

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

---

**Action Date:** 04/15/15

**Action:** Do Pass With Amendments. (Printed A-Eng.)

**Meeting Dates:** 04/06, 04/13, 04/15

**Vote:**

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

**Prepared By:** James LaBar, Committee Administrator

---

**WHAT THE MEASURE DOES:**

Clarifies that a legal access plan is not a legal expense plan and is therefore not subject to the insurance code. Defines “administrative fee” as a nominal fee that a legal access provider pays to an attorney; is not more than six dollars per month for each of the legal access provider’s customers, or a greater amount that the Director of the Department of Consumer and Business Services specifies by rule; and covers overhead expenses that the attorney incurs in providing legal consultations to a legal access provider’s customers. Clarifies that administration fee does not include fees, charges or other compensation that an attorney charges to the attorney’s client for legal services or a reimbursement that a legal expense organization provides under a legal expense plan. Clarifies definitions of legal expense organization, legal access provider and legal expense plan.

**ISSUES DISCUSSED:**

- LegalZoom business model and services
- Variety of support for consumers access to legal plans

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces original measure.

**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.