



Structured Settlements

"Structured settlements are a proven way to ensure that families of accident victims live with dignity and economic independence."

— American Association of People with Disabilities

Compare the advantages.

It's your future!

A structured settlement provides:

- *Guaranteed security*
- *Tax-free income*
- *Funding tailored to your and your family's specific needs*
- *Peace of mind and a higher net return*

What is a structured settlement?

Structured settlements are an optional method for families to accept compensation in wrongful death and physical injury cases. Under a structured settlement, you and your family receive a stream of guaranteed payments tailored to your specific needs. Structured settlements are completely voluntary and have gained support among a wide range of consumer and victims' advocates.

Why choose a structured settlement?

In today's uncertain financial climate, a structured settlement offers peace of mind. Your structured settlement provides a stream of payments specifically tailored to your personal and family needs. You don't have to worry about the responsibilities and risks of managing a lump sum settlement to meet the needs of a lifetime.

The payments come from a financially secure source. Federal law regulates how structured settlements are established.

What are the federal laws that govern structured settlements?

The Periodic Payment Settlement Act of 1982 explicitly encourages the use of structured settlements. In 1997, after 15 years of success with structured settlement, Congress approved legislation to promote structured settlements for workers compensation cases. And in 2002, President Bush signed legislation containing important consumer protections that further benefit structured settlement recipients.

How are payments "guaranteed"?

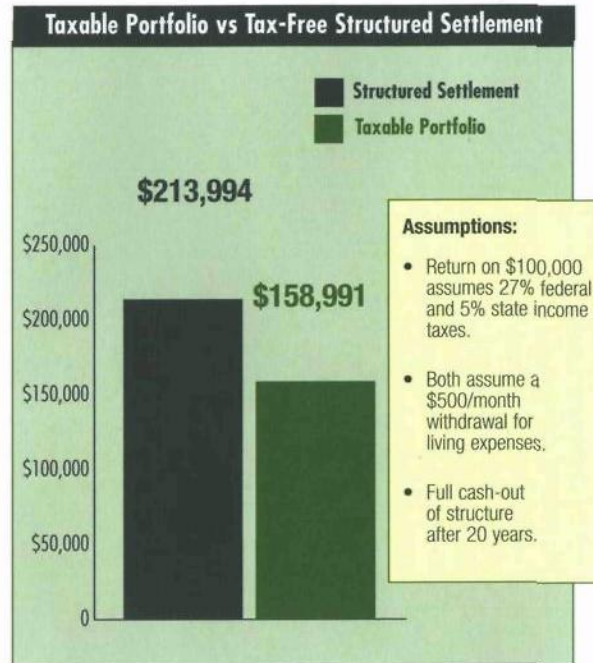
Your structured settlement payments are funded by either U.S. Treasury obligations or a life insurance company annuity – two of the safest funding sources available.

Do structured settlements offer a solid financial return?

Yes. Under current law, structured settlement payments are completely free from federal and state income taxes. Congress created this significant financial advantage 20 years ago to give beneficiaries a strong incentive to choose a structured settlement.

How significant are the financial benefits of a structured settlement?

This chart shows the tremendous advantages of a structured settlement over a one-time payout. Compare the returns on two hypothetical \$100,000 settlements. One is invested in conventional taxable investments at an interest rate of 6%. The other flows through a structured settlement earning the same rate.



After 20 years, the total net income generated by the lump sum settlement is \$158,991. By contrast, the total net payout generated by the structured settlement is \$213,994 – a 35% increase.

Could future events change my payment?

Structured settlements funded with U.S. Treasuries or fixed annuity contracts are guaranteed not to change, no matter what happens with interest rates or the stock market. These payments are a secure source of income that can also incorporate cost-of-living adjustments, stepped payment increases and future lump sums for additional flexibility.

What independent voices say about structured settlements:

"Structured settlements serve the public good by ensuring that victims don't dissipate their settlements and wind up on public assistance."

Alan Reich

President, National Organization on Disability

"[Structured settlements are] a benefit that I and thousands of plaintiff attorneys have recommended as one of the best ways to guarantee financial security and independence."

Bill Garmer, Esquire

Governor, Association of Trial Lawyers of America*

"Structured settlements have proven to be an ideal method for insuring that persons with disabilities, particularly minors, [do] not squander resources designed to last years or even a lifetime."

Thomas Countee

Director, Spinal Cord Injury Association

"Structured settlements have been adopted by Congress to assure people who need long-term medical and other support will get it."

Robert Hunter

Consumer Federation of America*

* Titles for identification only