

It's the law and it's inexpensive

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By Richard Miniter

ALEXANDRIA, Va. — Harland Stonecipher was a life-insurance agent driving down Oklahoma's Interstate Highway 3 when a head-on collision with a careless driver gave him an idea. "I had insurance for the car, the hospital bills, but not for my lawyer's bills," he said. That's when he decided to form Pre-Paid Legal Services, an insurance plan for legal work.

Rates range from \$16 to \$25 per month. Whenever a policyholder needs a lawyer, Pre-Paid pays for a local attorney who normally charges between \$150 to \$300 an hour. The policyholder pays nothing.

Mr. Stonecipher's company is booming. Small wonder: At any given time, 52 percent of Americans are dealing with some kind of legal problem, a recent American Bar Association study found.

Pre-Paid now has more than 625,000 satisfied customers in 42 states. Annual revenue will exceed \$100 million this year.

Meanwhile, House and Senate committee staff members in Washington are debating the future of the Legal Services Corp., an embattled federal agency that is supposed to provide free legal services to the poor.

If they knew more about Mr. Stonecipher's company, they would view the Legal Services Corp. very differently. Not that the current view is friendly.

The Legal Services Corp. has been under fire for more than 16 years by conservative lawmakers who contend that the agency spends more money pursuing a political agenda than actually helping the poor.

Conservative lawmakers have a point - but miss the big picture.

The Legal Services Corp. is a government agency notorious for turning away poor people who want basic services (alimony, child support, wills) that government lawyers consider boring. It doesn't handle criminal law cases.

Instead, it mainly prefers to file massive class-action lawsuits against manufacturers or actions against farmers allegedly mistreating migrant workers.

Both the House and Senate bills contain measures to rein in some of the agency's worst practices.

Meanwhile, companies like Pre-Paid are providing legal services to the poor - and making a profit. They inexpensively handle the meat-and-potatoes legal work - speeding tickets, personal injury claims, landlord-tenant disputes and more - that really matters to the poor and middle classes, not the high-profile political crusades that thrill federal bureaucrats.

And customers get a top-flight attorney at an established local law firm, not a government advocate who couldn't make it in the highly competitive legal world.

The Legal Services Corp. is largely unaccountable and incredibly mismanaged. By contrast, Pre-Paid Legal Services is an honor student, regularly issues independently audited financial statements and is watched by analysts on Wall Street.

Pre-Paid, which became a publicly traded stock in 1994, saw its earnings climb from \$60 million in 1996 to an estimated \$100 million in 1997.

House and Senate conference chairmen should ask themselves why taxpayers are paying for a service the market already provides.

It is time to abolish the politically paralyzed Legal Services Corp. Instead, Congress should give vouchers equal to about \$16 per month to the nation's poor and let entrepreneurs like Mr. Stonecipher provide the legal aid they need.

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