Getting to Loyal:
Legal Services Distinguish Your Company and Help Meet the Personalized Benefit Needs of Employees

Low-cost, easy-to-administer voluntary benefits can help boost employee satisfaction, productivity, and wellness, survey finds.

Research conducted by SourceMedia on behalf of Hyatt Legal Plans, Inc., a MetLife company.

www.metlife.com/eguide
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Executive Summary

2013 is shaping up to pose significant challenges for employers. Human Resources and Benefits Managers need alternatives to costly, subsidized benefits to help meet their top business- and employee-focused objectives. They are seeking unique strategies to attract and retain talent and to boost employee productivity and satisfaction. According to a recent survey of Human Resources and Benefits program leaders conducted by the Research group of SourceMedia, savvy businesses have found the answer in group legal services, a voluntary benefit that is increasing in popularity.

A majority of Americans — 70%— have at least one new or ongoing legal issue each year, according to a survey conducted by the American Bar Association.1 Dealing with legal issues, which range from civil litigation defense to wills and real estate planning, can increase absenteeism, reduce productivity and trigger employee stress-related health problems.2

By offering employees easy access to a comprehensive legal plan that features a reputable network of attorneys, companies can cost-effectively help achieve their business goals. The survey found that legal services have positive outcomes for organizations and employees, including higher employee satisfaction, lower employee stress and the ability to compete with other organizations for talent. At the same time, 64% of respondents reported that legal service plans are easier to administer than other voluntary benefits.

Those employers that offer legal plans see the value in continuing the programs, according to the survey. Among organizations that offer a legal plan, 93% said they are likely to continue to do so. “Many employees have voiced their pleasure that we offer it, and we hate to disappoint,” a survey respondent noted.

SATISFACTION AMONG PLAN SPONSORS

n=89 (Base = Organizations that sponsor group legal services)

1 “Public Perceptions of Lawyers: Consumer Research Findings,” prepared on behalf of Section of Litigation, American Bar Association, April 2002.
2 Harris Interactive on behalf of Hyatt Legal Plans, a MetLife Company, How Group Legal Plans are Positively Impacting Physical and Financial Health (February 2012).
Key Findings of the Survey:

• Organizations noted the importance of legal services providing significant value to employees. Respondents expected the voluntary benefit to result in easy access to legal services (80%), peace of mind about legal matters (74%), less stress from dealing with legal matters (68%), below average costs for legal services (62%) and above average quality of legal services.

• Almost 70% of companies adopted a legal plan to improve employee satisfaction. Boosting employee loyalty/retention (44%) and competing with other organizations (32%) rounded out the top three drivers for this voluntary benefit.

• Most organizations that do provide legal services report being likely to continue offering them (93%) as noted earlier. In addition, more than two-thirds of respondents (64%) consider legal services easier to administer than other voluntary benefits.

GROUP LEGAL PLAN DRIVERS

Please rank the importance of each of the following STRATEGIC OBJECTIVES in your organization’s decision to offer legal services to employees.
Rank from 1 to 6 where 1 is the most important strategic objective and 6 is the least important.

Improving employee satisfaction: 69%
Improving employee loyalty/retention: 44%
Competing with other organizations: 32%
Improving employee productivity: 22%
Minimizing cost of new benefits: 19%
Attracting new employees: 18%

OTHER OBJECTIVES:
Employee financial wellness, supplement EAP services.

n=89 (Base = Organizations that sponsor group legal services)
Almost a third of organizations that do not sponsor legal service plans claimed employees weren’t interested in this benefit. However, findings from a previous Harris Interactive Research study, done on behalf of Hyatt Legal Plans, a MetLife company, demonstrates that this is a misperception. The Harris Research study showed that legal plans generate goodwill. Employees who signed up for the benefit said they feel more loyal toward their employer than those who hired their own attorney.

**SIZE OF ORGANIZATION — NUMBER OF EMPLOYEES**

<table>
<thead>
<tr>
<th>OFFERS GROUP LEGAL PLAN</th>
<th>DOES NOT OFFER GROUP LEGAL PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 to 4,999</td>
<td>12%</td>
</tr>
<tr>
<td>5,000 to 9,999</td>
<td>13%</td>
</tr>
<tr>
<td>10,000 to 19,999</td>
<td>16%</td>
</tr>
<tr>
<td>20,000 or More</td>
<td>59%</td>
</tr>
</tbody>
</table>

n=89 (Base = Organizations that sponsor group legal services)
n=270 (Base = Organizations that do not sponsor group legal services)
Understanding Legal Services as a Voluntary Benefit

**Cost and Administration**
Approximately two-thirds of employers that don’t currently offer a group legal plan would be open to adding it to their voluntary benefit portfolio if they had additional insights. They would require more information to convince upper management, or be assured that it wouldn’t add to the administrative burden or overall cost.

In reality, employees typically pay for group legal plans offered as voluntary benefits through payroll deductions. On average, enrollees contribute $18 per month (based on 2013 MetLaw® rates) to access the plan’s network of attorneys as if they were “on retainer.” Among survey respondents that offer a legal plan, 45% praised the actual affordability; with regard to administration, 64% consider legal plans easier to administer than other voluntary benefits.

**Services Provided**
While covered services vary among providers, plans that provide access to unlimited services for representation on a wide range of legal matters are perceived to deliver the highest value. One respondent credited legal plans for “providing a cohesive framework of safety net benefits to protect our employees from certain risks.” The survey taker added that these services “can be provided more efficiently by an employer than the individual marketplace.”

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**GROUP LEGAL PLAN BENEFITS**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of the below</td>
<td>58%</td>
</tr>
<tr>
<td>Wills and estate planning</td>
<td>26%</td>
</tr>
<tr>
<td>Family matters</td>
<td>22%</td>
</tr>
<tr>
<td>Home purchase and sales</td>
<td>17%</td>
</tr>
<tr>
<td>Credit problems</td>
<td>17%</td>
</tr>
<tr>
<td>Consumer matters</td>
<td>16%</td>
</tr>
<tr>
<td>Civil litigation defense</td>
<td>16%</td>
</tr>
<tr>
<td>Adoption</td>
<td>13%</td>
</tr>
<tr>
<td>Bankruptcy/foreclosure</td>
<td>12%</td>
</tr>
<tr>
<td>Debt collection defense</td>
<td>11%</td>
</tr>
<tr>
<td>Demand letters</td>
<td>10%</td>
</tr>
<tr>
<td>Apartment lease review</td>
<td>10%</td>
</tr>
<tr>
<td>Refinancing</td>
<td>9%</td>
</tr>
<tr>
<td>Tax audits</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>

n=89 (Base = Organizations that sponsor group legal services)
The research found planning wills and estate documents were the most commonly offered service among companies that sponsor this benefit (26%). Family matters (22%), home purchase and sales (17%), credit problems (16%), consumer matters (16%) and civil litigation (15%) also ranked among preferred services. Adoption, bankruptcy/foreclosure, debt collection, demand letters, apartment lease review, refinancing and tax audits filled out the list of most-offered services.

**Employee Interest**

The study showed that a little over a quarter of respondents assume that employees are uninterested in this voluntary benefit. It also found that employees were less productive while at work when worried about personal financial problems. Debt collection, bankruptcy and foreclosure, which are among common financial problems, often require legal oversight.

**GROUP LEGAL PLAN USAGE**

For example, from 2007 to 2011, overall participant usage of Hyatt Legal Plans in the category of debt and financial matters increased 120%. Bankruptcy usage during that same period increased 167%. Interestingly, 43% of employees who tried to tackle these daunting issues without an attorney said their physical and emotional health was negatively affected. Further contradicting the perception that employees are uninterested is data from MetLife’s 11th Annual Study of Employee Benefits Trends that shows a “strong relationship between satisfaction with benefits and job satisfaction.”

**Effect on Loyalty**

Employee loyalty continues to wane. In a MetLife study, 33% of respondents stated that if it is their choice, they hope to be working for a different employer sometime in 2013. Legal services offer an opportunity to reverse this trend. The SourceMedia survey found that 44% of organizations that sponsor a group legal plan do so to improve employee loyalty and retention. Evidence that this strategy is working includes a significant number of employees who stated in a 2011 Harris Interactive Survey that they felt grateful to their employer for offering a group legal plan.

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Drivers and Benefits of Offering Legal Services

Wellness at Work
Employees may suffer enormous stress over their unresolved legal issues; additional strain rises from the process of finding and paying for attorneys, and the possibility of needing to take time off of work.

According to the MetLife annual research, 55% of employers said that financial stress contributed to employee absences. More than a quarter (27%) reported that employees took unplanned time off or were distracted at work dealing with personal financial issues. And the Harris Interactive Study discovered that employees without legal representation were nearly three times as likely to spend five to 10 hours at work dealing with their legal issue than those who hired an attorney through work. The same study showed half of employees who did not hire an attorney took time off work to deal with their legal issue, while 70% of employees who had access to a plan attorney did not.

ORGANIZATIONAL BENEFITS

Which of the following are the top benefits TO YOUR ORGANIZATION in offering legal services to employees? 
Select up to three choices.

- Minimizing employee stress from dealing with legal matters: 57%
- Affordability: 45%
- Minimizing amount of time employees deal with personal issues at work: 34%
- Improving employee overall peace of mind: 34%
- Improving employee overall well-being: 26%
- Minimizing employee time off to deal with personal issues: 21%
- Improving employee productivity: 15%

n=89 (Base = Organizations that sponsor group legal services)

6 Harris Interactive on behalf of Hyatt Legal Plans, a MetLife Company, How Group Legal Plans are Positively Impacting Physical and Financial Health (February 2012).
Survey respondents said they are all too familiar with the ramifications of employees dealing with legal issues on their own. “Time off from work to deal with personal legal matters hinders job attendance, morale and productivity,” one survey taker commented.

Among businesses that offer group legal services, 57% cited the top organization benefit as “minimizing employee stress from dealing with legal matters.” Second was affordability, as employees without access to a legal plan can easily spend an average of $290 per hour to obtain legal counsel. This average hourly cost is more than the enrollment fee for a full year of comprehensive legal services.

Survey respondents shared other derived benefits, including improved overall peace of mind for employees (34%); overall wellbeing of employees (26%); and minimized employee time off to deal with personal issues (21%). Improved productivity was viewed as another critical outcome of offering a legal plan.

Employers listed a number of considerations when selecting a legal plan, including easy access, which 80% called “very important” and “important.” They also wanted to make sure the plan helped employees achieve peace of mind about legal matters (74%), have less stress from dealing with legal matters (68%) and enjoy below average costs for legal services (62%) along with above average quality of legal services (57%).

Employees without access to a legal plan can easily spend an average of $290 per hour to obtain legal counsel. This average hourly cost is more than the enrollment fee for a full year of comprehensive legal services.
Laws of Attraction
In addition to boosting morale, loyalty, wellness and productivity among a company’s current workforce, legal service plans play a role in attracting new talent. The MetLife study notes that job satisfaction for the next generation of workers relies heavily on voluntary benefits. In fact, 44% of companies that already sponsor group legal plans and 38% of those that don’t, both realize that legal services present an opportunity to engage talent. Even 22% of employers who don’t currently have a group legal plan consider legal services a factor when competing with other organizations.

EMPLOYEE BENEFITS

When thinking about the potential benefits that employees derive from your organization’s group legal plan, how important are each of the following TO EMPLOYEES?
Rate on a scale of 1 to 5 where 1 is “Not at all important” and 5 is “Very important.”

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Very important</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy access to legal services</td>
<td>54%</td>
<td>26%</td>
</tr>
<tr>
<td>Peace of mind about legal matters</td>
<td>47%</td>
<td>27%</td>
</tr>
<tr>
<td>Less stress from dealing with legal matters</td>
<td>35%</td>
<td>33%</td>
</tr>
<tr>
<td>Below average costs for legal services</td>
<td>33%</td>
<td>29%</td>
</tr>
<tr>
<td>Above average quality of legal services</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Higher responsiveness from lawyers</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Improved overall well-being</td>
<td>25%</td>
<td>29%</td>
</tr>
<tr>
<td>Less time dealing with personal issues at work</td>
<td>20%</td>
<td>38%</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>11%</td>
<td>21%</td>
</tr>
</tbody>
</table>

n=89 (Base = Organizations that sponsor group legal services)
Not All Plans Are Created Equal

Companies that offer legal service plans have demonstrated remarkable persistency. Nearly all (93%) organizations that currently offer legal services said they are likely to continue this voluntary benefit in the future. Plan member enrollment rates are equally strong. One Hyatt Legal Plans sponsor, JetBlue Airways, routinely achieves an average 87% retention rate among plan members.

However, HR/Benefits managers recognize that not all plans are created equal. Two major factors in a company’s satisfaction with a legal plan are the comprehensive nature of services and quality of services. Therefore, they have found plans that offer partial coverage or are hampered by exclusions jeopardize overall value and customer satisfaction.

One respondent commented: “I have personally used the Hyatt Legal service and found it easy to use. I was glad to have this valuable service available, especially knowing how expensive it would be to retain a lawyer without it.”

Although 70% of employers said they do not measure ROI, those that do find this strategy essential to validate the benefit. Hyatt Legal Plans provides simple dashboards and reporting tools to instantly analyze legal plan usage among employees in real time. This data provides a solid foundation for proving the merit of legal services as a voluntary offering. “It has been a well-received benefit as seen through our quarterly utilization reports,” a respondent said.

**MEASURING ROI**

How does your organization primarily measure its RETURN ON INVESTMENT (ROI) for group legal services? *Select one choice.*

- None—we do not measure ROI for group legal services: 70%
- Enrollment rate: 9%
- Year-over-year enrollment growth: 6%
- Reduced employee absenteeism and unplanned absences: 6%
- Organization’s cost savings: 4%
- Retention rate: 3%
- Other: 2%
- Employee productivity: 0%

n=89 (Base = Organizations that sponsor group legal services)
Achieve Your Objectives With Legal Benefits

2013 is already rife with hiring and retention challenges. HR/Benefits Managers must focus on improving employee satisfaction, productivity, loyalty and wellness, while controlling their costs. At the same time, you’ll have to attract new talent and compete in the marketplace.

Legal service plans, offered through a highly regarded partner like Hyatt Legal Plans, a MetLife company, provide an affordable, easy-to-administer voluntary benefit to round out your benefits toolkit.

Among survey respondents that offer a sponsored legal service plan, 56% chose Hyatt Legal Plans as their partner — more than all other providers combined. Employees who are facing increasing legal pressures appreciate Hyatt Legal Plans’ comprehensive suite of services and professional network of experienced attorneys at the ready to consult over the phone or in person. In fact, according to a recent customer survey, Hyatt Legal Plans exceeded plan sponsors’ expectations 99% of the time.

Give your company a unique competitive edge by offering a legal service plan proven to alleviate employee stress, boost productivity and loyalty, and make your organization highly attractive to new talent.

LEGAL BENEFITS PROVIDERS

Which company or companies provide(s) your organization’s legal benefits?
Select all that apply.

<table>
<thead>
<tr>
<th>Provider</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hyatt Legal Plans (a MetLife Company)</td>
<td>56%</td>
</tr>
<tr>
<td>ARAG</td>
<td>10%</td>
</tr>
<tr>
<td>Legal Shield</td>
<td>9%</td>
</tr>
<tr>
<td>United Legal Benefits LLC</td>
<td>1%</td>
</tr>
<tr>
<td>Legal Club of America</td>
<td>1%</td>
</tr>
<tr>
<td>Legal Access Plans</td>
<td>1%</td>
</tr>
<tr>
<td>Caldwell</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
<tr>
<td>Don’t know/Unsure</td>
<td>9%</td>
</tr>
</tbody>
</table>

n=89 (Base = Organizations that sponsor group legal services)

OTHER PROVIDERS:
BPA Legal Group, Carebridge, CLC (through Aetna), Empathia, Legal Resources, Preferred Legal, Prepaid Legal, US Legal Services
Survey Methodology

The SourceMedia online survey was fielded in November 2012 to the Employee Benefit News audience. The total number of respondents was 359. Respondents were screened for:

• offering voluntary benefits to employees
• business decision makers in human resources and benefits teams
• involved in designing benefit plans for their organization
• employed at organizations of 1,000+ employees

The margin of error is + or - 5.1% at 95% confidence level for the total sample.

About MetLife

MetLife, Inc. is a leading global provider of insurance, annuities and employee benefit programs, serving 90 million customers. Through its subsidiaries and affiliates, MetLife holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East.

About Hyatt Legal Plans

Hyatt Legal Plans, a MetLife company, is the country’s largest provider of legal voluntary benefits, serving three million people at over 1,500 organizations, including nearly 160 Fortune 500® companies.