

A Consumer's Guide To



Legal Services



NYSUT Member Benefits Trust wants members to be the best-informed consumers in the state. This Consumer's Guide is one of our contributions to achieving that goal. We hope you will find it helpful and informative.

The law affects all aspects of our lives. Have you or a family member ever, for instance,

- bought a home?
- had trouble settling an insurance claim?
- wanted to write a Will?
- considered a separation or divorce?
- bought a defective product?
- been confused about eligibility requirements for Social Security, Medicare or Medicaid?
- had difficulty correcting a billing error?
- gotten a traffic ticket you didn't deserve?

If you're like most people, you answered yes to at least one of these questions. And you've probably had a hard time finding a good lawyer that you could afford.

This brochure will provide you with some basic information about:

- the importance of having a lawyer
- how to select a lawyer
- the types of legal services plans that are available

Do I really need a lawyer?

Most of us turn to lawyers when we buy a home, write our Wills, or file for divorce, but we probably need the services of a lawyer much more often. In today's complex world, everyone faces potential legal problems from time to time, situations where legal advice would be helpful.

Statistics show that the typical person needs legal assistance between four and six times a year, on average, for such things as reviewing contracts or dealing with consumer problems. Clearly there is a great need for ongoing legal assistance.

Where do I find legal services?

Private Attorneys - Traditionally, legal services have been provided by a private attorney who charges a fee for services rendered based on the nature of the services and the amount of time spent on the case.

You may have an established relationship with a private attorney whom you call upon for all legal matters. Most people, however, do not have a lawyer and don't know the best way to pick one. Or they use an attorney for a specific matter, such as a real estate purchase, but wouldn't return to that same lawyer for a personal injury case.

Studies have shown that only about 3 percent of legal problems are taken to an attorney. In other situations where legal advice would be helpful, people don't seek a lawyer's advice, either because traditional legal fees are prohibitive or because they don't know where to look for an attorney they feel they can trust.

If you don't have a private attorney, there are several ways you may be able to find one who meets your needs. The best way is through a referral from a friend or relative who used that lawyer for a similar matter and was very satisfied. Or you might ask your accountant for referrals. If you know an attorney who specializes in one aspect of the law, you can ask for a referral to other kinds of attorneys. The attorney who handled the closing on your home, for instance, may be able to recommend an attorney for a divorce.

Legal Service Plans - These are programs that provide plan members with legal advice from a lawyer. All legal service plans promote preventive law by making it easier and cheaper to get legal advice when it is first needed. Beyond this, plans vary quite widely in structure and coverage.

- **Access plans** concentrate on giving members easy access to legal advice and services. A typical plan of this kind would include free consultations with a lawyer, usually by telephone but sometimes in-office, follow-up services such as a letter or phone call on the member's behalf, and document review. Usually there are discounts on legal fees for more complex matters. Sometimes a free Will is included. Coverage under this type of plan is inexpensive, and in some instances the cost is borne entirely or in part by the sponsoring organization or union.
- **Comprehensive plans** provide, in return for an annual fee or premium, the benefits and services of an access plan **plus** additional legal services such as representation by a lawyer in a divorce, real estate transactions, or civil or criminal trial. Sometimes called legal insurance, the annual cost of this kind of legal service plan may be paid by the member's employer, by his or her union, or by the member through payroll deduction or by credit card or check.

Most legal service plans are group plans; most plans extend coverage to all dependents in the member's household. In an **automatic enrollment** group plan, all members of the sponsoring organization or employee group are automatically members of the plan. They don't have to use the legal services unless they want to, of course, but they are covered by the plan because they are part of the covered group. In a **voluntary enrollment** group plan, only those people who choose to pay the annual fee or premium are members of the plan.

In addition to group plans, there are **individual enrollment plans** that may be offered to customers of a certain department store or bank, people who hold a particular credit card, or simply members of the general public.

Whether it is a comprehensive or an access plan, whether it is group or individual, no legal service plan ever will interfere with the confidential relationship between the member/client and his or her lawyer.

What are the advantages of a legal service plan?

Having a lawyer quickly and easily available gives plan members **peace of mind**. But the biggest advantage of a legal service plan is **preventive law**. Because they put legal advice literally as close as the telephone, these plans allow their members to keep legal questions from growing into legal problems; they prevent simple problems from becoming complex, expensive problems.

A study by the National Resource Center for Consumers of Legal Services shows that approximately three-fourths of all problems brought to lawyers through legal service plans are resolved with advice provided in a telephone consultation followed up with a letter or telephone call by the lawyer.

Business people and wealthy individuals always have used lawyers in this way. A legal service plan makes it possible for everyone, regardless of occupation or income, to enjoy the same advantages.

Legal plans promote **fairness** by screening participating attorneys before they are selected and monitoring the quality of service they provide members; plan members are not taken advantage of by unethical or unscrupulous lawyers.

Legal service plans negotiate **maximum fee schedules and discounted hourly rates** with participating referral attorneys, thereby saving members money.

Lastly, with our aging population, Elder Law is quickly becoming one area of law that is seeing a growth in demand. Elder Law attorneys have expertise in areas relating to the **financial and health care needs of the elderly**, including Medicaid, long-term care planning, estate planning, trusts, nursing home placement and many other issues of concern to the elder population. Some legal service plans may offer Elder Law services either as part of the plan itself or as a separate rider to the plan.

It's this widespread need for quality legal assistance at affordable rates that has prompted many unions to make legal service plans available to their members. Let's take a look at some examples of how typical members have benefited from legal service plan participation:

- Miriam D. was seriously injured while using a defective product. She required extensive medical attention and was unable to work for nearly three months.

When she was discharged from the hospital, Miriam wondered about disability benefits that might be available to her while she was out of work, and she wanted to know the best way to file a suit against the product's manufacturer. A plan attorney, in a free telephone consultation, answered her immediate questions. After she returned to work, the plan referred her to a participating lawyer who handled her product liability case and discounted his fee.

Miriam was awarded \$60,000. A private lawyer's fee would have been 33-1/3% of the award, or \$20,000. The legal service plan lawyer reduced that usual contingency fee by 20% and received only \$16,000. Miriam saved \$4,000.

- While Bob W. was stopped at a traffic light, another vehicle ran into the back of his car. The accident wasn't his fault and he had no physical injuries, but Bob was concerned about how the no-fault automobile insurance laws affect him in this kind of situation, and he wanted to know what he needed to do to make sure the accident was not charged against his auto insurance policy.

Bob called his legal plan and spoke with a staff lawyer, who spent about 25 minutes answering his questions and providing the background information he needed. The lawyer's time was free because consultations via toll-free telephone are part of Bob's legal service plan benefits. If he had spent the same time in a personal consultation with a private lawyer in his area, Bob would have paid \$75 (one half-hour at the rate of \$150).

- When Alex and Jane K. bought a house last year, they used a lawyer referred to them by Jane's legal plan for the closing. The lawyer, in keeping with the plan's schedule of maximum fees for common legal matters, charged a flat \$600. Most private lawyers charge between 1% and 1-1/2% of the purchase price for closings. The legal service plan saved them at least \$840.

Want more information?

If you would like more information about the legal service plan endorsed by NYSUT Member Benefits Trust, contact:

NYSUT Member Benefits Trust
(800) 626-8101
e-mail: benefits@nysutmail.org
Web site: www.memberbenefits.nysut.org

For information about contractual expense reimbursement/endorsement arrangements with providers of endorsed programs, please contact NYSUT Member Benefits Trust or refer to your NYSUT Member Benefits Trust Summary Plan Description.

**NYSUT Member Benefits Trust
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on these additional topics:**

- **Automobile Insurance**
- **Disability Insurance**
- **Homeowners and
Renters Insurance**
- **Life Insurance**
- **Long-Term Care Insurance**