per 100 Employees *8	Total \$ Missed Work Hours per 100 Employees *9				
Divorce	8	\$30.11	4	23	27	0.95	7.6	\$229	205	\$6,179				
Criminal Matter	8	\$30.11	3	4	7	0.95	7.6	\$229	53	\$1,602				
Probate an Elder Parents Estate	8	\$30.11	2	18	20	0.95	7.6	\$229	152	\$4,577				
Civil Litigation (Neighbor Dispute)	8	\$30.11	2	9	11	0.95	7.6	\$229	84	\$2,517				
Consumer Warranty Problem - Small Claims	8	\$30.11	5	12	17	0.95	7.6	\$229	129	\$3,890				
Traffic Ticket/License Suspension	8	\$30.11	2	6	8	0.95	7.6	\$229	61	\$1,831				
DWI/DUI	8	\$30.11	1	2	3	0.95	7.6	\$229	23	\$687				
Total Number of Legal Matters per 100 Employees						6.65	53.2	\$1,602	707	\$21,282				

Assumptions & Definitions

- *1. 8 hours is the average number of hours worked per day
- *2. \$30.11 is an average hourly wage and includes benefits
- *3. The number of employees " Affected by ' Court-Filed' Legal Proceedings is calculated per 100 employees
- *4. The number of employees " Affected by Non-Court-Filed' Legal Proceedings is calculated per 100 employees
- *5. This figure is calculated by adding " Number of Employees Affected by ' Court-Filed' Legal Proceedings *3" to " Number of Employees Affected by ' Non-Court-Filed" Legal Proceedings *4"
- *6. This figure is calculated by reducing the original Missed Workdays per affected Employee by 75%.
- *7. This figure is calculated by multiplying " # Missed Work Hours per Affected Employee" by " Hourly Wage [Including Benefits] *2"
- *8. This figure is calculated by multiplying " # Missed Work Hours per Affected Employee" by " Number of Employees Affected by Court-Filed + Non-Court-Filed Legal Proceedings *5"
- *9. This figure is calculated by multiplying " Total # Missed Work Hours per 100 Employees **" by " Hourly Wage [Including Benefits] *2"

2. In a Superior Legal Plan can we also calculate the costs of Physician and/or Mental Health Counselor Visits and prescription drug costs in terms of increased Healthcare costs that might be partially or even fully prevented?

INNOVATION CHECK

- ✓ Increased stress from not being able to find an attorney as deadlines approach causes anxiety with an increase in visits to a physician and/or Mental Health Counselor for treatment of this anxiety.

We studied the absenteeism cost component of a Superior Legal Plan – the Compatibility/Matching infrastructure. In addition to the missed work time savings we have just examined, are there savings for the

employer from a Superior Legal Plan? Said another way, can a Superior Legal Plan decrease the stress for employees such that their physician and/or mental health counselor treatment costs are diminished?

a. Cost of Physician and/or Mental Health Counselor Visits

Previously, we examined the aggregate cost of Doctor and or Mental Health Counselor visits by stress-affected employees in Table 6. Table 6 is provided again on the following page. [This is distinguished from the cost to the employer of missed work time for the visits discussed below].

In Table 6, the total cost, \$18,135, can be related to the serious levels of stress caused by the legal system, the fear of high legal

fees, and the fear of losing one's job related to missed work. The challenges of finding an attorney, especially when the money needs to be paid upfront in the form of a retainer before the attorney will agree to represent the employee, results in substantial stress levels and in many employees requires the need for doctor care or mental health counseling. The legal plan directory provides little or no help in many cases in finding the right attorney.

Table 6: Cost of Employee Visits to Doctor and/or Mental Health Counselor

Cost of Employee Visits to Doctor &/or Mental Health Counselor		Caused By:					Total Cost of Visits to Doctor &/or Mental Health Counselor
		Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *1	Total Number of Employees Receiving Treatment from Doctor &/or Mental Health Counselor *2	# Doctor &/or Mental Health Counseling Visits per Stressed Employee	Average \$ Doctor &/or Mental Health Counselor per Visit *3	Total \$ Doctor &/or Mental Health Counselor Visits per Employee	
Legal Matter							
	Divorce	27	13.5	5.2	\$75.00	\$390.00	\$5,265
	Criminal Matter	7	3.5	5.2	\$75.00	\$390.00	\$1,365
	Probate an Elder Parent's Estate	20	10	5.2	\$75.00	\$390.00	\$3,900
	Civil Litigation (Neighbor) Dispute	11	5.5	5.2	\$75.00	\$390.00	\$2,145
	Consumer Warranty Problem - Small Claims	17	8.5	5.2	\$75.00	\$390.00	\$3,315
	Traffic Ticket/License Suspension	8	4	5.2	\$75.00	\$390.00	\$1,560
	DWI/DUI	3	1.5	5.2	\$75.00	\$390.00	\$585
	Total Number of Legal Matters	93	46.5			\$2,730	\$18,135

Assumptions & Definitions

- *1. The number of employees is calculated per 100 employees
- *2. This figure is calculated by taking 50% of the number of employees in *1
- *3. \$75 is the approximated amount of a visit to Doctor &/or Mental Health Counselor per employee
- *4. This figure is calculated by multiplying *2 by "Total \$ Doctor &/or Mental Health Counselor Visits per Employee"



b. More savings in physician and/or mental health counselor visits with a Superior Legal Plan?

INNOVATION CHECK

- ✓ A Superior Legal Plan's infrastructure helps to match the right attorney with the client's preferences and does so in less than half the time. Because the infrastructure helps to find the right attorney quickly, the anxiety and stress are lessened substantially.

To calculate the savings from the Superior Legal Plan, we can conclude that if an attorney is found quickly and the attorney and client are a great match, there is no need for employees to stress over finding an attorney as much. The stress of the legal problem for Plan Members who have a Superior Legal Plan (that pays the legal bills for the Member) will be substantially less. Because there is no formal study of how the infrastructure for a good match of attorney,

we can conservatively estimate the savings to be 50%, although we believe it to be more. To find the savings to the employer in decreased physician/psychologist visits and in prescription drug cost, we can use Table 6.

Using 50% of the Table 6 amounts, we can calculate a savings to the employer of \$18,135, as shown Table 6a.

Table 6a: Cost of Employee Visits to Doctor and/or Mental Health Counselor

Cost of Employee Visits to Doctor &/or Mental Health Counselor		Caused By:					Total Cost of Visits to Doctor &/or Mental Health Counselor
		Visits to Doctor &/or Mental Health Counselor					
Legal Matter	Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *1	Total Number of Employees Receiving Treatment from Doctor &/or Mental Health Counselor *2	# Doctor &/or Mental Health Counseling Visits per Stressed Employee	# Doctor &/or Mental Health Counseling Visits per Stressed Employee with Superior Legal Plan*3	Average \$ Doctor &/or Mental Health Counselor per Visit *4	Total \$ Doctor &/or Mental Health Counselor Visits per Employee	Total \$ Mental Health Visits [\$75/Visit] *5
Divorce	27	13.5	5.2	2.6	\$75.00	\$195.00	\$2,633
Criminal Matter	7	3.5	5.2	2.6	\$75.00	\$195.00	\$683
Probate an Elder Parent's Estate	20	10	5.2	2.6	\$75.00	\$195.00	\$1,950
Civil Litigation (Neighbor) Dispute	11	5.5	5.2	2.6	\$75.00	\$195.00	\$1,073
Consumer Warranty Problem - Small Claims	17	8.5	5.2	2.6	\$75.00	\$195.00	\$1,658
Traffic Ticket/License Suspension	8	4	5.2	2.6	\$75.00	\$195.00	\$780
DWI/DUI	3	1.5	5.2	2.6	\$75.00	\$195.00	\$293
Total Number of Legal Matters	93	46.5				\$1,365	\$9,068

Assumptions & Definitions

- *1. The number of employees is calculated per 100 employees
- *2. This figure is calculated by taking 50% of the number of employees in *1
- *3. This figure is calculated by taking 50% of the number of counseling visits
- *4. \$75 is the approximated amount of a visit to Doctor &/or Mental Health Counselor per employee
- *5. This figure is calculated by multiplying *3 and *4
- *6. This figure is calculated by multiplying *2 by "Total \$ Doctor &/or Mental Health Counselor Visits per Employee"



c. Cost of prescription drugs

Looking at our other healthcare-related stress metric – prescription drug costs – we can see that an estimated \$37,799 is required to pay actual prescription drug costs. See study, Part 1, Page 91. Table 7 is provided again on the following page.

However, a Superior Legal Plan can reduce stress because an attorney is found quicker and the compatibility between the client and attorney is significantly improved. Thus,

using the same less stress and anxiety approach above, we can easily make the argument that just like the physician/psychologist visits are reduced by 50% by the Superior Legal Plan infrastructure, so too are the number of prescription drugs needed to treat less overall employee stress. Table 7 amounts for prescription drug costs. We can discount these costs by 50% to be \$18,899 in Table 7a.

Table 7: Cost of Employees using Prescription Drugs for Stress Related Issues

Cost of Employees Using Prescription Drugs for Stress Related Issues	United States / 2008				Caused By:		Total Cost of Employees Using Prescription Drugs for Stress Related Issues
	Total Prescription Cost x Adults in Workforce		Employees Using Prescription Drugs Specifically for Stress Related Issues		\$ Prescription Drugs per US Employee per Year *5	% of Workforce Using Prescription Drugs for Stress *6	
Legal Matter	Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *1	Total \$ Prescription Drugs in US *2	% of US Adult Population Employed *3	Total \$ Workforce Prescription Drugs *4	\$ Prescription Drugs per US Employee per Year *5	% of Workforce Using Prescription Drugs for Stress *6	\$ Employees Using Prescription Drugs for Stress per 100 Employees *8
Divorce	27	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	36%	\$10,974
Criminal Matter	7	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	36%	\$2,845
Probate an Elder Parent's Estate	20	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	36%	\$8,129
Civil Litigation (Neighbor) Dispute	11	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	36%	\$4,471
Consumer Warranty Problem - Small Claims	17	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	36%	\$6,909
Traffic Ticket/License Suspension	8	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	36%	\$3,252
DWI/DUI	3	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	36%	\$1,219
Total Number of Legal Matters	93	\$1,638,700,000,000		\$671,867,000,000	\$7,903		\$37,799

Assumptions & Definitions

- *1. The number of employees is calculated per 100 employees
- *2. Total Prescription Drug Costs in United States / 2008
- *3. 41% is the percentage of American Adults in the workforce / 2008
- *4. This figure is calculated by multiplying "Total \$ Prescription Drugs by "% Adult Population Employed"
- *5 \$1,129 is the calculated amount of prescription costs / employee / year Assuming a workforce of 85,000,000 employees
- *6. 36% of the prescription costs are specifically for stress related issues
- *7. This figure is calculated by multiplying "\$ Prescription Drugs / Employee / Year" by "% Workforce Using Prescription Drugs"
- *8. This figure is calculated by multiplying "Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *1 " by "\$ Prescription Drugs Used for Stress per US Employee per Year *7"

Table 7a: Cost of Employees using Prescription Drugs for Stress Related Issues

Cost of Employees Using Prescription Drugs for Stress Related Issues	United States / 2008			Caused By:		Total Cost of Employees Using Prescription Drugs for Stress Related Issues
	Total Prescription Cost x Adults in Workforce	% of US Adult Population Employed *3	Total \$ Workforce Prescription Drugs *4	\$ Prescription Drugs per US Employee per Year *5	% of Workforce Using Prescription Drugs for Stress *6	
Legal Matter	Total \$ Prescription Drugs in US *2	% of US Adult Population Employed *3	Total \$ Workforce Prescription Drugs *4	\$ Prescription Drugs per US Employee per Year *5	% of Workforce Using Prescription Drugs for Stress *6	\$ Employees Using Prescription Drugs for Stress per 100 Employees *8
Divorce	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	18%	\$5,487
Criminal Matter	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	18%	\$1,423
Probate an Elder Parents Estate	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	18%	\$4,064
Civil Litigation (Neighbor Dispute	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	18%	\$2,235
Consumer Warranty Problem - Small Claims	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	18%	\$3,455
Traffic Ticket/License Suspension	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	18%	\$1,626
DWI/DUI	\$234,100,000,000	41%	\$95,981,000,000	\$1,129	18%	\$610
Total Number of Legal Matters	\$1,638,700,000,000		\$671,867,000,000	\$7,903		\$1,423
						\$18,899

Assumptions & Definitions

- *1. The number of employees is calculated per 100 employees
- *2. Total Prescription Drug Costs in United States / 2008
- *3. 41% is the percentage of American Adults in the workforce / 2008
- *4. This figure is calculated by multiplying "Total \$ Prescription Drugs by % Adult Population Employed"
- *5 \$1,129 is the calculated amount of prescription costs / employee / year Assuming a workforce of 85,000,000 employees
- *6. 36% of the prescription costs are specifically for stress related issues
- *7. This figure is calculated by multiplying "\$ Prescription Drugs / Employee / Year" by "% Workforce Using Prescription Drugs"
- *8. This figure is calculated by multiplying "Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *1 " by "\$ Prescription Drugs Used for Stress per US Employee per Year *7"

3. Summary of Cost Savings to an Employer with a Superior Legal Plan

INNOVATION CHECK

- ✓ A Superior Legal Plan with paid-in-full benefits helps employers drastically reduce employee stress-related costs, particularly in the areas of prescription drugs, physician visits, and absenteeism.

We can now compare the savings between a normal legal plan and the Superior Legal Plan to see how much the total employer cost

has reduced. Table 13 below shows the costs to the employer of those 3 categories of costs discussed immediately above.

Table 13

Total Employer Cost *4	With Any Legal Plan			
\$141,061	Total Employer Cost due to Missed Time: Initial Attorney Search *1	Cost of Employee Visits to Doctor/Mental Health Counselor *2	Cost of Employees Using Prescription Drugs for Stress Related Issues *3	Total Employer Cost *4
Legal Matter	\$ Missed Work Hours per 100 Employees	\$ Missed Time per 100 Employees	\$ Missed Time per 100 Employees	Total \$ Missed Time per 100 Employees
Divorce	\$24,714	\$5,265	\$10,974	\$40,953
Criminal Matter	\$6,407	\$1,365	\$2,845	\$10,617
Probate an Elder Parent's Estate	\$18,307	\$3,900	\$8,129	\$30,336
Civil Litigation (Neighbor) Dispute	\$10,069	\$2,145	\$4,471	\$16,685
Consumer Warranty Problem - Small Claims	\$15,561	\$3,315	\$6,909	\$25,785
Traffic Ticket/License Suspension	\$7,323	\$1,560	\$3,252	\$12,134
DWI/DUI	\$2,746	\$585	\$1,219	\$4,550

Assumptions & Definitions

- *1. From Table 3
- *2. From Table 6
- *3. From Table 7
- *4. The sum of the total employer costs (*1, *2, *3)



	\$85,127	\$18,135	\$37,799	\$141,061
--	----------	----------	----------	-----------

Now we add to Table 13 to create Table 13a which shows the same costs to an employer with the new Superior Legal Plan savings. Comparing the costs without a Superior Legal Plan - \$141,061 – to the costs with a Superior Legal Plan - \$49,249 – we see a savings of \$91,812. For the employer who can locate the Superior legal Plan that has all three components, Table 13a on the next

page shows the savings to be \$91,812 when compared to the legal plans without these Superior components. Recall, that all these savings come not by spending any money on the legal plan as it is fully employee-paid [voluntary], but by taking a bit of analytical time to find the right plan for your employees. Thousands of dollars will go to the bottom line for this extra analysis.

Table 13a: Cost of Employees using Prescription Drugs for Stress Related Issues

Total Savings with a Superior Legal Plan per 100 Employees per Year *9	With Any Legal Plan					With Superior Legal Plan		
	Total Employer Cost due to Missed Time: Initial Attorney Search *1	Cost of Employee Visits to Doctor/Mental Health Counselor *2	Cost of Employees Using Prescription Drugs for Stress Related Issues *3	Total Employer Cost *4	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor *6	Cost of Employees Using Prescription Drugs for Stress Related Issues *7	Total Employer Cost due to Missed Time: Initial Attorney Search *5	Total Employer Cost *8
\$91,812								
Legal Matter	\$ Missed Work Hours per 100 Employees	\$ Missed Time per 100 Employees	\$ Missed Time per 100 Employees	Total \$ Missed Time per 100 Employees	\$ Missed Time per 100 Employees	\$ Missed Work Hours per 100 Employees	Total \$ Missed Time per 100 Employees	Total \$ Missed Time per 100 Employees
Divorce	\$24,714	\$5,265	\$10,974	\$40,953	\$2,633	\$6,179	\$5,487	\$14,298
Criminal Matter	\$6,407	\$1,365	\$2,845	\$10,617	\$683	\$1,602	\$1,423	\$3,707
Probate an Elder Parent's Estate	\$18,307	\$3,900	\$8,129	\$30,336	\$1,950	\$4,577	\$4,064	\$10,591
Civil Litigation (Neighbor) Dispute	\$10,069	\$2,145	\$4,471	\$16,685	\$1,073	\$2,517	\$2,235	\$5,825
Consumer Warranty Problem - Small Claims	\$15,561	\$3,315	\$6,909	\$25,785	\$1,658	\$3,890	\$3,455	\$9,002
Traffic Ticket/License Suspension	\$7,323	\$1,560	\$3,252	\$12,134	\$780	\$1,831	\$1,626	\$4,236
DWI/DUI	\$2,746	\$585	\$1,219	\$4,550	\$293	\$687	\$610	\$1,589
	\$85,127	\$18,135	\$37,799	\$141,061	\$9,068	\$21,282	\$18,899	\$49,249

Assumptions & Definitions

- *1. From Table 3
- *2. From Table 6
- *3. From Table 7
- *4. The sum of the total employer costs (*1, *2, *3)
- *5. From Table 3a
- *6. From Table 6a
- *7. From Table 7a
- *8. The sum of the total employer costs with Superior Legal Plan (*5, *6, *7)
- *9. The difference of *4 and *8

4. Employer costs from having better [paid-in-full] benefits – Will a Superior Legal Plan with Better Benefits Reduce Stress? Can the Cost Savings from Having Paid-in-Full Benefits that may be available in a Superior Legal Plan be Measured?

INNOVATION CHECK

- ✓ Superior Legal Plans with Paid-in-Full benefits can reduce employer stress costs.

Without paid-in-full benefits [like those provided in Superior Legal Plans] in the plan (where the plan pays all the legal fees), employees are forced to try to find the money for legal fees and retainers quickly and unexpectedly. Additionally, employees suffer substantial amounts of stress worrying about where they will get the money to afford an attorney for the legal matter that just “popped up.” All three of our metrics - missed work, physician/psychiatrist visits, and prescription drug costs - are affected when employees suffer increased stress levels as we saw in detail in this Study [Part II, page 40]. Depending upon the amount of stress related to the money shortage, employees can suffer massively.

Can a Superior Legal Plan reduce the stress associated with trying to raise the thousands of dollars needed for a retainer fee or for legal fees? We believe that if an employee staring down a serious legal problem does not have to raise any money to afford the legal fees; this can reduce, in a substantial way, the stress costs suffered by both the employee and the Company. We believe a case can be made to demonstrate how a Superior Legal Plan can save tens of thousands of dollars for the Company per 100 employees.

Recently, an estimate of \$18,000 was shown to be the amount of an average litigation matter in courts across America*. That means in addition to the missed work time to find an attorney illustrated in Table 3, employees typically also miss several days of work trying to find money to pay a retainer fee in a legal emergency. Most do not have

a “rainy day” or emergency fund, and most employees cannot write a \$20,000 check to an attorney. Many employees are forced to borrow money via bank loans, credit card loans, or loans from relatives and friends. Many are forced to tap into their retirement funds.¹³⁶ This process cuts across all our metrics – absenteeism, prescription drugs, and physician/psychiatrist visits all increasing stress and in productivity, issues to get help in treating the stress, worry, and anxiety.

Previously, we saw that Table 3a examined the total calculations of all missed work time from all seven legal matters from all initial search missed work categories with a Superior Legal Plan. Are there additional savings with the Superior Plan in this cost category? We already saw a Superior Legal Plan savings of \$91,812 in the missed work for attorney search in the section above – Table 13a. What about any of the other categories of stress costs?

While there is no formal study on how many employees will have to raise the average \$18,000 retainer fee, 20 years of usage statistics show us that approximately 80% of employees do not have \$10,000 - \$20,000 on hand and accessible to pay to an attorney when a legal problem arises.¹³⁴ We know that most employees will have to take off of work and engage in some action to raise this money, including, actions like asking their parents, trying to get a loan from a bank or credit union, or trying to borrow the money from out-of-state family members. We can estimate that some 80% of the employees with these legal matters will face this issue of

finding money and will suffer through serious stress wondering where to get this money immediately.

Given the importance of the legal matter and the fact that money will have to be raised or found from family, relatives or friends, or banks or credit unions will have to be

consulted to arrange a personal loan, we estimate that at least one day of work will be missed – for either travel to see relatives, an appointment with the bank or credit union, or an appointment with a physician/psychiatrist to receive treatment or prescription drugs to handle the stress of not having the funds available.

INNOVATION CHECK

- ✓ Superior Legal Plans pay all or most of the legal fees through the insurance coverages in the plans. There is no need for employees with these plans to take time off of work or stress over the need to find attorney fees of some \$10,000 - \$30,000 or more.

Repeating the same analysis directly above for missed work time that is eliminated for attorney search time, we can see that the Superior Legal Plan with its paid-in-full benefits generally mandates there is no lost employee time-off of work to raise money since no money must be raised by the client – the Legal Plan pays all the fees of the attorney. This means that one can argue that employees will save as much as another full day with a Superior Legal Plan because they do not have to take off work to raise money to pay the attorney's fees. Once again, we estimate that one full day of work is not

missed with a Superior Legal Plan because of this. This one day represents approximately 25% of the missed work time inherent at the outset of the lawsuit caused by the need to find an attorney and the money required to hire or retain the attorney. This Table 3b shows an additional savings of approximately one day in the missed work time to conduct a search for an attorney. Thus, 25% of \$85,147 in Table 3b is \$21,282. Table 3b now shows this missed work to be less time which is a savings of the entire \$85,147 missed work time with a legal plan that is not superior.

Table 3b: Employer Cost due to Missed Time: Initial Attorney Search with Superior Legal Plan

Employer Cost due to Missed Time: Initial Attorney Search										Caused By:					Total Employer Cost due to Missed Time: Initial Attorney Search	
										Visits to Attorneys Unable to Help with Legal Matter						
Legal Matter	Work Hours Per Day *1	Hourly Wage [Including Benefits] *2	Number of Employees Affected by "Court-Filed" Legal Proceedings *3	Number of Employees Affected by "Non-Court-Filed" Legal Proceedings *4	Total Number of Employees Affected by "Court-Filed" + "Non-Court-Filed" Legal Proceedings *5	# Missed Work Days per Affected Employee *6	75% reduction of Missed Work Days per Affected Employee *7	25% additional reduction of Missed Work Days per affected Employee *8	# Missed Work Hours per Affected Employee	\$ Missed Work Hours per Affected Employee *9	Total # Missed Work Hours per 100 Employees *10	Total \$ Missed Work Hours per 100 Employees *11				
Divorce	8	\$30.11	4	23	27	3.8	0.95	0	0	\$0	0	\$0				
Criminal Matter	8	\$30.11	3	4	7	3.8	0.95	0	0	\$0	0	\$0				
Probate an Elder Parents Estate	8	\$30.11	2	18	20	3.8	0.95	0	0	\$0	0	\$0				
Civil Litigation (Neighborhood Dispute)	8	\$30.11	2	9	11	3.8	0.95	0	0	\$0	0	\$0				
Consumer Warranty Problem	8	\$30.11	5	12	17	3.8	0.95	0	0	\$0	0	\$0				
Traffic Ticket/License Suspension	8	\$30.11	2	6	8	3.8	0.95	0	0	\$0	0	\$0				
DW/DUI	8	\$30.11	1	2	3	3.8	0.95	0	0	\$0	0	\$0				
Total Number of Legal Matters per 100 Employees						26.6	6.65	0	0	\$0	0	\$0				

Assumptions & Definitions

- *1. 8 hours is the average number of hours worked per day
- *2. \$30.11 is an average hourly wage and includes benefits
- *3. The number of employees " Affected by ' Court-Filed' Legal Proceedings is calculated per 100 employees
- *4. The number of employees " Affected by Non-Court-Filed' Legal Proceedings is calculated per 100 employees
- *5. This figure is calculated by adding " Number of Employees Affected by ' Court-Filed' Legal Proceedings *3" to " Number of Employees Affected by ' Non-Court-Filed" Legal Proceedings *4"
- *6. From Table 3
- *7. From Table 3a
- *8. This figure is calculated by reducing the original Missed Work Days per affected Employee by 75% then subtracting the subsequent 25%.
- *9. This figure is calculated by multiplying " # Missed Work Hours per Affected Employee" by " Hourly Wage [Including Benefits] *2"
- *10. This figure is calculated by multiplying " # Missed Work Hours per Affected Employee" by " Number of Employees Affected by Court-Filed + Non-Court-Filed Legal Proceedings *5"
- *11. This figure is calculated by multiplying " Total # Missed Work Hours per 100 Employees *" by " Hourly Wage [Including Benefits] *2"

By compassion, we can see that Table 3b is a restated Table 3. Table 3b, with its further savings for this missed work time savings due to employees not having to take time off to find money for legal fees, adds another savings for employers to the Superior Legal

Plan savings in Table 3a. In Table 3b, we add the new savings discussed above to get a new total missed work savings of \$85,127 [Table 3a and Table 3b savings amounts] for the employer that selects the Superior Legal Plan for their employees.

5. Missed Work Time Based on a More Experienced Attorney Network

INNOVATION CHECK

- ✓ The third area of savings with a Superior Legal Plan is when the Network Attorneys have much more experience than a normal legal plan.

Question Can missed work time be reduced when a legal problem arises if the Legal Plan Network Attorneys have more experience? Can we calculate the differences in missed work by employees suffering legal problems who have inexperienced attorneys compared to those employees who have experienced attorneys?

Answer The Superior Legal Plan that requires and enforces a greater amount of legal experience before Attorneys can join the Network can save missed work time. Is this a measurable metric?

Another aspect of absenteeism costs can be evaluated when the element of attorney experience in the Network is compared. Stated another way, does a legal plan with a

more experienced Network Attorney experience requirement save more money in missed work time reductions with a Superior Legal Plan?

INNOVATION CHECK

- ✓ The difference in attorney experience levels manifests itself in terms of how the attorneys interact with clients on an expectation level.

In this Study, Part I, page 43, we discussed the fact that experienced attorneys, in general terms, will be more prepared and better able to help employees who have little or no knowledge about the American Legal

System or its complicated procedures. See Study, Part I, page 12. Recall that we determined that experienced attorneys generally offer more help for employees for many reasons:

- They have typically handled more of the types of cases like those of the employees may retain them to handle.
- The knowledge of the rulings of judges and outcomes of lawsuit disputes are clearer to the experienced attorney and the attorney will know how to proceed and whether to settle.
- Already-developed relationships with judges, court personnel, and other lawyers work to an employee's advantage.
- An employee can save money on legal fees if his lawyer knows what works and which motions are winners, losers, and fruitless.

- A sense of how to handle weaknesses or strengths in different cases can be invaluable in deploying a strategy.
- By creating and discussing realistic expectations about the lawsuit before the matter enters the litigation process, an employee's fears can be calmed.
- An experienced attorney will often not shy away from explaining the challenges and stresses of litigation out of fear of not being retained.
- An experienced lawyer will often freely and openly discuss an employee's expectations about litigation and will not guarantee a win.
- By offering a clear set of expectations at the beginning of the lawsuit and a clear understanding of potential delays an employee's stress and frustration can be minimized.

Will this experience result in a less stressful litigation experience? Can we measure this?

If it is true that attorney experience is important because it helps to determine how settled, confident, and realistic an attorney can be in helping clients navigate the legal system then we should be able to determine if there is a lesser amount of stress for employees and thus, a saving in stress costs for employers.

There is a significant difference in how an attorney who has handled many similar cases over a ten-year or more period can advise a new client compared to an attorney never having handled this type of case prior to this new client. The lack of experience can

be quite problematic for employees who expect their attorney to know how to handle, negotiate, settle, and prosecute cases quickly and affordably. Clients want and need the experience to help them remain calm in an arena that has very little predictability in outcomes. Feeling like one's attorney is not experienced and may not have a handle on litigation pressures can cause a substantial increase in stress in clients.

While there is no scientific study, we can look at a few assumptions and perhaps make an educated estimate of these savings.

Earlier, we discussed some of the results that experienced attorneys could provide:

- Attorneys with experience typically know how and what to communicate better by offering a clear set of expectations at the beginning of the lawsuit
- Attorneys should be compatible with clients in personalities and demeanor and in their ability to communicate/meet the client needs
- Experienced attorneys can provide realistic expectations for clients, which help them to manage stress by knowing what will happen and what the risks are
- Attorneys with substantial experience typically minimize the "surprises" for their clients in terms of wasted time and money and attorneys with more experience tend to keep their clients out of "experimental arguments and legal reasoning that can create delays in cases and cost estimate overruns
- Attorneys with experience often have rigorous practice structures and guidelines to prevent wasted hours or needless court appearances; and
- The knowledge of the rulings of judges and outcomes of lawsuit disputes are clearer to the experienced attorney and the attorney will know how to proceed and whether to settle.

Having more accurate information from an experienced attorney who has been through

the legal problem many times in the past can often save the employee-client one or more

full days they would otherwise take off work to be at an unimportant court hearing or date. Realizing this is not an exact measurement, nonetheless, even one day of work not

missed can create substantial missed workday savings to both employees and employers.

Question Can we calculate how much can be saved in missed work time attributable to an experienced attorney that can (i) reduce the number of court appearance attendances required for the employee, and (ii) calm the employee [reduce their stress levels] throughout the legal process?

Answer We can estimate these savings.

We can make the argument that an experienced attorney can help reduce the amount of stress that an employee who is going through a litigation matter suffers. See Study, Part II, page 39. If stress can be reduced, that is if an employee is more comfortable going through the litigation, it makes sense that the overall stress will be lower. This means that there will be less treatment for stress in the form of physician/psychologist visits and prescription drug costs. We have seen that missed work for these office visits, treatments and prescriptions are a part of the stress equation.

That means an experienced attorney could arguably save missed work time costs for an employer. On the theory that if there was less stress from an experienced attorney there would be fewer visits to a physician/psychologist to treat for stress. We looked at the costs to employers of missed work time related to physician/psychologist

visits in Table 4 on the next page for easy viewing. We know from Table 4 that the average amount of missed work time related to physician/psychologist visits is 5.2 days in litigation matters per year.

We also know that while we have already seen that employers lost some \$85,127 in missed work time [absenteeism] due to time lost by employees trying to find attorneys, there is also a missed work time for employees to take off work and treat/visit with their psychologist/physician for their stress symptoms. This absenteeism cost is in addition to the absenteeism to find an attorney. This cost occurs after the litigation is in progress.

Table 4 which we discussed in this Study in Part I, pp. 86, showed this missed work time. Can the Superior Plan create some savings in this missed work time because the stress is lessened by the calming effects of an experienced attorney?

Table 4: Employer Cost due to Missed Work Time: Visits to Doctor and/or Mental Health Counselor

Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor										Caused By:			Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor	
Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor										Visits to Doctor &/or Mental Health Counselor			Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor	
Legal Matter	Work Hours Per Day*1	Hourly Wage [Including Benefits]*2	Number of Employees Affected by Court-Filed Legal Proceedings *3	Number of Employees Affected by Non Court-Filed Legal Proceedings *4	Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *5	# Doctor &/or Mental Health Counseling Visits per Stressed Employee	# Missed Work Hours per Stressed Employee per Visit	# Missed Work Hours per Stressed Employee *6	\$ Employer per Stressed Employee *7	Total # Missed Work Hours per 100 Employees *8	Total \$ Employer per 100 Employees *9			
Divorce	8	\$30.11	4	23	27	5.2	2.3	11.96	\$360	323	\$9,723			
Criminal Matter	8	\$30.11	3	4	7	5.2	2.3	11.96	\$360	84	\$2,521			
Probate an Elder Parents Estate	8	\$30.11	2	18	20	5.2	2.3	11.96	\$360	239	\$7,202			
Civil Litigation (Neighbor) Dispute	8	\$30.11	2	9	11	5.2	2.3	11.96	\$360	132	\$3,961			
Consumer Warranty Problem - Small Claims	8	\$30.11	5	12	17	5.2	2.3	11.96	\$360	203	\$6,122			
Traffic Ticket/License Suspension	8	\$30.11	2	6	8	5.2	2.3	11.96	\$360	96	\$2,881			
DW/DUI	8	\$30.11	1	2	3	5.2	2.3	11.96	\$360	36	\$1,080			
Total Number of Legal Matters per 100 Employees						36.4	16.1	83.72	\$2,521	1,112	\$33,491			

Assumptions & Definitions

- *1. 8 hours is the average number of hours worked per day
- *2. \$30.11 is an average hourly wage and includes benefits
- *3. The number of employees " Affected by ' Court-Filed' Legal Proceedings" is calculated per 100 employees
- *4. The number of employees " Affected by ' Non-Court-Filed" Legal Proceedings" is calculated per 100 employees
- *5. This figure is calculated by adding " Number of employees Affected by ' Court-Filed' Legal Proceedings *3" to " Number of Employees Affected by ' Non-Court-Filed' Legal Proceedings *4"
- *6. This figure is calculated by multiplying " # Mental Health Counseling Visits per Stressed Employee" by "# Missed Work Hours per Stressed Employee per Visit"
- *7. This figure is calculated by multiplying " # Missed Work Hours per Stressed Employee *6" by "Hourly Wage [Including Benefits] *2"
- *8. This figure is calculated by multiplying "# Missed Work Hours per Stressed Employee *6" by "Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *5"
- *9. This figure is calculated by multiplying "# Total # Missed Work Hours per 100 Employees *8" by "Hourly Wage [Including Benefits] *2"



INNOVATION CHECK

- ✓ A Superior Legal Plan with more experienced attorneys can reduce stress and anxiety of clients. This will result in less doctor and/or mental health counselor visits and thus, less prescription drugs purchased.

Thus, we can argue that these same factors in having a Superior Legal Plan with an experienced attorney that results in less stress and thereby fewer physician/psychologist visits, which will result in less missed work time. While this may be less exact we can make the argument that an experienced attorney will lessen stress enough to avoid missing 1

workday. To calculate this amount, we can again use the missed work time from Table 4 on the previous page and Table 4a on the next page.

We see the estimate of one workday reduces the missed work time in Table 4a compared to Table 4.

Table 4a: Employer Cost due to Missed Time: Visits to Doctor and/or Mental Health Counselor

Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor										Caused By:					
Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor										Visits to Doctor &/or Mental Health Counselor					
Legal Matter	Work Hours Per Day*1	Hourly Wage [Including Benefits] *2	Number of Employees Affected by Court-Filed Legal Proceedings *3	Number of Employees Affected by Non Court-Filed Legal Proceedings *4	Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *5	# Doctor &/or Mental Health Counseling Visits per Stressed Employee	# Missed Work Hours per Stressed Employee per Visit	# Missed Work Hours per Stressed Employee *6	\$ Employer per Stressed Employee *7	Total # Missed Work Hours per 100 Employees *8	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor				
Divorce	8	\$30.11	4	23	27	4.2	2.3	9.66	\$291	261	\$7,853				
Criminal Matter	8	\$30.11	3	4	7	4.2	2.3	9.66	\$291	68	\$2,036				
Probate an Elder Parent's Estate	8	\$30.11	2	18	20	4.2	2.3	9.66	\$291	193	\$5,817				
Civil Litigation (Neighbor) Dispute	8	\$30.11	2	9	11	4.2	2.3	9.66	\$291	106	\$3,199				
Consumer Warranty Problem - Small Claims	8	\$30.11	5	12	17	4.2	2.3	9.66	\$291	164	\$4,945				
Traffic Ticket/License Suspension	8	\$30.11	2	6	8	4.2	2.3	9.66	\$291	77	\$2,327				
DWI/DUI	8	\$30.11	1	2	3	4.2	2.3	9.66	\$291	29	\$873				
Total Number of Legal Matters per 100 Employees										93					
										29.4	16.1	67.62	\$2,036	898	\$27,050

Assumptions & Definitions

- *1. 8 hours is the average number of hours worked per day
- *2. \$30.11 is an average hourly wage and includes benefits
- *3. The number of employees " Affected by ' Court-Filed' Legal Proceedings" is calculated per 100 employees
- *4. The number of employees " Affected by ' Non-Court-Filed' Legal Proceedings" is calculated per 100 employees
- *5. This figure is calculated by adding " Number of employees Affected by ' Court-Filed' Legal Proceedings *3" to " Number of Employees Affected by ' Non-Court-Filed' Legal Proceedings *4"
- *6. This figure is calculated by subtracting 1 day from the original 5.2 from Table 4
- *7. This figure is calculated by multiplying " # Mental Health Counseling Visits per Stressed Employee" by "# Missed Work Hours per Stressed Employee per Visit"
- *8. This figure is calculated by multiplying " # Missed Work Hours per Stressed Employee *6" by "Hourly Wage [Including Benefits] *2"
- *9. This figure is calculated by multiplying "# Missed Work Hours per Stressed Employee *6" by "Total Number of Employees Affected by "Court-Filed" + "Non-Court Filed" Legal Proceedings *5"
- *10. This figure is calculated by multiplying "# Total # Missed Work Hours per 100 Employees *8" by "Hourly Wage [Including Benefits] *2"

6. Total Savings with a Superior Legal Plan

Previously, Table 9 compiled all stress costs to the employer. The total cost of legal problems for employees from all columns is \$245,039 (see Study, Part I, pp. 123). Table 9 is provided again below for your convenience.

Table 9: Total Cost to Employer due to Employee Missed Time & Cost Prescription Drugs & Visits to Doctor and/or Mental Health Counselor for Stress-Related to Legal & Financial Issues

Total Cost to Employer due to Employee Missed Time & Cost Prescription Drugs & Visits to Doctor &/or Mental Health Counselor for Stress Related to Legal Matters	ALL 7 Common Legal Matters
Employer Cost due to Missed Time: "Court-Filed" Divorce Legal Proceedings	\$22,974
Employer Cost due to Missed Time: "Non-Court-Filed" Legal Proceedings	\$47,514
Employer Cost due to Missed Time: Initial Attorney Search	\$85,127
Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor	\$33,491
Summary Employer Cost due to Employee Missed Time: All Factors	\$189,105
Cost of Employee Visits to Doctor &/or Mental Health Counselor	\$18,135
Cost of Employees Using Prescription Drugs for Stress Related Issues	\$37,799
Summary Cost Prescription Drugs & Visits to Doctor &/or Mental Health Counselor	\$55,934
Grand Total-All 7 Common Legal Matters	\$245,039

Using those same Tables and adding the new Superior Legal Plan savings compilation, we can construct a new Table 9a. There we can compare our categories of costs with and without a Superior Legal Plan. And we can see that the Superior Legal Plan provides a remarkable savings in our categories of \$119,534.

Table 9a. Savings in all Categories with Superior Legal Plan

Total Cost to Employer due to Employee Missed Time & Cost Prescription Drugs & Visits to Doctor &/or Mental Health Counselor for Stress Related to Legal Matters	ALL 7 Common Legal Matters
Employer Cost due to Missed Time: "Court-Filed" Divorce Legal Proceedings	\$22,974
Employer Cost due to Missed Time: "Non-Court-Filed" Legal Proceedings	\$47,514
Employer Cost due to Missed Time: Initial Attorney Search	\$0
Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor	\$27,050
Summary Employer Cost due to Employee Missed Time: All Factors	\$97,538
Cost of Employee Visits to Doctor &/or Mental Health Counselor	\$9,068
Cost of Employees Using Prescription Drugs for Stress-Related Issues	\$18,899
Summary Cost Prescription Drugs & Visits to Doctor &/or Mental Health Counselor	\$27,967
Grand Total-All 7 Common Legal Matters	\$125,505

Assumptions & Definitions

- *1. Cannot reduce court-mandated time
- *2. Cannot reduce court-mandated time
- *3. All missed days spent searching for attorney are now reduced to no missed days in Superior Legal Plan
- *4. Missed work time reduced by one full day with experienced attorney in Superior Legal Plan
- *5. Sum of *1, *2, *3, *4
- *6. Employee visits cut in half by Superior Legal Plan
- *7. Employee Prescription Drug costs to treat stress reduced by half with Superior Legal Plan
- *8. Sum of *6 and *7
- *9. Sum of *5 and *8

Table 10 on the next page shows this comparison and shows the savings for an employer that takes the time and determines that a Superior Legal Plan will help, both their employees and their bottom line – for an annual savings per 100 employees of \$119,534.

Table 10: Total Savings with Superior Legal Plan per 100 Employees Per Year

Total Costs with a Superior Legal Plan per 100 Employees per Year *15	With Any Legal Plan							With Superior Legal Plan - Employer Cost due to Missed Time: Initial Attorney Search is no longer a factor!								
	Total Employer Cost due to Missed Time: "Court-Filed" Legal Proceedings *1	Total \$ Missed Work Hours per 100 Employees	Total \$ Missed Work Hours per 100 Employees	Total Employer Cost due to Missed Time: "Non Court-Filed" Legal Proceedings *2	Total Employer Cost due to Missed Time: Initial Attorney Search *3	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor *4	Total Employer Cost due to Missed Time: Visits to Doctor/Mental Health Counselor *5	Cost of Employees Using Prescription Drugs for Stress Related Issues *6	Total Employer Cost *7	Total Employer Cost due to Missed Time: "Court-Filed" Legal Proceedings *8	Total \$ Missed Work Hours per 100 Employees	Total Employer Cost due to Missed Time: "Non Court-Filed" Legal Proceedings *9	Total Employer Cost due to Missed Time: Initial Attorney Search *10	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor *11	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor *12	Cost of Employees Using Prescription Drugs for Stress Related Issues *13
\$119,534	\$6,263	\$12,466	\$24,714	\$9,723	\$5,265	\$10,974	\$69,405	\$6,263	\$12,466	\$0	\$7,853	\$2,633	\$5,487	\$34,701	\$18,899	\$125,505
Legal Matter	\$2,529	\$1,445	\$6,407	\$2,521	\$1,365	\$2,845	\$17,113	\$2,529	\$1,445	\$0	\$2,036	\$683	\$1,423	\$8,116	\$1,423	\$8,116
Divorce	\$5,600	\$20,595	\$18,307	\$7,202	\$3,900	\$8,129	\$63,734	\$5,600	\$20,595	\$0	\$5,817	\$1,950	\$4,064	\$38,027	\$4,064	\$38,027
Criminal Matter	\$3,493	\$6,504	\$10,069	\$3,961	\$2,145	\$4,471	\$30,642	\$3,493	\$6,504	\$0	\$3,199	\$1,073	\$2,235	\$16,504	\$2,235	\$16,504
Probate an Elder Parent's Estate	\$3,011	\$4,336	\$15,561	\$6,122	\$3,315	\$6,909	\$39,254	\$3,011	\$4,336	\$0	\$4,945	\$1,658	\$3,455	\$17,404	\$3,455	\$17,404
Civil Litigation (Neighbor) Dispute	\$1,325	\$1,626	\$7,323	\$2,881	\$1,560	\$3,252	\$17,966	\$1,325	\$1,626	\$0	\$2,327	\$780	\$1,626	\$7,883	\$1,626	\$7,883
Consumer Warranty Problem - Small Claims	\$753	\$542	\$2,746	\$1,080	\$565	\$1,219	\$6,925	\$753	\$542	\$0	\$673	\$293	\$610	\$3,069	\$610	\$3,069
Ticket/License Suspension	\$22,974	\$47,514	\$85,127	\$33,491	\$18,135	\$37,799	\$245,039	\$22,974	\$47,514	\$0	\$27,050	\$9,068	\$18,899	\$125,505	\$18,899	\$125,505
DWI/DUI																

Assumptions & Definitions

- *1 From Table 1
- *2 From Table 2
- *3 From Table 3b
- *4 From Table 4a
- *5 From Table 6a
- *6 From Table 7a
- *7 Sum of *8 - *13
- *8 From Table 1
- *9 From Table 2
- *10 From Table 3b
- *11 From Table 4a
- *12 From Table 6a
- *13 From Table 7a
- *14 Sum of *8 - *13
- *14 The difference of *7 and *14

Assumptions & Definitions

- *1 From Table 1
- *2 From Table 2
- *3 From Table 3
- *4 From Table 4
- *5 From Table 6
- *6 From Table 7
- *7 Sum of *1 - *6

III. Summary – Stress Costs Related to Employee Legal Problems are Reduced Depending Upon the Legal Plan that is in Place

As we begin to review and summarize the data, we see that employees faced with the challenges of personal legal matters and the financial burden of paying for all or part of an attorney’s fees upfront and out-of-pocket can unknowingly be costing their employer thousands of dollars a year in missed time, reduced productivity, higher usage of medical and mental health benefits all due in large part to the stress these real-life problems heap on the employee with no Legal Plan or a something-less-than

Superior Legal Plan. As we saw earlier in the Study, Table 9-shows the total hidden costs related to employee legal problems today that an employer could face per 100 employees per year to be \$245,039. See Study Part I, page 123.

Since we are learning that not all Legal Plans are created equally, we will look at the impact of having any Legal Plan compared to having a Superior Legal Plan on the cost factors in Table 9.

Analyzing Bottom-Line Impact of Legal Plan Solutions

Action Item: HR must understand how to analyze the return on investment from various legal plan solutions.

About this Study

This study has detailed the type of Superior Legal Plan that will offer the best return on investment when added as a voluntary employee benefits program or to an existing wellness program.

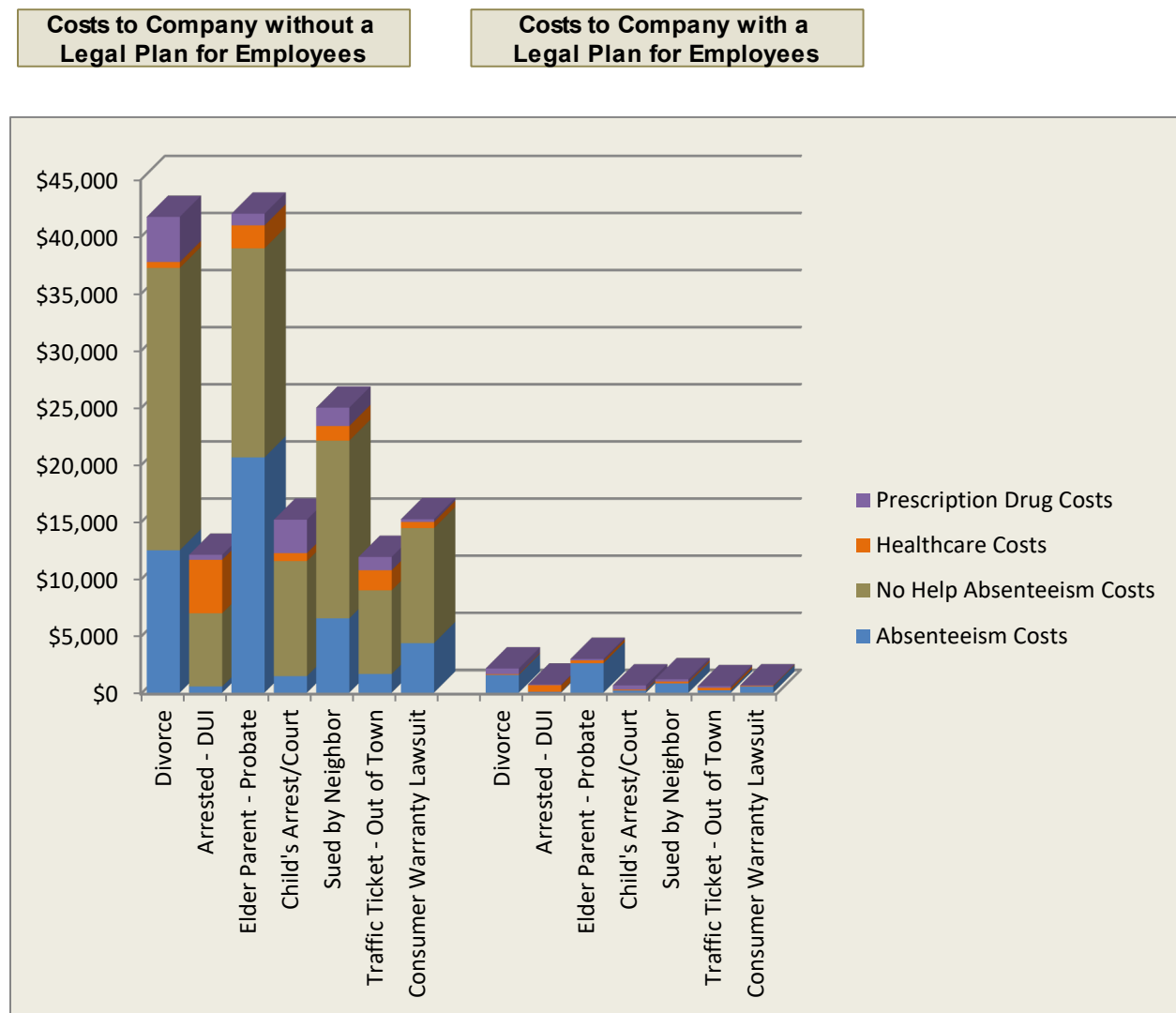
Total Savings of a Superior Legal Plan for Employers

Table 9a shows the total costs of all the savings calculated above where the Superior Legal Plan can save employer costs over situations where there is either no legal plan or an inferior legal plan. This total demonstrates estimated savings of over

\$110,000 per 100 employees for our seven (7) legal matters in all categories.

Table 10 on the following page details the comparison between having a legal plan and having a Superior Legal Plan. Another way of showing this information is in Figure 22.

Figure 22



Summarizing our conclusions, we can see from Table 10 again provided on the following page shows the total costs of all the savings calculated above where the Superior Legal Plan can save employer costs over situations where there is either no legal plan or an inferior legal plan. This total

demonstrates estimated savings of \$119,534 per 100 employees for our seven (7) legal matters in all categories can be saved by using the information and formulas in this study to understand and select the right legal plan for employees.

Table 10: Total Savings with Superior Legal Plan per 100 Employees Per Year

Total Costs with a Superior Legal Plan per 100 Employees per Year *15	With Any Legal Plan							With Superior Legal Plan - Employer Cost due to Missed Time: Initial Attorney Search is no longer a factor!						
	Total Employer Cost due to Missed Time: "Court-Filed" Legal Proceedings *1	Total Employer Cost due to Missed Time: "Non Court-Filed" Legal Proceedings *2	Total Employer Cost due to Missed Time: Initial Attorney Search *3	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor *4	Cost of Employee Visits to Doctor/Mental Health Counselor *5	Cost of Employees Using Prescription Drugs for Stress Related Issues *6	Total Employer Cost *7	Total Employer Cost due to Missed Time: "Court-Filed" Legal Proceedings *8	Total Employer Cost due to Missed Time: "Non Court-Filed" Legal Proceedings *9	Total Employer Cost due to Missed Time: Initial Attorney Search *10	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor *11	Total Employer Cost due to Missed Time: Visits to Doctor &/or Mental Health Counselor *12	Cost of Employees Using Prescription Drugs for Stress Related Issues *13	Total Employer Cost *14
\$119,534	\$6,263	\$12,466	\$24,714	\$9,723	\$5,265	\$10,974	\$69,405	\$6,263	\$12,466	\$0	\$7,853	\$2,633	\$5,487	\$34,701
Legal Matter	\$2,529	\$1,445	\$6,407	\$2,521	\$1,365	\$2,845	\$17,113	\$2,529	\$1,445	\$0	\$2,036	\$683	\$1,423	\$8,116
Divorce	\$5,600	\$20,595	\$18,307	\$7,202	\$3,900	\$8,129	\$63,734	\$5,600	\$20,595	\$0	\$5,817	\$1,950	\$4,064	\$38,027
Criminal Matter	\$3,493	\$6,504	\$10,069	\$3,961	\$2,145	\$4,471	\$30,642	\$3,493	\$6,504	\$0	\$3,199	\$1,073	\$2,235	\$16,504
Probate an Elder Parent's Estate	\$3,011	\$4,336	\$15,561	\$6,122	\$3,315	\$6,909	\$39,254	\$3,011	\$4,336	\$0	\$4,945	\$1,658	\$3,455	\$17,404
Civil Litigation (Neighbor) Dispute	\$1,325	\$1,626	\$7,323	\$2,881	\$1,560	\$3,252	\$17,966	\$1,325	\$1,626	\$0	\$2,327	\$780	\$1,626	\$7,683
Consumer Warranty Problem - Small Claims Traffic	\$753	\$542	\$2,746	\$1,080	\$585	\$1,219	\$6,925	\$753	\$542	\$0	\$873	\$293	\$610	\$3,069
Ticket/License Suspension	\$22,974	\$47,514	\$85,127	\$33,491	\$18,135	\$37,799	\$245,039	\$22,974	\$47,514	\$0	\$27,050	\$9,068	\$18,899	\$125,505
DW/DUI														

Assumptions & Definitions

- *1 From Table 1
- *2 From Table 2
- *3 From Table 3
- *4 From Table 4
- *5 From Table 6
- *6 From Table 7
- *7 Sum of *1 - *6

Assumptions & Definitions

- *8 From Table 1
- *9 From Table 2
- *10 From Table 3b
- *11 From Table 4a
- *12 From Table 6a
- *13 From Table 7a
- *14 Sum of *8 - *13
- *14 The difference of *7 and *14

Study Conclusion

The right Superior Legal Plan can alleviate stress, emotional distress, and healthcare to treat stress.

Clearly, financial, and legal problems can cause substantial emotional distress, upset, anxiety, and worry. We have seen that much of this stress results in medical treatment and higher prescription drug costs. Further,

hidden stressors in the workplace can be flushed out, reduced significantly and even banished when the right Superior Legal Plan is in place.

INNOVATION CHECKS

- ✓ Nearly 20% of employees' healthcare costs can be traced to the hidden stressors that cluster around personal legal and financial problems.
- ✓ The stress effects of legal and financial problems brought into the workplace increase healthcare costs.
- ✓ Lawsuits, bankruptcies, foreclosures, divorces, child custody battles, elder parent nursing home issues, and hundreds of other unexpected legal problems are the source of substantial stress brought into the workplace.

Healthcare costs are related to treatment of stress, as many studies demonstrate. Any HR manager also knows that programs, particularly those without any cost to the

employer, should be implemented if they definitively reduce the amount of stress in employees' lives.

INNOVATION CHECKS

- ✓ Legal plans are the next frontier in the battle against high healthcare costs.
- ✓ Legal plans are also the next frontier in helping employees remain productive in the workplace.
- ✓ Superior Legal Plans can reduce employee stress and related healthcare costs and increase employee productivity.
- ✓ Not all legal plans are created equal, and some cause additional problems.

For HR managers truly wanting to help employees manage unexpected costs and stress, and thereby lower health insurance

costs, this study is invaluable. A Superior Legal Plan has:

- the right service culture,
- the right metrics measuring systems,
- the highest real satisfaction ratings,
- the right plan attorney experience requirements, and
- a unique network attorney model.

Study Conclusion

While Legal Plans can help reduce some employee stress, a legal plan without effective benefits and key operational processes can exacerbate employee stress, increase healthcare costs, spur more treatment usage, and increase emotional distress.

It is usually in the areas of attorney experience and access that this wide disparity in legal plan operations manifests. A legal plan that offers little help and few qualifications for its network attorneys places an employee in virtually the same place as an employee with no legal plan. And a legal plan that offers no paid-for coverages leaves the employee desperate for financial

resources, likely tapping into retirement or savings to fund the unexpected lawsuit.

A properly structured legal plan can reduce stress and the related healthcare and prescription drug costs by offering better preparation, detailed information, and easy access to experienced professionals.

Study Conclusion

Employees who are members in a Superior Legal Plan are much more satisfied and productive, even when facing an unexpected, debilitating legal problem.

INNOVATION CHECK

- ✓ A Superior Legal Plan can keep employees from tapping into their savings and retirement accounts to pay for legal expenses.

A 2011 Transamerica report noted that 50% of unemployed or underemployed workers have tapped their savings, 32% have used credit cards to stay afloat and almost one-fourth have withdrawn money from their

retirement accounts to pay bills, undoubtedly, a percentage of which was used to pay attorney fees. A Superior Legal Plan can help employees avoid this desperate tactic.

Action Item: Using the information and formulas in this Study, HR can identify the right legal resources found in a Superior Legal Plan to alleviate or minimize employee stress and worry.

The right attorney will bring substantial expertise and experience to best serve the employee. Confidence replaces employee emotional distress, worry and stress. Ideally,

the plan will encompass both a built-in attorney-employee compatibility assessment capability and utilize technology to make a proper attorney-employee match.

Study Conclusion

The right legal plan will provide a strong return on investment for the employer.

Action Items: HR must realize how much of the stress related costs to the employer might be caused by employee financial and legal problems. HR must also realize that a legal plan can drastically reduce the stress and anxiety related to employee legal and financial issues.

Under the right legal plan, not only is work productivity increased, but the ability to concentrate on work duties also rises. Legal plans that offer preventative resources can help solve legal problems earlier and make many lawsuits unnecessary. By offering relief from many legal problems, and by

offering legal advisors experienced in solving litigation-related problems, the emotional aspects of the court process can be prevented. And depending on the size of the company, hundreds of thousands of dollars can be saved every year.

INNOVATION CHECKS

- ✓ The right legal plan levels the playing field for an employee by providing an advocate that takes time to explain nuances of the legal system, research questions and find answers.
- ✓ This extra help allays the fears an employee has when faced with a legal emergency.
- ✓ This means a savings of \$119,534 per 100 employees to companies
- ✓ A company's return on investment is even greater if the employee pays for legal plan costs and costs the employer nothing.

We have seen how properly structured legal plans can reduce stress and the related healthcare and prescription drug costs by offering much better preparation and information and easy access to experienced professionals. We have also seen how a legal plan without effective benefits and operational processes can exacerbate employee stress, increase healthcare costs, spark treatment usage and cause higher degrees of emotional distress.

A poorly constructed legal plan that offers

minimally developed processes and systems can cause more delays in accessing an attorney than if the employee had no access to a legal plan. Unfortunately, an employee involved in an inadequately structured legal plans will still have all the stress, missed work and emotional distress from being mired in the legal system, as discussed previously. And worse, an employee with a minimal legal plan initially may mistakenly believe he has adequate support and be reluctant to complain until problems have mounted to a serious and irreparable level.

Footnotes

- 116/ Benefit Communications Study, Unvers, 2010.
- 117/ Worksite Marketing, "Legal Plans: A Critical Component of the Employee Benefit Package," Chapter 12, pp. 119- 127, Robert L. Heston, Jr. 2009.
- 118/ "Public Perceptions of Lawyers Consumer Research Findings," American Bar Association Study, 2002.
- 119/ "Choosing an Attorney to Represent Me: What Do I Look For?,"
http://law.freeadvice.com/general_practice/general_practice/what-to-look-for-in-lawyer.htm
- 120/ Legal Access Plans, L.L.C., 1993-2012 Internal Study of Client Usage Patterns.
- 121/ 9th Annual Study of Employee Benefits, (2011) MetLife.
- 122/ "Public Perceptions of Lawyers Consumer Research Findings," American Bar Association Study, 2002.
- 123/ Lawyers, Clients, and Communication Skill, Allen E. Smith* and Patrick Nester** BYU Law Review, p. 275.
- 124/ "Choosing an Attorney to Represent Me: What Do I Look For?,"
http://law.freeadvice.com/general_practice/general_practice/what-to-look-for-in-lawyer.htm
- 125/ Legal Access Plans, L.L.C., Sample Plan Attorney Questionnaire, 2013.
- 126/ <http://research.lawyers.com/Understanding-How-Law-Offices-Do-Business.html>
- 127/ <http://research.lawyers.com/Understanding-How-Law-Offices-Do-Business.html> <http://www.dummies.com/how-to/content/choosing-a-divorce-attorney.html>
- 128/ "Transamerica Study Illuminates Severe Impact of Unemployment on Displaced Workers' Retirement Outlook," 2011, Transamerica Center for Retirement Studies®.
- 129/ Id.
- 130/ <http://research.lawyers.com/Understanding-How-Law-Offices-Do-Business.html> <http://www.dummies.com/how-to/content/choosing-a-divorce-attorney.html>
- 131/ Legal Access Plans, L.L.C., 2012 Internal Study.
- 132/ "Public Perceptions of Lawyers Consumer Research Findings," American Bar Association Study, 2002. In addition, where both the directory system and case management matching system have been deployed in the legal plan field, this figure rises to 91%. Legal Access Plans, L.L.C., 2012 Internal Study.
- 133/ Id.
- 134/ [fn these turnaround times for the plan that has this system- RFP NOTES]
- 135/ See, Footnote 122/ "Public Perceptions of Lawyers Consumer Research Findings," American Bar Association Study, 2002.
- 136/ [add eharmony.com description and explanation footnote – more explanation and citation].

