

Testimony of Mark Nelms, email marknelms@pplsi.com, House Bill No. 1189. I am in support of the bill.

Mr. Chairman and members of the committee. My name is Mark Nelms. I am a Vice President and Assistant General Counsel for Pre-Paid Legal Services, Inc. ("PPLSI"). This bill will provide an exception from the insurance code and the regulation of prepaid legal services plans like those offered in North Dakota by PPLSI.

PPLSI celebrated our 50th anniversary as a company last year. We have been doing business in the state of North Dakota since 1987. PPLSI is not regulated as insurance in most states. Recently, PPLSI has worked successfully to get similar legislative change in states like Nebraska, Arizona, Texas, and Tennessee to modernize their laws related to legal services plans.

PPLSI does not reimburse a member for any legal fees, court costs or out of pocket expenses. PPLSI does not assume risk or indemnify for legal services provided. PPLSI does not pay the provider law firm for specific legal services provided. The provider law firm receives from PPLSI only a small monthly administrative fee for each member in their state. Any payments for legal services not specifically included in the legal plan are paid directly by the member to the attorney.

The legislative change will also provide for additional economic opportunity and growth for the citizens of North Dakota that want to be a PPLSI independent sales associate. PPLSI associates can earn a commission from the sale of PPLSI legal plans. For the majority of associates, this can be a meaningful way to earn additional income. There is a licensing requirement for an associate to sell a PPLSI legal plan in North Dakota. Only seven states now require any such license for the sale of PPLSI legal plans. To become a PPLSI associate for a resident of North Dakota requires a process that includes testing, fingerprinting, and additional fees. The change in the law will remove that barrier. It is also difficult for a PPLSI associate living in another state who wants to sell a legal plan to a North Dakota resident (like a relative or friend) and the legislation remedies this as well.

PPLSI supports and promotes access to justice across the country. Legal plans are an important ~~option~~ for access to legal services for individuals, families, and small businesses. PPLSI legal plans provide access to legal services for North Dakota residents in all parts of the state.

The provider law firm for North Dakota is Wagner, Falconer & Judd. They are a top performing provider law firm. There are also 20 referral attorneys in North Dakota outside the provider law firm that receive referrals for PPLSI members.

Thank you for the opportunity to speak with you.