

*Alaska  
Public  
Employees  
Association*

# **LEGAL SERVICES PLAN**



**For Services Beginning  
July 1, 2022**

[apealegaltrustfund.org](http://apealegaltrustfund.org)

[Email: legaltrust@apea-aft.org](mailto:legaltrust@apea-aft.org)

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*Dear APEA-AFT Legal Services Plan Participant:*

*We are pleased to provide you with this revised booklet describing the benefits of your Legal Services Plan. The Plan covers attorney fees and costs for eligible matters.*

*The APEA-AFT, the APEA-AFT Legal Trust Fund or its Trustees do not derive any profit from the operation of this Plan or from the performance of legal services by attorneys under this Plan. The sole purpose of the Plan is to promote well-being and peace of mind for employees in bargaining units which have the legal services benefit.*

*This Plan does not provide legal advice or choose an attorney for you, but simply pays your attorney according to terms of this Plan, as set forth in the booklet. The Trustees cannot attest to the abilities of the attorney you choose; they merely recruit attorneys to work for our members at a reduced hourly rate. In providing legal services, the attorney will receive no instructions, direction or interference from APEA-AFT, the APEA-AFT Legal Plan, or its officers, directors or agents. The attorney's obligations and traditional relationships shall be with you—the client.*

*Please refer to your Plan Booklet when seeking legal services. Should you need assistance in understanding or using the Plan, please contact the Legal Trust Plan Administrator (Plan Administrator) in the APEA-AFT Juneau Headquarters office. Your questions and comments are welcomed and encouraged.*

*We take pride in serving you.*

***Board of Trustees  
APEA-AFT Legal Trust Fund***

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## **SECTION 1**

### **General Information**

Please direct all questions regarding the APEA-AFT Legal Trust Fund to the Plan Administrator in the Juneau Headquarters Office.

#### **Name of Plan**

This Plan is known as the “Alaska Public Employees Association-AFT Legal Services Plan” hereinafter referred to as the Plan and is provided through the Alaska Public Employees Association-AFT Legal Trust Fund. The Plan is sponsored by a Board of Trustees.

#### **Board of Trustees**

There are five Board members: APEA’s business manager, an employer representative, and a representative from each region. A list may be requested from the Plan Administrative Office. Board members are listed on the website at <https://apealegaltrustfund.org>. Each Trustee is an agent for purposes of accepting service of legal process on behalf of the Fund.

#### **Description of Collective Bargaining Agreements**

The Plan is currently maintained by collective bargaining agreements with the State of Alaska, Fairbanks North Star Borough, Juneau School District, Juneau Alliance for Mental Health, Nome Joint Utility System, Valdez City School District, University of Alaska, and APEA-AFT. The agreements provide that the named employers will make monthly contributions to the APEA-AFT Legal Trust Fund for the purpose of enabling employees working under the agreements to participate in the Legal Services Plan.

The employer's obligation to contribute is set forth in the applicable labor agreement. Copies of the pertinent sections of the collective bargaining agreements can be obtained by contacting any APEA-AFT office or on the <https://apea-aft.org> website.

Employer contributions to the Fund shall accumulate for the first six (6) months from the effective date of the initial collective bargaining agreement which includes the legal benefit. The accumulated contributions will act as a reserve. Fees for legal services performed for bargaining unit employees during the first six (6) months will not be paid, resulting in a six-month initial waiting period for bargaining unit employees who are new to the Plan.

Employees in the following bargaining units participate in the Plan: State Supervisory Unit, State Confidential Employees Association, Alaska Higher Education Crafts and Trades Employees, Fairbanks North Star Borough Employees Association, Juneau Education Support Staff, Juneau Mental Health Professionals, Nome Joint Utilities Employees, Valdez Federation of Teachers, and APEA-AFT staff who are members of the International Brotherhood of Electrical Workers or Professional Labor Organization.

#### **Plan Year**

The Plan operates on a fiscal year basis of July 1 through June 30. The Plan began providing benefits on July 1, 1980.

### **Territory**

The Plan applies only to legal services incurred within the United States.

### **Modification, Amendments, Suspensions, and Interpretations**

The Trustees may, at any time, amend or modify any and all parts and portions of the Plan.

The Trustees will have full power, discretion and authority to interpret the Plan and all of its provisions and to determine benefits payable under the Plan. This power and authority includes all decisions with respect to the nature and extent of legal services offered, the individuals covered, financing, and structure of the Legal Services Plan.

### **Tax Status of the Legal Services Plan**

Effective January 1, 1993, the employers' contributions to the Legal Trust Fund are considered taxable income for employees who have a contribution made on their behalf.

### **Effective Date of Benefits and Changes**

If benefits are modified, any changes in coverage or benefits shall be applied to services rendered after the effective date of modification. In no event shall payment for all legal services on all matters exceed the maximum benefit available during the Plan year.

**Website** <https://apealegaltrustfund.org>

## **SECTION 2 Summary of Benefits**

### **Maximum Benefit**

The Plan will pay up to \$2,700 for covered legal fees, costs and taxes each Plan Year. Legal services and charges incurred during a Plan Year that exceed the maximum benefit are not recoverable in any other Plan Year. In other words, it is a use-it-or-lose-it benefit. Your spouse and dependents may use your benefit upon your authorization as indicated on the User Agreement form.

### **Plan Attorneys**

Plan Attorneys have agreed to restrict their rate to \$200 per hour and their paralegals are restricted to \$120 per hour. **Plan Attorneys are paid at 100% up to your maximum benefit.** Their names, phone numbers and fields of practice are listed by city on our website <https://apealegaltrustfund.org>.

### **Non-Plan Attorneys**

Benefit payments can be less than 100% when you choose a Non-Plan attorney. Non-Plan Attorneys are not restricted to the \$200 per hour rate and may charge a higher hourly rate. For this reason, they are not listed on the website. If and when they charge more than \$200 per hour, they are paid only \$100 per hour, up to your maximum benefit, and you are responsible for any balance. *Note: Non-Plan Attorneys are paid at 100% only when they lower their rate to \$200.*

We may or may not have a Non-Plan Attorney Agreement on file. If you are using a Non-Plan Attorney, please ask the attorney to complete the Non-Plan Attorney Agreement form.

### **Out-of-State Attorneys**

You may use any attorney in the United States however attorneys outside of Alaska must submit a copy of their Bar Association membership card or Certificate of Good Standing, along with their Non-Plan Attorney Agreement.

**The Plan does not accept charges on a flat fee basis.**

### **Benefit User Responsibility**

The Plan will not pay for *all* legal costs you may incur. You are responsible for attorney fees and costs not covered by the Plan. You should explore the total costs with your attorney before you begin work on a matter. You will then have a working understanding of what the Plan will pay and approximately what you will have to pay.

The Plan benefit covers a wide range of legal services, for example: wills, estate planning, divorce, sale of personal residence or tenant problems. However, the Plan does exclude certain matters. *See Section 6 Exclusions.*

Before you see your attorney, be sure to read the complete description of benefits and exclusions in this booklet. If you are still uncertain as to whether your matter is covered, please contact the Plan Administrator.

Bring the User Agreement and Case Description forms with you to the first appointment with your attorney. Leave a copy with your attorney for their billing purposes. Send a copy of both forms to the Plan Administrative Office. Once received, your coverage can be determined.

## **SECTION 3 General Provisions**

### **Initial Eligibility**

1. Your employer is subject to a collective bargaining agreement requiring contributions to the APEA-AFT Legal Trust, and has made contributions for at least six (6) months (*see Section 1, Description of Collective Bargaining Agreements*); and
2. You have been employed in a participating bargaining unit at least thirty (30) days; and
3. Your position is eligible for benefits under your collective bargaining agreement's Legal Trust Fund Article.

### **Continuation of Eligibility**

1. If your claim for benefits runs from one Plan Year into another, coverage will continue for that matter in the next Plan Year.
2. If you began a legal matter that is not finished at the time your eligibility ends, the Plan

will continue to cover that matter for thirty (30) additional days, provided that the Plan will pay no more than the maximum benefit allowable for the year in which your eligibility ceased.

3. Seasonal employees follow item 2 above. Services are covered again on a seasonal employee's first (1<sup>st</sup>) day back to work.

If you meet these requirements at the time legal services are rendered and claims submitted, you, your spouse and dependents are eligible for your benefit under the Plan.

### **Termination of Eligibility**

Your eligibility for Plan benefits will end when you no longer meet the conditions of eligibility, or you reach the maximum benefit level in any Plan Year. In addition, when a claimed dependent no longer meets the Plan standards, coverage for that dependent will end.

Fraud or attempted fraudulent use of the Plan will terminate your benefits and the Plan will not pay accrued charges and the Plan may seek reimbursement of any benefits paid by the Plan.

All these limitations are effective without regard to the status of a matter at the time coverage ends, except as modified under *Death of a Participant*. The Plan has no obligation to continue payments thereafter.

### **Death of a Participant**

If a participant should die while meeting the conditions of eligibility, the Plan will pay up to the maximum Plan benefit for probate expenses without regard to the fiscal year limitation. No legal services other than for probate will be covered by the Plan after the death of a participant.

### **Coordination of Benefits**

If your spouse is also an APEA-AFT member in one of the participating bargaining units, you may use your benefit and your spouse's benefit on a claim. Payments are divided equally between each employee's benefit. In this situation, one User Agreement will be completed and both benefit users will sign the form. The primary claimant should complete the top section and sign on the line for *User's Signature*. Also complete the Coordination of Benefits section. The spouse must sign on the line: *Coordinating Applicant's Signature*.

If your spouse is covered under another legal plan (e.g. ASEA or NEA) you must report the existence of that plan on your Member Agreement form to insure proper coordination of benefits. Proper coordination means the member with the earliest birth month and day will be considered the primary and their union's plan will pay first. If the primary payment was less than the balance owed, your claim will be sent to the secondary plan for review.

In coordinating benefits, you cannot, in any event, recover more than the total expense incurred.

### **Dependent Coverage**

Your spouse and dependent can use your legal services benefit if you consent. **THIS IS NOT AN ADDITIONAL BENEFIT.** You will only be entitled to the maximum allowable benefit for all legal expenses incurred by all family members.

Your eligible dependent must first have your written consent on the User Agreement prior to obtaining any benefits. The same rules and limitations apply to a dependent as to the employee.

For Plan purposes, the term “dependent” includes the following family members if you provide more than half of their support and they live in your home with you:

- Children or stepchildren less than nineteen years of age.
- Children 19-23 years of age if in school half time or full time.
- Children incapable of employment because of mental or physical incapacity regardless of age. The incapacity must have existed before the age of 19 and documentation must be attached to your claim.
- Siblings or stepsiblings less than nineteen years of age.
- Parents or stepparents.

*The Plan reserves the right to obtain proof of dependency upon the employee’s application for benefits.*

### **Administration of the Plan**

The Plan Administrator has the authority to approve or deny coverage of a matter, based upon the claim forms or other information the Plan Administrative Office may receive.

### **Hearing of Complaints**

In the event you have a dispute regarding eligibility, duration, coverage of a matter, or payment under the Plan, you should first contact the Plan Administrator. If the complaint is not resolved, you may then appeal the dispute to the Board of Trustees or a committee appointed by the Board. Your appeal must be in writing, stating the reasons for your objection. It must be received by the Board of Trustees within sixty (60) days after the date of the written denial of claims by the Plan Administrator. Upon request, the Plan Administrator will send you a copy of the *Appeal Rules and Procedures*.

### **Suspension of Benefits**

The Trustees, at their discretion, may suspend any and all legal services benefits or payments for such benefits at any time after a participating Employer fails to pay to the Trust Fund, in a timely manner, the contributions which are required under the terms of an applicable collective bargaining agreement. In the event the Trustees decide under such circumstances to suspend the legal services benefit or payment of such benefit, you will be responsible for all fees or costs for legal services which have not been paid under this Plan as a result of the suspension of benefits. However, in the event your Employer eventually pays any delinquent contributions, the Trustees may reinstate the legal services benefit which would otherwise have been available to you and your dependents had your Employer paid the contributions in a timely manner.

### **Third Party Reimbursement and Subrogation**

If attorney fees or expenses relating to a matter on which the Plan has provided benefits are recovered from a third party, the attorney engaged under the Plan must reimburse the APEA-AFT Legal Trust Fund, on a first dollar basis, for any legal service fees and expenses paid by the Plan. This includes costs and attorney fees recovered from the opposing party. The Plan is



entitled to recover all benefits paid up to the full amount of the recovery from the third-party. Your available benefit limit will then be adjusted accordingly to reflect the amount reimbursed.

### **Collection of Attorney Fees**

The attorney must use his/her own judgment in determining your ability to pay – as is done with any client. It is not mandatory that an attorney take your case. The APEA-AFT Legal Trust Fund is not liable for any fees that remain unpaid or for the malfeasance or any malpractice of the attorney you engage.

### **Promote or Publicize Plan Status**

Plan Attorneys will not promote or publicize their status as such, except as may be consistent with the *Code of Professional Responsibility*. The Plan Office maintains names of attorneys or firms, fields of practice and telephone numbers on our website.

### **Keeping Records**

Each participating attorney will keep accurate and current books and records concerning each Plan participant advised or represented sufficient to allow the Plan Administrator to determine and pay benefits pursuant to this Plan. Information to be maintained includes a brief description of the matter, dates of service, time spent on the matter, disposition of the matter and any charges made for legal services, costs, and taxes. These books and records will be preserved for at least two years after the matter involved is terminated. Each participating attorney shall make such records available to the Plan upon request.

## **SECTION 4 How to Use the Plan**

### **Bargaining Unit**

Are you an active employee of a bargaining unit participating in the Plan? *See Section 1, Description of Collective Bargaining Agreements.*

### **Find an Attorney**

Plan Attorneys have agreed to lower and restrict their hourly rate for you. They are listed on our website. Telephone numbers and fields of practice are also shown for your convenience. You may request a list of Plan Attorneys from the Administrator.

Non-Plan Attorneys may charge a higher rate. If the attorney charges more than \$200 per hour, the Plan will reimburse up to \$100 per hour, with the member being responsible for the balance due. If the Non-Plan Attorney charges \$200 or less, the Plan will reimburse at 100% up to the maximum allowable benefit.

For additional help in choosing an attorney you could ask for recommendations from friends, family or acquaintances who have experience in dealing with the same kind of problem or issue. You could also research your local telephone directory for attorneys who specialize in your specific matter; they usually have a yellow-page ad. You could also contact the Alaska Bar

Association's referral service by calling 272-0352, Outside Anchorage, call 1-800-770-9999.

### **Attorney – Client Relationship**

You may select any attorney who agrees to participate, regardless of whether the attorney has previously agreed to be a Plan Attorney or Non-Plan Attorney. The Plan does not choose an attorney for you, but simply pays one for the eligible services covered by the Plan. In providing such legal services, an attorney will not receive instruction, direction or interference from the Plan Administrative Office or Board of Trustees.

When scheduling your first appointment, you must notify your attorney of your APEA-AFT Legal Services Plan benefit to be sure your attorney is willing to agree to its terms and requirements for reimbursement of eligible fees and expenses. Do not hesitate to ask for an estimate of costs in advance.

### **Plan Attorney Agreements**

All attorneys listed on the website have a Plan Attorney Agreement on file at the Plan Office. Keep in mind the Plan Attorneys are not obligated to take your legal matter.

To work with our Plan, an attorney must agree to the terms in either the Plan Attorney Agreement or the Non-Plan Attorney Agreement. If the attorney you choose does not have an Agreement on file with our office, please ask him to complete one of the attorney agreements. If an attorney is willing to restrict his rate for *all* participating legal benefit users, he would sign a *Plan Attorney Agreement*. The attorney's name will then be listed on our website. If he is not willing to *restrict* his rate for *all* participants, he would sign a Non-Plan Attorney Agreement.

Once you retain an attorney and discuss the costs, you should understand what the Plan will cover and approximately what you will have to pay, if anything, out of your own pocket. *Remember, if using a Non-Plan Attorney who charges more than \$200 per hour – the Plan will reimburse only up to \$100 per hour and you will be responsible for the balance of the charges.*

### **Required Forms**

At your first appointment, please give the attorney your User Agreement to ensure proper billing. Forms can be printed from the website or obtained from any APEA-AFT office.

The User Agreement authorizes the Plan Administrative Office to pay your attorney. It serves as a contract between you and your designated dependents and the attorney for the specific matter on your Case Description. *The employee must complete the User Agreement.*

Also give your attorney a blank Case Description form. The Case Description indicates the matter for which you are seeking legal services and is required to determine coverage for your claim. *The attorney must complete the Case Description.* If you have any questions as to whether your matter will be covered under the APEA-AFT Legal Services Plan, please contact the Plan Administrator **before** your first attorney appointment.

While you do not need the Plan Administrator's prior approval before contacting an attorney, it is advisable to send a copy of the User Agreement to the Plan Administrative Office before your

first appointment. Any questions on coverage can then be resolved before you incur legal expenses.

### **Attorney Billings**

Request the attorney to send invoices directly to the Plan Administrative Office, along with a copy of your User Agreement and the Case Description. Ask that you also be sent a copy of each invoice so you can track billings and payments regarding your matter.

The benefit user is responsible for any attorney fees or expenses not covered by the Plan. It is the benefit user's responsibility to ensure that the Plan Administrative Office receives billings in a timely manner.

Monthly invoices are preferred.

### **Invoices must include:**

1. Name of the benefit user. Name of the client, if different from the benefit user.
2. Description of the matter, (for example: Wills, or Custody).
3. Dates of service, a brief description of the services rendered, time spent for services on that date, rate charged, and amount charged.
4. Total hours, total charges for attorney time, total charges for paralegal time, description of costs and total for costs, amount charged for taxes, and any previous balance owed.

*Previous balances cannot be paid unless the required information is provided. Charges incurred before you became eligible under the Plan cannot be paid.*

### **Plan Payment**

Payments are made within thirty (30) days. If you are not eligible for the APEA-AFT Legal Plan benefit or if your legal services are not covered, you and your attorney will be notified within thirty (30) days.

A check is mailed to the attorney on your behalf. A check stub is mailed to the employee whose benefit is being used showing the Plan's payment to your attorney and your share, if any, of the fees and expenses.

### **Direct Payment**

If you made a direct payment to the attorney, you must request that the attorney reimburse you for any amount not owed them once the Plan Administrative Office has made its payment on your behalf. *The Plan cannot legally reimburse you directly. The Plan can only pay attorneys.*

### **Deadline for Receiving Invoices from Attorneys is August 31**

While monthly invoices are preferred, the final deadline for receipt of invoices for services performed in the prior Plan Year (July 1-June 30) is August 31.

The Plan Administrative Office will not make any payments on prior year services if the invoice is not received by the deadline date. It is the sole responsibility of the employee whose benefit is being used to make sure a claim has been paid. If you received legal services and have not

received a bill from your attorney or payment confirmation from the Plan Administrative Office, please do not assume the services were free or were paid. Call your attorney to make sure your attorney is aware of the August 31 billing deadline. Ensure that all invoices for services performed on your behalf during the prior Plan Year have been submitted in time to be received by the Plan Office by August 31. **If the Plan Administrative Office has not received your prior fiscal year service bills by the billing deadline date, all charges will be your responsibility.**

## **SECTION 5**

### **Covered Legal Services**

Covered matters must be personal in nature and cannot relate to a business or any kind of a for-profit or non-profit business or enterprise. Following are descriptions of many of the legal matters covered by the Plan.

#### **Civil Litigation**

The Plan will cover reasonable fees and expenses for trials and civil administrative hearings, including pleadings, briefs, and appearances before any court or administrative agency, unless such litigation is excluded under another part of the Plan. Small claims actions are also covered if you do not wish to represent yourself.

#### **Consumer Transactions**

Matters involving consumer transactions include claims or lawsuits arising from your purchase of goods and services for personal use or consumption and claims against you for unpaid bills or charges for the purchase of consumer products.

#### **Document Preparation**

This includes the preparation or review of documents and charges for time spent gathering information relative to the preparation of the document for personal use.

#### **Estate Planning, Wills and Probate**

You are entitled to have your last will and testament prepared and executed under the supervision of an attorney. Coverage includes the preparation or amendment of wills, extensive estate planning, and documents for spouses and dependents.

While the primary purpose of this Plan is to provide legal services to active employees, in the event of the death of a participant the Plan will provide coverage for legal assistance your survivors may need in handling your estate, including probate. As noted earlier, benefits for your survivors are handled differently than other benefits. See *Death of a Participant*, Section 3.

The Plan also provides for legal representation in those instances where you are, or should be, recognized as a beneficiary, heir, or next of kin and must obtain legal assistance in gaining or protecting that recognition.

Expenses incurred by a participant acting as a personal representative or executor for the estate of an immediate family member only, are covered by the Plan. For the purpose of this paragraph only, an immediate family member is defined as the participant's spouse, children, siblings, and parents.

### **Family Law**

Legal matters or services under this benefit usually arise when you are confronted with a legal action or must initiate a suit in an attempt to resolve some family or marital difficulty. These matters customarily include the following services covered by the Plan:

- Adoption
- Annulment
- Child custody or support orders or modification of decree
- Divorce or modification of decree
- Guardianship
- Immigration
- Mediation
- Name change
- Pre- or post-nuptial agreements
- Property settlement agreements
- Legal separation

### **Investigative Services and Expenses**

The Plan will pay the following expenses when related to a covered matter:

- a. Investigative and research expenses performed by a lawyer or others under their direction in ascertaining facts, finding and taking statements of witnesses, and gathering information of any kind that may reasonably be necessary for adequate legal representation.
- b. Witness fees.
- c. Out-of-pocket expenses shall consist of only the following:
  - Depositions, transcribing, or stenographic fees.
  - Printing, copying, and postage.
  - Long distance calls, telegrams and faxes.
  - Photography exhibits or other necessary photographic use.
  - Scientific or technical assistance, reports or tests, including medical examinations or surveys.
  - Publication costs.
  - Filing fees.
  - Server process fees.
  - Courier/messenger services.

### **Personal Bankruptcy**

Coverage is provided whether you are consulting or filing for bankruptcy.

### **Real Estate Transactions**

Representation under this topic may involve the review, preparation, and examination of all documents concerning the purchase, sale, or transfer of your personal residence.

The benefit is limited to assistance in the purchase or sale of a personal residence. If any part of the personal residence is or will be used as rental property or another business venture, special rules apply. You should contact the Plan Administrative Office to determine coverage.

Other covered real estate transactions include defense of mortgage foreclosure actions against you as the owner of your personal residence, refinancing programs involving a mortgage on your personal residence or representation for the purchase of land for construction of a home for your personal residence.

### **Small Claims**

An attorney may represent you if you do not wish to represent yourself in a small claims court proceeding.

### **Tenant Rights**

The services under this topic may involve preparing or reviewing the lease of property for personal use, representation in an eviction action against you for the nonpayment of installments under the contract or problems you may have with your landlord regarding failure to provide proper and necessary services or other difficulties that may arise between you and your landlord.

## **SECTION 6 Exclusions**

The Plan is not intended to cover all costs associated with consulting an attorney, nor does it cover legal services in every situation. The intent is to provide basic personal legal assistance enabling the average individual or family to retain a lawyer when the need arises. Under the requirements of the Internal Revenue Service, the Plan may cover only personal legal matters. Therefore, the following types of matters are specifically excluded from coverage provided by the Plan.

### **APEA-AFT, the Plan, and Sponsors or Parties to the Plan**

Any judicial, administrative, arbitration or other proceeding, problem or controversy involving any party to the Plan is excluded from coverage. The current parties to the Plan are APEA-AFT, APEA-AFT Legal Trust Fund, Fairbanks North Star Borough, Juneau Alliance for Mental Health Inc., Juneau School District, Nome Joint Utilities, State of Alaska, University of Alaska, and Valdez City School District. This also applies to other participating employers, and their officers, agents, and employees that *become* parties to the Plan after the current version of this booklet, while in the performance of duties as officer, agent, or employee.

### **Actions Whose Costs are Frivolous or Disproportionate to the Possible Benefits**

- a. Actions, which in the judgment of the attorney, are frivolous or are disproportionate in legal cost to the possible benefits to be gained.
- b. Any case, which in the opinion of the attorney is so devoid of merits as to render its prosecution impractical or not in your best interests.

### **Attorney Fees Assessed Against You**

Attorney fees that are assessed against you by the court are not covered. This exclusion does not apply to the fees charged by your own attorney.

### **Attorneys Not Licensed to Practice**

- a. Legal services provided by attorneys not licensed to practice in Alaska or the state in which they perform the legal services.
- b. An attorney who is not in good standing with his or her Bar Association.

### **Attorneys Related to You or Living with You**

Expenses or fees for services performed by a person related to you or your dependents by blood, marriage, adoption or who is a resident of your household.

### **Business Ventures**

Services in connection with any business venture or other matter in which, for federal income tax purposes, the cost of legal services would constitute a business expense or capital investment.

Any venture, whether or not the legal expense is considered a deductible expense for federal income tax purposes, whose purpose is to generate a profit.

### **Certain Payments, Fees or Costs**

- a. Payment of fines, assessments, penalties, forfeitures, or civil damages in any action, proceeding, or matter for which you may be found liable.
- b. The following costs and fees are also excluded:
  - Clerical expenses
  - Flat fees
  - Interest on overdue balances
  - Parking
  - Processing costs
  - Retainers (a deposit before services are performed)
  - Time spent reviewing and completing Plan information or billings
  - Travel or per diem expenses of a law firm or investigator

### **Class Actions, Interventions or Amicus Curiae Filings**

These legal matters and any other action not involving your personal, immediate, and direct interest are excluded from coverage.

### **Contingent Fee Cases**

Any case in which you are a plaintiff or claimant, and a contingency fee is normally and customarily charged (including worker's compensation and some personal injury cases).

These matters are typically excluded from group legal plan policies because methods of financing attorneys' fees already exist. For example, if you are injured in an automobile accident and the driver of the other car seems to be at fault for the accident, an attorney will typically represent you for a percentage of any damages that you may recover from the other driver. If no damages are recovered, your attorney will get no fee for his or her services. This is called a

"contingency fee arrangement" because the attorney's fee is contingent on recovery.

### **Criminal, Juvenile and Traffic Litigation**

- a. The Plan does not cover any expenses or fees incurred in connection with criminal or juvenile matters.
- b. The Plan does not cover any expenses or fees in connection with traffic infractions and violations, including but not limited to:
  - DWI (driving while intoxicated) charges.
  - Legal services in defense of a violation of public law.
  - Parking tickets.
  - Speeding tickets.

### **Duplication of Services**

Services or advice previously obtained in connection with the same problem previously claimed under the Plan.

### **Employment Matters**

Any judicial, administrative, arbitration, or other proceeding, problem, or controversy involving any employer or its officers, agents, or employees arising under the National Labor Relations Act, the Labor Management Relations Act, the Alaska Public Employment Relations Act or any other controversy in the nature of a labor-management or employment dispute, or where otherwise prohibited by law.

### **Flat Fees**

Your attorney must bill legal services at an hourly rate in order to receive payment from the Plan.

### **Income Tax Return Filing or Expenses**

Expenses and fees for services arising out of completing or filing your personal income tax return. However, the Plan will cover fees for an attorney to represent you if you are audited, unless some other exclusion (such as a business venture) applies.

### **Legal Representation if Available from Other Sources**

- a. Any legal proceeding in which you are entitled to legal representation or reimbursement for the costs, from any source other than this Plan, regardless of whether you exercise this right to legal representation or reimbursement. However, legal service benefits under other group legal services may be coordinated with this Plan *See Section 3*.
- b. Any case in which defense or other legal representation is provided through any policy of insurance, except to such extent as may be reasonably necessary to protect your interest in connection with questions of coverage or liability over and above the policy or contract limits.

If, by reason of indigence or low income, you are entitled to legal services provided by governmental or voluntary agencies, you may still obtain benefits from the Plan.

### **Real Estate Not for Personal Residence**

- a. Real estate or housing transactions that do not involve your personal residence.
- b. Rental portion of your personal residence.