

FAST ***FACTS***

#98-01

Structured Settlement Issues for Plaintiffs

WHY PLAINTIFF'S COUNSEL SHOULD TAKE CONTROL

It's important to remember the legislative history of structured settlements. Structured settlements were invented by the defense. Prior to 1982 and the adoption of IRC Sec. 130, the Defendant / Insurer purchased and **owned** the annuity as the funding asset, but was left on the hook for future payments if the annuity company defaulted. From this came the mentality that casualty companies have a right to make a profit from the commission on the sale of the annuity, including in-house operations and broker kickback schemes! When Congress added Sec. 130 to the tax code, it was intended that there be a transfer of the future payment obligation to a third party: the Defendant / Insurer got off the hook; the Plaintiff could turn only to the third party for payments, thus becoming the party at risk.

Why, then, does the defense demand to stick with its "approved list" of annuity companies and / or annuity brokers? One word: **PROFIT!**

Did Congress intend this? **NO!**

If you would like assistance in developing strategies for taking control of the structured settlement process, contact us. We can help. Phone us at (800) 666-5584 or (503) 699-8929, or visit our website at www.settlepro.com



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