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Navigating the New Socioeconomic Landscape: How Legal and Identity Theft Protection Benefits Enhance Employee Well-being



LegalShield/IDShield



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Executive Summary

Over the last year, Americans have been quitting their jobs in record numbers due to various reasons including fear of contracting COVID-19, job burnout, and government largesse. This new trend, dubbed “The Great Resignation,” has triggered a shift in power to more ambitious personnel who are now positioned as top candidates across a wide range of industries.

During this same timeframe, as a society, we learned important lessons about technology, work, relationships, and health. For millions of employees and their families, three priorities have emerged:

- 1. The need to strike a healthier work-life balance;**
- 2. Access to affordable legal protection and support;**
- 3. Reliable identity theft protection.**

Now more than ever, workers are looking to their employers to help address these new priorities—and employers are in a position to help. Companies wanting to persevere and thrive in the current environment must examine their recruitment and retention strategies to ensure they’re doing everything possible to accommodate the most motivated workers. This means restructuring policies, improving compensation packages, and offering a robust employee benefits suite that addresses total well-being, including mental health, financial wellness, legal and identity security.

This whitepaper demonstrates—with supporting public and private data—the growing need for legal and identity theft protection as enhancements to a company’s benefits package.

THE SOCIOECONOMIC LANDSCAPE HAS CHANGED... AND EMPLOYEES ARE STRUGGLING.

In early 2020, the world changed. The transformation was fast, dramatic and global; every person, in every walk of life was impacted, both personally and professionally.

Millions of employees began working remotely; parents of young children adapted without the assistance of childcare or in-person education. Unemployment surged, making it difficult or, at times, impossible for millions to meet their regular financial obligations. Legal controversies erupted. Meanwhile, the death toll continued to climb, along with a myriad of mental health issues.

On the U.S. economic front, during the fourth quarter of 2020, a “K-shaped” recovery began to emerge. White-collar professionals working from home were benefiting financially from the pandemic, whereas workers in the leisure, hospitality, transportation, and retail sector grappled with loss of income, amplifying wealth disparity. Millions in the first group looking to escape or renovate the urban dwellings in which they suddenly worked full-time took advantage of low-interest rates either by purchasing or building new homes in suburban areas. Demand far outweighed supply, causing prices to skyrocket. Meanwhile, to keep the economy afloat and tamp down consumer stress, the federal government passed unprecedented stimulus packages, extended unemployment benefits, student loan relief, and bans on residential evictions.



THE NEED FOR CONTACTLESS, PROFESSIONAL LEGAL ASSISTANCE HAS INCREASED.

These trends created a new and complex socioeconomic landscape, leaving many people looking for professional legal protection but with a new twist: Much like shopping, healthcare visits, professional work, and many other activities, people need or at times prefer to engage in a contactless manner to avoid exposure to COVID-19.

This trend is reflected in 2020 data compiled by LegalShield¹, a Pre-Paid Legal Services, Inc. product providing legal assistance primarily through digital devices. The company saw an overall 7.5% year-over-year increase in requests for service, accompanied by more dramatic utilization spikes in the following areas of law:

Estate Planning

26%

Uncertainties brought by the pandemic prompted more members to ensure peace of mind for themselves and their families.

Landlord/Tenant

22%

Widespread job losses drove requests from members who needed help when unable to pay rent.

Family Law

22%

Many families struggled to adapt to remote work, education, and countless other stresses, driving increases in family law requests.

Consumer Finance

13%

A higher number of members struggled with collections, taxes, billing disputes and other matters.

¹ PPLSI (2020) internal sales data

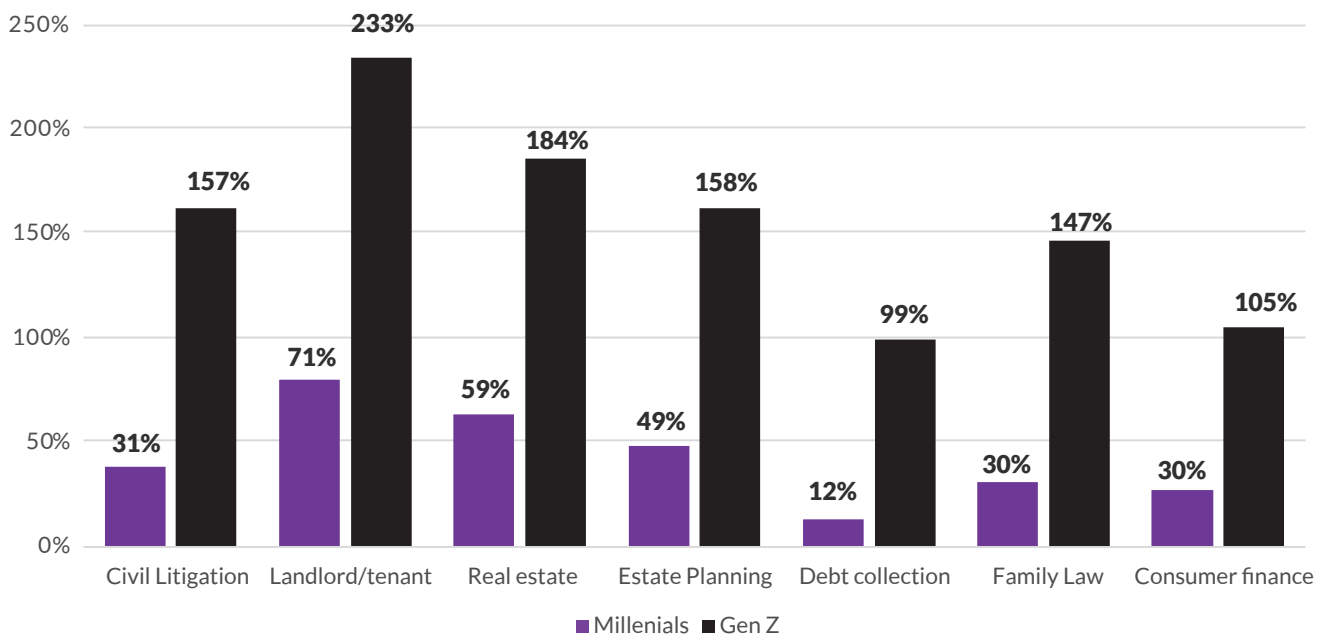
LEGAL NEEDS AMONG MILLENNIALS AND GENERATION Z SOARED IN 2021.

This deadly virus has prompted many to take a harder look at more serious matters, including protecting their families and assets if the worst were to occur. While estate planning was previously conducted more heavily among baby boomers and Generation X, COVID-19 significantly increased demand in this category among younger generations.

According to Caring.com’s 2021 Wills and Estate Planning Study, the number of young adults with a Will increased by 63%, and 18–34-year-olds were, surprisingly, 16% more likely to have a Will than 35–54-year-olds.² This demand was reflected in LegalShield legal service requests. **Over the past three years, requests around estate planning matters rose by 49% among Millennial members and 158% among Gen Z.** Still more dramatic increases were seen among younger generations in other areas of law, particularly civil litigation and landlord/tenant³:

Service Request Changes Among Millennials and GenZ

Utilization Increase 3 year trend (2019-2021)



² Daniel Cobb, *For the First Time, Caring.com's Wills Survey Finds that Younger Adults Are More Likely to Have a Will than Middle-Aged Adults*, Caring.com, 2021 Wills and Estate Planning Study, <https://www.caring.com/caregivers/estate-planning/wills-survey/>

³ PPLSI (2019-2021) internal sales data

TAKING CARE OF MOM AND DAD STARTS EARLIER.

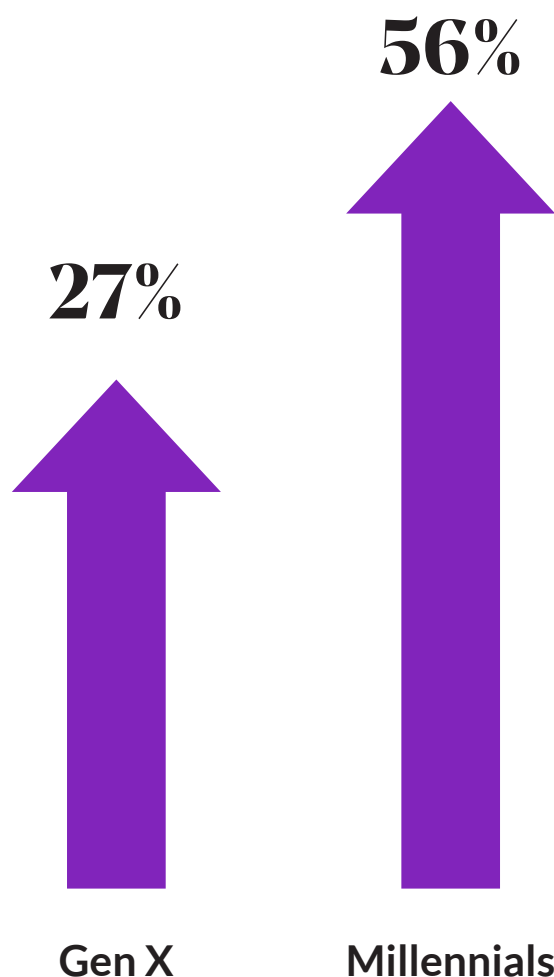
Another emerging trend is more people in younger generations seeking legal help to care for their aging parents. Over the past three years, elder law requests among Generation X have risen 27%, reaching a new 5-year high.

Even more significant is that elder law requests among Millennials have jumped up by 56%.

We expect this trend to continue. In less than two decades, the graying of America will be inescapable: Older adults are projected to outnumber kids for the first time in U.S. history.

Already, the middle-aged outnumber children, but the country will reach a new milestone in 2034 (previously 2035). That year, the U.S. Census Bureau projects that older adults will edge out children in population size: People age 65 and over are expected to number 77 million (previously 78 million), while children under age 18 will number 76.5 million (previously 76.7 million).⁴

LegalShield Elder Law Service Requests 3-year trend (2019-2021)



⁴ <https://www.census.gov/library/stories/2018/03/graying-america.html>

MORE TIME ONLINE HAS INCREASED THE RISK OF IDENTITY THEFT.

As remote work and education, social distancing, and corporate data mining escalated, cybercriminals saw a golden opportunity in obtaining the Personally Identifiable Information (PII) of unsuspecting individuals. According to the Federal Trade Commission (FTC) consumers in 2020 lost \$3.3B due to identity fraud, nearly doubling from \$1.8B in 2019.⁵ The FTC received more than 167K reports from people claiming their information was misused on an existing account or stolen to open a new credit card account.⁶ These statistics are reflected in the following 2020 service metrics⁷ reported by IDShield (LegalShield's companion brand protecting members against cybercrime):



IDShield identity theft specialists resolve 96% of identity theft issues in an average of 2 hours. Remaining matters are resolved by our licensed private investigators in an average of 24 days.

⁵ Federal Trade Commission, *Consumer Sentinel Network Data Book*, Feb. 2019 https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-2018/consumer_sentinel_network_data_book_2018_0.pdf
⁶ Federal Trade Commission, *New Data Shows FTC Received 2.2 Million Fraud Reports from Consumers in 2020*, Feb. 2021, <https://www.ftc.gov/news-events/press-releases/2021/02/new-data-shows-ftc-received-2-2-million-fraud-reports-consumers>
⁷ PPLSI (2020) internal sales data

WELLNESS AND LIFESTYLE BENEFITS SUCH AS LEGAL AND IDENTITY THEFT PROTECTION GIVE EMPLOYEES GREATER PEACE OF MIND.

As noted in the executive summary, “The Great Resignation” has shifted workplace power dynamics, intensifying pressure on companies to provide more value to employees. Companies winning the talent war are offering location flexibility along with competitive compensation packages and comprehensive, customizable benefits that address total well-being. Voluntary legal, identity and online protection plans help round out benefits packages at little to no cost to employers. Employees can enroll at significantly lower rates than they would incur as direct buyers and obtain the financial and online security needed in today’s socioeconomic landscape.



Even before the pandemic, employees placed significant value on these benefits. According to PPLSI’s 2019 *Workplace Study* among randomized, non-member employer groups.⁸

- **61% of employees faced a legal event in the last two years. Among that group, 39% made phone calls during the workday, 34% reported being distracted at work, and 30% took time off, all to deal with personal legal matters.**
- **79% of employers reported a positive response from employees after implementing a legal plan.**
- **89% of employees felt that owning an identity theft product would provide peace of mind.**
- **61% of employees thought that identity theft protection benefits increase financial well-being.**
- **51% expressed the desire for their employer to offer identity theft protection benefits as part of their company’s benefits package.**

⁸ Echo Research on behalf of PPLSI, *Workplace Benefits Study (June 2019)*, <https://hr.legalshield.com/financialwellness>

CRITICAL FEATURES TO HAVE IN A LEGAL SERVICES BENEFIT

A high-quality provider network gives employees access to qualified lawyers at a reduced cost and covers legal matters in consumer finance, bankruptcy, estate planning, family law, landlord/tenant, real estate and other categories. When considering which legal plan to offer, examine these characteristics:

- **Ease of administration for employers.** Dedicated, immediately accessible account managers, intranet and enrollment content, custom HR portals, new member welcome letter, and the ability to integrate with top benefit administration platforms are important.
- **Ease of use for employees.** Employees should not have to research lawyers or make inquiries as to whether or not a lawyer will take their case. They should not have to submit claim forms when using the benefit or have waiting periods, deductibles, co-pays or other surprise fees.
- **Provider network.** Dedicated provider law firms should have with an in-network utilization level of over 90%.
- **Lawyer consultations.** Employees should be able to consult directly with a lawyer on a wide range of matters versus only having access to forms and information.
- **Mobile app.** An app which allows employees to view coverage, initiate new cases, upload relevant documents, and monitor case progress.
- **Customer service.** Strict quality controls to ensure a superior level of service from law firms. Look for a Net Promoter Score (NPS) of over 50.
- **Affordability.** Average employee premium of \$300 for a full year of legal assistance vs. average hourly rate of \$300 per matter.⁹

It is important to provide both a legal and IDT benefit, as these benefits can work hand in hand when an identity theft matter becomes a legal matter. Working with a carrier who provides both these benefits would allow for seamless usage for IDT matters that require legal counsel.

⁹ Average cost basis for typical lawyer costs are associated with the Philadelphia region. Exact costs are determined by law firms. The average hourly rate for a lawyer is based on LegalShield Provider Law Firms lowest and highest hourly rates. All services presented in this whitepaper may not be covered by all plans.

CRITICAL FEATURES TO HAVE IN AN IDENTITY THEFT PROTECTION BENEFIT

Identity theft protection (IDT) benefits shield employees' Personally Identifiable Information (PII) with comprehensive monitoring and alerts and reimburse identity theft victims for related financial losses. When weighing options for employee IDT protection, make sure your plan includes:

- **Ease of administration for employers.** Dedicated, immediately accessible account managers, intranet and enrollment content, custom HR portals, new member welcome letters, and the ability to integrate with top benefit administration platforms.
- **Ease of use for employees.** Available through the employer but paid for partially or solely by employees through payroll deduction. Employees should not have to submit claim forms when using the benefit, endure waiting periods, co-pays, or hidden fees.
- **Full-service restoration and unlimited consultation.** Identity theft specialists who are available to discuss and address any identity theft or online privacy concerns. In the event of identity theft, a dedicated Licensed Private Investigator is assigned to restore a participant's identity to its pre-theft status.
- **Multi-device protection.** The best plans include a password manager, VPN protection, and safeguards against malware and viruses.
- **Comprehensive monitoring and real-time alerts.** Alerts that are sent upon detection of threats to a participant's identity, credit, financial, and/or social media accounts. Protection is maximized via added-value features such as anti-malware protection and online privacy reputation management services.
- **Reputation management tool.** Feature that scans social media profiles, public accounts, and broker data websites for content that could potentially damage reputation.
- **Mobile app.** On-the-go access to monitored information and identity theft specialists, real-time identity theft alerts, credit inquiries, and monthly credit scores.
- **Financial protection.** Identity theft insurance that reimburses members for costs related to a cybercrime, as well as financial account monitoring to help prevent bank account fraud.
- **Affordability.** Average employee premium of \$120 for a full year of comprehensive identity theft protection and incident resolution* vs. average financial loss of \$1,343 per identity theft incident.¹⁰

*Individual coverage only. Family Plan premium is \$220.

¹⁰ U.S. Department of Justice, Victims of Identity Theft, Revised Nov. 13, 2017, <https://bjs.ojp.gov/content/pub/pdf/vit14.pdf>





In 1969, company founder, Harland Stonecipher found himself financially unprepared for the legal ordeal he underwent because of an accident. The cost to defend his innocence led to his epiphany: From that day forward, he was determined to make sure everyone had affordable access to legal care, no matter how traumatic or trivial the circumstance.

PPLSI has evolved into a champion of equal access to justice and security. For 50 years, the company has empowered individuals, families, businesses, and employers with tools and services needed to affordably protect their individual rights, privacy, and property. PPLSI’s consumer brand, LegalShield, is transforming the traditional way of receiving legal guidance and services and putting qualified, trusted attorneys and law firms directly into employees’ hands. Our security brand, IDShield, specializes in privacy and reputation management, protecting employees’ online data and information.

Through the recent years of chaos, PPLSI members continue to recognize the value of our services. This is strengthened by our unwavering focus on improved technology, particularly mobile apps, which enable members to resolve issues quickly, affordably, and without having to leave the comfort of their homes.

PPLSI Net Promoter Score (NPS)

(2-year-average, 2020-2021)

Product	NPS
 IDShield™	75.1
 LegalShield™	56.7

The Creators of NPS, Bain & Company, suggest a score of 50+ is excellent.¹¹ For comparison, in 2018, Netflix had an NPS of 64, PayPal scored 63, Amazon 54, Google 53, and Apple 49.¹²

¹¹<https://www.qualtrics.com/experience-management/customer/good-net-promoter-score/>

¹²<https://www.hotjar.com/net-promoter-score/>

Pre-Paid Legal Services, Inc. ("PPLSI") provides access to legal services offered by a network of provider law firms to PPLSI members through membership-based participation. Neither PPLSI nor its officers, employees or sales associates directly or indirectly provide legal services, representation, or advice. See a legal plan for complete terms, coverage, amounts and conditions. IDShield is a product of PPLSI. PPLSI provides access to identity theft protection and restoration services. IDShield plans are available at individual or family rates. A family plan provides monitoring services for up to ten (10) eligible dependent children under the age of 18 of the Named Member or Named Member's spouse or domestic partner. Consultation and Restoration Services for eligible dependent children under the age of 26. For complete terms, coverage, and conditions, please see an identity theft plan. All Licensed Private Investigators are licensed in the state of Oklahoma. An Identity Fraud Protection Plan ("Plan") is issued through a nationally recognized carrier. PPLSI is not an insurance carrier. This covers certain identity fraud expenses and legal costs as a result of a covered identity fraud event. See a Plan for complete terms, coverage, conditions, limitations, and family members who are eligible under the Plan. For a summary description of benefits for the Plan coverage see <https://idshield.cloud/summary-of-benefits>.



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that bring a just & secure life to
people across North America

