

# SETTLEMENTS PLUS<sup>+</sup>

## THE POWER OF INNOVATION

Combining the tax advantages of a structured settlement  
with market-related returns.



# SETTLEMENTS PLUS<sup>+</sup>

## SETTLEMENT SOLUTIONS & FINANCIAL PROGRAMS

Exclusively for Structured Settlement Claimants

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# STRUCTURED SETTLEMENTS

## What is a structured settlement?

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A structured settlement is a voluntary agreement reached between an injured party and defendant. Prior to defense paying any settlement funds, the claimant elects to receive future periodic payments, instead of a lump sum cash payment. Structured settlements offer significant tax benefits and allow for claimants to budget, safeguard, and maximize their settlement funds.

Tax free payments are available for physical injury settlements, and for those settlements involving non-physical injury, tax deferred payments. To receive the tax-advantaged status, structured settlements must meet certain requirements:

- + Periodic payments must be fixed and determinable as to the amount and timing of the payment.
- + Payments cannot be accelerated, deferred, increased or decreased by the recipient.
- + Defense is released of liability for the structured settlement payments by assigning the payment obligation to an Assignment company (IRC Section 130).



Financial solutions for claimants to personal injury cases.



# SETTLEMENTS PLUS™

## **Combining the tax advantages of a structured settlement with market-related returns.**

Imagine a financial solution created specifically for injured parties that combines the tax advantages of a structured settlement with market-related returns.

Getting injured is traumatic and destabilizing. Structured settlements help injured people plan for the future and regain control of their lives. We designed Settlements Plus to provide for even more flexibility and investment opportunity within a structured settlement.

How a claimant structures their settlement now can make a significant impact on their financial planning for the future. Settlements Plus provides claimants with a financial solution that enables them to plan as much as possible and to maximize their settlement income. *Structures* provides superior sales and support for recipients of structured settlements.

# BENEFITS OF SETTLEMENTS PLUS™

## **SP™ offers unique features that can provide long-term financial benefits to claimants.**

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### ◇ **Open Architecture**

Claimant's funds can be invested pursuant to a comprehensive investment plan as decided by the claimant and or their Financial Advisor.

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### ◇ **Market-Related Returns**

Claimants have the chance to earn Tax-Free or Tax-Deferred market-related returns when they utilize SP.

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### ◇ **Periodic Payment Plans**

Customized periodic payment plans are designed to meet a claimant's specific needs, offering the claimant's plan flexibility and customization.

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### ◇ **Use a Personal Financial Advisor**

Claimants can select an appropriate investment management approach using a respected trust company or their personal financial advisor. This allows for the investment to work in conjunction with their specific needs and overall wealth management strategy.

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### ◇ **Diversify Funds**

SP can help achieve asset-class diversification to address income, retirement planning and other financial needs.

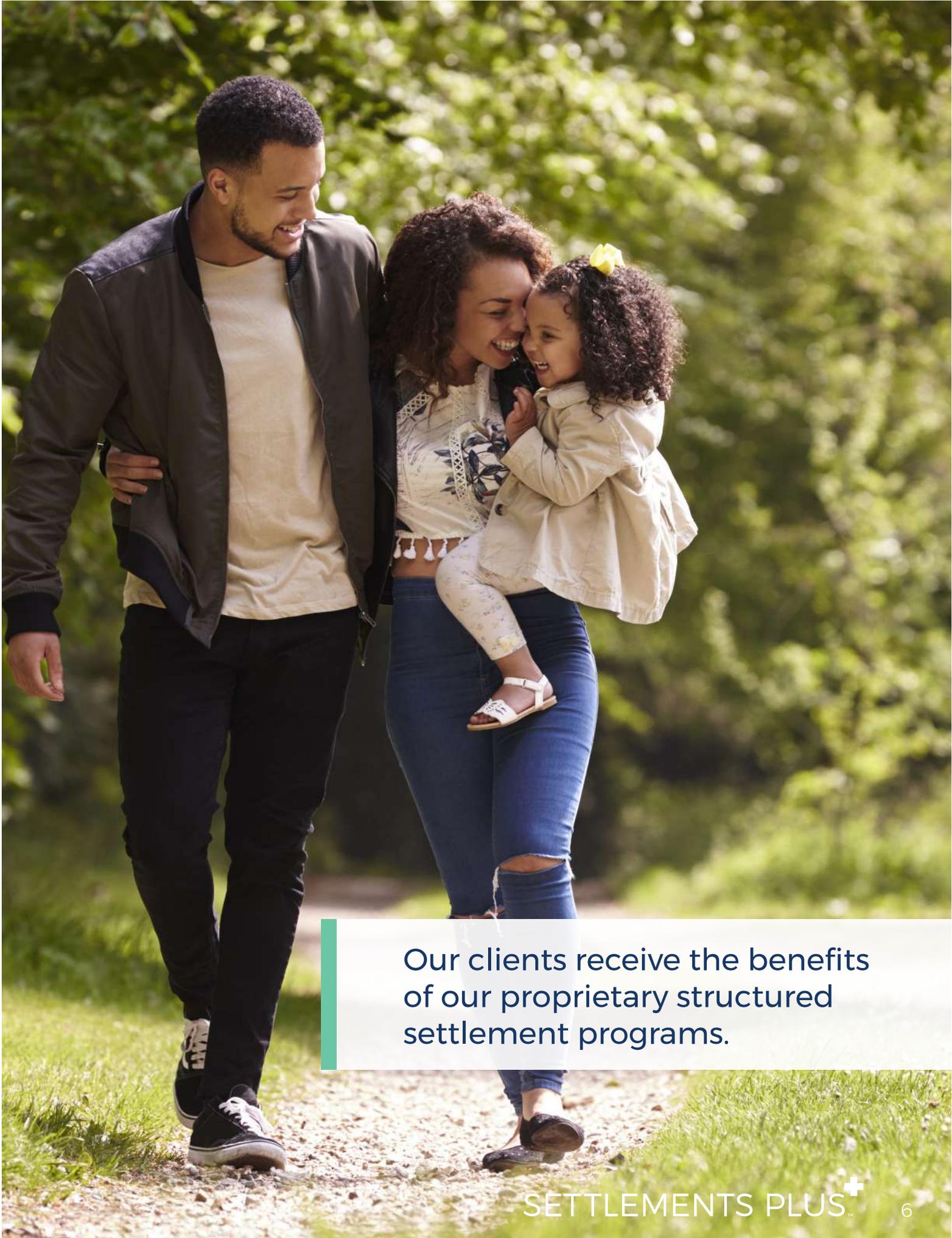
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### ◇ **Use a Fixed Product in Addition to SP**

In conjunction with SP, claimants may also structure a portion of their settlement by using a traditional annuity or U.S. Treasuries.

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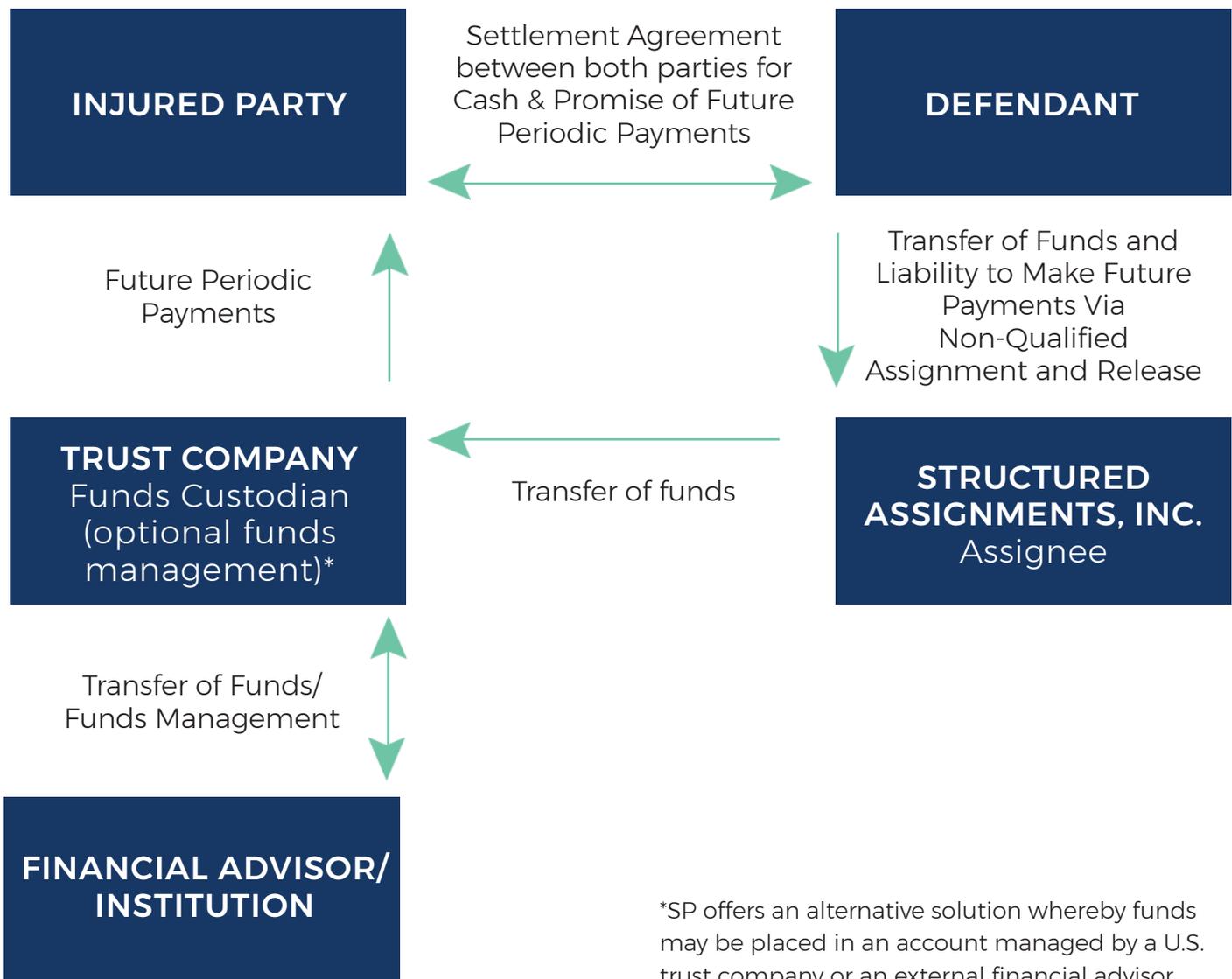


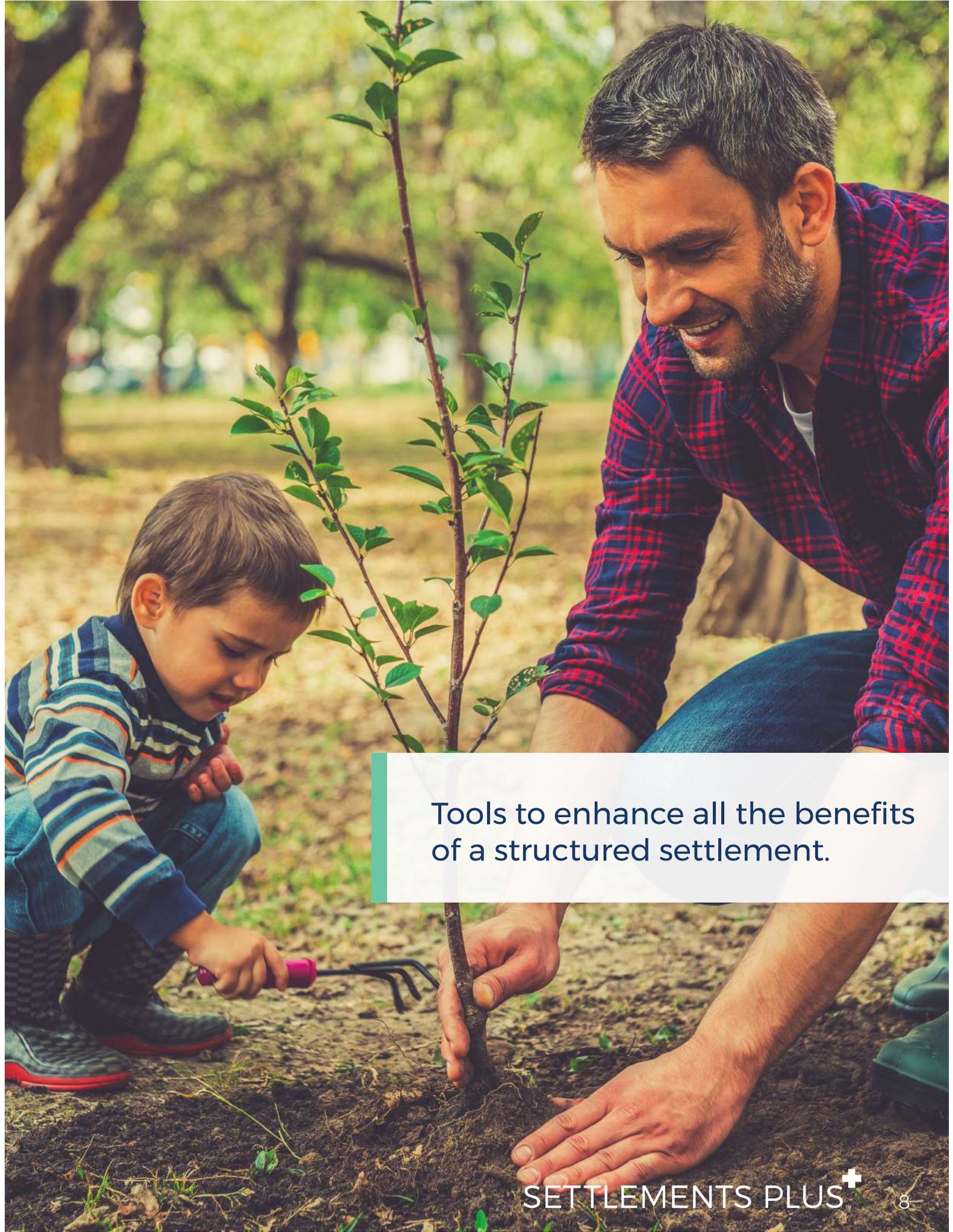


Our clients receive the benefits of our proprietary structured settlement programs.

# SETTLEMENTS PLUS™ FLOWCHART

**SP enables claimants to plan as much as possible and to maximize their settlement income.**





Tools to enhance all the benefits  
of a structured settlement.

# QUESTIONS & ANSWERS

◇ **Is there a minimum or maximum amount that can be placed into Settlements Plus (SP)?**

The minimum amount for SP is \$250,000.00. There is no maximum.

◇ **Must the claimant structure the entire settlement?**

No, a claimant can structure all or a portion of the settlement. The portion of the settlement that will be structured is paid directly to the assignment company.

◇ **Is the claimant limited to one type of settlement product for the case?**

No, a claimant can split fund the settlement between multiple structured settlement products or other programs.

◇ **What are the advantages of SP over a traditional Annuity?**

Ability to defer unlimited amounts of settlement income, maximize the advantage of tax free/deferred investment growth, potential market-based returns, and the ability to adjust the risk tolerance according to changes in financial landscape, flexible structure.

◇ **Can the claimant view the balances in the Settlements Plus account online?**

Yes, online view-only access to the account is available whether the claimant chooses the trust company or a personal financial advisor.

◇ **Where are the assets funding the Settlements Plus payments held?**

Upon receipt of the funding amount, the Assignment Company immediately sends funds via wire transfer to a trust company in the United States for custodianship and management. At the completion of the Settlements Plus transaction, the assets are held by the U.S.-domiciled trust company as the funds' custodian. Additionally, if requested, the trust company may transfer the funds to an external financial advisor's platform.

◇ **What are the fees for SP?**

The fees for SP are as follows:

- One-time assignment fee of \$1,000
- One-time administrative fee of \$400
- Annual SP Program Fee of 1% of the value of the SP Account each year, taken at the time of account establishment and on or about each anniversary thereafter. This Program Fee covers the ongoing program administration costs, operating expenses of the Assignment Company, and custodial and administrative services provided by the trust company.
- The fees for investment advisory services by an external financial advisor or active management by the trust company are in addition to the fees outlined above.



◆ **Why is the Assignment Company located in Barbados?**

The Assignment Company is domiciled in Barbados to make use of the benefits of the US-Barbados Tax Treaty to prevent double taxation. More information regarding the use of our assignment company can be found on page 11.

◆ **What type of tax reporting is required for SP?**

For taxable settlements, the trust company, on behalf of the Assignment Company, will issue a 1099-MISC to the plaintiff/claimant during the year(s) that payments are made. The payments are reported as ordinary income.

◆ **Are the assets within the Settlements Plus accounts protected from creditors of the claimant?**

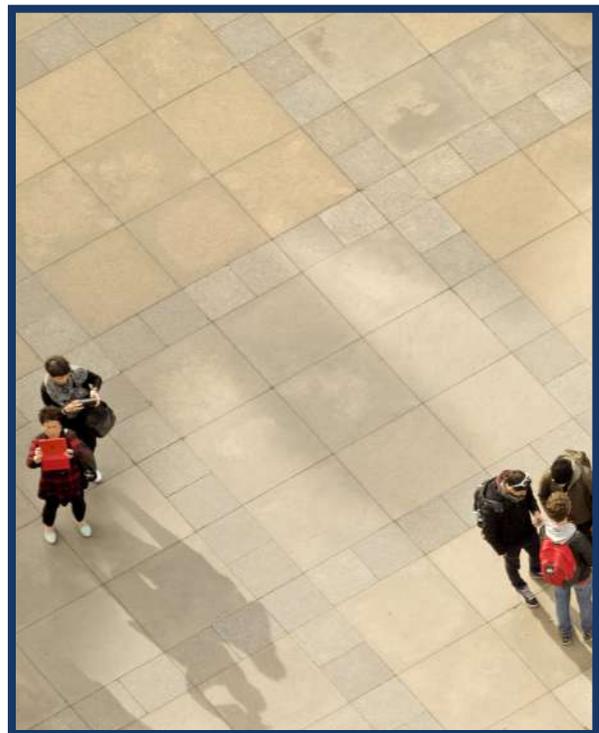
While the claimant would be the payee of the future periodic payments, the assets used to fund the SP payments are owned by the Assignee, Structured Assignments, Inc., pursuant to a Non-Qualified Assignment Agreement and Release (NQAR). Since the claimant has the right to receive periodic payments but does not have ownership rights in the underlying assets, the assets are not subject to claims of the claimant's creditors.

◆ **What happens to the settlement payments in the event of the claimant's death?**

Payments would continue to be made to the claimant's beneficiary according to the original payment schedule.

◆ **What is the role of the trust company?**

The trust company serves as administrator and master custodian of the SP program. It is responsible for accounting, tracking, reporting (including tax reporting), and calculations on behalf of the assignment company.



# STRUCTURED ASSIGNMENTS, INC.

## **Tax-free and tax-deferred income through the SP program is made possible in partnership with Structured Assignments, Inc.**

Structured Assignments, Inc. was founded in 2010 as an entity for the purpose of accepting nonqualified assignments of periodic payment obligations. It is guided by an esteemed and experienced board of directors, utilizes the Royal Bank of Canada (the largest bank in the Caribbean) for all banking needs, and was established with advice from the renowned law firm Chancery Chambers.

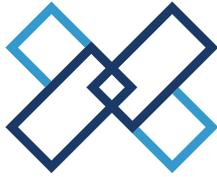
The assignment company is domiciled and managed in Barbados in order to make use of the benefits of the U.S.-Barbados tax treaty. This ensures that the ownership of the funding assets does not trigger double taxation.

An assignment company organized as a United States corporation would generally be subject to tax on the receipt of a payment for assignment of a periodic payment obligation — fee for services rendered — as well as any interest gained from the assets it purchased and owned. Further, it would not have any offsetting deductions upon the purchase of the funding assets until and as payments were made to the holder of the assets, such as when economic performance occurs. While there is an exception for this under Section 130 of the Internal Revenue Code, it is limited to periodic payment obligations that are tax exempt under Section 104(a)(1) or 104(a)(2) of the Code. Barbados is a highly regulated jurisdiction with a well-established and longstanding tax treaty with the United States that allows for the assignment of payment obligations and asset ownership in a tax-efficient manner.





SPT™ provides claimants with the tools to get the most from their settlement.



# STRUCTURES

*Structures* is the leading innovator and manufacturer of cutting-edge settlement solutions for plaintiffs and their legal counsel. Our team of professionals is equipped with the expertise to offer solutions that address some of the most difficult tax considerations. We can help you understand how these programs work, while providing you with the latest financial planning resources.

## **Program Flexibility**

*Structures* has developed several unique programs for contingency fee attorneys and settlement recipients. The flexibility of our programs allows clients to utilize them in many different applications, including areas such as installment sale transactions, employment litigations, environmental litigations, celebrity endorsements, and many other situations.

## **Market Creativity and Support**

In addition to creating programs, we provide access to new life insurance markets through *Structures*. Furthermore, *Structures* offers a full-service operations and support team that is dedicated to providing superior service to its customers anywhere in the country. This extensive network of knowledge combined with decades of experience allows our professionals to pioneer the most creative and cost-effective solutions available in the marketplace.

## **Structures Programs**

### *Market-Based Programs:*

Fee Structure Plus®  
Settlements Plus™  
TFSS™

### *Insurance-Based Programs:*

Structured Settlement Annuity  
Fixed-Indexed Annuity  
Alternative Insurance Solutions

## **Additional Services**

### *Trust Solutions:*

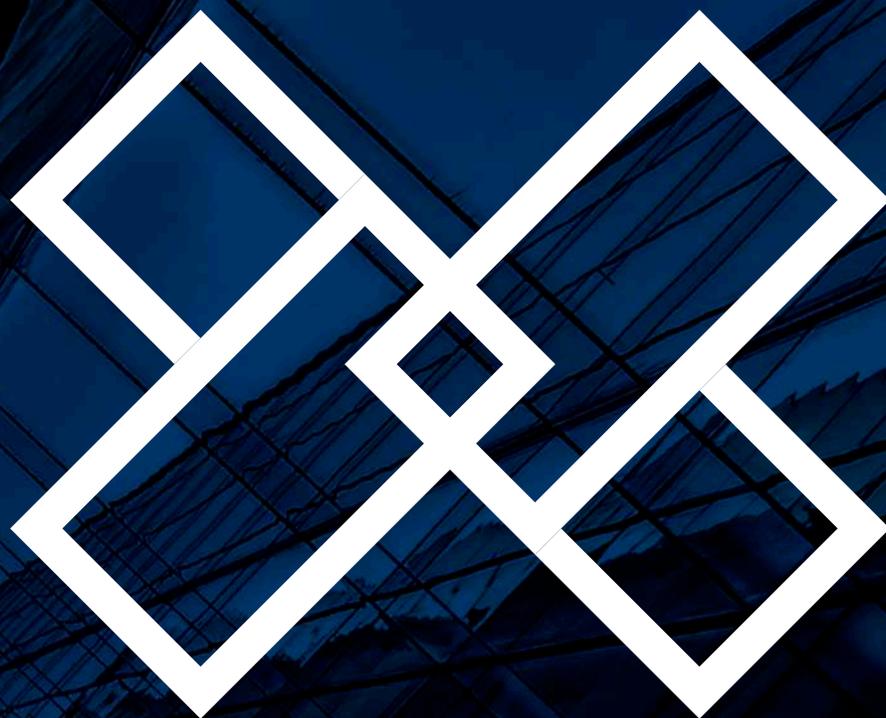
Settlement Management Trusts  
Special Needs Trusts  
Pooled Trusts

### *Settlement Services:*

Qualified Settlement Fund Administration  
Lien Resolution  
Medicare Set-Asides  
International Wire Solution

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Contact your qualified structured settlement consultant today to determine if Settlements Plus™ is right for your clients.

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