

LEGAL CLUB OF AMERICA

# Family Legal Plan



**Legal Club  
Of America®**



## **Family Legal Plan**

5/5/2009

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# Legal Club of America, Corporation

## Proposal

May 5, 2009

### Questionnaire

#### Company's History

- Founded February 6th, 1996.  
Address: 7771 West Oakland Park Boulevard, Suite 217, Sunrise, FL 33351  
Phone and Fax: (954) 267 0920 ext 104. Fax (954) 267 0401.  
CEO: Brett Merl.: [bmerl@legalclub.com](mailto:bmerl@legalclub.com)
- Mr. Merl has over 20 years of voluntary benefit sales and implementation experience and is available to assist with the successful launch of all voluntary benefit programs. Mr. Merl can be reached at (954) 377-0205, or [bmerl@legalclub.com](mailto:bmerl@legalclub.com).

#### Advantages of Company

- Legal Club of America is the only Legal Plan in the country that offers a non-insurance product in all 50 states. Legal Club has no pre-existing condition exclusion, no waiting periods for usage, no claims forms to fill out and no limitations on usage. Legal Club is the only company in the country that can make the claim that the program can never be used to adversely affect the plan sponsor, agent and/or employer. This means that members and employees of your organization can never use plan attorneys to bring suit against you. Additionally, Legal Club has the industries largest, proprietary network of plan attorneys in all 50 states. The Legal Club network is at least two times larger than any of its competitors. Legal Club is the only plan in America that offers employees a free Lifetime membership after only six (6) years of participation in the Family Legal Plan. And most importantly, Legal Club has the only attorney network in the country that has guaranteed, contractually, to never charge more than \$75.00 per hour for extended legal care. It is not negotiable and the attorney will never charge more.

#### Organizational Structure

- Legal Club has a full time staff of home office employees dedicated to the administration of our legal benefit. Additional full and part time employees work in our state of the art fulfillment and customer services center in Addison, Texas.

#### Licensing Requirements

- As a Discount Legal Referral Service, we do not require licensing in any of the 50 states. Attorneys must be in good standing with their respective state bars, maintain an office in the state in which they are domiciled, and provide Legal Club with proof of liability insurance if required by their state. Legal Club performs checks on an annual basis to ensure that all plan attorneys are in good standing with their respective state bar associations.

### Administration Capabilities

- Legal Club has been administering legal referral benefits for approximately 12 years. Our operations and IT departments are capable of administering the entire process electronically. Our operating systems are integrated with most Third Party Administrators, Insurance companies, Human Resource departments and/or Enrollment companies. We can accommodate a variety of file formats, data field requirements; data transfer frequency as well as import and export expertise. Our fulfillment center is capable of processing 33,000 voluntary enrollment kits per day.

### Payment Methodologies

- We accept member's fees through a number of conduits including; payroll deduction, ACH and/or Credit Card processing.

### Delivery Strategy

- Our legal programs are delivered along side the voluntary benefits of our marketing partners. Legal Club's products are distributed through some of the nation's largest consulting houses, insurance carriers and worksite marketing organizations. Some of these groups include Marsh, Aon, Willis, Trustmark, Combined, Transamerica Worksite, and Univer. Experienced enrollment professionals can provide group seminars, individual meetings, telephonic or on line enrollments for our client's employees. In fact, Legal Club is the only legal plan in the country that can offer employers a true online enrollment platform; giving employees complete access to and knowledge of the products being offered. Legal Club has a national enrollment capability unlike any of our competitors.

### Preferred Communication Methodology

- A voluntary product portfolio is always best communicated in a one on one setting. Many of the voluntary products are of a very personal nature and require tailoring to meet the needs of each interested individual. Our legal plan can be effectively enrolled in a group setting, via telephonic enrollment or through our customizable online enrollment solution. To effectively communicate our benefit online, Employers will only need to communicate the benefits availability through an initial email and several follow up emails over the course of a month. Employees will then be able to enroll in Legal Club at their leisure. The entire process is effective, educational and set up at no cost to the employer. Additionally, it allows employees to take advantage of the legal program if and when they have a need throughout the year.

### Enrollment Capabilities

- Legal Club has nationwide enrollment capabilities. Enrollments can be accomplished in group or individual settings and can be done with traditional hard copy forms, on laptops, online or over the phone. We prefer that our Agents work with each individual employer to determine the best way to effectively communicate and enroll our product. Legal Club has been integrated in to most of the nation's leading laptop enrollment software platforms including but not limited to; NWA's Notebook, Common Census, Eastbridge Technology, Falcon Technology, Unum's PLANE Platform and more. Additionally, Legal Club also exists on most of the major Third Party Administrators billing and product platforms. A short list includes, Flexwin, National Worksite Advantage, Vision Financial, Consolidated Billing. Legal Club has also been integrated in to at least 6 of the nation's leading telephonic enrollment centers including, West and BenefitVision.

### Benefit Materials Customization

- All collateral materials, enrollment forms and communication pieces used to enroll employees could be personalized with the look and feel of the client. It is important that employees believe and feel as though the benefits being offered are a genuine extension of their current benefit package.

### Year-round Enrollments

- Due to the fact that Legal Club's plans are not insurance, we can accept enrollments all year long. Legal needs cannot necessarily be planned, thus the legal programs have to be available year-round.

### Rate Guarantees

- We guarantee our Family Protection Plan rate for six (6) years. Members enrolled during that 6-year span would be entitled to pay that rate for as long as they remain members. We have never increased our rates to a client once an enrollment has taken place and pricing has been established.

### Paid Up Provision\*

- Legal Club is the only Legal Plan provider in the country that offers a paid-up policy provision. After a Legal Club member has paid six (6) years worth of membership fees they receive their Legal Club membership free. In the event a member's spouse survives them, they too will receive the benefits of membership for free.

### Paid Up Provision for Retirees\*

- Any member that retires from their place of work and has paid at least three (3) years worth of membership fees will receive their Legal Club membership free. If they retire with less than three years worth of payments, they only need to complete the three years and they will receive the free membership as well.

### Member Services

- Our Member Services center uses an NEC state of the art ACD system. Call abandonment rates are less than 1% and call wait time averages 45 seconds. Our Member Service Representatives (MSR) can identify every member through a combination of the individual's name along with their social security number, zip code, or employer. During the greeting portion of a member service phone conversation, the MSR will identify the individual's employer or group affiliation for additional security.

*\*Legal benefits only. Other services not eligible for free benefits. Contact Legal Club for more detail.*

### Billing Arrangements

- Legal Club is capable of billing corporate clients directly. Legal Club also has relationships with several of the nation's best Third Party Administrators (TPA). After an enrollment is received internally and entered into our system, whether hard copy or electronically, Legal Club would send a file, in an acceptable format and frequency, to the client or the TPA for processing. Legal Club bills on the 15th of every month for deduction to be taken out in the following month. Legal Club only collects fees for itself. Legal Club can accommodate all payroll frequencies and numerous file formats. When working with Associations and/or outside the worksite marketplace, Legal Club can accept ACH and Credit Cards as a payment methodology.

### Employer Requirements

- Legal Club goes to great lengths to service and administer its benefit plan and as such requires employers to keep a payroll slot available to its employees for a minimum of one year. Employees will be given 30 days to withdraw from the program from the time they enroll. After that, they should, although they cannot be forced, remain members for the lesser of one year or their date of termination from employment. All enrolled employees will remain eligible for their free lifetime membership provided a payroll slot is made available to collect membership fees, and a re-enrollment of the plan is offered annually.

### Eligibility

- Eligible Family Members are the plan member's spouse or domestic partner, dependent children who are under the age of 25 and any dependent individuals living the plan member's home such as a parent or grandparent.

### Portability

- Our product is fully portable at the same group rate.

### References

- The Methodist Hospital System (Houston) - 8,000 + employees - Hollie Smoot (832) -667-6222
- Macy's Department Stores - 100,000 + employees - Neil Mayfield - (727) 517-6592
- Harris Teeter Super Markets - 8,000 + employees - John Resor - (440) 519-0832
- California State Employees Assoc. - 100,000 + members - Kay Thomas (916) 326-4240
- John C. Lincoln Health Care System - 3,000 + employees - Julie Garrett (623) 434-6236

### Plan Exclusions

- The Family Legal Plan can not be used to adversely affect the member's employer, plan sponsor, agent or any third or direct party related to the administration and servicing of the plan.

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## FAMILY LEGAL PLAN

Individual Plan members and their families will have access to a nationwide network of over 20,000 plan attorneys. These attorneys have contracted with Legal Club to provide our members with free and discounted legal services. Upon enrollment, members will be referred to a plan attorney that speaks their language, practices the area of law required and is conveniently located.

### Benefits Summary

#### *Free & Discounted Legal Care*

Plan members and their families will have access to a nationwide network of over 20,000 plan attorneys. These attorneys have contracted with Legal Club to provide our members with free and discounted legal services.

Upon enrollment, members will be referred to a plan attorney that speaks their language, practices the area of law required and is conveniently located.

Each attorney will provide Legal Club members with:

#### **Nine Free Services**

1. Initial phone consultation for each new legal matter
2. Initial face-to-face consultation for each new legal matter
3. Review of important legal documents (6 page max per document)
4. A free simple will with free annual update
5. A web based free living will form
6. Help representing yourself in small claims court
7. Assistance in solving your problems with government programs
8. When appropriate plan attorneys will write a letter on the members behalf
9. When appropriate plan attorneys will make a phone call on the members behalf

#### **Discounts for Eight Commonly Used Legal Services\***

These are legal services that our plan attorney network has agreed to charge a one time, deeply discounted fee for:

<b>Legal Service</b>	<b>Special Member Rate</b>	<b>Non-member Rate</b>
<b>Traffic Ticket Defense</b>	<b>\$89.00</b>	<b>\$199.00</b>
<b>Name Change</b>	<b>\$155.00</b>	<b>\$365.00</b>
<b>Simple Will w/Trust</b>	<b>\$250.00</b>	<b>\$530.00</b>
<b>Chapter 7 Bankruptcy</b>	<b>\$750.00</b>	<b>\$1,500.00</b>
<b>Non-Support (spouse/child)</b>	<b>\$275.00</b>	<b>\$1,490.00</b>
<b>Simple Divorce</b>	<b>\$275.00</b>	<b>\$1,100.00</b>
<b>Reg. Incorporation</b>	<b>\$295.00</b>	<b>\$585.00</b>
<b>Personal Real Estate Closing</b>	<b>\$250.00</b>	<b>\$675.00</b>

\* Costs & Filing fees are additional.

### **Capped Hourly Rate**

Legal Club plan attorneys contract to never charge more than **\$75.00** per hour for legal care that goes beyond the free and discounted services. **This is where tremendous savings is realized.** After the free letters, calls and consultations take place, members and their attorneys will decide what course of action to take next. In most cases, members will have no choice and litigation may ensue. This is the point in time that Legal Club plan attorneys charge the \$75.00 hourly rate for legal care. This represents up to a 66% savings off of our competitor's insurance plans. Our competitors in the legal expense insurance business offer their members a 25% discount off hourly rates. In California, Florida, Texas, New York and in other large metropolitan areas, this will leave their members paying well over \$200.00 per hour for extended legal care. The savings with Legal Club will be thousands of dollars. In fact, retainers required by competitors will be thousands more than Legal Club because retainers are figured using the attorney's hourly rate and estimated time needed to service the member.



### **Discount on Contingency Based Cases**

Contingency fee will be a 10% reduction of the state maximum rate or the attorney's usual rate, whichever is lower.

### **Law Areas Included**

Legal Club does not exclude any type of law area. Many legal expense insurance products have waiting periods, pre-existing condition exclusions and limitations on usage. This is due to the fact that they have financial exposure to usage, just the same as an HMO. As such, many types of law areas are excluded in their plans. Legal Club has no exposure and therefore takes the opposite approach and encourages usage. In fact, 80% of all new members use the legal plan within the first 90 days after they join.

### **Free Membership Benefit Provision\***

For Active Employees:

Legal Club is the only Legal Plan provider in the country that offers a paid-up policy provision. After a Legal Club member has paid six (6) years worth of membership fees, they receive the legal portion of their Legal Club membership for free. The member's spouse is also eligible to receive the benefits of membership for free.

For Retirees:

Any member that retires from their place of work, and has paid at least three (3) years worth of membership fees, will receive the legal portion of their Legal Club membership free. If they retire with less than three years worth of payments, they only need to complete the three years and they will receive the free membership as well.

*\*Legal plan benefits only. Other FPP services are not eligible for free membership benefits.*

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## Legal Club Highlights

- Program includes the member, their spouse or domestic partner, and their dependent children. Membership also includes any person who is dependent on the member, such as a student, or as a resident of their home. This would include students to any age or any family members residing in their home, such as a grandparent or in-law
- 9 unlimited use free basic legal services provided to all members including; a free living will and a free simple will.
- Free tax preparation and advice year round.
- No limitations on “pre-existing conditions” for the Family Legal Plan.
- Can never be used against the plan sponsor, their agent or administrator.
- The Family Legal Plan is not an insurance product. Good in all 50 states.
- No claim forms, for the Family Legal Plan.
- Nationwide proprietary network.
- Free membership for employees after six (6) years of continuous participation.
- Free membership for retirees after three (3) years of continuous participation.
- Available on an employer and employee paid basis.
- Completely portable.

Perhaps the single biggest differences between us and other legal vendors is that other vendors offer a free consultation and then a percentage off of charges. We offer the same no cost consultation, and then limit charges to a low discounted rate. **No “balance billing” This can provide a significant savings to the plan member.**

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## *Attorney Selection Process*

When members join Legal Club of America, they will be assigned a plan attorney based on area of law, language they speak and location. Members can use as many attorneys as often as they like, practicing any area of law, anywhere in the country, without limitation.

We are the only Legal Plan in America that will scout/recruit new attorneys for members in the event that a remote part of the country lacks coverage for a particular need.

Attorneys must be in good standing with their respective state bars, maintain an office in the state in which they are domiciled, and provide Legal Club with proof of liability insurance if required by their state. Legal Club performs checks on an annual basis to ensure that all plan attorneys are in good standing with their respective state bar associations.

We pride ourselves on having the largest and most professional, proprietary network in the country. We do not lease our network out to any other company, do not publish the list and have contractual relationships with each attorney in the network. As such, our product maintains complete continuity in all 50 states, Puerto Rico and the US Virgin Islands.

## COST PROPOSAL

Legal Club will provide our Family Protection Plan to all employees at the pricing below.

### Product Cost

#### **VOLUNTARY PLAN:**

- **Family Legal Plan:** \$12.00 per member per month

#### **Price Guarantee:**

The price for this plan is guaranteed for **six (6) years**. The plan includes the member, their spouse, domestic partner or significant other, children 25 or younger and any dependent living with the member such as a parent or grandparent.

#### **Free Membership Eligibility:**

After six (6) years of premium payments, employees will receive a free Family Legal Plan membership.

All retirees will receive a free Family Legal Plan membership after they have paid for three (3) years of membership.

#### **Paid-up Provision Requirements:**

Employer must keep a payroll slot open for Legal Club monthly deductions. Additionally, the employer must permit Legal Club or the Employer's designated agent to hold annual re-enrollments of the Legal Club product.

**Legal Club of America  
Contact List**

**Sales**

Donald A. Rowe  
[drowe@legalclub.com](mailto:drowe@legalclub.com)  
954-267-0920 ext 103

**Agent Services**

Cynthia Lowry  
[clowry@legalclub.com](mailto:clowry@legalclub.com)  
954-267-0920 ext 128

**Provider Services**

Elaine Gonzalez  
[Egonzalez@legalclub.com](mailto:Egonzalez@legalclub.com)  
954-267-0920 ext 122

**IT**

William Case  
[wcase@legalclub.com](mailto:wcase@legalclub.com)  
954-267-0920 ext 129

**Operations**

Seth Follansbee  
[sfollansbee@legalclub.com](mailto:sfollansbee@legalclub.com)  
954-267-0920 ext 101

**Finance**

Linda Friedman  
[lfriedman@legalclub.com](mailto:lfriedman@legalclub.com)  
954-267-0920 ext 109

**Legal Club Member Services**

800-305-6816