



## STRUCTURED SETTLEMENTS: WHAT YOU NEED TO KNOW BEFORE YOUR CASE SETTLES

### WHAT IS A STRUCTURED SETTLEMENT?

You have weathered the ordeal of an injury or death in your family. This has been a stressful time, and you probably have worried about financial matters, both present as well as future. Structured settlements were designed to make a difference in the lives of people like yourself, by providing you with a light at the end of the tunnel. You have a new opportunity to regain financial control of your life.



Before structured settlements, many claimants risked losing a portion, or all, of their settlement proceeds to volatile investments, or to taxes and management fees that eroded their good investments.

As a result, in 1979 the IRS created a special tax incentive, which Congress made law in 1982, to allow claimants like you to receive tax-free, periodic income (a structured settlement). For the last two decades, millions of claimants have enjoyed peace of mind and financial security through a structured settlement.

A structured settlement gives you the chance to create a positive result from a painful event by providing you with guaranteed, tax-free income – when you need it.

You can have any portion of your settlement placed in a structured settlement, but the plan must be set up before you receive your money, and before you



sign the papers to resolve your claim. With the help of an SFA structured settlement consultant, you can design a strategy for periodic payments that will be written into the agreements that conclude your settlement.

A structured settlement has the benefits of: 1) tax-free income, 2) maximum security, and 3) flexibility in setting up your periodic payments.

***SFA has been easing financial concerns of claimants since 1985.***



## High Yield Tax-Free Income

When a portion of your settlement is structured, the tax-free interest earned is often greater than what you could receive from most other investments.

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## Maximum Security

Because your periodic payments are funded by annuities from the most highly rated life insurance companies in the world, the security of the investment is unmatched by any other investment.

No other investment can make the claim that it is guaranteed, tax free, and has no management fees. As a result, many state laws require the use of structured settlements in certain types of cases.

## Flexibility

You may decide to receive payments for the rest of your life, or for a designated period of time. The payments can start right away, or can be deferred to begin at a time in your life when you will best be able to take advantage of them. Deferred annuities are often used for retirement planning. College funds can be designed to meet future financial needs for your children. In addition to periodic payments, your settlement will generally include an up-front cash payment to satisfy attorney fees and your immediate financial needs.

This is a big decision for you and your family. Your SFA structured settlement consultant can help. SFA consultants are experts in financial planning for those who have been affected by personal injury or death. This service is available to you at no cost.



The primary goal of financial planning for people like you is to steer clear of risky investments, avoid paying high taxes on interest income and capital gains, and prevent management fees from eroding your earnings.

If you have already received advice from a financial counselor, you should be aware that he or she might not be familiar with structured settlements. We recommend you coordinate any financial planning ideas with your attorney and your SFA consultant.

## PLANNING FOR THE FUTURE

You know you can design a plan to meet your needs today, but what about tomorrow? An SFA consultant can visit with you to help set up a plan that is tailored to your future financial goals. To keep up with inflation, we can include a Cost of Living Adjustment (COLA) to increase your payments on a scheduled basis.



Just as you choose beneficiaries with life insurance policies, you will be able to take care of your spouse, or other loved ones, by allowing them to receive the remainder of your guaranteed payments should they outlive you.

Above all else, remember with a structured settlement, your payments are guaranteed, secure and tax-free. There is simply no other investment that can provide these benefits. To take advantage of a structured settlement, however, you must include the benefit design as part of the final settlement documentation. So start planning your structure now.

To see if a structured settlement is right for you, or to answer any questions that you and your family may have, please contact me, or visit our web site at [www.sfainc.com](http://www.sfainc.com). SFA has been easing the financial concerns of injured claimants and helping people like yourself since 1985. We are located in principal cities throughout the United States.

**FOR MORE INFORMATION,  
CONTACT STRUCTURED  
FINANCIAL ASSOCIATES AT  
800.638.5890**

**[www.sfainc.com](http://www.sfainc.com)**

## QUESTIONS AND ANSWERS ABOUT STRUCTURED SETTLEMENTS

**Question:** Why can't I take my settlement in cash now and obtain a structured settlement later?

**Answer:** Once you have resolved your case and signed a settlement agreement, any money you invest directly is no longer viewed as compensation for your injuries. The interest you may earn from investing your money in the outside market may be taxed as ordinary income or capital gains.

**Question:** Can a stockbroker or my bank obtain a structured settlement for me?

**Answer:** No, the only person authorized to set up a structured settlement is a structured settlement expert consultant. He or she is appointed by the life insurance companies to provide "settlement annuities" that are used in structured settlements

**Question:** If a structured settlement is arranged for me, how do I know that this money is safe?

**Answer:** One of the reasons why judges often order structured settlements for children or for those with significant future medical expenses is the unmatched security they provide. Settlement annuities are funded by the largest life insurance companies in the world. These companies have received exceptional ratings from independent services that track financial security and strength.