

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

House Committee on Consumer Protection and Government Efficiency

REVENUE: No revenue impact**FISCAL: No fiscal impact****SUBSEQUENT REFERRAL TO:****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Patrick Brennan, Administrator**Meeting Dates:** 5/19, 5/26

WHAT THE MEASURE DOES: Exempts, from certain regulations, legal access providers that charge a fee to customers for the purpose of providing the customer with access to legal consultation and other legal services and that pays an administration fee to the attorney.

ISSUES DISCUSSED:

- Distinguishes between legal access providers and legal expense organizations
- Types of services offered by legal access providers
- Liability issues

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Currently, Oregon's insurance statutes require companies that provide specified legal services or reimbursement for legal expenses to become licensed and regulated as insurance companies. Certain legal access plans, such as LegalZoom, which do not provide legal services or reimburse for legal expenses do not appear to be within the intended scope, but could be subject to the regulation.

Legal access plans have evolved to provide consumers a variety of products and services for a monthly fee, such as access to an attorney licensed in the state for consultations, discounts off any further legal work that may be needed from the attorney, downloadable forms, and other discounts on certain products and services. The plan members benefit with access to attorneys at reasonable costs for limited scopes of work; the attorneys benefit from referrals of clients in need of assistance. The attorneys often receive a small monthly administrative fee per enrolled customer to cover costs related to opening files and handling administrative matters under the plan. This is not compensation for legal services or related to consultations provided. The legal access provider does not provide any legal advice or representation and all legal arrangements are directly between the client and the attorney.

Senate Bill 922A clarifies current law to provide additional certainty for legal access companies.

Senate floor vote: 28-0