

Structured Settlement Presentation

“Important Information to Know”

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What We'll Cover: Using Structured Settlements to Bridge the Gap to Settlement



1. Structured Settlement for Resolution of Personal Injury, Employment and Workers' Comp Settlements.

2. Coordination with Public Benefits (MediCal, SNT's and the impact of Medicare on both tort and Workers' Compensation.

Definition of Structured Settlements

Structured Settlement . . .

“Any *series* of payments made other than a single lump sum amount.” A financial package designed to meet the needs of the claimant and is agreed to be paid by the defendant or its insurer.



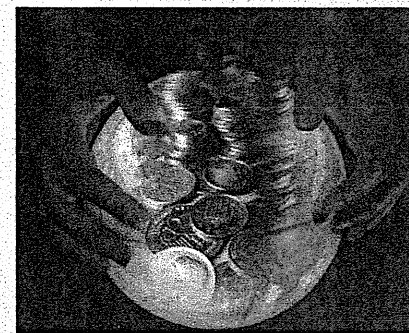
Benefits of Structured Settlements

- Reduce Claim Costs.
- Avoid Litigation Uncertainty.
- Create good will and enhance public image.
- Cap future exposure.
- Reduce future administrative costs.
- Bridge gap between demand and authority to resolve cases.
- Provide flexibility in negotiations process.
- Improve employer / employee relations.
- Tailor a payment plan to meet known future needs.
- Replace income.
- Provide for children's education.

Benefits of Structured Settlements

(cont.)

- Meet future medical needs, including physical and vocation rehabilitation.
- Supplement or create estate income.
- Reduce money management concerns.
- Can be coordinated with Medicare and/or Medicaid benefits.
- Provide future tax-free benefits.
- Payments can continue to beneficiaries.
- Give peace of mind to the injured party.



What are Periodic Payment Options:

Periods Certain

Lifetime

Lump Sums

Level

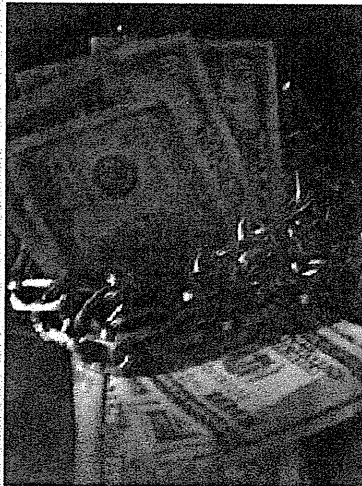
Deferred

C.O.L.A.'s

Joint & Survivor

Steps

Who Makes & Guarantees Payments?



- Top Rated Life Insurance Companies
- U.S. Treasury Obligations
- Additional Guarantees
 - 1) Affiliate Company Letter of Guarantee
 - 2) Secured Creditor status available

What Types of Expenses Can a Structured Settlement Cover?

- Attorney fees;
- Outstanding liens and medical costs;
- Continuing medical needs;
- Home – vehicle modifications;
- Medical equipment;
- Wage or retirement replacement;
- Rehabilitation;
- Psychological counseling; and
- Job retraining.

The Basics

- Determine the value of claim;
- Design benefit stream;
- Agree on benefits to be funded;
- Choose provider (life company or Treasuries); and
- Prepare documentation.

The Process

- Insurer Cuts Check to Assignment Company, Forwards to Structured Settlements Specialist
- Structured Settlement Specialist Finalizes Necessary Paperwork
- Annuity Purchased;
- Copy of Contract Sent to Parties; and
- Payment stream begins to claimant.

Liability File Identification

Creativity and flexibility can produce successful structured settlement results in a broad variety of cases

- Serious injuries – long-term future medical needs;
- Death cases;
- Cases involving diminished future earning;
- Questionable liability;
- Elderly plaintiffs living on fixed income, *i.e.*, pension, social security;
- Minors cases;
- Policy limits cases with excess verdict potential;
- Unrepresented claimants; and
- Large taxable recoveries (wrongful imprisonment, harassment, etc.).

Workers' Compensation File Identification

- Severe Injury;
- Death Claims;
- Permanent Total Disability;
- Permanent Partial Disability; and
- Significant Ongoing Medical.

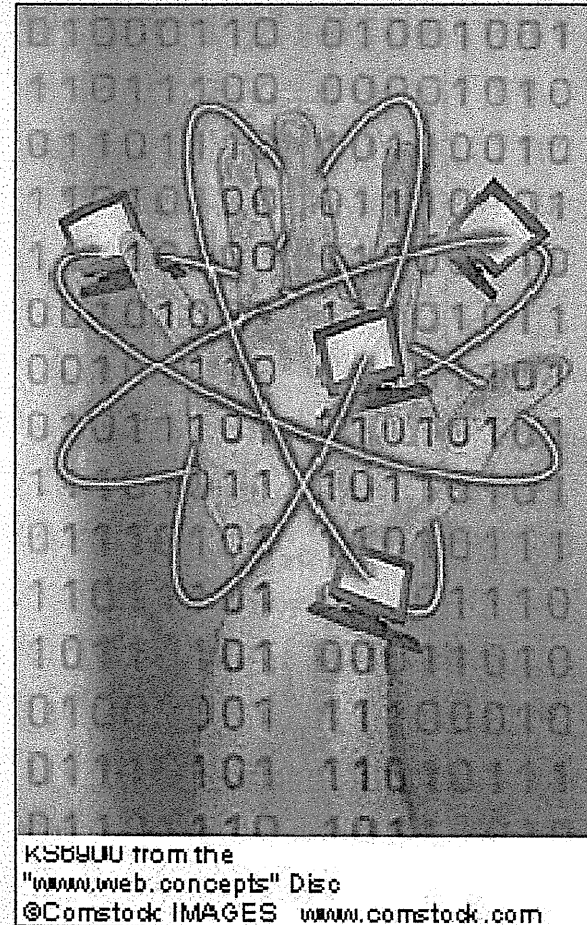
Workers' Compensation Settlement Benefits

- Medical claims expenses rise at rate almost three times greater than general medical inflation.
- Medicare set-asides (MSA's) are a proven method of saving, on average, 40% on settlements when dealing with a Medicare beneficiary:
 - Class I - Medicare recipient and settlement is \$25,000 or more.
 - Class II - Reasonable expectation of Medicare eligibility within 30 months and the settlement is \$250,000 or more.

Needs Analysis

Each case will have different components specific to the applicant and the injury sustained.

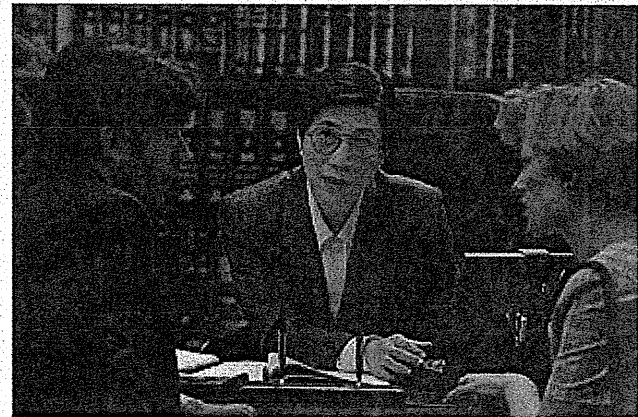
Get all of the facts to determine the best course of action.



Needs Analysis

The Structured Settlement consultant can perform a needs analysis with applicant and family. They can explore . . .

- Indemnity Payments;
- Future Medical Requirements;
- Life Care Plan Assessment;
- Rehabilitation Needs;
- Housing Modifications;
- Family Education Needs; and
- Life Insurance Needs of Care Givers.



Getting Ready

Meet with the Claimant or Their Attorney

- Discuss the needs and benefits of providing a stream of future benefits.

Based on the Needs Analysis

- Develop a plan and a strategy for implementation; to gain credibility, make a credible offer.

Set the Stage for Success

- Agree on the roles for all participants.

Substandard Age Rating

For health impaired claimants

- Their condition may indicate a shortened life expectancy.

Submit medical records to life insurance companies

- They can assign a higher age to the claimant, reducing the premium requirements for the same income.
- Rated ages are required for any MSA and can create substantial savings by more cost effectively funding the MSA.

A substandard age rating maximizes the value of the Structured Settlement alternative

The Structured Settlement Negotiation Process

Make an offer. (In person if practical)

- Briefly explain the reason for the structured approach and its benefits.

Explain the offer thoroughly

- Invite questions for clarification.

Address the issue of cost

- Present figures that are defensible.

Ask for action on recommendations



The Structured Settlement Negotiation Process

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Solicit and Acknowledge Objections

- Objections are generally a request for additional information.

Don't be combative

- Invite participants to provide and discuss any solution alternatives.

Keep the negotiations going

- Solutions can not be found if doors are closed.

Keep things focused on the “Needs” approach



Processing Documentation

Once a case is settled, the Structured Settlement Consultant provides an integral role in finalizing the paperwork in a quick and efficient manner.

We. . .

- Request the premium check and submit it to the life company.
- Secure and verify the application information to submit.
- Request copies of fully executed Compromise & Release.
- Secure policy, distribute, and close the file.
- Coordinate with MSA vendors and CMS Regional Offices.

Our Services

- Competitive annuities from all life companies issuing structured annuities;
- Negotiation specialists available to help in settlement conferences;
- Help in establishing a Medicare Compliance Process;
- Option to use Treasury funded settlements;
- Innovative ideas and creative approaches to settlement;
- Immediate assistance during adverse trial situations;
- Immediate assistance in reducing excessive verdicts;
- Use of medical and special needs trusts; and
- Settlement Proposals with 24 hours.

Custom Services Designed to Meet Your Needs

Continue Evolution of Structured Settlements in Other Areas. . .

We *also* provide periodic payment solutions for other types of claims, such as:

- Wrongful detainment / imprisonment;
- Securities / pension disputes;
- Long-term disability disputes / buyouts;
- Environmental;
- Construction Defect/Eminent Domain; and
- Miscellaneous non-physical torts (slander, defamation, etc.).

Summary

Structured settlements can offer claimants Safety, Peace of Mind and a Guaranteed, Tax-Free Income that can last a lifetime.

We offer custom solutions to meet the client's needs. We treat each claimant as a person not just a number.

Our Experience Makes the Difference

Your Next Step

For information contact

Thomas Dunlap, CSSC

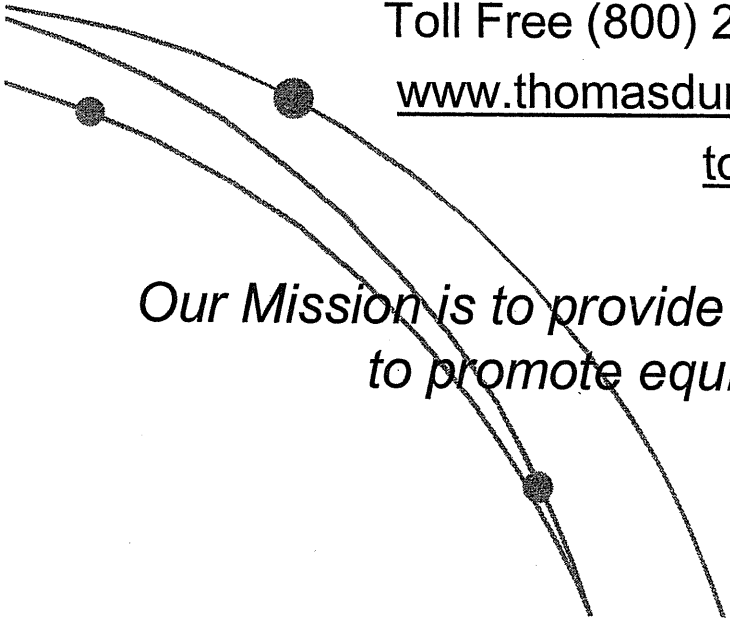
“Case analysis and innovative funding solutions.”

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to promote equitable resolution for all parties involved.*

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