

Hyatt Legal Plans

A MetLife® Company

Quantifying the Workplace Impact of Employees' Personal Legal Matters

Five Issues Addressed with Group Legal Plans



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

Executive Summary

Retaining talent is one of the leading strategic benefits objectives identified among employers, but a decline in the percentage of employees who feel a strong loyalty toward their employer is undermining that effort.¹ Other top benefits objectives among employers are to control costs and also improve employee productivity. Achieving all three benefits objectives is a skillful juggling act, but an effective balance can be found. One voluntary benefit that can contribute to meeting all three objectives, and also reap corporate goodwill, is a group legal plan to help time-challenged employees who are facing greater personal difficulties tied to a sluggish economy. Research conducted by Harris Interactive on behalf of Hyatt Legal Plans, a MetLife company,² reveals just how much of an impact ordinary personal legal matters are having on employees – both in and out of the workplace – and points to how help through the workplace is favorably viewed.

*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 highlight five ways organizations can be affected by their employees' personal legal matters.***

The Five Issues:

- 1. Employees' need for legal services is rising**
- 2. Employees report decreased productivity when facing legal issues**
- 3. Employees take longer to resolve legal issues without a group legal plan attorney**
- 4. Employees take more time off work without a group legal plan attorney**
- 5. Employee loyalty increases among those who use a legal plan attorney**

1. Employees' need for legal services is rising

The desire for legal services is greater than many people assume. For starters, 70% of Americans have at least one new or ongoing legal issue each year and half of the population doesn't have a will.³ Also, group legal plan usage tripled in recent years when the housing bubble gave way to a wave of home foreclosures; and refinancing, high unemployment and a sluggish economy put debt collection in the spotlight. All the while, regulatory changes made it more difficult to file for personal bankruptcy.⁴ Even 42% of people polled by Harris Interactive who said they were satisfied serving as their own attorney were interested in enrolling in a group legal plan if given the option. One survey respondent who used a group legal plan to file for bankruptcy after losing one of her income sources said "it was scary because I did not know what to do and how much it would cost me." She described her lawyer as "very accommodating and sympathetic."

Attorney Access as if on Retainer

The primary value of a group legal plan is access to an attorney as if on retainer, which is a luxury many Americans cannot afford. Most group legal plan enrollees who were polled were pleased with their attorneys, describing them using terms such as professional, knowledgeable, responsive, confident, respectful, forthright and concerned. Among the services that were identified as most in demand: telephone advice and office consultations with their attorney; estate planning documents, including wills, trusts, living wills and powers of attorney; real estate matters involving the purchase, sale and refinancing of homes; financial matters such as debt collection defense; and everyday issues such as traffic offenses.

Increased Legal Plan Usage

Perhaps not surprisingly, most employees who have a group legal plan tend to use it more than once (87%) and are more inclined to consult an attorney (2.5 times on average in the past five years) than those who found an attorney outside of work (two times). Most plan participants also re-enroll for the next calendar year (83%). Also, having a group legal plan often serves as a catalyst for taking action on an issue that many people put off.⁵ One legal plan enrollee said she "had been meaning to create a will for some time, and this seemed like a good way to ensure I did it."



Benefits of a group legal plan most valued by plan members:

- 1. Having your own attorney, as if on retainer**
- 2. Affordability**
- 3. Value**
- 4. Range of covered benefits**
- 5. Convenience**

2. Employees report decreased productivity when facing legal issues

Legal issues can cause stress, which in turn, not only may erode an employee's health, but also his or her work performance. About half of those whose work performance suffered said there were repercussions, with a poor review cited as the leading result. One respondent who reported that his productivity was down about 50% said "all I could think about were my issues and getting away from work."

Stress Relief

Accordingly, an HR staffer for a global agency who signed up for a group legal plan herself believes it is a valuable investment "to assist employees so that they can be more productive on the job." Another enrollee found it "super helpful. I am so grateful that it was available to me. My spouse and I had tons of anxiety over the legal issue we were facing, which was affecting my performance at work, and having immediate access to a legal service was a huge benefit both emotionally and financially."

"...having immediate access to a legal service was a huge benefit both emotionally and financially."

Positive results reported by those who hired an attorney through a legal plan



Increased Confidence

A group legal plan, no doubt, can help employees focus on their work. Engaging the services of a legal plan attorney can increase one's confidence about managing a legal problem (70% of the survey respondents said so) and provide peace of mind (70%). The end result is that legal matters are resolved much easier through the workplace-based model than the do-it-yourself (DIY) approach.

3. Employees take longer to resolve legal issues without a group legal plan attorney

Saves Time

Employees who enroll in a group legal plan can save a tremendous amount of time related to resolving their legal matters, with the process lasting 4.4 weeks on average compared with 6.1 weeks for those who hired an attorney on their own, according to the study. The process can become unwieldy for individuals who prefer to hire their own attorney. For example, resolution is more likely to take 10 weeks or longer among this group (43%) compared with others (25% for those who did not hire an attorney and 22% for those who were enrolled in a group legal plan). Those who hired an attorney through a group plan reported that it reduced the amount of time and money they devoted to resolve their legal issue than those who hired their own attorney (66% vs. 57%).

Trusted Advisor

Without an attorney on retainer, many do not know where to turn for responsive and respectful service. Most people rely on advice from family, friends, business associates or acquaintances, but these recommendations can be more random than informed. Employees with a legal plan at work may be more inclined to develop a rapport with an attorney much like they would a doctor or dentist – knowing they don't need to worry about racking up billable hours. Many of those survey respondents who took the DIY route said they couldn't tell for sure whether they were selecting a "good" attorney and complained about junior-level associates working on their cases.



Average time spent resolving a legal issue



Those who hired an attorney through a group legal plan

Those who hired an attorney on their own



Those who hired an attorney on their own were significantly more likely to have spent 10 weeks or more to resolve the issue.

4. Employees take more time off work without a group legal plan attorney

Convenience was a major consideration among employees who signed up for a group legal plan at work. “Utilizing the legal plan allowed me to contact an attorney without hassle, see one as soon as possible and without a lot of lost work time at my convenience,” according to an enrollee who felt his stress level would have been greater if he hadn’t seen an attorney.

Nearly 30% of the respondents reported that their legal matter had a negative impact on relationships with family or friends, with the most commonly reported problems being depression, stress, sleep problems and weight issues.

70%

of individuals who hired an attorney through the **Group Legal Plan** took NO time off

50%

of individuals who hired an attorney on their own took no time off

Vacation time or paid time off used to deal with a legal issue

Reduced Absenteeism

Physical and emotional problems can spike absenteeism, but a group legal plan can help reduce the number of missed work days – benefiting both employee and employer. For example, 70% of group legal plan enrollees did not take any vacation days toward resolving their legal issue compared to half of those who hired their own attorney. Also, twice as many employees who hired their own attorney missed anywhere from a few days to a week of work than those with a group legal plan (26% versus 13%). One enrollee noted that he had to miss some work while attending court hearings and meetings to discuss his son’s legal issues, but added that “most other issues were handled outside of work time and did not interfere.”

37% of men and 47% of women said dealing with their legal issue negatively impacted their physical and emotional health.

The most common physical and emotional problems reported due to legal issues were:

- **Depression**
- **Stress**
- **Trouble sleeping**
- **Trouble concentrating**
- **Weight gain/loss**

5. Employee loyalty increases among those who use a legal plan attorney

Qualitative data show that these plans also generate corporate goodwill, with employees who signed up for the benefit saying they feel more loyal toward their employer than those who hired their own attorney. “Usually the employers only offer minimum benefits,” according to one group legal plan enrollee. “This legal benefit is out of the minimum requirement and actually makes me a more loyal employee.”

Affordable

One major reason this benefit is so appreciated: the cost. Whereas most attorneys charge \$200 or more an hour, depending on what part of the country they operate from, an employer-based legal benefit is highly affordable and provides another critical layer of financial protection alongside various core and ancillary insurance products, as well as retirement saving vehicles. For a comprehensive group legal plan that covers most personal legal matters, premiums are generally less than \$20 a month, or about \$200 a year, without any additional charges for telephone advice and office consultations on an unlimited basis. In contrast, the study found that more than 80% of individuals who pursued the DIY approach spent around \$1,000 on just one matter.

Unlimited Access, No Co-payments

Affordability was cited as one of the most important factors for considering a group legal plan. One plan enrollee saved about \$1,500 for one legal episode, while another appreciated that there were no co-payments in the group legal plan she signed up for and that she enjoyed unlimited access to legal advice whenever she needed it. A fellow group legal service enthusiast described this plan model as “a very cost effective way to get legal help without having to keep a lawyer on retainer.” On the other hand, an employee who found an attorney on her own ended up worrying about billable hours throughout the entire process. “It drove me crazy,” she revealed. “Every time he’d call or we went to his office to even correct what he was doing, the clock was ticking, and we were paying for it; it was very stressful. I was afraid to ask more questions because we were watching the clock.”

“This legal benefit... actually makes me a more loyal employee.”



Conclusion

At a time of rising out-of-pocket costs associated with higher health insurance premiums and retirement plans that place a greater emphasis on the need for employee contributions, employers clearly need to be strategic in maximizing the value of their benefits programs while minimizing additional costs in order to retain top talent. A group legal plan is one of several means of accomplishing these key strategic business objectives. A group legal plan enhances your company's benefits package, helping you recruit and retain employees at a time when their legal needs are on the rise. Employee productivity can be improved by decreasing the time they spend at work dealing with legal matters and the lowering the number of vacation days they take to handle the issues. Not only is group legal plan coverage both highly affordable and convenient, but it also has in place the quality controls and customer service that aids the user experience. As a result, it may help to reduce stress, physical and emotional ailments, and absenteeism, while also ensuring that employees who face a legal issue have the confidence and peace of mind they need to be happier and more productive.

“(A group legal plan is) a very cost effective way to get legal help without having to keep a lawyer on retainer.”

Methodology

This survey was conducted online within the United States by Harris Interactive on behalf of Hyatt Legal Plans, Inc., between January 6 and February 7, 2011 among 846 working Americans who were employed full time within the past two years. The research, entitled “The Impact of Legal Matters on Today's Workforce,” involved both quantitative and qualitative data. 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. Twenty survey participants also took part in an online bulletin board (that took place February 22-24, 2011) to provide additional commentary.

About Hyatt Legal Plans

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Hyatt Legal Plans, a MetLife subsidiary,⁶ 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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Endnotes

- ¹ MetLife's 9th Annual Study of Employee Benefits Trends
- ² Harris Interactive research conducted in 2011 on behalf of Hyatt Legal Plans, "The Impact of Legal Matters on Today's Workforce"
- ³ American Bar Association's "Public Perceptions of Lawyers Consumer Research Findings," April 2002; FindLaw.com 2008 survey: <http://west.thomson.com/about/news/2008/06/30/findlaw-survey.aspx>
- ⁴ Hyatt Legal Plans usage
- ⁵ Harris Interactive research conducted in 2011 on behalf of Hyatt Legal Plans, "The Impact of Legal Matters on Today's Workforce"
- ⁶ These voluntary benefits are provided through Hyatt Legal Plans, Inc., a MetLife company. In certain states, this benefit is provided through insurance coverage underwritten by Metropolitan Property and Casualty Insurance Company and Affiliates, Warwick, RI.

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