

Legal Service Benefit Plans, eg, Hyatt, etc.

Anybody work with these? Are there downsides? I presume they want a lower rate to be paid for their benefit recipients.

A potential client that likes me asked if I was "on their list." Before I start to look into whether its worth getting on their list, wanted to check the collective. Does it become a decent referral source for some practice areas more than others?

I'd expect Family Law and Estate Planning to be popular areas for the benefits, real property as well for buying/selling houses. These are the issues I'd expect those that can afford such a benefit to use the most.

I am on Texas Legal Protection Plan and ARAG. I don't get much business from them, but it is free so anything is a bonus. I've been on them for years without any problems. I handle mainly bankruptcies through them.

They pay, though not as much as I charge. Like I said though, money is money.

Seth Crosland, Texas

As I understand it, the amount you can charge may be significantly less than what you'd charge otherwise. If you already have a busy practice, I'm not sure what the attraction would be.

Sasha Golden, Massachusetts

At least with Hyatt, the only areas with decent reimbursement rates were traffic tickets, wills/POAs/Health directives, and bankruptcy.

Other than that they were pretty bad. Like family law they gave a \$500 fee for a divorce case with custody IF they had a plan that actually covered anything beyond an initial consultation.

We stopped taking family law cases because the person would come in, tell us they were covered, we would run the plan, tell them what it covered and then they would argue with us. It wasn't worth the hassle at all.

Erin M. Schmidt, Ohio

I worked for one of those plans. Never again. People are sold on them and expect the world when they cover very little.

Mitchell Goldstein, Virginia

Ditto. Not at all worth it.

Laura S. Mann, New Jersey

I work for Legal Shield formerly known as Pre-Paid Legal Services. Provided some steady referrals over the years. No complaint except that plan members can be a bit demanding and unrealistic in their goals. However, Legal Shield has always done a proper investigation and then make a decision. They do not automatically take the side of the member. I have been part of the Legal Shield Network of Lawyers for the past 15 years. It has been worth my time.

Joseph Hughes

I worked for a provider attorney. They always take the side of the member there. Very unrealistic.

Mitchell Goldstein

I work with several providers, such as Hyatt, Legal Shield, ARAG, and Workplace Benefits. It's been helpful on the slow months and is a decent supplement. However, as the practice takes off, I anticipate accepting less cases.

I've learned that you have to be extremely selective as to the practice areas. For example, divorces, custody and modifications cases simply aren't worth it. Emotions are already high, and when clients aren't footing the bill there seems to be this scorch-the-earth damn-the-cost mentality.

Keep in mind there's opportunity for cross-selling. I recently took on a probate case and asked the member if they had a will. I've also had members come back for cases that aren't covered.

Matthew M. Cree, Indiana

Is it worth it? Maybe, it really depends on your practice, your ability to cross sell and the type of plan you are participating on. If you are talking about legal insurance plans where you receive reimbursements, most of those payments are going to be a fraction of what you'd earn through a client you find outside of the plan. I knew an attorney who participated on a legal insurance plan and he would research their coverage in advance of a consult and was ready to sell the plan participant other services that were covered under the plan. The pitch would mainly go "you know you could benefit from XYZ (mostly estate planning recommendations) and these things are covered under your plan so require nothing out of pocket." It was a pretty easy sell. This one particular attorney was generating upwards of 6 figures on legal plan work annually. He is based in Southern California in a densely populated area.

Other plans are legal access plans where a legal plan may compensate the participating attorneys by paying them a capitated rate much like HMO's pay their participating doctors. Compensation under this model can be great.

After launching LegalZoom's legal plan, we paid some of the firms handsomely under this model. Of course your compensation will depend on the rate, your geolocation, total number of subscribers and again your ability to up sell or cross sell.

So where's the real money? It's probably going to be in creating your own legal plan. It's not terribly hard to do.

I am speaking at the ABA Group Legal Services Association's meeting at Key West in May where I'll be discussing the opportunities presented to law firms with regards to legal plans. I wrote a blog post in advance of the

event: <http://one-400.com/future-law-2016-trends-legal-plans/>

The short of the blog post is that there is a prime opportunity for small firms to create their own niche legal plans. I provide three examples of small firms that have created their own plans successfully.

Allen Rodriguez

I actually found ARAG to be worthwhile. Granted this was many years ago, but I could charge more than the plan approved by showing that rates for the covered services were higher in our area. This meant I could get \$500 for a will and power of attorney package.

I would check them out.

Regards,

Nerino Petro, Illinois

I used to be with ARAG. for this area, totally not worth it. Rates were FAR below market and the clients were far more demanding.

The only exception, IMHO, is if you're just starting out and trying to be build your practice. This at least is a way to get clients in the door and build a good reputation, referrals, etc.

Laura S. Mann

These platforms are not only not worth it for lawyers, they are not worth it for clients either. My sister works for a large corporation which provides her with one of these legal service plans as a benefit of employment. The plan that she was on provided her with \$3000 per matter and participating attorneys billed at somewhat reduced rates, presumably to remain within the cap.

My sister had a consult with a family law attorney under the plan and he billed around \$200 for the meeting which was fine. He gave her a run down of the legal issues and advised that the most economic approach would be for my sister and her husband hash out a settlement agreement which each attorney would then review. My sister spent about 30 hours working with her husband and outlining the terms of the agreement, and then returned to the lawyer. Somehow, he managed to spend the rest of the \$3000 cap (working at

\$200/hour) just reviewing the terms - not even drafting it into an agreement. When I looked at the bill, I saw charges like ".1 hour - email agreement to client." Then, ".1 hour - email agreement as word document instead of PDF" There were charges for .2 hour for calling my sister and leaving a voice mail - there must have been at least a page worth of these piddly charges that I would never in my wildest dreams think to bill (yes, if I wrote a 2 page email and sent a doc, I would bill for it - but I would not bill to transmit something). The guy had essentially run up the bill to

\$3000 without actually making the changes - but by that time, it would have been too costly to go elsewhere, so my sister wound up paying him a few thousand more.

While I agree with Mitch and the others that many clients are unreasonable in what they want, I suspect that many lawyers try to squeeze as many fees out of these agreements if given the opportunity. And while I don't think that lawyers should not be paid for value that they deliver, if they sign up and willingly agree to take a reduced fee up front, they need to honor that agreement.

Carolyn Elephant, District of Columbia
