

Prepaying for legal services may help companies cut expenses

BY PAUL BRINKMANN

Paul Gordon was getting disgusted with paying a lawyer \$150 every time he needed someone to write a letter to a client who wasn't paying on time.

Gordon's small cleaning company, Paul's Cleaning Services in Pompano Beach, could not afford such fees. Three years ago, Gordon signed up for one of the country's biggest legal benefit providers for a legal insurance program.

"Paying \$150 just for a letter to be sent out? That's crazy," he said. "The prepaid program much better. It saves us money."

Gordon said he now pays a flat fee of \$900 a year, up front, through Oklahoma-based Pre-Paid Legal Services. For that, he gets access to attorneys at Plantation-based law firm Glantz & Glantz.

"This is cheaper and so much easier, in terms of budgeting," Gordon said. "In one year alone, I had \$1,500 in legal fees for 10 letters that went out."

Almost one-fifth of human resources professionals said their companies offered some kind of legal services as a benefit in 2009, according to a survey by the international Society for Human Resource Management.

Ada, Okla.-based Pre-Paid Legal says it has memberships available in 48 states and four provinces, with a home office staff of more than 700 supporting 1.5 million members.

Glantz & Glantz is the sole provider of Pre-Paid Legal's services in South Florida, said Ron Glantz, the law firm's managing shareholder.

The work flowing in from Pre-Paid Legal's members accounts for about 75 percent of the 32-attorney firm's caseload, he said.

"Right now, of course, we do a lot of consumer law, for people who owe money through foreclosure or credit cards," Glantz said. "And we do a lot of wills in probate, and family law."

He said foreclosure defense has grown dramatically in the last few years. He said it's fairly easy to defend people in foreclosure cases now because of the large volume of cases.



MARK FREERKS

Paul Gordon says the prepaid program 'is cheaper and so much easier, in terms of budgeting.'

THE DETAILS

Pre-Paid Legal Services' plans for small business in South Florida:

- **1-50 employees:** \$75 a month plus a \$10 one-time enrollment fee
- **51-99 employees:** \$125 a month plus a \$10 one-time enrollment fee

Pre-Paid Legal has three plan levels – for individuals, small businesses and group of 100 or more.

Nova Southeastern University offers the benefit to employees who opt in. There is no co-payment. The paycheck deduction for large organizations can be as little as \$15 a month.

The law firm is paid for services to Pre-Paid Legal members in two ways:

- Per member, per month to provide the basic services under the legal plan, which includes consultations, reviews, letters, traffic ticket defense, drawing up a will and health care proxy (designation of a decision-maker for health care issues for someone in the event he/she is unable).

- The firm is also paid by individuals for

additional services as needed, but at a reduced rate of \$155 an hour.

Glantz said the firm services about 40,000 members in South Florida. He said the recession bit into that number a little, but didn't say by how much. The law firm does not market the Pre-Paid Legal plans.

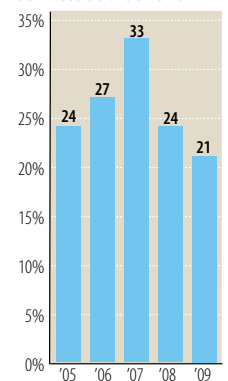
Pre-Paid Legal Services has independent associates in South Florida who often work from home, signing up organizations.

Cindi Pletch is one of them. She said she spends her time offering legal and identity theft coverage, mostly to small business.

Glantz said the main benefit is creating affordable access to the legal system.

"Hiring a lawyer is difficult to afford for most people," he said. "From an employer's standpoint, it's good for employees have better access to the legal system."

Companies offering legal services as a benefit



Source: Society for Human Resource Management