



Advantages of a Structured Settlement

A Structured Settlement pays settlement money into the future. It provides safe, tax-free, lifetime, management-free, guaranteed payments that cannot be squandered. There are no investment expenses, costs or reinvestment risks. The payments are normally guaranteed by a large life insurance company and can provide inflation protection.

Safety - The money is normally invested in a large, safe, highly rated and well-regulated life insurance company. Other investments may be speculative or put capital at risk.

Protection - Payments are paid over time and therefore cannot be squandered. This is important as the injured person may not have another income source and cannot return to work. Using a trust provides additional protection against interlopers including unregulated television advertisers who may offer phony financial promises.

Flexibility - The payments are customized to meet the injury victim's needs which may include:

- Housing, food, clothing, medical, car, cell phone, insurance & utility bills.
- College for children and grandchildren.
- Retirement income and estate and financial planning.

Lifetime Guaranteed Tax-Free

Payments - All payments are income-tax free and the rate of return is contractually guaranteed, therefore there is no reinvestment risk. An annuity is the only financial vehicle that can provide lifetime payments.

Life Expectancy Advantage - Many injured persons considering a Structured Settlement have a reduced statistical life

expectancy due to the incident or another medical condition. This allows more money to be paid over their lifetimes, compared to those with normal life expectancies.

Eligibility Protection - An appropriate trust, coupled with a Structured Settlement, allows eligibility for government programs. If lifetime medical care is obtained, that may be more valuable than the underlying lawsuit being settled.

Estate Protection - If a person dies while there are still remaining guaranteed payments, the present value of these payments may be paid right away to cover expenses and estate taxes.

Mortgage Leverage - A Structured Settlement may qualify a person for a home mortgage and its tax-free payments may pay for tax-deductible mortgage and property taxes. When sold, any increase may enjoy a \$500,000 exemption and the remaining gain may only be subject to capital gains taxes.

Investment Vehicle - Some people use a Structured Settlement to fund their future investment plans. Sometimes a person wants to invest their money, but not all at once. Payments may be designed to coincide with future investment needs and gives the injured person time to carefully research potential investments. For example a person may decide to take annual payments over the next 10 years, instead of all at once, and use the time to carefully research investment vehicles.

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