

# Legal Expense Insurance FAQs

## What is Legal Expense Insurance?

Legal Expense Insurance is a unique product that gives individuals the power to defend or pursue their legal rights if they have a legal issue. With Legal Expense Insurance coverage from Peace Hills, you have access to general legal advice and guidance, plus the security and peace of mind knowing that your costs of pursuing legal action will be covered.

We have partnered with ARAG Legal Solutions Inc. (previously DAS Legal Protection Inc.) to add this comprehensive coverage to specific Personal Lines & Farm Package policies effective Dec 1, 2017 in Alberta and April 1, 2018 in British Columbia, Saskatchewan, Manitoba, Yukon, Nunavut and the Northwest Territories. Legal Expense Insurance coverage will be included in all Peace Hills Homeowner packages, Tenant/Condo packages along with our "Farm Plus" packages for Homeowners, Hobby Farm and Mobile Homeowners.

Your Legal Expense Insurance policy:

- Provides financial coverage for a variety of potential legal events;
- Empowers you to pursue or defend your legal rights; and
- Offers you unlimited access to general telephone legal advice.

## Why has Peace Hills added Legal Expense Insurance to these policies?

After conducting extensive research, we discovered there is a significant need and demand for access to justice in Canada. This insurance coverage will benefit our policyholders by giving them the tools they need to protect themselves and their families.

In the last five years alone, 55% of Canadians who accessed the legal system were not represented by a lawyer, and 63% of all Canadians did not consult a lawyer when faced with a legal issue because they believed it would be too expensive.

## Who do I call for legal advice?

You can call the Peace Hills Legal Advice Helpline at 1-866-568-1204. Our Helpline is available to you from 8:00 am to 12:00 am (local time), 7 days a week. Your call will always be answered and, in an emergency situation, a legal representative will be made available 24/7.

## What do 'legal costs' include?

Legal costs include items like:

- Lawyers' fees;
- Disbursements (expert reports, court fees, etc.); and
- Your opponent's legal costs (should you lose your case and be required to pay them).



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## **Will my Legal Expense Insurance policy cover any legal dispute?**

No. While your policy is designed to cover a wide range of legal disputes, it will not cover legal issues relating to family law, real estate law, etc. The coverage you do have is detailed in the policy wording. Please read it carefully, and, if you are unclear about your coverage, speak to your insurance broker.

However, the telephone Legal Advice Helpline, included in your Legal Expense Insurance policy, provides you with general legal advice on any personal matter. General legal advice will be provided, even if your question is not covered by the policy. For example, although family law is not covered in the Legal Expense Insurance policy, you can receive legal advice regarding family law matters.

## **What are some legal disputes this policy does not cover?**

Please refer to your policy wording for specific coverage exclusions. While the Legal Expense Insurance covers a wide range of issues, some of the situations which are not covered include:

- Legal issues that began prior to the policy purchase date;
- Family law;
- Contract review;
- Wills and power of attorney;

- Pre-incurred costs;
- Legal defence outside of your employment; and
- Claims against Peace Hills and ARAG Legal Solutions Inc.


Even though these legal events are not included, general legal advice is still available via the unlimited, free Legal Advice Helpline: 1-866-568-1204.

## **Don't my home and auto insurance policies cover these legal events?**

Legal Expense Insurance provides coverage beyond what is found in traditional personal home and auto policies. If you currently have one of the previously mentioned Personal or Farm products with Peace Hills that qualify, this coverage is now part of your policy. Traditional home policies cover third-party liability and property damage claims, and traditional auto policies only defends third-party claims and provides accident benefits. Legal Expense Insurance coverages, such as Property Protection and Contract Disputes, fill some of the gaps in your home and auto policies.

## **Will a claim on my Legal Expense Insurance affect my claims-free discount on my Peace Hills policy?**

No, any Legal Expense Insurance claims or calls to the Legal Advice Helpline will not affect your claims-free status.



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## **What happens if my own lawyer begins work on my dispute before I notify Peace Hills and/or ARAG Legal Solutions Inc.?**

If you think you may have a claim, first call the Peace Hills Legal Advice Helpline at 1-866-568-1204 to speak to a lawyer. Do not ask any lawyer, outside of the panel lawyer appointed by your Legal Expense Insurance coverage, for advice before you have reported your claim to ARAG. If you discuss your dispute with an external lawyer before speaking to ARAG Legal Solutions Inc., and ARAG ultimately proceeds with your claim, they will be unable to honour any costs incurred before your claim was opened. There is also a risk that your claim could be prejudiced by not taking and following the advice given by a ARAG representative or the lawyer appointed to you from the moment you became aware of the dispute.

## **What if I am not happy with the way the appointed lawyer is dealing with my claim?**

After reviewing your file, ARAG will assign a legal professional with the specific skills, experience, and background required for your case. However, if you are unhappy with your appointed lawyer, they will work with you to resolve the issue and address your concerns.

## **Will I ever meet with the lawyer face-to-face or is everything done over the phone?**


Initial contact will be over the phone via the Legal Advice Helpline, along with the first meeting with your appointed lawyer. After that, you may meet with your assigned lawyer in person, if that is what you wish to do.

## **If I have a legal problem before my policy starts, will this still be covered?**

Matters that occurred before the start of your policy are not covered.

## **What is meant by the term 'reasonable prospects; when you're deciding whether or not to go forward with my claim?**

It is not in anyone's best interests to support a claim which has little chance of success. In civil claims, the appointed lawyer must agree that the claim is more than likely to be successful in order for us to proceed; this is what is meant by the term "reasonable prospects." Reasonable prospects must exist throughout the duration of a civil claim.



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## **If I speak to the Legal Advice Helpline, does this automatically trigger a claim?**

No. When you call the Legal Advice Helpline, an ARAG advice lawyer will discuss your situation with you to determine if you have a potential claim. If you do not have a claim, they will advise you on how you may resolve the issue. If you do have a claimable legal issue, they will open a file for you at the end of the telephone call and forward it to ARAG for final claims determination. If the issue is claimable, then an ARAG panel lawyer will be assigned and will contact you to set up a meeting to help defend or pursue your legal rights.

For a potential or in-progress legal situation, we encourage you to call the Legal Advice Helpline as many times as you need for any legal inquiry that you may have. Our qualified lawyers will give you general legal advice and a clear course of action.

## **I already have a claim opened with Peace Hills. Do I still need to call the Helpline or can I go through my adjuster?**

You need to call the Legal Advice Helpline because your claim will be handled through our Legal Expense Insurance provider, ARAG Legal Solutions Inc., and not with Peace Hills.

## **What happens if my legal costs end up going over my limit of indemnity?**

The indemnity limit shown in your policy is the maximum that would be paid out in the event of a claim. You are responsible for any costs over the indemnity limit, and ARAG will inform you if it appears likely this will happen with your claim.


## **My policy suggests that some disputes may be 'negotiated for' rather than simply pursued or defended in court. Why is this?**

It is often more beneficial for both parties to try and reach a settlement rather than go to court, as going to court can be stressful, expensive, and time-consuming. The majority of legal disputes are, in fact, settled by negotiation. The goal is to provide the most appropriate solution to your legal dispute, which may well be negotiation as opposed to going to court.

## **Does my policy cover criminal legal representation (e.g. I have been criminally charged with drinking and driving)?**

Your policy will only cover a criminal defence if the alleged criminal act was in relation to your work as an employee.

Drinking and driving, theft, or other alleged criminal acts not related to work would not be covered.



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**If my primary home insurance policy is with Peace Hills, but my legal dispute relates to my seasonal dwelling, am I covered under Legal Expense Insurance?**

Yes, you are covered, as long as your primary residence is insured with Peace Hills.

**Why is there a deductible for the Property Protection coverage and a minimum amount in dispute for the Contract Dispute coverage?**

There is a \$500.00 deductible for any trespass or legal nuisance claim under the Property Protection coverage, and a \$750.00 minimum amount in disputes under the Contract Disputes coverage. The value of the Legal Expense Insurance coverage comes from the policyholder's empowerment to defend or pursue legal action if they have a dispute with another party. The reason why we have a deductible and minimum amount in dispute is to encourage discussions and negotiations before formally accessing the legal system. Plus it is to discourage frivolous legal action, which further congests our court system.