

YOUR MONEY

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Legal plans offer huge benefit

By WAYNE TOMPKINS
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While health care long has been a staple of employee benefit packages, workers in need of legal help, which often is just as costly, have largely been left on their own.

That's changing at companies like Bank One, where the Chicago-based company's 70,000-member work force can opt for legal benefits on a voluntarily basis.

Most legal plans take the health maintenance organization model for physicians and apply it to attorneys. The legal plans contract with law firms. Just as they do for health coverage, employees who take the legal benefit have a certain amount — typically between \$3 and \$4 — taken out of their paycheck each week.

There are in-network and out-of-network lawyers. The plans discount or even pay all the legal fees for most services when in-network attorneys are used.

Nancy Norris, spokeswoman for Bank One in Louisville, Ky., said

her company's legal benefit fully covers services including legal advice, document review and preparation assistance, wills, child care authorization and power-of-attorney issues.

The Bank One plan, which covers spouses, domestic partners and eligible dependent children, does charge for more involved services. For example, there is a \$500 fee for estate administration.

"It's part of our plan to be an 'employer of choice,' which means providing a wide variety of benefits," Norris said. She said 5,000 of the company's employees have opted for legal benefits in the two years the company has offered it.

Mark Haering, director of operations for Management Recruiters International in Indianapolis, said legal benefits have proven one of the more popular ways to improve recruiting and retention of employees.

"It probably makes some sense, when you think about how litigious society is and how there is a

growing need for legal counsel," Haering said.

Productivity also is an issue. Many employees don't think they can afford an attorney and try to solve complex problems on their own, which can lead to reduced job performance and absenteeism.

Pre-Paid Legal Services, a 30-year-old company that is one of the largest providers of employee legal plans, has grown to 25,000 employee groups, which the company defines as workplaces with at least five employees.

"It's amazing what a letter from an attorney will do" to resolve an employee's problems, and that might be the single biggest payoff for an employee who enrolls in a legal benefits plan, said Kathryn Walden, the company's vice president of group marketing.

Walden said the average person visits a lawyer four times as often as he or she visits a hospital.

"If I counted the times my own employees are off because of divorce and divorce-related matters and child custody suits and bankruptcy and real estate matters, it's overwhelming," Walden said.

Employees enrolled in the plan don't have to take sick leave to deal with those matters but can call an in-network lawyer from the break room, she said.

"When you hire your own attorney, they often can be impossible to reach. They're gone, they're in court, they're on vacation. It can be a nightmare to even get access to one," Walden said. "We interview and train the law firm when they are selected and we contract with them."

Preventive services head off big problems

Just as HMOs like to emphasize preventive medicine as a way to head off catastrophic problems, legal benefit plans bang the drum for preventive legal services.

Wills, which can be reviewed and updated annually, are one of the plan's biggest sellers, said Kathryn Walden, a Pre-Paid Legal Services vice president. So are contract reviews, where a plan attorney will review the documents before the employee signs them.

"I think the thing people love the most is the ticket stuff," Walden said. If a plan member gets a moving violation traffic ticket anywhere in the United States, a plan attorney "can help keep points off a driver's

record. They get the best deal possible."

That means a fine could be dismissed or reduced. Sometimes the employee must attend a driving school.

More serious charges, for example, vehicular homicide, also are covered.

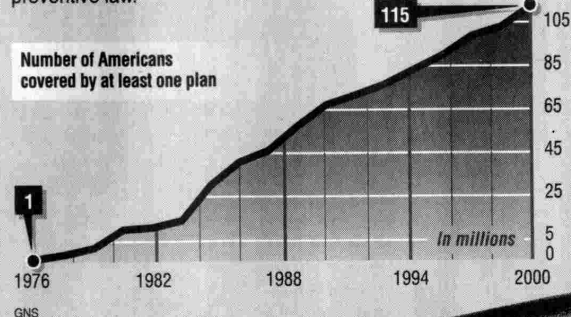
"If I have criminal charges, from my first phone call to my attorneys, including depositions, trials, hearings, whatever and however long it lasts, 100 percent of attorneys' fees are paid, guilty or not."

Employees enrolled in the plan also have used the service for lawsuits and for Internal Revenue Service audits, she said.

— Wayne Tompkins

A different way to hire a lawyer

Legal services plans are similar to health plans but stress preventive law.



SOURCE: National Resource Center for Consumers of Legal Services

Growth

In 1997, Pre-Paid Legal Services, one of the largest providers of employee legal plans, garnered 4,252 new employee groups.

Last year, it picked up nearly 7,000. The figure includes many small firms.

