



STRUCTURED SETTLEMENTS

Structured Settlements pay safe, secure, guaranteed, tax-free, payments that can be paid for life.

The payments can provide inflation protection, growth, and can track financial markets with no capital risk.

Safety - The money is normally invested in a large, safe, highly rated and well-regulated life insurance company. Other investments may be speculative or not suitable for injured persons.

Protection - Payments are paid over time and cannot be dissipated. This is important as the injured person may not have another income source and cannot return to work. A trust provides additional protection against those who may want to take advantage of the plaintiff.

Customized - The payments are tailored to meet the plaintiff's needs which may include:

- Home down payment, housing, food, clothing, medical, car, cell phone, insurance, utility and other everyday expenses.
- College for children and grandchildren.
- Retirement, estate and financial planning.

Lifetime Guaranteed Tax-Free Payments - All payments are income-tax free and the rate of return is normally contractually guaranteed, therefore there is no reinvestment risk. An annuity is the only financial vehicle that can provide guaranteed lifetime payments that cannot be outlived.

Life Expectancy Advantage - Many injured persons considering a Structured Settlement have a reduced statistical life expectancy due to the incident or a medical condition. This allows more money to be paid over their lifetimes.

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.

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 increased value in the home may enjoy a \$500,000 exemption and the remaining gain may be subject to lower capital gains tax rates.

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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