From the Actions and Words of Employees:

How Group Legal Plans are Positively Impacting Physical and Financial Health

Research conducted by Harris Interactive on behalf of Hyatt Legal Plans, Inc., a MetLife Company.
EXE CUTIV E SUM MARY

Employers are recognizing that offering health and wellness programs to employees can help reduce health care costs and absenteeism. Due to the recent recession and significant changes in the economic climate, many employees also are facing an increased need to address their financial health, and employers are taking note. According to MetLife’s 9th Annual Study of Employee Benefits Trends, 78% of employers surveyed say employees are less productive while at work when they are worried about personal financial problems, and 58% of employers say that financial stress contributes to employee absences. In fact, the same study found that 27% of employees admit they took off unplanned time or were distracted at work dealing with personal financial issues. Recognizing this need for financial assistance, employers are increasingly offering financial wellness programs to provide employees much needed financial education and guidance.

Since many financial matters have legal ramifications, offering employees affordable, professional legal assistance through a group legal plan can enhance a financial wellness program at any time. However, the effects of a poor economy have exacerbated certain fiscal issues for employees who could use legal assistance. For example, bankruptcy, debt collection defense, negotiations with creditors and home refinancing are often covered by legal services plans offered to employees as a voluntary benefit. Data from Hyatt Legal Plans, a MetLife company, show a surge in the need for such services among employees. From 2007 to 2011, overall legal plan usage in the category of debt and financial matters increased 120%. Specifically, legal plan usage for bankruptcy increased 167%, usage for debt collection defense increased 50%, and usage for refinancing and home equity loans doubled during this time.1

Retention rates substantiate the value that plan members acknowledged in their comments during an online qualitative discussion group that was used as research for this white paper. Even in a poor economy, plan members are staying enrolled in the legal plan despite the fact that they may be looking at their expenditures with a more critical eye. From 2005 to 2011, Hyatt Legal Plans’ voluntary member retention remained consistent. Every year, more than 80% of plan members decide to re-enroll, and in a tough economy those percentages speak volumes for a voluntary benefit.2

In fact, employees may be more likely to enroll in a legal plan when they face financial difficulties. In 2008, amidst a national economic decline, the enrollment rate in new voluntary legal plans spiked at a level 124% higher than the enrollment rate in 2006.3

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1 Hyatt Legal Plans actuarial data, 2012.
2 Ibid.
3 Ibid.
Research conducted by Harris Interactive on behalf of Hyatt Legal Plans reveals the toll that stress from legal matters can take on employees’ productivity, as well as their physical and emotional health. Survey participants who experienced at least one personal legal event in the past five years were asked how the legal issue(s) affected their work and personal lives. The findings demonstrate that employees who were enrolled in a group legal plan and used an attorney through the plan fared better emotionally and physically than those who did not hire an attorney, which led to fewer distractions at work and lower absenteeism. Participants who commented in an online qualitative follow-up to the study also discussed the financial savings and peace of mind that came as a result of hiring a group legal plan attorney. Collectively, the 20 research participants used all categories of service in the legal plan.

This white paper addresses some of the effects employees’ legal matters can have on an organization and takes a deeper look into the personal thoughts and feelings of employees who faced a legal matter and how a group legal plan helped improve their situation.

**FINANCIAL ISSUES OFTEN LEAD TO LEGAL ISSUES**

As employers increasingly offer wellness programs to help reduce healthcare costs, there is a growing need among employees for financial and legal wellness programs. Many Americans are facing financial health issues due to the economic downturn. On average, 86% of employees are still reporting some degree of financial stress.4 This stress can affect employees’ health and reduce productivity.

Financial issues often translate into legal matters and create the need for attorney assistance to mitigate the severity of situations and help restore an employee’s financial wellness. For example, a legal plan can help employees by providing an attorney to defend them against creditors and represent them when refinancing a home or during a tax audit. An attorney can also provide assistance with consumer protection matters, the preparation of living trusts and other estate planning documents, personal legal document review, demand letters and recovery of a security deposit. If an employee is already facing financial trouble, a legal plan can help him or her get on the path to recovery by providing attorney representation for bankruptcy proceedings.

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STRESS FROM LEGAL ISSUES DIMinishes Productivity

Stress caused by legal issues can reduce productivity by contributing to absenteeism and presenteeism. According to the Harris research, employees who did not hire an attorney to help with their legal situation 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. Furthermore, 50% of those who did not hire an attorney took time off work to deal with their legal issue, compared to only 30% of those who hired an attorney through work.

Many participants of the study’s online qualitative research shared comments on how the legal plan helped streamline the legal process for them, resulting in less stress. *(For purposes of this report, pseudonyms are used.)*

“*[Before I called the attorney] my anxiety was super-high. I remember even telling my boss how much trouble I was having concentrating because of the impending legal issues. My productivity was compromised by my anxiety and preoccupied me much of the time. [Without the legal plan], I would have taken more time off work, my anxiety and lack of concentration would have lasted longer and continued to affect my productivity.*”

*(Mary; Atlanta, GA; early 30s; married; no children; works in a hospital; real estate matter)*

“If I hadn’t had access to the attorney, I would have been more stressed about the process and worried more. My stress level was pretty high over that case.”

*(Heather; Las Vegas, NV; late 20s; married; three children; full-time student; real estate matter, small claims assistance, advice/consultation)*

STRESS FROM LEGAL ISSUES AFFECTS PHYSICAL HEALTH

Legal stress can affect employees’ health. Of study participants who did not hire an attorney to assist with their legal issue, 43% said their physical and emotional health was negatively affected. Symptoms most often cited were depression, sleep problems, stress and weight issues. Several participants from the focus group mentioned being physically affected by stress over their legal issues.

“My stress level was very high before I got help from my plan. Before I used the plan, I was not able to sleep or eat. I was getting really sick.”

*(Vince; Salt Lake City, UT; mid 30s; single; investigator for a large retailer; family legal matter, estate planning)*

“Since I [had] stress [from] my financial situation, I [had] problems with my thyroid, and I was very close to [being] a diabetic. When I reduced the stress, I was able to concentrate on my health and my family, and things were more manageable.”

*(Gina; Elk Grove, CA; early 40s; married; one child; full-time student; financial matter)*
In the national Harris study, on the other hand, people who did not hire an attorney to handle their legal matter were more likely to associate feelings of being overwhelmed and depressed with their situation.

**A LEGAL PLAN CAN HELP MITIGATE FINANCIAL ILLNESS**

According to MetLife’s 9th Annual Study of Employee Benefits Trends, “helping employees reduce and manage their financial stress has a positive impact that is recognized by both workers and employers. It is an important and effective way to help achieve the goals of wellness programs — reduced health costs and improved productivity.”

Making a group legal plan available to employees can help them address legal issues associated with debt and finances. Having affordable resources, such as attorney assistance and representation through a group legal plan, may encourage employees to take action sooner and address matters before they get out of hand. Participants from the focus group expressed their thoughts about how taking action sooner helped them resolve their legal matter.

“We would have waited longer to go to an attorney, thereby stretching out the anxiety.”
(Mary; Atlanta, GA; early 30s; married; no children; works in a hospital; real estate matter)

“I agree with this. When you know it’s covered, then there is no hesitation. Problem? Just pick up the phone and start fixing it.”
(Jim; Flint, MI; early 30s; divorced; two children; restaurant manager; financial legal matter, family legal matter, real estate matter)

“I know it gives me the ability to not have to look at the bank to determine what I need to do. I can pick up the phone, contact the person I need to and get the problem resolved without having to sweat the financial side of the problem. It definitely takes the extra stress out of the process.”
(Charlene; Dallas, TX; late 40s; married; three children; caregiver and guardian for special needs grandchild; computer consultant; family legal matter)

“I agree too. If you’re not wondering if you have the money for the service, or saving up to pay for it, you’re going to take action a lot sooner.”
(Sharon; Chesapeake, VA; late 30s; one daughter, business development manager; estate planning)

“I agree. In my situation, I would have waited longer and it would have caused a problem for me.”
(Steve; St. Louis, MO; late 50s; two grown children, eight grandchildren; lab technician; real estate matter)
Focus group participants discussed the appeal of “having your own attorney as if on retainer” and the affordability of legal plans. Below are some of their comments:

“Having an attorney on retainer is most valuable to me personally because I don’t have to expend my time finding an attorney when I need one. I have enough to keep me busy as it is. This aspect ensures harmony for my family and me because there’s no argument about what attorney to call, or even if we need to call an attorney. We can play it safe and make the call.”

(George; Lisbon, CT; late 50s; married; children are grown; manufacturing engineer; estate planning)

“It’s a very cost effective way to get legal help without having to keep a lawyer on retainer.”

(Charlene; Dallas, TX; late 40s; married; three children; caregiver and guardian for special needs grandchild; computer consultant; family legal matter)

Why don’t people use an attorney? Not surprisingly, a big reason is concern about expense. The national survey found that 42% of those who did not hire an attorney said it was because attorneys are too expensive. So where do they turn instead? Those who did not hire an attorney most often referred to the Internet or friends and family to help them address their legal matter. A legal plan would have put them directly in touch with a local, qualified attorney to personally assist them with their issue at an affordable monthly rate through payroll deduction. Having an attorney through a group legal plan would detract from guesswork and uncertainty associated with attempting to handle a legal situation without professional assistance.

Many group legal plans include fully covered attorney services for a wide range of personal legal matters for around $20 per month through payroll deduction. According to the Harris study, 66% of employees who hired an attorney through a voluntary benefit plan said having an attorney lessened the amount of personal resources (time and money) spent to resolve their legal issue. In addition to saving time and money by not having to pay attorney fees on covered matters, employees can improve their financial situation by obtaining assistance to address difficult personal financial situations they may be facing.
Qualitative research participants shared insights about how legal plans reduced the stress associated with the threat of financial burden. Some of their comments follow:

“Being in a dire financial situation to start with, it was less stressful knowing I did not have to come up with money I did not have … [Without the legal plan], financially, things could have been difficult. There would have been more stress concerning money.”
(Cal; Dallas, TX; early 60s; two grown children; school administrator; advice/consultation; financial legal matter)

“My problem was debt and the idea of getting a new debt to solve my current debt was not a good [option] for me. This plan allowed me to [be able to] afford [an attorney to help with] my problem and solve it accordingly with my budget. As a result, I resolved my debt problems, the stress was finally taken care of, and I was able to concentrate on getting out of the hole that I was into.”
(Gina; Elk Grove, CA; early 40s; married; one child; full-time student; financial matter)

“No question I saved money and time. If I were not covered, it would have cost too much for me to get the help I needed.”
(Vince; Salt Lake City, UT; mid 30s; single; investigator for a large retailer; family legal matter; estate planning)

“I have saved so much money by just being on the plan. The peace of mind is priceless, knowing you can reach out to a lawyer without a retainer fee.”
(Patti; Bolingbrook, IL; early 40s; single; caring for aging mother who is recovering from a stroke)

“On all of my cases [using the legal plan], I never have footed any money [for attorney fees] out of pocket. That is a great relief for me raising a large family.”
(Sean; Rock Island, IL; early 30s; married; four children; lab analyst; estate planning)

“It was a complete stress reducer. I called the 800 number, explained what I needed, was referred to a lawyer, met with them, provided all information, and they did the rest. Done. At no point did I have to worry about added or hidden costs, taking up more time and increasing my cost, or having enough money in the end. That means a lot when someone with such a high hourly rate, such as a lawyer, is involved.”
(Jim; Flint, MI; early 30s; divorced; two children; restaurant manager; financial legal matter; family legal matter; real estate matter)

“If something happens, you know who you’re going to call, and that it’s not going to bankrupt you.”
(Sharon; Chesapeake, VA; late 30s; one daughter, business development manager; estate planning)

66% said having an attorney through work reduced time & money spent to resolve their legal issue.

“Being in a dire financial situation to start with, it was less stressful knowing I did not have to come up with money I did not have.”

“My problem was debt and the idea of getting a new debt to solve my current debt was not a good [option] for me.”

“If something happens, you know who you’re going to call, and that it’s not going to bankrupt you.”
PEACE OF MIND AND FEWER DISTRACTIONS AT WORK

Trusting legal matters to a qualified professional provides peace of mind to employees and reduces stress-related distractions at work. Seventy percent of those in the survey who hired a group legal plan attorney reported having peace of mind in dealing with their legal situation.

Because employees can select from a pre-qualified list of local attorneys and avoid the need to look through directories or call friends and family for a referral, they spend less time at work identifying an attorney. Once the attorney is located and begins working on the case, employees no longer need to spend time at work handling the matter. The majority (61%) of employees who hired a group legal plan attorney said they spent less time at work worrying about their legal situation and less time at work dealing with their legal situation. Qualitative research participants commented on their overall experience with using a legal plan attorney to help with their situation:

“If I didn’t have a legal plan I may have spent time at work trying to contact attorneys and researching them.”
(Sean; Rock Island, IL; early 30s; married; four children; lab analyst; estate planning)

“After I began the process [with the legal plan attorney] and knew what to do and how to work the problem out, I was able to concentrate better at work.”
(Gina; Elk Grove, CA; early 40s; married; one child; full-time student; financial matter)

“If I didn’t have the plan, I may have needed to spend time during the day searching for an attorney … therefore taking time out of my workday.”
(Justin; Dracut, MA; early 30s; married; three children; operations manager; estate planning)

“Having the lawyer ready to help me at any time is priceless. It gives me and my family peace of mind.”
(Vince; Salt Lake City, UT; mid 30s; single; investigator for a large retailer; family legal matter; estate planning)

“Having access to advice at any time for any issue was most important to me for peace of mind.”
(Heather; Las Vegas, NV; late 20s; married; three children; full-time student; real estate matter; small claims assistance, advice/consultation)

“I had peace of mind in knowing that we had three clearly defined options, and I knew the potential outcomes of each option.”
(Mary; Atlanta, GA; early 30s; married; no children; works in a hospital; real estate matter)
IMPROVED PERCEPTION OF EMPLOYER

In addition to the benefits to employees, a legal plan benefit can work to an employer’s advantage as well. Employees from the qualitative research who used an attorney through work responded to the question, “What are your thoughts about an employer offering a legal plan as a benefit option? What does it say to you about your employer?”

“I think it’s great and I truly appreciate that my company offers it. It is one of many that they offer and I think it speaks to their dedication to taking care of their employees.”
(Jim; Flint, MI; early 30s; divorced; two children; restaurant manager; financial legal matter, family legal matter, real estate matter)

“Employers that offer this plan show commitment and concern for the well being of their employees … [It shows] that they want to make sure that their employees are taken care of, or at least have one less thing to think about.”
(Patti; Bolingbrook, IL; early 40s; single; caring for aging mother who is recovering from a stroke)

“They are concerned about the well-being of their employees … They understand the need for employees to be able to seek the advice and afford legal representation. They understand that we are humans and will encounter problems which require legal assistance that we can afford.”
(Cal; Dallas, TX; early 60s; two grown children; school administrator; advice/consultation; financial legal matter)

“I think it means they truly value me and want me to be productive and happy both inside and outside of work … I think it’s an AMAZING benefit and shows that the employer understands the need for taking care of life issues unrelated to work — it benefits [employees’] productivity.”
(Mary; Atlanta, GA; early 30s; married; no children; works in a hospital; real estate matter)

“I think it’s a good move on our parent company to offer that. [It] gives them the appearance of caring for their employees in all aspects of their life.”
(Lisa; New York, NY; early 50s; divorced; works in human resources; estate planning)

“It is a very good option from the employer showing that they care about your personal needs. The benefit is also an employee who can spend more time on their job [instead of] worrying about personal issues.”
(Ray; Ponte Vedra, FL; late 50s; married; three children; training instructor for a major airline; financial legal matter)

A VOLUNTARY BENEFIT FOR ALL TIMES

Not only does a legal plan provide attorney assistance to help employees with their finances, it provides attorney representation for a number of personal legal matters and life events. From 2005 to 2011, Hyatt’s legal plan usage remained steady for the following personal legal matters: adoption, guardianship, name change, trusts, deeds, tenant matters, driver’s license suspension, juvenile court defense, traffic matters, consumer protection matters, immigration assistance, demand letters and consultations.5 Despite tough economic times, employees continue to need attorney assistance and representation to help them with their everyday lives.

5 Hyatt Legal Plans actuarial data, 2012.
CONCLUSION

With tough economic times and ever-increasing health care costs, employers need to be strategic in maximizing the value of their benefits program while minimizing additional costs to retain talent. Many voluntary benefits offer a solution and are easy to implement and administer at little or no cost to the employer. A voluntary benefit such as a group legal plan can alleviate the workplace impact of employees’ personal legal problems, help them prevent financial illness and incent them to see their employers in a more positive light.

“I will stay enrolled as long as it’s offered.”
(Sean; Rock Island, IL; early 30s; married; four children; lab analyst; estate planning)

“I definitely plan to enroll. [It is] something I cannot afford to be without. Even if I don’t use it, having it available is worthwhile.”
(Drew; Kansas City, KS; early 50s; one teenage son living with him, two daughters living with their mother and stepfather; works for a large, mail-order pharmacy)

“I have been enrolled in it for the last 10 years, and I do not have any plans to cancel it.”
(Patti; Bolingbrook, IL; early 40s; single; caring for aging mother who is recovering from a stroke)
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The research, entitled “The Impact of Legal Matters on Today’s Workforce,” involved both qualitative and quantitative data collected online within the United States in 2011 by Harris Interactive on behalf of Hyatt Legal Plans. Researchers analyzed the experience of individuals who had at least one targeted legal issue arise in the past five years (e.g., foreclosure, adoption, bankruptcy, divorce). Respondents were placed in three categories: those who handled the matter on their own, those who hired an attorney on their own, and those who hired an attorney through a group legal plan offered by their employer.

For the qualitative portion of the study, 20 survey participants who hired an attorney through a group legal plan took part in an online bulletin board to provide in-depth insight on their situation and to share their views on how using a group legal plan attorney affected the outcome of their legal matter. The quantitative survey was conducted among 846 working Americans who were employed full time within the prior two years.

ABOUT HYATT LEGAL PLANS

Hyatt Legal Plans, a MetLife subsidiary, is the nation’s largest provider of group legal plans with more than two million members and dependents who receive access to a national network of 5,300 law firms. Plans can be offered to groups with 500 or more benefit eligible employees. Hyatt Legal Plans’ model group legal plan, MetLaw®, covers advice and consultations on an unlimited number of matters, as well as fully covered services for the most frequently needed personal legal matters. Custom group legal plans are available to groups with more than 4,000 benefit eligible employees.

For more information on how to offer a group legal plan to your employees, visit www.legalplans.com or call 800-423-0300.


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