

The “Work of Finding an Attorney”

By Robert L. Heston, Jr.



The Work of Finding an Attorney

Overview of Lawyers and the American Legal System:

We all know how complicated the American legal system is.

It is almost common knowledge that the American legal system is complicated, unwieldy and very difficult to understand and navigate. Most Americans are ill-equipped to face the challenges of the American judicial system.¹ Survey participants expressed frustration with the delays, costs, procedures and complexity of the courts and legal system. Most Americans equate being involved in a lawsuit to having a root canal for each day the lawsuit drags on, sometimes for several years. The lack of understanding of how the system works and the lack of available information to explain many court idiosyncrasies are two of the largest contributing factors that make employees ill-prepared to navigate the legal system.

Employees intuitively know there are complications anytime one engages with the court system or lawyers. Though they may not fully understand the complexities of the legal system, most employees know they will have the pressures, costs, uneasiness, unpredictability and uncertainty faced by those who must deal with this unwieldy system.


In addition, many employees may not fully appreciate how long it takes to get a case to trial or resolution. One of the most widespread obstacles to a fast and satisfactory resolution of a lawsuit is accepting that court rules and procedures may actually impede a quick resolution. In a nutshell, the lengthy procedural steps in America's legal system are real. The Institute for Legal Reform conducted a detailed study about lawsuit delays.² One of the most common complaints about the court system, particularly when compared to mediation, is the timespan and its impact on legal fees.

Will an Employee Voluntary Legal Insurance Plan at Work Help Employees Navigate the Complicated American Legal System?

It is a fair exercise to see if we can find solutions to the complicated American legal system. One possible solution that is becoming increasingly important in the employee voluntary benefits world is the legal insurance plan.

Today, thousands of companies have a legal plan as part of their elective or voluntary benefits platform. Regardless of company size, many have seen this legal plan client base grow over the past 15+ years. Given that there are only four fully insured legal plan competitors in the U.S. voluntary benefits market today – LegalEASE, MetLife, Legal Shield and ARAG – it is not that difficult to study how well each legal plan helps employees navigate the American legal system.

In the past five years, many aggressive insurance consultants have begun to realize the benefits a fully insured legal plan can provide to a portion of a company's employee base. They see that more and more Americans are dragged into the American legal system each year, and more and more employees are



stressed out from financial problems caused by legal problems and from extraordinary attorney's fees. A college student's mistake one night can result in a DUI/DWI that costs more than \$10,000. Contested divorce, contested child custody and support issues together are now the most widely utilized legal benefit in many companies, and these fees can be \$50,000 or more. Stunningly, many of these older legal insurance plans do not offer employees any coverage on this most widely used area of divorce. For a decade or more, many employees have been paying for a legal plan only to find the plan does not cover their most serious problem when they are served with divorce papers.

LegalEASE has created one of the most popular and widely used legal plans in the areas of benefits, pricing, network and access to services. It's branded legal plan is the LegalEASE LegalGUARD Plan and it has a number of high-profile Fortune 100 and Fortune 500 clients and over 4,800 total corporate clients.

The legal plan focus is now at the Forefront. Consultants who market the LegalEASE legal plan often have a new focus when the product is now brought to client companies. Consultants have seen that newer legal plans have more client focus and are more service-centric in their operations when employees need attorneys. Greater access for employees who need real attorney help is now the key ingredient that changes the performance of fully insured legal plans. Many consultants and HR managers are beginning to realize how much time has been missed at work to handle employee legal problems, how high the legal bills can be in today's world and how helpful the right legal plan with the right ingredients can be for employees.

Because of all of this, it is important to ask a few questions that will determine how effective a legal plan really is. How well do legal plans help employees find lawyers? How well do they help employees find the right lawyers? Does the legal plan leave plan members on their own to find attorneys? Do legal plans do any better than not having a legal plan in helping employees navigate the complicated American legal system?

Part of the Stress Employees Face with the American Legal System is First Finding an Attorney Who Can Help

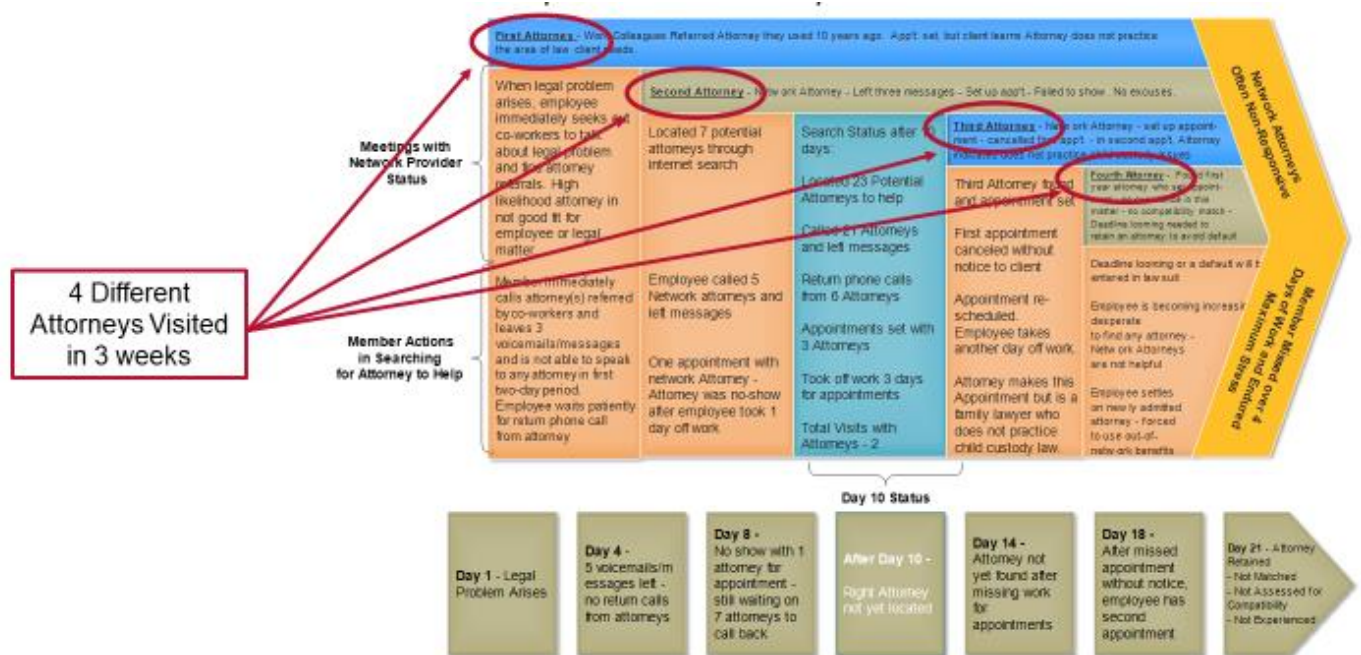
Employees Typically Suffer Massive Delays in Finding an Attorney When an Unexpected Legal Problem Occurs. It is not a well-known fact that only 9% of employees know an attorney they can retain when a legal problem arises.³ That means 91% of the employees who need an attorney do not know what to do and have no one to call.

The problem is deceptive because everyone knows lawyers. Indeed, employees believe they know an attorney who can help them if a legal matter ever arose. Employees have brothers or sisters-in-law, who are attorneys, or have family friends or have a colleague who used an attorney in the past. Until a legal problem actually arises, they feel confident that they could easily call an attorney they know for help. When a legal problem actually arises, usually it is unexpected. Employees find out fast that the attorneys they thought they could call become very unavailable to help. There are a variety of reasons: (1) the fees an attorney might charge are too high and unaffordable for the employee; (2) the lawyer they

thought they knew does not practice in the area needed; (3) the lawyer is not taking new cases; (4) the attorney is involved in a major case and will be unavailable for weeks, and (5) there are a variety of other reasons. When the legal problem arises, and the attorneys the employee thought they knew become unavailable, the employee abruptly feels very alone as they begin a search for an attorney. Court deadlines are notorious for being strict and punitive. In many cases, because employees feel alone, procrastination sets in along with paralysis as the employee tries to ask fellow employees who they would use as an attorney. The race against the filing clock takes shape like this for thousands of employees a day embroiled in a lawsuit.

Without a Legal Plan the Search for an Attorney Looks Like This. Without a legal plan here is what the search for an attorney typically looks like once a person realizes they do not really know an attorney:

Figure 1:



In this model, an employee received the Summons and Complaint/Petition giving them the requisite 25 - 30 days (depending on the jurisdiction) to respond. If there is no response filed in the requisite time the employee defaults. That is, they lose their case and are usually assessed all the damages a plaintiff asks for (usually much more than the court would award if the employee responded).

To avoid defaulting they begin calling attorneys from referrals. Some attorneys set up appointments to discuss the matter. The employee takes off work, only to find out that that attorney is not the right attorney for them, usually for experience, disposition or pricing reasons. They then conduct a yellow

pages or online search combing all resources for attorneys and making call after call to attorneys to see if they can find help. Days turn into weeks and several days are taken off by the employee chasing dead ends. Visits, taking time off work over and over again, with attorneys lead to nothing new except more possible referrals or leads. The time deadlines become looming and default is at risk. Employees become desperate and, in addition to time off for attorney visits and consultations, physician or psychologist appointments are made to help control the rising anxiety, fear and depression from the lawsuit and not finding help.⁴

Typically, before a lawsuit or response is even filed, employees are forced to take work time to research attorneys to help them with their legal problem. This usually starts with recommendations from fellow employees or family members who have recommendations but no real knowledge of the area of practice, the specialty or experience of the attorneys they are recommending and this occurs largely during work time.

Calling each of these attorneys can take days of time before a connection is made. The chart below shows several reasons for these delays in finding an attorney:

Figure 2:



Lawyers in litigation cases (the ones with the stressful deadlines) simply do not have office practices where they will pick up the phone or provide an immediate response to an email when a new client calls or emails. Trying to get in touch with an attorney especially when you are not an existing client can be both difficult and time-consuming.

If an employee perseveres in trying to reach an attorney, after several-day delays, false starts and usually at least 2-3 days off work for the first real appointment, the employee's search can result in an

appointment. The problem there is that attorneys are very particular about the types of cases they might take. To an employee, a divorce or child custody issue might seem routine, especially when the attorney has years of experience. But attorneys may look at the case differently – is the ex-spouse around, does he/she have a regular job, what is their history or are they a believable witness if the case went to court. For these reasons, even after an appointment is made, work is taken off and the client is in the attorney's office, there is no guarantee the lawyer can help.

If the attorney cannot help, employees return home and their search, under even more onerous deadlines, moves into the areas of Yellow Pages, internet or attorney advertisements further removing any personal relationship from the search and exacerbating the stress and urgency levels. Quantified this means an average of 3-5 days of missed work time for each legal matter is usually lost by each employee involved in a legal matter — time spent meeting with attorneys that are not a fit for the case — before the legal matter ever gets filed or responded to.

Can Legal Plans Do a Better Job of Helping Employees Find an Attorney When a Lawsuit or Legal Matter Arises?

Fully insured legal plans (the ones with fully paid benefits) most definitely help in paying legal fees and helping employees handle the high legal costs by offering the fully paid insurance legal coverages. But are legal plans helpful in helping employees access the needed attorney – the right attorney to help them through a protracted, expensive, confusing and stressful lawsuit or legal matter? We assume they are – but are they?

1. Most every legal plan uses an online directory lookup to enable employees to select a plan attorney.

The first question to ask is “How do employees access attorneys in the legal plan?.” Three of the four* legal plans we noted above use an online, easy-to-use directory lookup to locate plan attorneys.

As we noted, traditionally, all legal plans use an online web-based directory lookup to help plan members find an attorney in their networks. In the past five years, directories and listings of attorneys online have also 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 contact information easily. But, does a directory or online attorney listing really help connect someone to the right attorney?

*The fourth legal plan uses an antiquated system – they have one law firm under contract in each state (two in California). All employees must start with that gatekeeper firm in their state, and only where the firm determines that an employee's legal matter is acceptable to be referred to the local firm for services can a local attorney be used. There is no confirmation that this referred local law firm meets the credentialing requirements of the company or is part of a formal plan attorney network. All three of the others have a plan attorney network and use local law firms to provide services without a gatekeeper firm.

At first look, this online directory system seems 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 list of names of attorneys in one's area? 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. But only 8% of the employees searching for an attorney know who they will choose from the names in the directory.



Two of the three legal plans have this one access system – a directory-only access or an online listing for attorney searches.

2. The Crux of the Directory Problem: Selection of an Attorney vs. Connection to an Attorney

The problem with this efficient-sounding online directory system is that the search for an attorney has two steps: (1) the selection of the attorneys from the directory list that pops onto the screen when the zip code and legal matter are plugged into the directory search function; and (2) the connection to the attorney that one has selected from the directory. It is critical not to confuse these two steps as the selection of the attorney usually takes about 30 – 60 seconds.

Selection of an Attorney. One can see the attorneys that are in the area and how far they are from the zip code of the employee. One can confirm the attorney practices law, ostensibly, in the area needed by the employee. Directories have been criticized for providing little or no help beyond the name of the attorney. This creates a situation where the employee is still forced to pick unknown attorneys from a list. Most legal plan directories provide 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.

Connection to an Attorney. The problem is that while the selection of the attorney took about 60- seconds, the employee does not have a *connection* to the attorney. In fact, at that point, the employee has not made any contact with the attorney. The *connection* to an attorney in a legal plan is much less efficient that one would expect while paying for a legal plan.

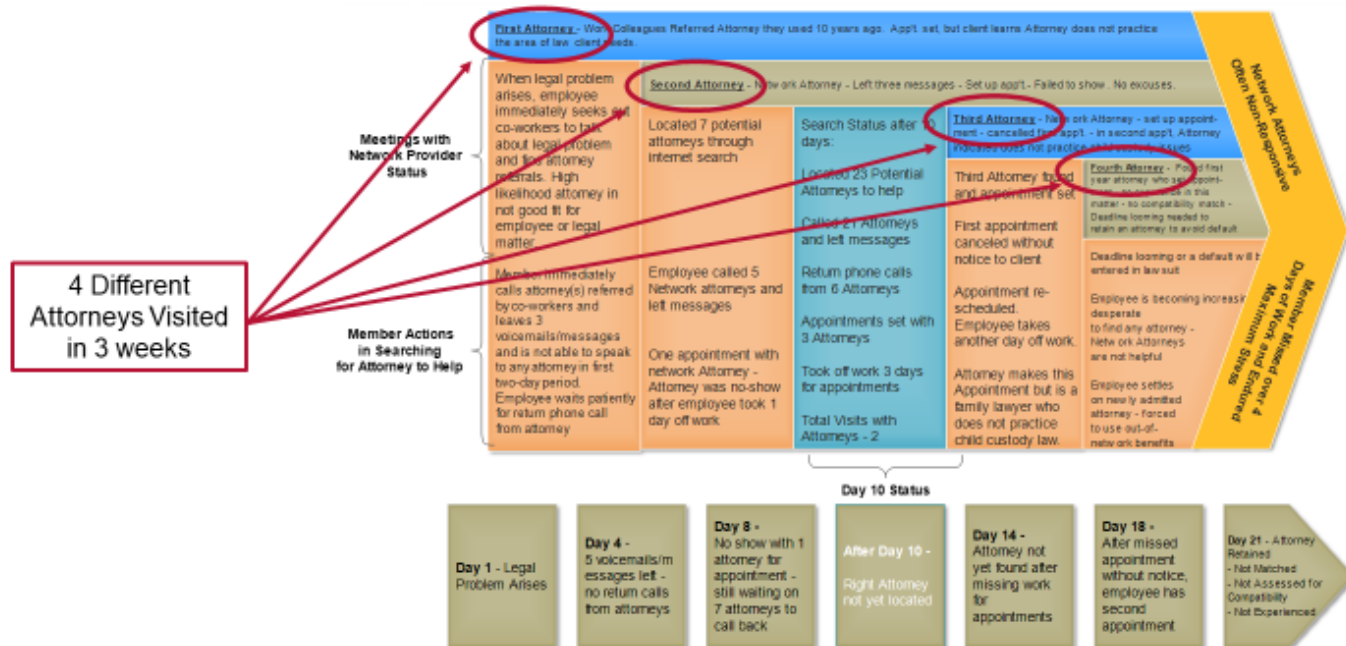
In fact, in most cases, it mirrors the non-legal plan experience we saw above.

Option 1:

With a legal plan, and after the attorney's name has been selected from the legal plan's directory, here is what the search for an attorney typically looks like:


Figure 3:

Absenteeism – What an Attorney Search Really Looks Like



It is a repeat of exactly what we saw above when a person did not have a legal plan. An employee received the Summons and Complaint/Petition giving them the requisite 25 -30 days (depending on the jurisdiction) to respond. If there is no response filed in the requisite time the employee defaults. That is, they lose their case and are usually assessed all the damages a plaintiff asks for (usually much more than the court would award if the employee responded).

To avoid defaulting, they begin calling attorneys from referrals. Some attorneys set up appointments to discuss the matter. The employee takes off work, only to find out that that attorney is not the right attorney for them, usually for experience, disposition or pricing reasons. They then conduct a Yellow Pages or online search combing the resources for attorneys and making call after call to attorneys to see if they can find help. Days turn into weeks, and several days are taken off by the employee chasing dead ends. Visits, taking time off work over and over again, with attorneys lead to nothing new except more possible referrals or leads. The time deadlines loom and default is at risk. Employees become desperate, and, in addition to time off for attorney visits and consultations, physician or psychologist appointments are made to help control the rising anxiety, fear and depression from the lawsuit and not finding help.⁵



Typically, before a lawsuit or response is even filed, employees are forced to take work time to research attorneys to help them with their legal problem. This usually starts with recommendations from fellow employees or family members who have recommendations but no real knowledge of the area of practice, the specialty or experience of the attorneys they are recommending, and this occurs largely during work time.

With or without the legal plan, calling each of these attorneys can take days of time before a connection is made.

Option 2:

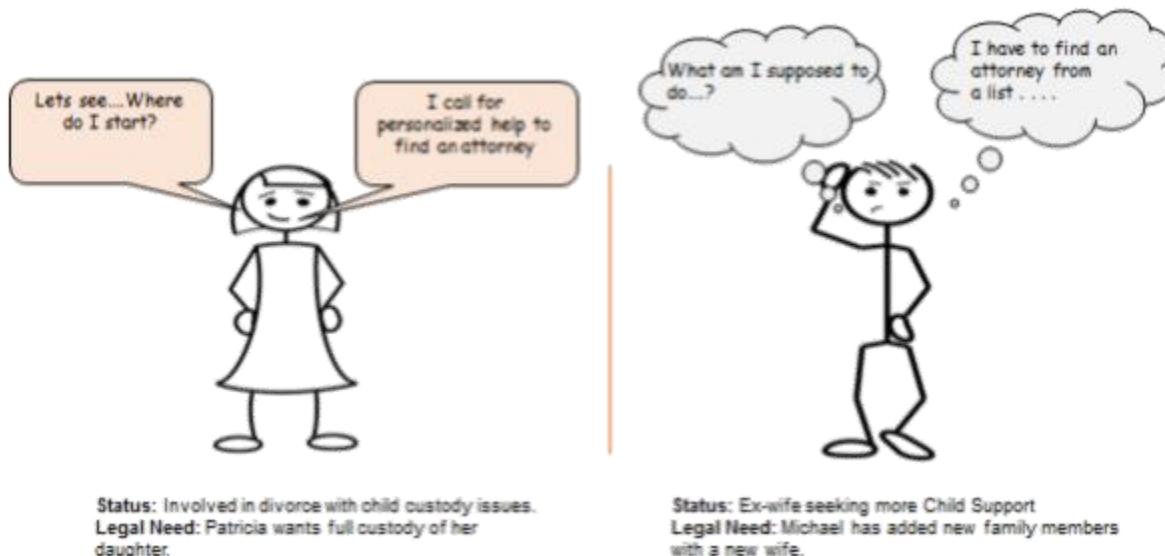
The “Work of Finding an Attorney” is Left to the Employee with a Legal Plan Directory

Even with the legal plan being paid for each month, 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 look up: 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 will have the same lack of in-depth information about the attorneys.

We can imagine an 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 and 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 looms. In effect, the directory with all its choices often provides very little help in matching an employee to a compatible attorney. In fact, a recent study found some 3.8 days of work were missed per legal problem, *trying to find the right attorney before the lawsuit or legal problem starts.*⁶

Figure 4 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 one legal plan with a special kind of matching and compatibility access infrastructure, and Patrick on the right has a legal plan that uses the normal system of locating attorneys in legal plans – the self-service attorney directory web-based lookup.

Figure 4:



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 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.

In fact, 8% of employees do not know an attorney they can select off a directory, while 92% know the doctor they would select and 89% know the dentist they would select from their respective online directories, since most 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 a death or major accident can be dismissed if an employee can't retain an attorney in a timely manner.

"...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."⁷

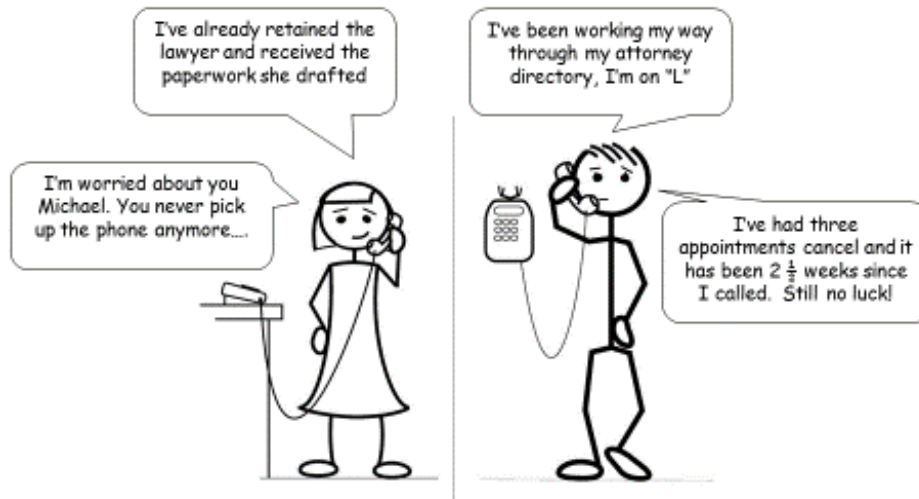
American Bar Association

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 that a legal problem is likely 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.

Figure 5 below shows that Michael on the right is working his way through the list of attorneys with substantial amounts of wasted work time.

Figure 5:



After two full weeks of searching for an attorney

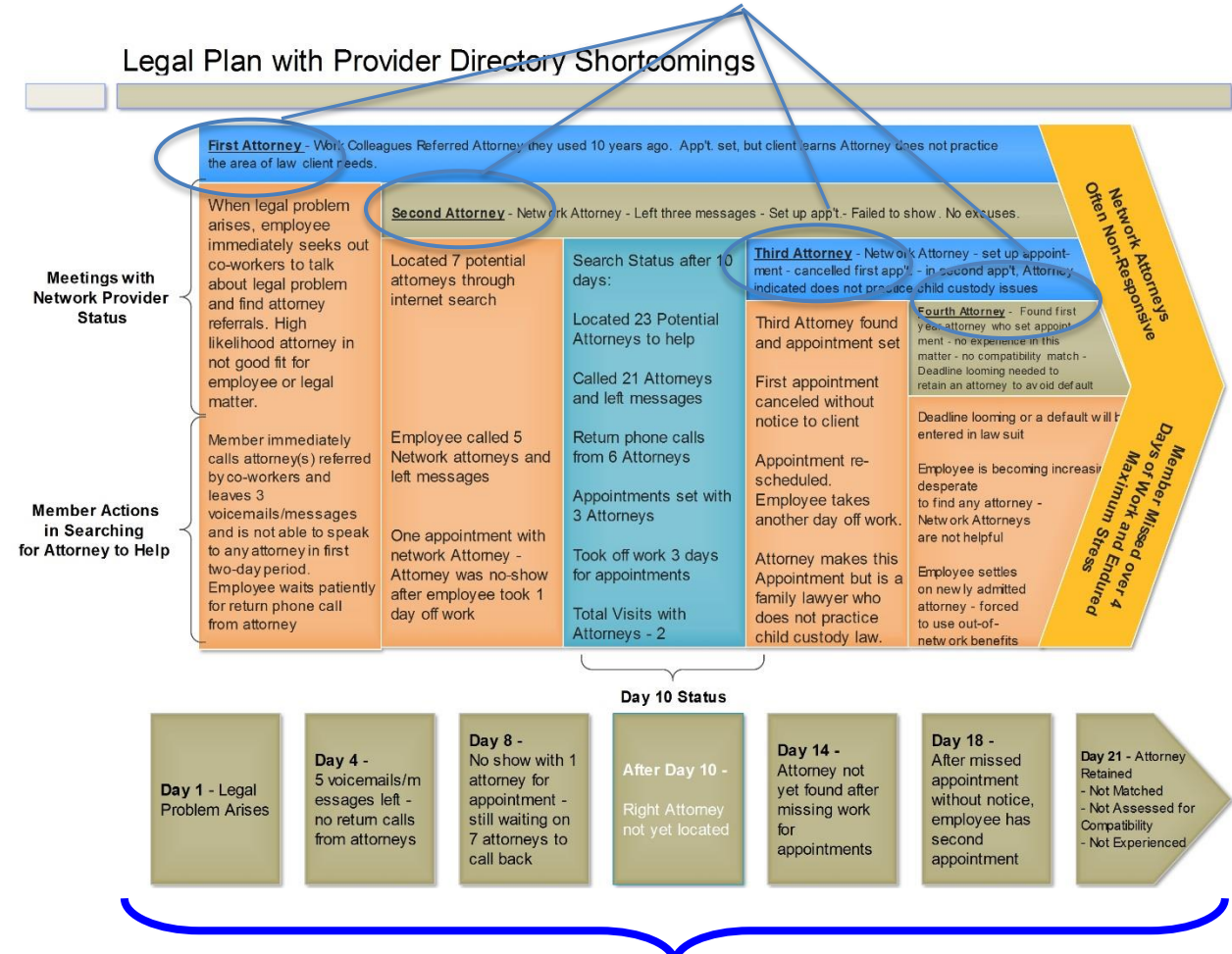
The problem is the lack of a system that provides substantial selection assistance in finding the right attorney. Without information that can be used to provide more help and matching to the right attorney, employees enrolled in many legal plans waste as much work time in absenteeism costs as employees that do not have legal plans. This 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.⁸

3. Most Legal Plans with Online Directories Require Employees to Do All the Work of Finding an Attorney”

Most online directories suffer from these issues. Figure 6 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 6 shows how much time can elapse from the day the directory is first consulted until a provider attorney appointment can be secured. Figure 6 also shows how many voicemails, callbacks and additional providers must be called for appointments before contact might actually be made in many cases. Days and weeks can often pass before a provider appointment can be made.

Figure 6:

4 Different Provider Attorneys Not Available for Client



On its face, a directory seemed to be an efficient and helpful method for finding a lawyer quickly. 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 easily and quickly find his own doctor or dentist and obtain contact information.⁹

We can see from Figure 6 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 looms. 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 similar to lost work time and stress searching for attorney help even when a legal plan is in place.

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. 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, Yellow Pages listing or other directories. In a large number of 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 settles 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

Over 3 weeks in some cases to find an attorney from a directory who can actually help with a legal matter



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.

Shouldn't the Legal Plan Do the Work of Finding an Attorney?

We believe that if an employee is paying for a legal plan each month, that the legal plan should help the employee navigate the legal system, including finding the best lawyer for each employee based on the legal matter they have. We all know the American legal system is complicated. It seems problematic for a legal plan not to offer any more help than a person trying to find the right attorney without a legal plan has available to them.

1. What Must be in Place in a Legal Plan for it to Do the Work of Finding an Attorney?

What must be in place for the legal plan to do the work of finding an attorney for the employee is to have a series of better attorney access methods beyond the online directory built into the legal plan. We have seen the inherent problems with the online directory and its shortcomings when utilized in the legal field because of the way lawyers work.

What is needed are better, more developed and more helpful access systems that will help an employee not only find an attorney quickly but also to find the right attorney based on their personal preferences they would like to see in the attorney. Additionally, what is needed is the recognition by the legal plan that each employee who needs an attorney must have the ability (the technology and help) to understand the characteristics of each available attorney and how that attorney might be the best fit for each employee. Everyone will have different preferences in what they would like to see with attorneys. The legal plan that can offer a system of matching and compatibility between the employee and the right attorney will be of immense help to the employee in their search.

One of our four legal plans has several different access infrastructures that an employee can use to help them get the level of attention they need in their search for the right attorney.

The following diagram shows three of these access systems available in this one legal plan that are not available in the other legal plans and that are considerably more developed to help employees in their searches.

Figure 7: Three Methods of Access



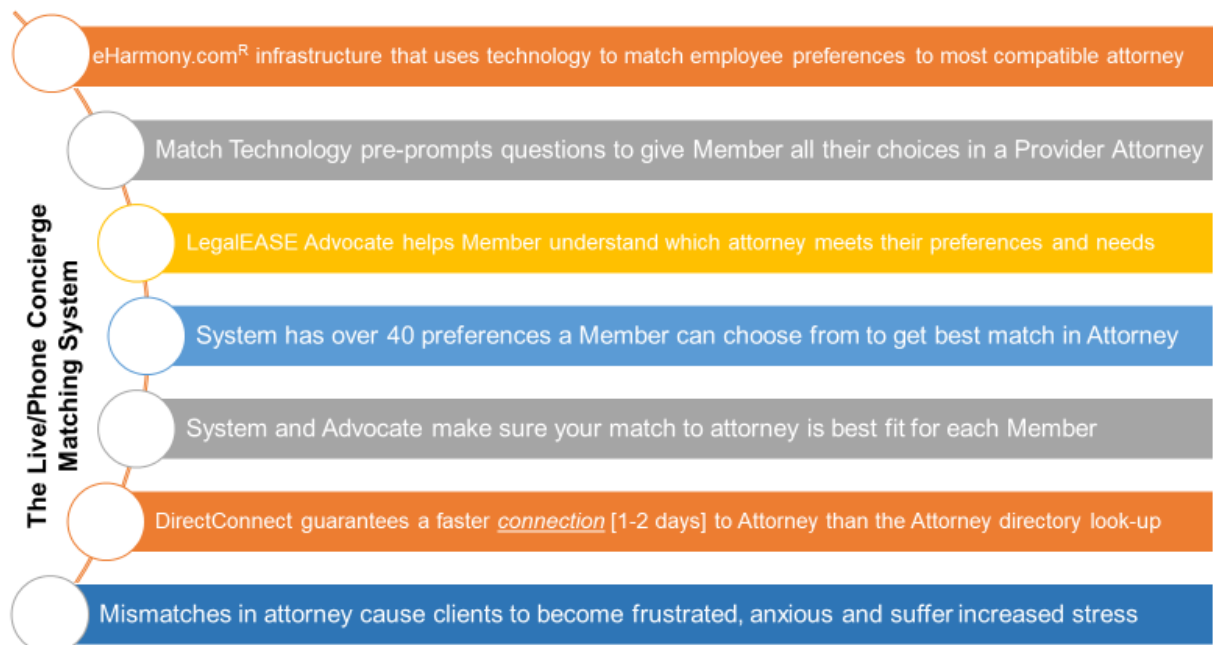
2. What Does the Infrastructure that Does the Work of Finding an Attorney Look Like?

Quite simply, if a legal plan is to provide more assistance to its employee-members and do the work of finding an attorney, it must have one critical factor – it must know that an employee is searching for an attorney and likely having some difficulty finding the right attorney for that employee.

To adequately do this, a legal plan must have infrastructure in place that will help an employee: (1) select the attorney that meets their personal preferences; (2) understand what that attorney can do; (3) understand the experience level of that attorney relative to the employee’s legal matter; (4) make sure the employee has a technology that will measure their preferences in what they consider to be the “right” attorney for them on this particular legal matter; (5) offer a system to analyze the factors required by an employee and match them to the best attorney match in the Network; (6) ensure a DirectConnection into the Attorney’s office for the employee; (7) offer an advocate to walk with the employee every step of the litigation, no matter how long it takes; and (8) offer to evaluate the attorney match immediately after the interview of the attorney to ensure that the client was matched to the attorney early, so they do not have to get started and then start over again.

This access infrastructure has these components:

Figure 8:




What we can see from this is that employees need more than a name and zip code distance from a directory. Inherently, most employees do not understand how to select an attorney, they do not know attorneys and they need help. We can see that many employees in all categories believe there should be customer service representatives or counselors in the legal system that they go to for help in selecting the right attorney that will meet their needs. Boomers and millennials will need help with guidance, to make complaints or get detailed information to address areas of confusion.

Only one of the legal plans has added this compatibility/matching access infrastructure to help with this difference in expectations. In fact, it has two components other legal plans do not have:

1. A complete system that analyzes the characteristics and personal traits of each provider attorney that each employee would require and matches them to the best available and most compatible attorney.
2. A built-in advocacy infrastructure and culture that offers personalized assistance by an expert who is trained to help employees navigate the complex legal system.

3. Compatibility and Matching to the Actual Needs of Each Employee

The most important component of the more sophisticated LegalEASE system is the focus on compatibility, which is 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. Legal



problems differ significantly from 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 environment that seems never ending. Many legal matters last as long as four or five years. In one recent Ohio divorce case, in a case between two attorneys, legal proceedings have gone on for 17 years even though the couple was only married for seven years.


While an online directory makes the selection of an attorney easy and quick, it does not easily help create a connection to a compatible attorney. The online directory simply has no mechanism by which to make any kind of compatibility match for an employee based on the employee's individual preferences. 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, his 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 that they can have a reasonable degree of confidence while navigating the difficult legal process together. An employee may have to discuss very personal information, so he must feel comfortable being open and candid with the attorney. This does not always happen when or if the client feels like the attorney is disconnected or aloof regarding 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.⁸

If these preferences are not met the way each group of employees expects, the satisfaction with the legal plan will not be as high as it could be. Access is often overlooked and yet it can be the most critical function in the legal plan. Not being able to access a provider attorney or experiencing delays in getting in touch with the right attorney can create serious amounts of stress. Particularly while the deadlines to respond to lawsuits are running every day that an employee is waiting on an attorney to contact them.

The LegalEASE legal plan has spent 20 years developing a unique system that recognizes that client needs in a network provider are varied, and we utilize a number of factors to target solutions for specific client needs. We have developed a special intake assessment process designed to elicit specific client needs.

The centerpiece of the matching/compatibility system is the Member Service Specialist (MSS) who introduces him/herself to the employee on the first call and informs the employee they are assigned to them on a dedicated basis until the legal matter ends. The MSS then informs the employee that he or she will be available whenever needed and instructs the employee through the entire contact process.



The MSS's goal at this point is to establish a relationship with the plan member, who in most cases is attempting to wind their way through the complicated legal system for the first time.

While conducting the initial assessment with the client (although this is not a counseling interview, but rather an intake interview), each plan member begins by talking to an MSS who starts the search to find the right attorney for each client by developing a profile of specific plan member needs. The utilization of a non-attorney MSS who has already exhibited an empathetic and willingness to help type attitude helps in the initial assessment.

During this initial interview, notes of the employee's needs are made, along with any factors that might help decide what type of network provider can be helpful. We then move into a phase of matching each plan member with the right attorney for their specific legal matter. Matching factors include:

- Field(s) of law involved
- Area of geography
- Special geographic needs
- Specific gender preferences
- Type of legal problem dictated by situation
- Parties' actions in the case
- Duration or stage of the matter
- Damages suffered
- Mediation/arbitration possibilities
- Lawsuit likely/filed
- "Aggressive" attorney needed
- "Passive" attorney better
- Attorney age preferences
- Ethnic, Culture and Diversity preferences

Matching occurs when the needs and focus of the plan member including these above-referenced elements are matched to the personal and experience characteristics of network providers. Each characteristic is scored and compared to the network database ratings.

Once the MSS matches the needs of a plan member, the MSS gives the member access guidance and then ensures the member has the MSS name and access information in the event of any other issues or assistance is needed. If the employee has additional needs, the matching system will uncover these, along with any conflicts, personality problems, issues with the law firm or the attorney or a staff member. The MSS can also uncover unanticipated or unexpected problems. These may include:

- The attorney is more aggressive than needed
- The attorney is already representing another related party
- The client prefers a different gender attorney



By uncovering these early, an effective referral for service can be made.

The MSS will then use the above criteria in our proven needs assessment process to identify the best options for the employee given the employee's legal problem. Questions regarding attorneys and qualifications undergo a detailed analysis in every case. Each employee request for service is analyzed by the interview information recorded by the MSS, using the attorney qualification/matching process that we employ to make certain each employee obtains the proper attorney who is qualified to and can help each employee.

4. Proprietary Technology Utilized in this Compatibility/Matching Service

To ensure the best possible match at the beginning of the search and then to ensure quality in the services provided through the attorney provider offices, LegalEASE has developed and implemented its proprietary case management interface (CMI) that tracks each action of each plan member, LegalEASE staff/manager action and each attorney provider and office staff action. LegalEASE uses its proprietary tracking and monitoring technology staffed with its MSS assigned to each plan member employee to monitor every action, report and/or concern with the actions of the attorney provider or the legal plan benefits and coverages. Every interaction is tracked and can be demonstrated to your company as needed

A major part of the CMI is utilized by LegalEASE to track every legal issue and the case status of every legal issue on open matters. By doing this, LegalEASE knows whether there is problem on any one case. Its MSSs talk to every plan member assigned to them after every touch point with the attorney provider to ensure that all is well in the case and to make sure there are no service issues. Unlike the after-the-fact surveys, LegalEASE's MSSs are checking every time an attorney provider is used to ensure there are no issues. LegalEASE's report of less than .1% (one-tenth of one percent) service issues is much more reliable than numbers reported by other companies that do not use this system.

The LegalEASE matching model results in the LegalEASE Provider Relations department being in contact with our network providers on a daily basis. Every day, new cases are made visible to our provider network to review matching compatibility. This constant communication with our provider network allows LegalEASE to reinforce service expectations and get the most up to date information possible on the status of each provider. For each match, LegalEASE reconfirms the network provider does not have any new instances of disciplinary actions or malpractice suits not previously disclosed upon entry into the provider network.

LegalEASE, like the other legal plans, also offers a directory service which some clients may be more accustomed to use. However, where the two choices are offered, LegalEASE has a 91% usage rate on its matching/compatibility service over the directory access system.

5. Results of Using this Matching/Compatibility Service

After the match is successful, each MSS remains assigned to each plan member throughout their legal problem. These MSSs are trained to help employees get answers to all of their questions about the legal problem or the American legal system. MSSs are unique to LegalEASE and are offered for the life of the legal matter at no charge to the plan member for all the help they need. We believe they are the key to unsurpassed service satisfaction with our legal plans. Once matched, these specialists serve as a personal guide in answering any questions plan members have regarding how their legal matter is being conducted by their plan attorney. While only attorneys handle the legal problem directly, the MSSs are there at every turn to facilitate all aspects of getting the employee the right answers to their questions. LegalEASE has used this system for 20 years and its statistics prove two conclusions: (1) that the relationship between the attorney and the client is improved markedly by offering immediate attention to frustrating issues involved in most every legal battle; and (2) the knowledgebase that plan members would not otherwise have with respect to next steps in the legal proceedings, a better understanding of the legal terms and procedures and a better set of expectations for how long the litigation will take is vastly improved.

6. Advocacy – at Every Step – Until the Legal Matter is Over – No Matter How Long It Takes

Each employee is assisted by a trained specialist who will remain their MSS throughout their legal problem – specialists who are trained to help employees with all of their questions about the legal problem or the American legal system. MSSs are unique to LegalEASE and are the key to unsurpassed service satisfaction with our legal plans. Again, MSSs can serve as a personal guide in evaluating and solving the legal problems of any employee. While only attorneys handle the legal problem directly, the MSSs are there at every turn to facilitate all aspects of getting the employee to the right attorney for help, either telephone or in-office, and follow them through the use of the service until the legal problem ends. Our goal is to provide empathetic, caring help to employees in both solving their legal problem and handling the complex legal system.

Figure 9 :



After the match is successful, each MSS remains assigned to each plan member throughout their legal problem. These MSS specialists are trained to help employees get answers to all of their questions about the legal problem or the American Legal System. MSS specialists are unique to LegalEASE and are offered for the life of the legal matter at no charge to the Plan member for all of the help they need. We believe they are the key to unsurpassed service satisfaction with our legal plans. Once matched, these specialists serve as a “personal guide” in answering any questions Plan Members have regarding how their legal matter is being conducted by their Plan Attorney. While only attorneys handle the legal problem directly, the MSS’s are there at every turn to facilitate all aspects of getting the employee the right answers to their questions. LegalEASE has used this system for 18 years and its statistics prove two (2) conclusions: (1) that the relationship between the attorney and the client is improved markedly by offering immediate attention to frustrating issues involved in most every legal battle; and (2) the knowledgebase that Plan Members would not otherwise with respect to next steps in the legal proceedings and a better understanding of the legal terms and procedures and a better set of expectations for how long the litigation will take.

LegalEASE, like the other legal plans, also offers a directory service which some clients may be more accustomed to use. However, where the two (2) choices are offered, LegalEASE has a 91% usage rate on its matching/compatibility service over the directory access system.

Are Employees Satisfied When They Must do the Work of Finding an Attorney Even When they are Paying for a Legal Plan?

Typically, legal plan satisfaction is not a widely-discussed topic. Having a legal plan in place that is not “noisy” as defined in many HR departments often seems to be enough to determine if a legal plan is working. But is employee *silence* the same thing as employee satisfaction?

We have already seen the tremendous difficulties and hurdles employees have when they face the daunting American legal system. Employees do not understand legal procedures, practices or legal terms and lawyers often have a non-customer centric service outlook. The difficulties employees have with the legal system are tremendous. 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.

Additionally, the confidential and private nature of today’s legal problems creates another issue. How many employees who have any one of these problems is going to report to HR that they are having these difficulties. The answer is virtually none. Instead, employees will use every possible means available to keep the embarrassing legal problem quiet and private.


Thus, it is very foreseeable that HR will not know how truly satisfied employees really are who are battling legal problems. If the company has a legal plan, but the legal plan only measures satisfaction a month after the problem is over and only 2% of the employees ever respond to surveys, then will HR really know how satisfied their employees are with the legal plan or how well the legal plan is performing?

What HR needs to look at to determine how well a legal plan is performing is the abandonment rate. What does this mean? What does this metric measure? And how accurate is it?

What is an Abandonment Rate?

Normally when we think of abandonment rate, we think of a call center metric relative to the number of calls that do not get through to a call center service person. If there are too many abandoned calls, the program or technology inherently has problems that keep those attempting to use the program from getting the benefit of the program.

But abandonment rate can also be a critical measure of how well a legal plan is performing relative to being able to find the best most responsive attorneys for a legal plan member who is suddenly staring down an unexpected legal problem. By measuring an abandonment rate in this context, HR will be able to tell if a legal plan is working effectively. HR can now ask “What if an employee has a legal plan, is paying for it and cannot use it because the employee cannot get into touch with attorneys?” HR can also now determine if there are employees who are struggling when they try to use the legal plan.



If these questions were asked, would HR know how effectively the legal plan they have in place is working for employees? This abandonment rate is an entirely different way to make sure a legal plan is working for all employees. Right now, only one legal plan is able to measure the abandonment rate and routinely measures it for all its corporate clients. Let's examine this further.

What is it that a legal plan should measure when it measures an abandonment rate? The critical factor is whether an employee-member can actually find an attorney quickly and efficiently when using the legal plan's attorney access/search mechanism. As we have seen, this is generally the online web-based directory. And we have seen the problems associated with the online directory above.

What is abandoned? We are looking at how well the selection and connection method to an attorney works in a legal plan. If the plan has terrific benefits, but it is impossible to get in contact with an attorney in the plan's network, then are the benefits worth the price the member is paying each month?

The focus then should be on how well the search for a network attorney using the legal plans directory access infrastructure is working. What does a search look like? And how well does the directory work? How many members trying to use the directory are successful? How many times is no connection made with the network attorney? If legal plan does not help, and often hinders, in finding attorneys, then is the legal plan really working? Is the legal plan really helpful?


Employees who experience frustration in using the directory and connecting with a network attorney readily give up and find an attorney on their own. They make numerous attempts to find and connect with the network attorney, but if there is no connection as the litigation deadlines approach, employees are likely to conclude that the legal plan does not work. This is an abandonment of the legal plan.

Evidence suggests that large numbers of legal plan members actually give up trying to use the legal plan and try to find an attorney on their own when all they have is an online directory search mechanism. The number of legal plan members that give up on their attempts to find and retain a network attorney in the legal plan are those being measured in the abandonment rate calculation.

The Problem is Most Legal Plans Cannot Tell HR Their Abandonment Rate.

If HR could simply ask each legal plan its abandonment rate, comparisons between legal plans and performance metrics would be easy. But the problem is most legal plans cannot tell HR what this metric is. In fact, surprisingly, today's main legal plans, with one exception, cannot tell HR what the abandonment rate is when asked.

As we indicated earlier, almost every legal plan does not currently measure or have in place the infrastructure required to measure abandonment rate. In order to measure what is happening in any one search for a network attorney or what is happening as a member's case is progressing with a network attorney, the legal plan has to have a structural mechanism in place to know any one member has started a search for a network attorney. It is critical to understand that having the directory



available to members does not alert the legal plan, as we have seen, to the fact that any member is attempting to utilize the legal plan.

Why Do Legal Plans Not Report Their Abandonment Rates?

Why is a legal plan unable to measure or demonstrate this abandonment metric? The lack of metrics stem from a fundamental shortcoming in the legal plan directory infrastructure. When an employee seeks to use the directory to search for any attorney, the legal plan has no idea that a search has begun. The legal plan has absolutely no contact with any member who is searching for attorneys. The online directory is accessed, a search is begun. Several names of attorneys usually appear. Attorney after attorney is selected. Employees leave message after message on voicemail with no return calls. As days go by, the attempt to connect with the first attorney, then the second attorney, then the third attorney are all abandoned. And this process continues for weeks in many cases. Finally, in desperation, the member faces two possible courses of action: (1) to select any attorney they can find in the network regardless of their feelings about the attorney; or (2) to abandon the network search and find an attorney outside the network, thereby abandoning the legal plan.

What is the rate at which this abandonment rate occurs in today's legal plans? *Stunningly, the problem is there is no real measurement of this abandonment issue.* Legal problems themselves are so intimate and private that employees are not willing to report failures in the legal plan for fear someone in HR will know their legal problem and talk about it.

A high abandonment rate translates into an economic loss when employees have paid-in-full coverages for many benefits and problems but they cannot find or connect with network attorneys in the legal plan who will honor their benefits. Because the members cannot use the legal plan they are paying for, thousands of dollars may be lost, as the chart below shows:

Figure 10:

Abandonment Rate - Cost in Loss Benefit Dollars				
Abandonment Rate	Number of Plan Members	Number of Abandoned Searches	Total Legal Fees in Average Legal Matter	Total Lost Fee Benefits - Unused
5%	600	30	\$18,000	\$540,000
10%	600	60	\$18,000	\$1,080,000
20%	600	120	\$18,000	\$2,160,000
30%	600	180	\$18,000	\$3,240,000
40%	600	240	\$18,000	\$4,320,000
50%	600	300	\$18,000	\$5,400,000

Model - 10,000 employee group, with average 6% enrollment

One would think the network attorneys would be readily available to offer all the plan coverages to which members are entitled. But we have seen above that while the selection of plan attorneys is easy and instantaneous, the connection to plan attorneys can be fraught with difficulty. Part of it relates to all the practices unique to the legal system and to the way attorneys practice law. This can often prevent an easy connection of employees to network lawyers. Figure 10 above shows the difficulties many employees experience when trying to connect with a network lawyer using a directory access system.


Is There a Solution to this Problem of Finding Out the Truth About a Legal Plan’s Abandonment Rate?

The solution is easy. The solution is knowing the actual abandonment rate. When HR can understand that the abandonment problem exists with all legal plans and it has the potential to exist in every online directory search, they can be potentially assured that every employee is being connected to the right network attorney with the right plan that takes these issues into account.

HR should insist on every legal plan publishing its abandonment rate and should insist that the legal plan knows the status of every employee-member’s search and case handling at every stage of the legal problem. Only when HR can see these metrics, can HR be sure that every legal plan member is being taken care of as their legal matter progresses.

What is the Legal Plan Abandonment Rate When It Can be Measured?

The one legal plan that has this infrastructure in place reports a 99.8% connection rate, or an abandonment rate of 0.02%. This metric is reliable as we have seen when the legal plan knows the status of every case that is underway with each of its plan members.



The correlation between a legal plan that offers a high level of initial attorney search matching and compatibility help and advocacy throughout the legal matter even when it takes years is clear. Members who use the legal plan with the high touch and advocacy infrastructure re-enroll in the legal plan year-after-year as retention increases. Participation rates increase further as non-legal plan employee colleagues learn how helpful the legal plan's attorneys are and participation increases each year.

How Much Does The Work of Finding an Employee Actually Cost an Employer?

It is obvious that when a legal plan requires the employee to do the all the work of finding an attorney, it costs the employee missed work time. What may not be as obvious is that as day after day goes by without a lead on a retained attorney, employees face increased stress each day. They need an attorney. The court deadline is fast approaching, and the employee has no idea how to respond to the lawsuit. Default looms.

One company has recently conducted a full study of the stress costs involved in employee legal problems.¹⁰

Using this study, we can calculate the costs to an employer when an employee is forced to do the work of finding an attorney.

The following chart shows the exact amount of lost work time and prescription drugs costs incurred by 100 employees when legal problems strike:

Figure 11:

We can now see how much these Employee Legal Problems are Costing each Company

- HR can now see the cost of employee legal problems without relying on intuition
- This new Study looks at 25 years of legal issues and employee stress
- This Study examines the direct impact on the Company of Employees' Legal and Financial Issues
- This Study only measures the empirical (and measurable) costs of employee stress from legal problems – absenteeism, prescription drug costs and physician/psychiatrist visits...

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	\$22,874
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	\$37,798
Summary Cost Prescription Drugs & Visits to Doctor &/or Mental Health Counselor	\$55,934
Grand Total-All 7 Common Legal Matters	\$245,039

We can see from figure 11 above that one of the verifiable employer costs is the line item – “Employer Cost due to Missed Time: Initial Attorney Search.” This is the cost that measures how much employee time is lost when a legal problem unexpectedly strikes and the employee must use the online research tools, usually the directory, whether they have a legal plan or not. This cost per 100 employees for missed work time is \$85,157. Figure 12 below details how this amount was determined from the study.

Figure 12:

Absenteeism – Second Component of Absenteeism – Finding a Lawyer

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					93	26.6	212.8	\$5,407	2,827	\$85,127

Total Missed Work \$85,127 – Attorney Search Time [per 100 employees]

When the one legal plan discussed above with the second and soon third access infrastructure systems routinely deployed for employees is in operation, the savings for the employer is substantial, as shown in figure 13 below:

Figure 13:

We can now see how much saving there is with a different Employee Legal Plan Access infrastructure

- With the Second Access System, HR can now see significant savings
- A Matching/Compatibility Access System creates a faster connection
- Employees are connected to Attorneys in a day or two
- Instead of waiting 2-3 weeks for an appointment – often with an attorney who cannot help

Real Savings to Your Company Clients

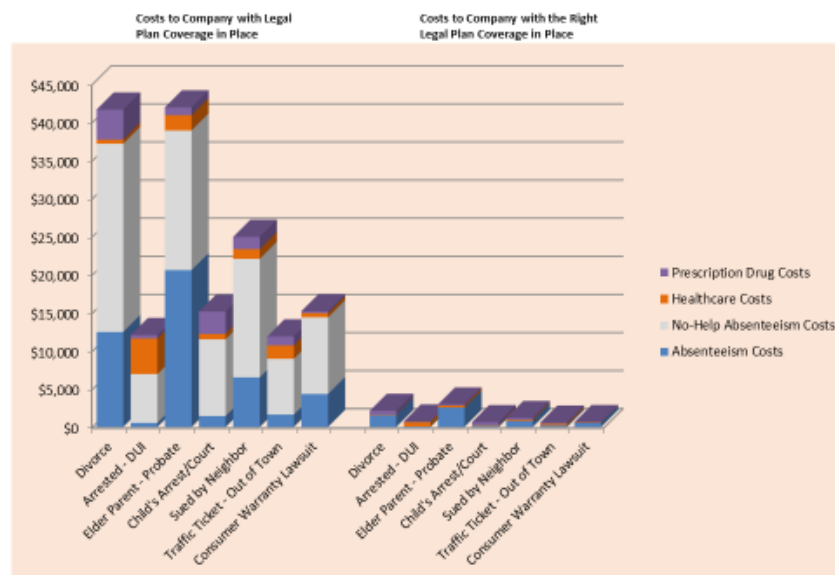
Total Cost to Employer due to Employee Missed Time & Cost Prescription Drugs & Visits to Doctor &/or Mental Health Counselor for Stress Related to Legal Matters	ALL 7 Common Legal Matters
Employer Cost due to Missed Time: "Court-Filed" Divorce Legal Proceedings	\$22,874
Employer Cost due to Missed Time: "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	\$33,491
Summary Employer Cost due to Employee Missed Time: All Factors	\$188,105
Cost of Employee Visits to Doctor &/or Mental Health Counselor	\$18,135
Cost of Employees Using Prescription Drugs for Stress Related Issues	\$37,789
Summary Cost Prescription Drugs & Visits to Doctor &/or Mental Health Counselor	\$55,934
Grand Total-All 7 Common Legal Matters	\$159,882

We can see that with the one legal plan that has the additional access and advocacy infrastructure, the \$85,157 cost per 100 employees is gone. The system in that legal plan completely handles the selection and connection to the plan attorney with little or no stress and little or no delay. The DirectConnect infrastructure ensures that the employee is put in contact with the attorney almost immediately after the legal problem arises.

Figure 14:

The Solution is Clear

There is a dramatic decrease in employer stress-related costs when ***the right legal plan*** is in place and performing.




If a Legal Plan Does the Work of Finding an Attorney for Employees, Can the Legal Plan Participation Reach 45%?

What is Normal Legal Plan Participation?

Standard Legal Insurance Plan Participation: Large brokerages have several hundred company clients who have a legal plan as part of their elective or voluntary benefits platform. Likewise, small producers have company clients with a legal plan as part of their elective benefits offering. Regardless of size, many producers have seen this legal plan client base grow over the past 15+ years. In many cases, legal plans were added as part of the voluntary benefits portfolio without much comparison or consultation about the legal plan's participation and retention rates. Given that there are only four fully insured legal plan competitors in the U.S. today – LegalEASE, MetLife, Legal Shield and ARAG – it is not that difficult to study the effects of each fully insured's legal plan participation and retention rates.

Part of the reasoning for not offering much research or analysis in this participation or retention rates is because, in many cases, once a legal plan is installed at a client company, it is given virtually no attention



as to performance and strategic value to employees. Additionally, because one of the legal plans is offered by an insurance carrier that offers many other core voluntary products, it is often easier to leave the older legal plan in place without regard to whether it is performing or not.


However, when one does the appropriate consulting analysis to see how fully insured legal plans perform in initial participation and year-after-year retention, research uncovers the fact that there is a significant difference that ought to be of concern to those client companies that are interested in the performance of their voluntary benefit plans.

A New Legal World. In the past five years, many aggressive insurance consultants have realized the benefits a fully insured legal plan can provide to a much larger portion of any client company's employee base than in the past. More and more Americans are dragged into the American legal system each year and more and more employees are stressed out from financial problems caused by legal problems and from extraordinary attorney's fees. A college student's mistake one night can result in a DUI/DWI that costs more than \$10,000. Contested divorce, contested child custody and support issues together are now the most widely utilized legal benefit in many companies, and these fees can be \$50,000 or more. Stuningly, many of these older legal insurance plans do not offer employees any coverage on this most widely used area of divorce. For a decade or more, many employees have been paying for a legal plan, only to find the plan does not cover their most serious problem when they are served with divorce papers.

LegalEASE has created one of the most popular and widely used legal plans in the areas of benefits, pricing, network and access to services. It's branded legal plan is the LegalEASE LegalGUARD plan and it has a number of high-profile clients including Michelin, Google, O'Reilly Auto Parts and over 4,800 other corporate clients. Many of these client companies have moved to this legal plan after they learned of the benefit deficiencies of several of the other legal plans.

The Legal Plan Focus is now at the Forefront. Consultants who market the LegalEASE legal plan often have a new focus when the product is now brought to client companies. Additionally, consultants are learning that newer legal plans have more client focus and are more service-centric in their operations when employees need attorneys, resulting in greater interest in these better legal plans and greater employee participation. Greater access for employees who need real attorney help is now the key ingredient that changes the performance of fully insured legal plans. Many consultants and HR managers are beginning to realize how much time has been missed at work to handle family legal problems – and how high the legal bills can be in today's world and how helpful the right legal plan with the right ingredients can be for employees.

Current Legal Plan Portfolios May be Underperforming. Fifteen years ago, when a legal plan was implemented and enrolled into a large client company, it was typically grouped with other products and often lost in the attention. The result is that the employee participation rate in those legal plans was often in the low single digits. Even today, average employee enrollment in a fully insured legal plan is

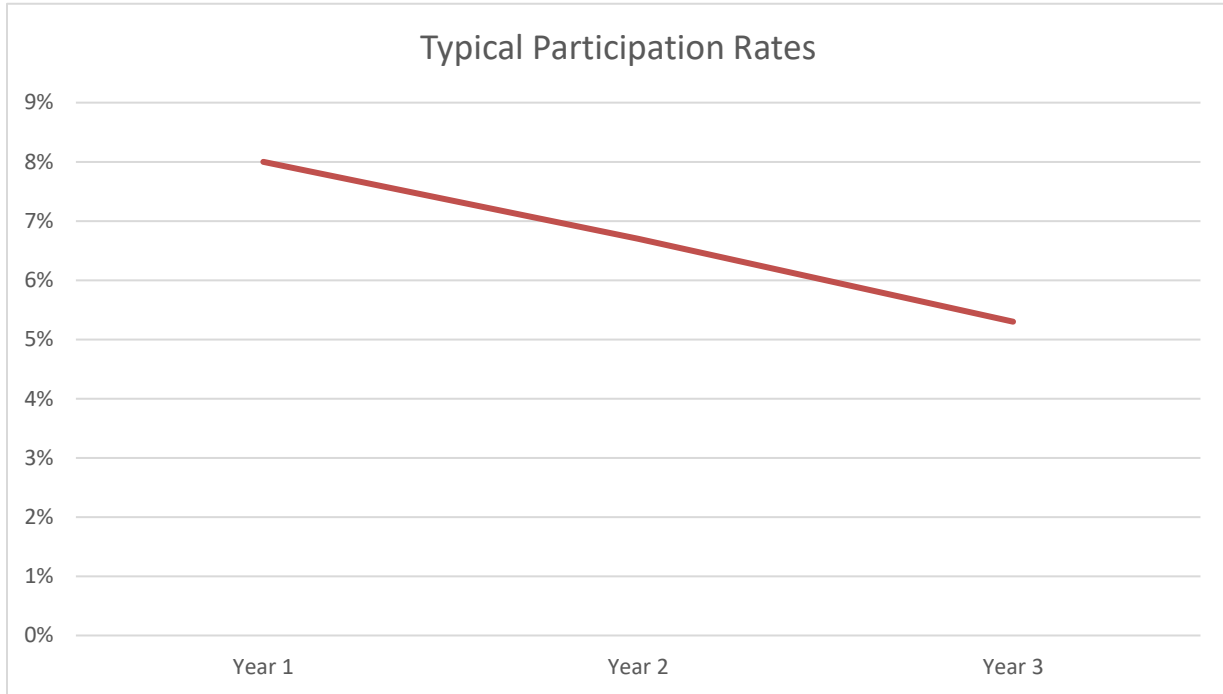


between 5% and 8%. The common thought among consultants that the legal plan really was not a well-received product by employees.

This conclusion, however, is demonstrably false. In fact, what this low enrollment actually demonstrated was that a legal plan does start out slow in enrollment with a typical first year enrollment of between 6% - 9% enrollment. Initially, it was thought by many consultants that in the voluntary benefits channel, because the older legal plan was usually marketed as a fourth or fifth voluntary product (enabling it to provide income to produce employer discounts on other more popular products, such as dental or group life products) there was less focus on the legal plan in terms of any attention, targeted communication strategies or analysis of what service components are needed in the legal plan. The conclusion was based on raw numbers without regard to whether employees needed or would not use the legal plan. It was thought that if the enrollment numbers of a legal plan remained in the single digits, there was little interest in the legal plan amongst employees. Little research was conducted on innovative operational processes of legal plans to see how much better some legal plans would perform than others.

Indeed, without more analysis, for years most legal plan implementations were an afterthought or low priority, and most of the time the first-year participation rates were the highest the legal plan would ever achieve. However, research now indicates several conclusions. First, based on our extensive experience with the industry and our key competitors, first year legal plan participation rates are indeed 5-8% or less. Second, that in most cases, with most of the legal plans enrollment remains flat or decreases in years 2, 3 and 4. Figure 15 below details typical legal plan enrollment and participation rates.

Figure 15:



Can Legal Plan Participation Rates Increase Markedly? LegalEASE has had substantial success increasing not only the first-year typical legal plan enrollment but also the subsequent year enrollments such that the legal plan albeit after 2-3 years can reach the same participation rates as some of the other major voluntary products; i.e., 25-30%+.

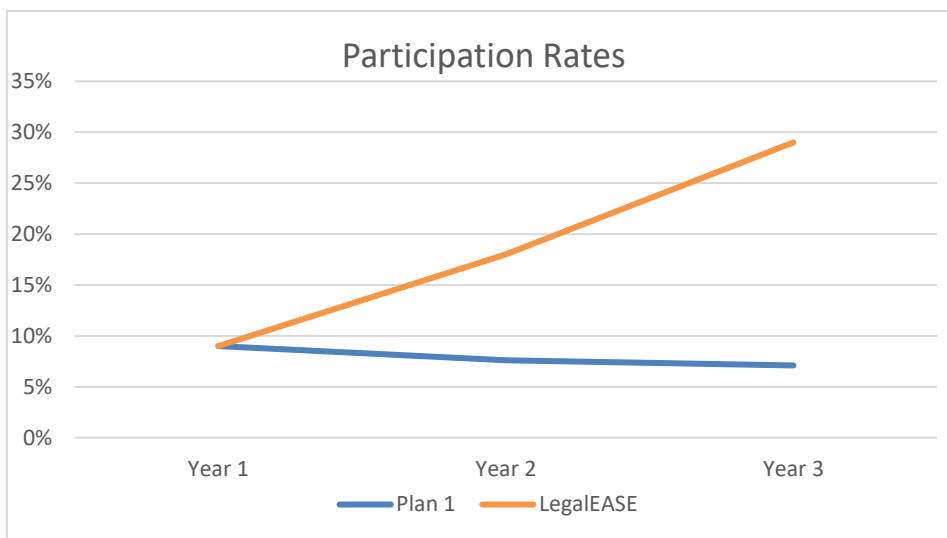
Figure 16 below shows one typical example of how LegalEASE’s enrollments in medium and large groups can achieve this high percentage. While this happens to be a takeover, where our involvement began with some 4,000 employees already enrolled in another legal plan, one can see that in a short period of time with five post-takeover enrollments the employee participation has grown from 4,062 to 20,340.

Figure 16:

Legal Plan Provider	Plan Year	# Enrolled Members	Year over Year Increase	Annual Premium	Annual Revenue	Broker Commissions
Other Legal Plan	2014	4,062		\$ 198.00	\$ 804,276	\$ 80,428
LegalEASE Takeover: 12/31/14	2014	6,114	51%	\$ 206.64	\$ 1,263,397	\$ 126,340
LegalEASE Year 2	2015	8,445	38%	\$ 206.64	\$ 1,745,075	\$ 174,507
LegalEASE Year 3	2016	12,006	42%	\$ 206.64	\$ 2,480,920	\$ 248,092
LegalEASE Year 4	2017	15,002	21%	\$ 206.64	\$ 3,105,075	\$ 310,507
LegalEASE Year 5	2018	20,034	24%	\$ 206.64	\$ 4,139,825	\$ 413,982

Figure 17:


The chart to the right highlights these higher participation rates for the LegalEASE plans in initial and subsequent years in many of these rollover plans from those underperforming for a decade at



the same company and without a substantial increase in communication strategies. One can see that the participation rates, and hence revenues, from legal plans can be dramatically affected in many cases where the participation rate each year increases.

What is the Cause of this Dramatic Difference?

The most effective way to analyze this difference is to examine what is different between the legal plans. Two of the four legal plans utilize an online directory that employees use to find a local attorney close to them in the legal plan network. One plan has no network, but instead assigns all plan members to a single law firm in each state for services regardless of where the employee is located. This



gatekeeper law firm can make an assignment of a member to a local firm if they feel that the employee would benefit from that referral.

LegalEASE has a completely different method of access than any of the other three legal plans. While it does have the online directory method that is the only access to attorney infrastructure utilized by the other three legal plans, when offered a choice in access with more step-by-step advocacy and help at each step in the legal matter, 91% of legal plan members will choose this extra help infrastructure.

Why? Because the attorney-client relationship is inherently difficult for employees to navigate. Lawyers and the legal system are difficult for employees to understand. They need more help when choosing and interacting with lawyers. The conclusion is that directories work great for choosing doctors, dentists and ophthalmologists, many of whom employees know before they call. When a legal problem arises, less than 5% of employees know the attorney they will call or know the attorney who will be the right fit for them for the prolonged legal matter. This is the critical factor that explains this difference in legal plan participation rates in years 2, 3 and 4.

In addition, dissatisfaction with the responsiveness of the plan lawyers obtained from the directory and difficulties in accessing any lawyer from the directory causes employees to abandon the legal plan they are paying a monthly fee for and find an attorney on their own even when these employees have fully paid benefits if they utilize in-network attorneys. Once the plan year is over, these employees drop the legal plan coverage at the first opportunity.

That explains why legal plan participation and retention rates fall in years 2, 3 and beyond in the legal plans that utilize the online directory as the only means of access to network attorneys.

Conclusion:

The result of looking closely into the challenges facing members involved in the hard work of finding an attorney helps in understanding the pitfalls within certain legal plans and how they can be overcome.

Ultimately, satisfied members who have made fruitful attorney connections within their legal plan that helped them overcome their legal matters will result in increasing participation numbers companywide.

Only one legal plan provides the infrastructure and customer care that emphasizes not just attorney selection but attorney *connection*.

End Notes

- 1/ "Public Perceptions of Lawyers Consumer Research Findings," American Bar Association Study, 2002.
- 2/ "What Are Frivolous Lawsuits?" January 17, 2010, Frivolous Lawsuit Information, Joseph Devine
- 3/ Legal Access Plans, L.L.C., 1993-2012 Internal Study of Client Usage Patterns.
- 4/ 9th Annual Study of Employee Benefits, (2011) MetLife.
- 5/ "Public Perceptions of Lawyers Consumer Research Findings," American Bar Association Study, 2002.
- 6/ Source: LegalEASE Employee Health; Legal & Financial Stress Impact Study 2016, Part I, p.44.
- 7/ Lawyers, Clients, and Communication Skill, Allen E. Smith* and Patrick Nester** BYU Law Review, p. 275.
- 8/ Source: LegalEASE Employee Health; Legal & Financial Stress Impact Study 2016, Part II
- 9/ "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.
- 10/ LegalEASE Employee Health; Legal & Financial Stress Impact Study 2.0, 2018

