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## No joke: Lawyers at bargain rates

**More firms are offering prepaid legal plans as an employee benefit. Enrollees get help with home sales, estate planning and other issues.**

By Molly Selvin  
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**J**OHN STEWART'S truck wouldn't run after the mechanic at his auto dealer cleaned the vehicle's fuel injectors. When the dealer balked at fixing the engine, he called his lawyer.

The lawyer helped him prepare documents for his small-claims court case and advised him on what to wear and say in court. The advice paid off. Stewart won and recovered the cost of a replacement engine.

His legal tab?

Zero — or \$13 a month, depending on how you look at it.

To wage the small-claims fight, Stewart tapped into prepaid legal services that his employer, Chula Vista, Calif.-based Goodrich Aerostructures Group, offers as an employee benefit, like life insurance or dental care.

Monthly payroll deductions give him access to a roster of San Diego-area lawyers affiliated with Hyatt Legal Services who handle most matters at no additional charge, a phenomenal bargain considering that experienced lawyers in the region charge \$250 to \$700 or more an hour.

Having an affordable legal team on call gives Stewart peace of mind.

"In situations like dealing with a homeowners' association, you can say honestly, 'I'll talk with my attorney and get back to you,'" said Stewart, who since his small-claims lawsuit four years ago has called on a plan lawyer to prepare and then revise trust documents.

An estimated 90 million people in the U.S. work for companies or are members of unions that offer the type of legal benefit Stewart has, said Lawrence

Stahl, president of the American Prepaid Legal Services Institute, a Chicago-based trade group affiliated with the American Bar Assn.

Sometimes called legal insurance, group legal services provide the average person a "family lawyer like you used to have a family doctor," Stahl said, "a person to take care of things the family needs, so they don't have problems later."

Americans were introduced to prepaid legal services, imported from Europe in the 1970s, when they were included as benefits in labor union contracts, said Tori Jo Wible, executive director of the institute. The popularity of legal plans has grown. Last year, 27% of 9,000 employers surveyed by the Society for Human Resource Management offered them, up from 22% six years ago.

Individuals can buy into prepaid plans on their own, but the majority of people sign up through the workplace. Enrollment is voluntary, and in most cases employees pay monthly dues ranging from \$9 to \$25, with the employer usually contributing nothing. Under some union contracts, the employer foots the entire bill.

Legal plans function as health maintenance organizations do, pooling the risk of costly litigation on the bet that participating lawyers can help most clients over the phone or with a few hours' work. People usually tap into the plans for help with "everyday legal life events" such as buying or selling a home, estate planning, adoption or changing a name, Wible said. Although the services vary by plan, people enrolled through their employers generally can get help with divorces, credit problems, identity theft, immigration difficulties and tax audits.

For time-consuming or complex matters — such as when an uncontested

divorce escalates into a "Kramer vs. Kramer" situation — clients may be charged additional fees but usually at a discounted rate. It all depends on the fine print in the contract your employer signed. Benefits representatives or vendors can answer questions about possible fees.

Many plans cover misdemeanor offenses, such as traffic tickets. But don't look to lawyers in your plan to keep you out of prison: Most don't handle felonies. Most plans also exclude fee-generating cases such as class-action and personal-injury lawsuits.

Oh, and forget about enlisting your employer-sponsored lawyer to sue your boss.

Current events also can affect how employees use their plans. "After Sept. 11 we saw more people interested in creating wills," said Jen Porter, a spokeswoman for Des Moines-based ARAG North America Inc., one of the largest national providers of prepaid legal services. In the wake of news coverage of Terri Schiavo, the woman at the center of a bitter right-to-die battle in Florida, Porter said, ARAG fielded more requests for living wills.

Prepaid legal plans are a bad deal only if you never use them, Wible said. "Then you're missing the point. You ought to use it to check on things that people just let go, like their estate plans or guardianship, because it's too hard or too scary."

How do you know you can trust the lawyers in your plan? They apply to be listed on plan rosters, and providers regularly audit the practitioners they accept, Wible said. Client complaints can trigger more frequent audits of a particular attorney or his or her removal from the roster.

Some lawyers get all of their clients through referrals from prepaid plans,