

Fast a c t s

FOR CONSUMERS



Prepaid Legal Services

WHAT'S THE VERDICT?

Prepaid legal services have been around for the past 25 years and has become increasingly popular in South Carolina. The law defines prepaid legal as legal services provided by an individual licensed or admitted to practice law in the jurisdiction in which the services are rendered, and which are provided in return for a predetermined specific periodic fee.

Middle income Americans are the focus of prepaid legal services. Generally, a prepaid group appeals to consumers because finding an attorney can be expensive and prepaid legal services provide a chance for consumers to have legal support at low monthly costs. The consumer buys into a plan and pays on a month-to-month basis.

Prepaid legal service plans operate like HMOs; a consumer buys a plan that provides them with certain legal services. When the need arises, the consumer contacts a provider attorney who either handles the matter or refers it to a local attorney in the consumer's area.

Indeed, prepaid legal services may be convenient for the consumer, yet, there are certain cautions that a consumer must consider prior to joining a prepaid legal service group. The consumer should know what kinds of legal services he or she needs to make sure their specific needs are included in their contract, as well as what is not included.



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scdca@dca.state.sc.us • 803.734.4200 or toll free state-
wide: 1.800.922.1594 • website: www.state.sc.us/consumer

Many matters, such as DUI defense or domestic cases, are excluded and some contracts are limited to business or personal policies. The consumer should read and understand the contract prior to signing.

If the consumer is not satisfied with the answers that the sales representatives give to his or her questions, then the consumer should not sign the contract.

The Department of Consumer Affairs licenses and regulates all prepaid legal services. Prior to commencing business in South Carolina, all prepaid legal services companies must register with the Department. Legal sales representatives must be appointed a representative of a particular prepaid legal service company by filing with the department.

Make sure to check with the South Carolina Department of Consumer Affairs to see if the prepaid legal service group is registered. You can do this by calling 1-800-922-1594.



YOU BE THE JUDGE

Make sure you ask:

- What kinds of services do I need?
- What kinds of services are available?
- Is this a business or personal policy?
- Will I have to pay anything besides the stated/agreed upon legal fees?
- What exclusions are stated in this contract?
- Are you registered with the South Carolina Department of Consumer Affairs?

Don't Forget!

- Make sure the salesperson is answering all your questions satisfactorily.
- Make sure you have thoroughly read and that you completely understand the contract.