

# ***EAST*** ◆ ***FACTS***

#98-03

## ***Structured Settlement Issues for Plaintiffs***

### **UNDISCLOSED FINANCIAL RELATIONSHIPS**

**B**e aware of the relationships between many casualty companies and their affiliated life insurance carriers. Our understanding of some of the guidelines governing the creation of structured settlements used to settle “affiliated” casualty claims is that the life carrier usually reserves unto itself a right of first refusal on the annuities that will fund these settlements. Their “approved” brokers, or adjusters, can only go outside to the rest of the carriers in the settlement annuity niche if the plaintiff has demanded a market competitive quotation!

Some of the companies alleged to have these kinds of relationships may include AIG, Allstate, CNA, Hartford, Safeco and State Farm, to name just a few. This undisclosed financial relationship is not in **your** clients’ best interests. At the least, it precludes your clients from the benefit of having the whole market compete for their case. At worst, it can result in all of your clients’ financial “eggs” ending up in one life company’s “basket.” Remember, your clients will live with the results of these decisions for the rest of their lives.

Shouldn’t your clients, with the assistance of their own qualified expert (who is legally accountable to them) and not the casualty company you have been fighting to settle their claim, be making these choices? Shouldn’t they be allowed to decide which annuity company, or companies, have the right combination of financial ratings, and competitive rates, for their lifetime of benefits?

**Yes! Of course they should!**

And, top tax attorneys have opined that it should not be construed as conferring constructive receipt on your clients when they become this involved in the decisions affecting the rest of their lives!

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](http://www.settlepro.com). Questions? Comments? Suggestions for future topics? E-mail us at [meligan@settlepro.com](mailto:meligan@settlepro.com)

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***Structured Settlement Services for Plaintiffs***

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