

# Improving Employee Wellness through Legal Benefits



Research conducted by Harris Poll on behalf of  
Hyatt Legal Plans, Inc., a MetLife Company

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**Hyatt Legal Plans**  
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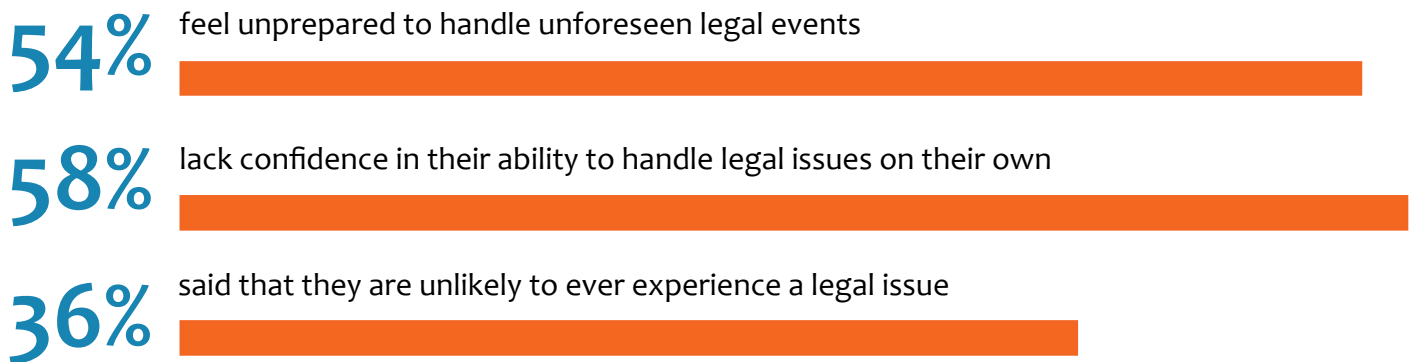
## Improving Employee Wellness through Legal Benefits

As the “war for talent” heats up and concerns about retaining employees become top of mind for employers,<sup>1</sup> improving employee wellbeing is an important objective for many organizations. One way that many organizations are focusing on employee wellbeing is through benefits that help their employees reduce stress and address financial issues. According to MetLife’s 13th Annual U.S. Employee Benefit Trends Study (EBTS), 49% of employees experiencing financial stress are looking to their employer for help achieving financial security through benefits.<sup>2</sup>

In this white paper we will look at a significant cause of stress and financial hardship for your employees – legal issues. Research conducted online by Harris Poll on behalf of Hyatt Legal Plans, found that many Americans are not prepared to handle legal issues and would be interested in legal plans as a way to help them save money and reduce their stress about financial issues.

### Employees Feel Unprepared for Legal Issues

Although legal matters, large and small, happen every day, many Americans either don’t think legal issues are part of their life or don’t feel prepared to handle them.



<sup>1</sup> MetLife’s 13th Annual U.S. Employee Benefit Trends Study, 2015

<sup>2</sup> ibid

One of the reasons many people are not prepared for legal issues is because they don't consider the legal implications of many life events. The truth is, at some point virtually everyone will have to deal with a legal issue, expected or unexpected. There are important legal implications associated with many common life events:

<b>Buying a Home</b>	Reviewing and drafting documents related to home purchases
<b>Getting Married</b>	Drafting wills, estate planning for naming a spouse as an executor of your estate
<b>Managing Finances</b>	Dealing with ID theft and debt collection issues, planning for the future
<b>Having a Baby</b>	Estate planning to care for your family
<b>College Issues</b>	Dealing with rental agreements, leases, student loan and credit card debt problems
<b>Retirement</b>	Updating/reviewing estate planning documents, power of attorney and living wills
<b>Aging Parents</b>	Providing caregiver assistance, reviewing nursing home contracts, answering questions about Medicare/Medicaid

The Harris Poll survey found that employees of all ages have taken time off of work to deal with unexpected legal issues. Thirty one percent of respondents ages 21-34 years old had taken unexpected time off work during the past 12 months to deal with a legal issue and 14% of adults ages 35-49 had taken time off of work for legal issues.

When it comes to dealing with legal issues, the top concerns of survey participants were finding an attorney when they needed one and paying for one - both issues that are addressed through a group legal plan. A group legal plan provides affordable, convenient access to attorneys, which gives employees peace of mind for the unexpected.

The survey shows that employees who have access to a legal plan through an employer feel more confident in their ability to handle legal and financial issues.

**73%** agreed that they are prepared for unforeseen legal events.

**82%** of those enrolled in a legal plan through an employer agreed that they worry less about unexpected financial issues because of their employer benefits.

**85%** of those enrolled in a legal plan through an employer agreed that having a legal plan would save them money if they have legal issues.

## Increased Stress as Employees Attempt to Go it Alone

Considering that the average cost to see an attorney is \$290 per hour,<sup>3</sup> paying for an attorney to get help with an unexpected legal issue is out of reach for many Americans. Because of this, many Americans attempt to handle legal issues on their own.

Of those employed adults who handled a legal issue on their own, a large percentage, 46%, chose to handle an issue on their own because they thought that the issue would be easy to handle and 29% said it was because they couldn't afford an attorney. But, as the survey found, it's not uncommon for people to think they can handle an issue without an attorney only to find out later that it wasn't as easy as they thought.

According to the survey, 31% of employed adults who handled a legal issue on their own said that they wished they had hired an attorney. Here are some of the reasons they gave:

- I think the outcome would've been more successful - **51%**
- It took too much time for me to handle - **35%**
- I didn't have the level of expertise needed to handle on my own - **34%**
- I think I ended up spending more money by handling it on my own - **28%**

Without an attorney to handle the complicated paperwork and “legalese,” many people end up spending much more time and money dealing with the issue than if they had competent legal representation from the start. And this stress can carry over from their personal life into the workplace affecting their ability to concentrate at work and adversely impacting their productivity. According to the MetLife EBTS, 46% of employees who are financially stressed agree that they are less productive at work because of financial worries.<sup>4</sup>

*“I spent way too much time. I could easily tell you, probably at least 160 - 200 hours I spent myself through that period, on the phone.”*

**Rebecca, 52, identity theft victim**

*“I had to do a lot of legwork that I don't feel I should have been responsible for because someone decided to break into my car. No one really did anything. I was trying to do things. I was the only one. Why does the victim have to suffer because this is so, ‘common?’”*

**Donna,<sup>5</sup> 37, identity theft victim**

<sup>3</sup> Average hourly rate of \$290.00/hour based on years of legal experience, National Law Journal and ALM Legal Intelligence, Survey of Law Firm Economics (2013).

<sup>4</sup> MetLife's 13th Annual U.S. Employee Benefit Trends Study, 2015

<sup>5</sup> Several participants in the qualitative research interviews conducted in conjunction with the Harris Poll research shared stories about their experience handling legal issues on their own, or about using an employer-provided legal plan. For purposes of this report, pseudonyms are used.

## Can Your Employees Afford Legal Help?

Besides the time spent away from work dealing with legal issues, employees without a legal plan spend a considerable amount of money on legal services. The Harris Poll survey found that a legal plan is most commonly used for major issues – car repossession (56% of those that experienced this issue required legal services), bankruptcy (22%), foreclosures (51%) and audits (45%) – all legal issues that would be very costly for someone paying out of pocket.

Here are some of the typical costs of legal services if you pay for an attorney out of pocket:<sup>6</sup>

*“He said it was going to be \$1,200 but it wound up being close to \$2,000 of my money that I had to spend to clear my name of a situation that I had no control over.”*

**Rebecca, 52, Contacted an attorney for identity theft**



**Wills for Employee and Spouse:**  
**\$580**



**Bankruptcy (depending on the type):**  
**\$1,000-\$2,500**



**Home Refinancing:**  
**\$1,450**



**Foreclosures:**  
**\$4,320**



**Contesting a Ticket in Traffic Court:**  
**\$580 - \$1,160**



**Audits:**  
**\$2,900**

According to the survey, 40% of the people who used the service of an attorney spent between \$1,000 and \$5,000 on legal help and 10% spent \$5,000 to \$10,000. On average, group legal plan members pay less than \$240 a year (around \$20 a month) for unlimited use of the legal plan, which is significantly less than the cost of seeing an attorney just once for most legal issues.

*“When I hired this attorney for my son, he did one court appearance and I paid him \$2,000. Can you believe it?”*

**Gabby, 51, Contacted an attorney for a traffic ticket**

<sup>6</sup> Based on the average amount of hours it would take, using the average hourly rate of \$290.00/hour based on years of legal experience, National Law Journal and ALM Legal Intelligence, Survey of Law Firm Economics (2013).

Because legal services can be expensive, people who have experience with legal issues are most likely to acknowledge the cost saving benefits of a legal plan.

**74% of those that have used legal services in the past five years believe having a legal plan can save them money, compared with 57% of those that did not have any legal issues.**

Overall, a majority of the employed adults in the survey, 62%, agreed that having a legal plan would save them money if they ever needed legal services.

### A Benefit Valued Across All Generations

In this competitive economic environment, it can be difficult to retain employees, especially younger employees. Providing access to affordable legal help for common issues such as traffic tickets, identity theft and wills and estate planning, is a benefit that a wide range of employees can use.

Although it's commonly thought that older employees are most interested in legal plans, the survey uncovered that younger adults are more interested in purchasing a legal plan from their employer than their older counterparts.

**50%**

of adults ages 21-34 said they would be interested in purchasing a legal plan through their employer, compared to

**35%**

of adults ages 35-49 and

**31%**

of adults ages 50 and up.

Younger employed adults are also more likely to already be a legal plan member. According to the survey, of adults that are offered a legal plan through work, 68% of those ages 21-34 are enrolled, 34% of those ages 35-49 are enrolled, and 28% of those ages 50 and up are enrolled.

The Harris Poll survey also found a need for legal services among all employed adults. Many said they did not have two of the most common legal documents everyone should have – a will and a power of attorney.

Only 42% had a will, 24% had a medical power of attorney, 20% had a financial power of attorney. Over half (52%) had none of these documents.

No matter what your employees’ ages are, they have legal needs. Here are some of the most common uses of the legal plan by generation:

Generation:	Legal services for financial issues examples:	Legal services for personal issues examples:
<b>Millennials</b>	Credit card debt, debt collection defense	Traffic tickets, purchase of a home or condo, landlord negotiations
<b>Gen X</b>	Foreclosure, refinancing, estate planning	Adoption, school hearing, will preparation
<b>Baby Boomers</b>	Tax audits, property sale, identity theft	Power of attorney, living wills, Medicare questions
<b>Traditionalists</b>	Property sale, nursing home/ assisted living agreements, leases, deeds	Powers of attorney, wills, living wills, Medicare / Medicaid questions, prescription plan questions

Voluntary benefits, like a group legal plan, can be a valuable employee retention tool for employees of all ages. The MetLife EBTS shows that at an organization where employees are offered no benefits, only 46% of employees would recommend it as great place to work. But this number climbs to 53% at companies where employees are offered between one and five benefits and jumps to 66% at companies where employees are offered 11 or more benefits.<sup>7</sup>

*“If I had to choose between two companies, I would choose the one that offered me more benefits. I feel like it’s something that affects you long term. Your salary is just money. That’s gone within a year, but things like [benefits] are something I really pay attention to when I decide who I am going to work for.”*

**Sam, 30, Bankruptcy**

<sup>7</sup> MetLife’s 13th Annual U.S. Employee Benefit Trends Study, 2015



## The Value of an Attorney Network for your Employees

One of the most overwhelming parts of dealing with a legal issue is knowing where to turn for help. For many Americans contacting an attorney is one of the most stressful things they encounter in their daily lives. First, there's finding one to trust. And second, there's figuring out how to pay for the high hourly rate to use one.

*"After that initial phone call [the Customer Service Representative] got me in touch with a lawyer. He called me back within an hour. I thought, 'wow what lawyer calls someone back within an hour?'"*

**Leslie, 47,**  
legal plan member

Legal plans are designed to give employees affordable access to legal help and make it easy for them to find attorneys they can trust. Like a health insurance plan where individuals can choose their doctor from a network or outside of a network, a legal plan gives members access to attorneys of their choice, in or out of network.<sup>8</sup> But unlike health insurance, there are no copays, deductibles or waiting periods, as long as the member is using an in-network attorney for a covered service.

Legal plans also ensure that employees get quality service from the attorney they choose. Attorneys in a legal plan network have to meet certain requirements as far as the number of years they've been in practice and their breadth of practice, and are required to have graduated from an accredited law school. Also, most legal plan providers review, monitor and evaluate their attorneys regularly to ensure quality service.

*"[Our attorney] didn't act like 'oh you guys are secondary clients to us' because we used [the legal plan]. We thought maybe we wouldn't be treated as well because we're coming in on this discounted plan. But he was very good. He spent a whole hour with us and sent us home with a packet."*

**Greg, 49,** legal plan member

<sup>8</sup> For example, at Hyatt Legal Plans, one of the country's leading providers of prepaid legal services, members may use an attorney that is not part of the Hyatt network and be reimbursed according to a fee reimbursement schedule.

## Questions to Ask About a Legal Plan's Attorney Network

- 1. Can employees use attorneys anywhere?**

Members should have the freedom to choose whatever attorney is most convenient for them. Members should have the option to use an attorney outside of the network and be reimbursed according to a fee reimbursement schedule.
- 2. How are issues with attorneys resolved?**

Members should never feel stuck with an attorney or be left alone to deal with an issue. Members should be encouraged to call if they're not happy with an attorney and be connected with a new one if necessary.
- 3. Are services fully covered?**

In order for your employees to get the assistance they need for their covered legal issues, attorney services should be fully covered from beginning to end, including trial representation.
- 4. Is there a limit to services?**

Legal plan members should never be penalized for using the legal plan. There shouldn't be hour limits or frequency restrictions on covered services.
- 5. Is there a money-back guarantee?**

A money-back guarantee is the ultimate quality control measure for customer satisfaction. To ensure the legal plan works for your employees, the provider should offer an unconditional, money-back guarantee that covers the performance of plan attorneys and client service representatives.

## Executive Summary

The Harris Poll conducted on behalf of Hyatt Legal Plans found near universal satisfaction with the legal plan among those enrolled in one. Ninety percent or more expressed satisfaction with their legal plan overall, the quality of attorneys and the coverage provided. Also, over 80% said that it is easy to access services and said they felt they had a successful outcome from using the legal plan.

A voluntary benefit such as a group legal plan, which addresses a wide range of issues for employees of all ages, can help employers achieve their employee wellbeing goals. By saving your employees time and money, a legal plan is a benefit that truly provides peace of mind.

For more information about offering a legal plan at your organization, contact us at [hyatt@legalplans.com](mailto:hyatt@legalplans.com) or visit [www.legalplans.com](http://www.legalplans.com).

## Methodology

This survey was conducted May 22 – June 3, 2015, in collaboration with Harris Poll, an independent third-party research firm not affiliated with Hyatt Legal Plans, its business units or subsidiaries. The online survey was conducted among a nationally representative sample of 2003 adults in the U.S. aged 21 years or older who are employed full time and have an annual income below \$250,000. This online survey is not based on a probability sample, and therefore, no estimate of theoretical sampling error can be calculated.

## About MetLife

MetLife, Inc. (NYSE: MET), through its subsidiaries and affiliates (“MetLife”), is one of the largest life insurance companies in the world. Founded in 1868, MetLife is a global provider of life insurance, annuities, employee benefits and asset management. Serving approximately 100 million customers, MetLife has operations in nearly 50 countries and holds leading market positions in the United States, Japan, Latin America, Asia, Europe and the Middle East. For more information, visit [www.metlife.com](http://www.metlife.com).

## About Hyatt Legal Plans

Hyatt Legal Plans, a MetLife subsidiary, helps Americans address important life issues through legal services plans. The company provides affordable access to the most commonly needed legal services to over 10 million Americans nationwide. MetLaw®, Hyatt’s model group legal plan, features a nationwide network of over 14,000 licensed attorneys and award-winning client service available by phone or online. Group legal plans provided by Hyatt Legal Plans, Inc., Cleveland, OH. In certain states, plans are provided through insurance coverage underwritten by Metropolitan Property and Casualty Insurance Company and Affiliates, Warwick, RI.

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