

How Legal & Financial Stress Impacts **Employee Wellness**

And What You Can Do to Help



Stress Hurts Your Employees and Your Bottom Line

Stress has been called a “world-wide epidemic” by the World Health Organization. And it’s estimated that American businesses lose more than \$300 billion every year because of employees’ stress-related issues, such as productivity, absenteeism, turnover and out-of-pocket medical, insurance and legal costs.¹

Not sure your employees are affected enough by stress for it to impact their performance — and your bottom line? Consider this:

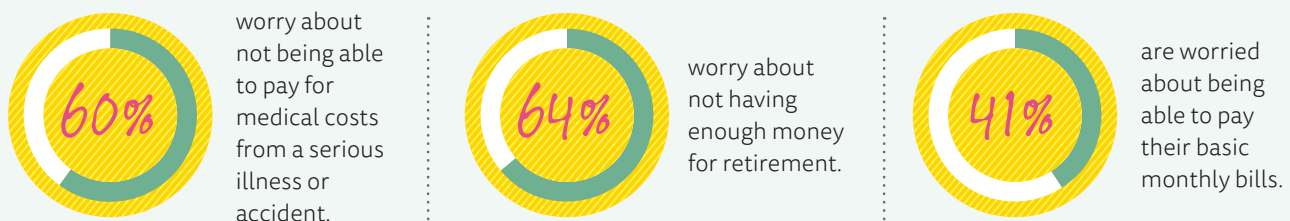


To help your employees manage their stress and improve their productivity (and your company’s success), you first need to identify what is contributing to the stress.

Financial Struggles and Stress

When it comes to stress, whether it’s caused by personal, medical or legal issues (or an issue that combines all three, like a death in the family), much of it can be traced back to one thing: money. Specifically, worrying about whether there is enough of it.

A nationwide Gallup poll found that the majority of Americans worry about current and future financial issues:⁴



Worrying about money becomes a vicious cycle, because people who are struggling financially are three times as stressed as those who aren’t, leading them to become physically ill, which means more days of work missed and more medical bills.⁵



One in five people struggling financially is in poor health.⁴

Legal Issues and Stress

An area that causes just as much financial stress as medical issues but is less widely reported on is legal issues. According to a study commissioned by ARAG®, a leading provider of legal insurance, **three out of four Americans experience one or more legal situations a year**. And of those who experienced at least one legal issue in a year, 72 percent of them experienced more than one.

The study found that not only are the majority of your employees experiencing legal issues every year, but they feel very or somewhat stressed about:

1. Not knowing where to turn or how to get started **71%**
2. The time commitment that has been or may be necessary to deal with the legal issue **69%**
3. Understanding their options **68%**
4. The amount of money they may have to or have already spent **67%**
5. Finding an attorney to help **61%**

Survey responses showed there is a lot of uncertainty when it comes to legal issues, especially the financial aspect. When asked about their ability to pay for legal expenses:

76%
of those surveyed had no defined way to handle the costs

People estimated an attorney's hourly rate to be **\$206**
— nearly \$150 less than the average hourly attorney rate in the U.S.⁶

How Legal Issues Impact Productivity

The stress from dealing with legal issues seeps into your employees' workday: 68 percent of employees surveyed spent time at work dealing with their legal issues — an average of 18 hours per issue. And half of employees had to take an average of four days off work to resolve their legal issues.

All this time spent worrying and trying to sort out what to do or who to ask for help adds up to less productive and engaged employees. So how can you help them?

How to Reduce Employee Stress: Offer Legal Insurance

ARAG member surveys show that having legal insurance can greatly reduce stress when dealing with a legal situation. In fact, **90 percent of ARAG plan members feel that having legal insurance reduces their stress when dealing with legal issues.**⁷ This makes sense when you consider all the stress legal issues cause and what ARAG can do to solve those issues:

1. Not knowing where to turn or how to get started:

ARAG plan members can go online or call a customer care specialist to find a network attorney to help them resolve their legal matter — or use one of the hundreds of educational resources or DIY Docs[®] available online.

2. The time commitment that has been or may be necessary to deal with the legal issue:

ARAG plan members reported that they felt their ARAG plan saved them an average of 8.5 hours per legal matter.⁷

3. Understanding their options:

When plan members have ARAG network attorneys to guide them through legal matters, there's no need to search for local attorneys, call around for recommendations or research their best options.

4. The amount of money they may have to or have already spent:

Covered legal matters are 100 percent paid in full for ARAG plan members.⁸ That adds up to plan members saving an average of \$2,065 in attorney fees per legal issue.⁹

5. Finding an attorney to help:

ARAG has more than 14,000 network attorneys around the United States who have been specifically selected to serve our plan members. To find a network attorney to help them, members can log in to their account at ARAGlegal.com, use ARAG's mobile app or call Customer Care to get a list of local attorneys who practice in the needed area of law. Of those people who use an attorney, 96 percent believe the attorney provided them the best outcome, decreased their stress or saved them time.¹⁰

Member feedback and survey results show that having a legal insurance plan in place will decrease employee stress, which we know will lead to more productivity, improved mental and physical health and a more successful company and workforce.

"When I realized ARAG was going to pay my attorney's fees, I felt extremely relieved...like a huge weight lifted off my shoulder. I got chills! I did — I got chills because it's just been such a long and stressful process and now to have ARAG come in and help...it's almost like a guardian angel. It's hard to explain but that's what it's like. Coming and saying 'you know what, you'll be okay... you're not alone.' ARAG has my back."

Candace M., Nebraska
ARAG Plan Member

"We really want to focus on health and well-being... to help employees and families lead longer, happier, healthier lives, leading to an enjoyable retirement. We certainly want to provide resources that can help alleviate stress and ARAG really fits in well with that overall philosophy. It's very reassuring to our employees and families when they know they have the coverage they need and that way they...don't have to stress about it during the work day. So if you're looking to add value to your benefits package without dramatically increasing the cost of benefits to your company, ARAG's a great way to go."

Tim O'Neil, Meredith Corporation,
Executive Director of Employee Benefits & Wellness

See the Connection



Legal & financial issues cause stress.



Stress causes health issues & impacts productivity.



Legal insurance plans reduce stress.



Reduced stress improves employee health and productivity.



Healthier and more productive employees benefit your bottom line.

Learn How ARAG Can Help You

We are ready to help you create a work environment with more productive and less stressed employees. Companies across the United States have discovered the added value ARAG legal insurance offers, including:

- ✓ 100 percent paid-in-full coverage for covered legal matters when using a network attorney — not just discount services.
.....
- ✓ Greater breadth and depth of coverage for more complicated issues, including contested matters and plaintiff and defense actions.
.....
- ✓ Free online tools and resources for ALL employees in the ARAG Learning Center.
.....
- ✓ All-in-one plan with legal, financial counseling and education, identity theft coverage, tax and caregiving services — there's no need for multiple plans.
.....
- ✓ Exclusive network guarantee regarding attorney availability.
.....
- ✓ Plus, we make it easy for you to implement and administer the plan.

To learn more about how ARAG legal insurance can help your company and employees, visit ARAGlegal.com or call 800-758-2860.

About the Study

ARAG commissioned Russell Research, a New York-based research firm, to conduct a study on the impact and understanding of legal issues. Russell Research interviewed 679 Americans, including 461 who had experienced a legal situation in the past 12 months.

The results of this study, conducted in Dec. 2016, along with existing research on the effects of stress, are summarized in this white paper.

¹ "Workplace Stress." American Institute of Stress. 2017. stress.org/workplace-stress/

² Bensing, DuPont & Associates. "Stressed at Work: What We Can Learn from EAP Utilization." 2013. bensingerdupont.com/stressed-at-work

³ "Paving the Road to Financial Wellness With Voluntary Benefits." Purchasing Power. October 2014.

⁴ "American Financial Worries Edge Up in 2016." Gallup. April 28, 2016. gallup.com/poll/191174/americans-financial-worries-edge-2016.aspx

⁵ "Global Benefits Attitude Survey 2015/2016." Willis Towers Watson. January 2016. willistowerswatson.com/en/insights/2016/02/global-benefit-attitudes-survey-2015-16

⁶ Based on average attorney rate in the United States for attorneys with 11 to 15 years of experience, The Survey of Law Firm Economics: 2016 Edition, The National Law Journal and ALM Legal Intelligence, November 2016.

⁷ 2016 ARAG Plan Member Satisfaction Survey.

⁸ Limitations and exclusions apply. ARAG legal insurance covers attorney fees, but not other costs associated with the legal matter. Such costs are the responsibility of the plan member.

⁹ Average amount saved based on 2018 ARAG claims data.

¹⁰ "How the Use of an Attorney Impacts Legal Outcomes." Russell ResearchSM for ARAG. January 2016.

Limitations and exclusions apply. Depending upon a state's regulations, ARAG's legal insurance plan may be considered an insurance product or a service product. Insurance products are underwritten by ARAG Insurance Company of Des Moines, Iowa, GuideOne® Mutual Insurance Company of West Des Moines, Iowa or GuideOne Specialty Mutual Insurance Company of West Des Moines, Iowa. Service products are provided by ARAG Services, LLC. This material is for illustrative purposes only and is not a contract. For terms, benefits or exclusions, contact us at 800-758-2860.