

Are you prepared to recruit and retain highly skilled professionals?

The employment market for the legal industry is predicted to grow at an average rate comparable to other industries, but the government predicts a 30% spike in paralegal jobs through 2014.

This increase may fuel a competition for highly trained workers.¹

This industry snapshot is a supplement to the Unum Buyers Study, which analyzes the impact of changing trends in workplace demographics on today's benefit strategies.

Key Insights



- Because highly-paid lawyers can need more extensive income protection, this industry has led the move to voluntary coverage.
- With a high projected need for paralegals, this industry will have to offer richer benefits packages to compete for employees.

An insider's look at legal service industry buying trends

Long Term Disability Insurance

- Legal is one of the top three industries to follow the trend to employee-paid plans.
- More than 40% of legal services policies issued during the past three years have a maximum monthly benefit of \$10,000 or more — twice the national average.

Short Term Disability Insurance

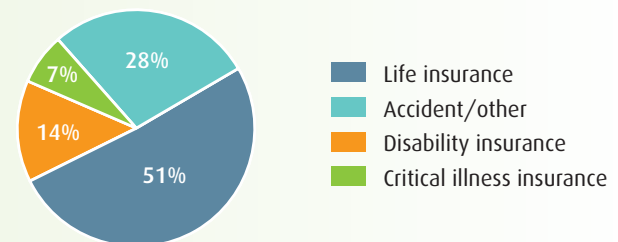
- Employer-paid plans made up only a little more than 40% of all new plans sold in the legal industry during the past three years.
- STD plans are becoming richer —71% provide a weekly maximum benefit over \$500 and 37% provide a weekly maximum benefit of \$1,000 or more.

Voluntary Products

- Law firms are much more likely than other industries to offer higher levels of executive coverage. One example — this industry offers a much richer critical illness benefit than average.

Voluntary Insurance

Most popular offerings as percentage of total new premium for 2005:



All information, unless noted, is from the Unum internal database 2003-2005.

Most Common Group Plan Designs*

Long Term Disability Insurance

Definition of disability: 2-year own-occ with residual
 Maximum monthly benefit: \$6,000
 Elimination period: 90 days
 Benefit percentage: 60%

Short Term Disability Insurance

Definition of disability: total
 Maximum weekly benefit: \$500
 Elimination period: 0 days injury/7 days sickness
 Benefit percentage: 60%

Life Insurance

Benefit amount: \$50,000 flat amount

Group Long Term Care Insurance**

Funding: employer-paid for attorneys; employer-paid base coverage for paralegals or support staff
 Benefit amount: \$3,000 monthly
 Benefit duration: three years
 Option: 100% of monthly benefit for professional home care

Buy-up plan

Benefit amount: \$6,000 monthly
 Options: total choice home care and inflation protection

Recommended Voluntary Coverage

- Individual short term disability insurance
- Specified critical illness insurance
- Hospital indemnity insurance
- Life insurance

Points To Consider

Legal Support Staff

- There can be great differences in salaries between attorneys and paralegals or support staff. For non-attorneys, individual short term disability insurance is a good option when group STD is not in place.
- Specified critical illness insurance is often a good fit for older, professional employees.
- Voluntary life insurance can provide additional coverage beyond the employer-sponsored plan.
- For non-attorneys, out-of-pocket medical expenses could have a major impact on their finances. Hospital indemnity insurance may be a good fit for this group of employees to help relieve the impact of these pressures.

Attorneys

- A specialty definition of disability for attorneys, defining the regular occupation as their specialty in the practice of law, is a good option. Certain disabilities could allow an attorney to continue working, but prevent him or her from performing their specialty in the practice of law.
- Revenue protection provides a benefit to the law firm when a key revenue generator for the business is disabled and not billing hours.
- Consider a \$15,000 monthly benefit maximum for long term disability coverage.
- The recovery income protection rider is an important feature for attorneys who need to re-build their client base after a period of disability. It pays a benefit in proportion to income lost when the employee returns to work full time but his or her income is not up to the pre-disability earnings level.



For more in-depth information on benefits strategies that address emerging trends, visit www.unum.com/buyerstudy. The study includes the latest information and research from respected experts in the insurance and HR sectors.

¹ Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 2006-07 Edition. Paralegal and Legal Assistants, on the Internet at <http://www.bls.gov/oco/ocos114.htm> (cited August 29, 2006).

* Data is a cumulative description of all group sales between 2003 and 2005. There may be variations based on case-size or geographic regions. Larger cases may offer richer plans.

** Plans most commonly seen in our current inforce block of business.

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