

Prepaid Legal: What It Can and Can't Do

Prepaid legal plans are advertised under the premise of cheap legal coverage; an attractive alternative to the high fees charged by standard attorneys and law practitioners. But under the luster of accessible legal services for the general public lie a number of limitations.

First, there is a limit on the scope of the legal services offered. Most of what is provided on an unlimited basis is phone based: calls to your attorney for advice and consultation on legal concerns, or phone calls done on your behalf to third parties. Other benefits bundled in the plan are limited: Fixed visits to your attorney's office are restricted to a dozen or so hours per month, the wills you want drafted or sample contracts reviewed will be carried out on two or three copies per year.

More complex legal matters involving more time and effort of the function of your attorney are not provided outright. If you require representation in a court for a lawsuit on the recovery of damages, or a complex lease contract reviewed and approved, then you have to pay standard lawyer fees. Some discounts of up to 25 percent apply, but you could get the same discounts if not better by the simple virtue of simple negotiations and clever comparison shopping.

Second is the restriction on your selection of attorney and the quality of legal work provided. Although you are free to pick your own attorney, client-lawyer relationship and the building of rapport are harder to achieve in this scheme. Prepaid legal plans are fraught with the "rookie" problem: The providers frequently resort to employing newly-licensed or trainee attorneys in a cost-cutting exercise. Someone who does mostly wills, trusts and sample contracts is probably not a good fit for a more complex legal issue such as the custody of children. In this day and age of increasing specialization, it is wiser to ask someone with specialized knowledge and years of experience than it is to rely on a novice with a limited professional track record.

If you go down the traditional path, then there is restricted "pool of attorneys" you can pick from. Your research would be simpler and a lot more comprehensive. You can arrange interviews with lawyers, ask for referrals from friends, previous customers or check with your local bar association. You are more likely to find a top-notch lawyer with whom you can build rapport, get competent advice, and trustworthy judgment.