



PAUL AND ASSOCIATES

800-475-4751 303-438-1200

Structured Settlement Annuities are a **highly unique** financial services product. Very few people (even those who know a great deal about investments) have ever heard of a Structured Settlement. Even fewer really understand what makes a Structured Settlement different from other kinds of annuities. This summary will help you understand the attractive opportunity that is available to you.

What Is a Structured Settlement?

- It is a life insurance annuity, funded with a single premium, which provides future payments to the recipient of a physical injury or workers' compensation settlement.

What Is An Annuity?

- It is a contract written by a life insurance company designed to provide future (usually retirement) income.
- The amount of income is determined by:
 - a) How much money is placed in the annuity.
 - b) How long the money stays in the annuity.
 - c) What rate of interest the money earns.
- None of the earnings are taxed until they are withdrawn.
- These are called "tax-deferred annuities" and are sold by brokerages, banks and life insurance companies and others.

How Is a Structured Settlement Annuity Different?

- They are **ONLY** available to claimants in physical injury and workers' compensation cases.
- The **EXACT** income stream is determined **PRIOR** to purchasing the annuity.
- All money paid out is totally **TAX FREE**.
- They are only available through a Structured Settlement Broker.

What Are the Benefits of a Structure?

- They provide predictable, **GUARANTEED** payments.
- Structured settlement annuities are only underwritten by the strongest, most highly rated life insurance companies in the United States.
- Money in a structure is safe from bad judgment, bad advice, bad company and bad luck.
- Payments can be "structured" or designed to be disbursed in almost any way imaginable to meet a variety of needs (college funds, monthly income, retirement income, periodic lump sums, etc.).
- Payments can be received monthly, quarterly, annually or at almost any other interval.
- Payments can be made over a variety of different time frames.
 - Life Income: payments for the entire life of the claimant.
 - Certain Only: payments for a specified time frame (can be combined with Life Income).
 - Joint & Survivor: lifetime payments for the claimant and his/her spouse.
 - Lump Sums: payments at designated intervals (e.g. every 2 years, every 5 years etc.).
- A plaintiff attorney can structure his/her fees, which defers the income tax liability into future years. This can be done irrespective of whether or not the claimant decides to use a structure.

***This article was produced by Paul and Associates for use exclusively by our clients. Any form of reproduction, unless authorized in writing by either Rob or Amy Paul, is forbidden.**

SPECIALIZING IN STRUCTURED SETTLEMENTS, ATTORNEY FEE STRUCTURES
AND CAPITAL GAINS DEFERRAL