Bill as Introduced

SB 126 – AS INTRODUCED

1999 SESSION

99-0972
09/01

SENATE BILL ***126***

AN ACT requiring approval of the superior court or, in the case of workers' compensation, the labor commissioner, as a precondition to transfer of any structured settlement payment rights.

SPONSORS: Sen. Blaisdell, Dist 10

COMMITTEE: Judiciary

ANALYSIS

This bill requires approval by the superior court, or in the case of workers' compensation, the labor commissioner, as a precondition to transfer of any structured settlement payment rights. Required findings include: (1) that the structured settlement beneficiary has received a disclosure statement explaining the terms of the transfer agreement, including the discount amount; (2) that the transfer is necessary for the beneficiary to avoid imminent financial hardship; (3) that the beneficiary has received independent professional advice about the proposed transfer; and (4) that the transfer is not contrary to law.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

SB 126 – AS INTRODUCED

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STATE OF NEW HAMPSHIRE

In the Year of Our Lord One Thousand Nine Hundred and Ninety-Nine

AN ACT requiring approval of the superior court or, in the case of workers' compensation, the labor commissioner, as a precondition to transfer of any structured settlement payment rights.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Chapter; Protection of Structured Settlements. Amend RSA by inserting after chapter 543 the following new chapter:

CHAPTER 543-A

PROTECTION OF STRUCTURED SETTLEMENTS

543-A:1 Definitions. For purposes of this chapter:

I. "Annuity issuer" means an insurer that has issued an insurance contract used to fund periodic payments under a structured settlement.

II. "Applicable law" includes, as appropriate in a particular case:

(a) The laws of the United States;

(b) The laws of this state, including principles of equity applied in the courts of this state; and

(c) The laws of any other jurisdiction which is the domicile of the payee or any other interested party, or under whose laws a structured settlement agreement was approved by a court or responsible administrative authority, or in whose courts a claim was pending when the parties entered into a structured settlement agreement for the settlement of such claim.

III. "Dependents" include a payee's spouse and minor children and all other family members and other persons for whom the payee is legally obligated to provide support, including alimony.

IV. "Discounted present value" means the fair present value of future payments, as determined by discounting such payments to the present using the most recently published applicable federal rate for determining the present value of an annuity, as issued by the United States Internal Revenue Service.

V. "Favorable tax determination" means, with respect to a proposed transfer of structured settlement payment rights, any of the following authorities that definitively establishes that the federal income tax treatment of the structured settlement for the parties to the structured settlement agreement and any qualified assignment agreement, other than the payee, will not be affected by such transfer:

(a) A provision of the United States Internal Revenue Code, as amended from time to time, or a United States Treasury regulation adopted pursuant thereto;

(b) A revenue ruling or revenue procedure issued by the United States Internal Revenue

Service;

(c) A private letter ruling by the United States Internal Revenue Service with respect to such transfer; or

(d) A decision of the United States Supreme Court or a decision of a lower federal court in which the United States Internal Revenue Service has acquiesced.

VI. "Federal hardship standard" means a federal standard applicable to transfers of structured settlement payment rights based on findings of a court or responsible administrative authority regarding the payee's needs, as contained in the United States Internal Revenue Code, as amended from time to time, or in a United States Treasury regulation adopted pursuant thereto.

VII. "Independent professional advice" means advice of an attorney, certified public accountant, actuary or other licensed professional adviser who is engaged by a payee to render advice concerning the legal, tax and financial implications of a transfer of structured settlement payment rights, who is not in any manner affiliated with or compensated by the transferee of such transfer, and whose compensation for rendering such advice is not affected by whether a transfer occurs or does not occur.

VIII. "Interested parties" means, with respect to any structured settlement, the payee, any beneficiary designated under the annuity contract to receive payments following the payee's death, the annuity issuer, the structured settlement obligor, and any other party having continuing rights or obligations under such structured settlement.

IX. "Payee" means an individual who is receiving tax-free damage payments under a structured settlement and proposes to make a transfer of payment rights thereunder.

X. "Qualified assignment agreement" means an agreement providing for a qualified assignment within the meaning of section 130 of the United States Internal Revenue Code, as amended from time to time.

XI. "Responsible administrative authority" means with respect to a structured settlement, any government authority vested by law with exclusive jurisdiction over the settled claim resolved by such structured settlement.

XII. "Settled claim" means the original tort claim or workers' compensation claim resolved ~~by a structured~~ settlement.

99-2258s

XIII. "Structured settlement" means an arrangement for periodic payment of damages for ~~personal injuries~~ established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim.

XIV. "Structured settlement agreement" means the agreement, judgment, stipulation, or release embodying the terms of a structured settlement, including the rights of the payee to receive periodic payments.

XV. "Structured settlement obligor" means, with respect to any structured settlement, the party having the continuing periodic payment obligation to the payee under a structured settlement

agreement or a qualified assignment agreement.

XVI. "Structured settlement payment rights" means rights to receive periodic payments (including lump sum payments) under a structured settlement, whether from the settlement obligor or the annuity issuer, where

(a) The payee is domiciled in this state;

(b) The structured settlement agreement was approved by a court or responsible administrative authority in this state; or

(c) The settled claim was pending before the courts of this state when the parties entered into the structured settlement agreement.

XVII. "Transfer" means any sale, assignment, pledge, hypothecation, or other form of alienation or encumbrance made by a payee for consideration.

XVIII. "Terms of the structured settlement" include, with respect to any structured settlement, the terms of the structured settlement agreement, the annuity contract, any qualified assignment agreement and any order or approval of any court or responsible administrative authority or other government authority authorizing or approving such structured settlements.

XIV. "Transfer agreement" means the agreement providing for transfer of structured settlement payment rights from a payee to a transferee.

543-A:2 Conditions to Transfers of Structured Settlement Payment Rights. No direct or indirect transfer of structured settlement payment rights shall be effective and no structured settlement obligor or annuity issuer shall be required to make any payment directly or indirectly to any transferee of structured settlement payment rights unless the transfer has been authorized in advance in a final order of a court of competent jurisdiction or the responsible administrative authority, based on express findings by such court or responsible administrative authority that:

I. The transfer complies with the requirements of this chapter and will not contravene other applicable law;

II. Not less than 10 days prior to the date on which the payee first incurred any obligation with respect to the transfer, the transferee has provided to the payee a disclosure statement in bold type, no smaller than 14 point, setting forth:

(a) The amounts and due dates of the structured settlement payments to be transferred;

(b) The aggregate amount of such payments;

(c) The discounted present value of such payments, together with the discount rate used in determining such discounted present value;

(d) The gross amount payable to the payee in exchange for such payments;

(e) An itemized listing of all brokers' commissions, service charges, application fees, processing fees, closing costs, filing fees, administrative fees, legal fees, notary fees and other commissions, fees, costs, expenses and charges payable by the payee or deductible from the gross amount otherwise payable to the payee;

(f) The net amount payable to the payee after deduction of all commissions, fees, costs, expenses and charges described in subparagraph (e);

(g) The quotient (expressed as a percentage) obtained by dividing the net payment amount by the discounted present value of the payments; and

(h) The amount of any penalty and the aggregate amount of any liquidated damages (inclusive of penalties) payable by the payee in the event of any breach of the transfer agreement by the payee;

III. The payee has established that the transfer is necessary to enable the payee, the payee's dependents, or both, to avoid imminent financial hardship, and the transfer should not be expected to subject the payee, the payee's dependents, or both, to undue financial hardship in the future; or, if a federal hardship standard is in effect at the time the payee and the transferee enter into the transfer agreement, that the transfer meets the requirements of such federal hardship standard;

IV. The payee has received independent professional advice regarding the legal, tax and financial implications of the transfer;

V. If the transfer would contravene the terms of the structured settlement:

(a) The transfer has been expressly approved in writing by each interested party; provided, however, that if, at the time the payee and the transferee enter into the transfer agreement, a favorable tax determination is in effect, then the approval of the annuity issuer and the structured settlement obligor shall not be required if all other interested parties approve the transfer and waive any and all rights to require that the transferred payments be made to the payee in accordance with the terms of the structured settlement;

(b) The transfer has been approved by any court or government authority which previously approved the structured settlement, other than the court or responsible administrative authority from which authorization of the transfer is sought under this chapter; and

(c) Signed originals of all approvals required under this paragraph have been filed with the court or responsible administrative authority from which authorization of the transfer is sought under this chapter, and originals or copies have been furnished to all interested parties; and

VI. The transferee has given written notice of the transferee's name, address and taxpayer identification number to the annuity issuer and the structured settlement obligor and has filed a copy of such notice with the court or responsible administrative authority.

543-A:3 Procedure for Approval of Transfers. In proceedings brought under this chapter in this state, the approval required under RSA 543-A:2 shall be requested by petition to the superior court in accordance with the court's rules governing proceedings in equity, except that with respect to transfers of structured settlement payment rights under structured settlement agreements resolving workers' compensation claims, the petition for approval shall be directed to the labor commissioner for determination in accordance with rules adopted under RSA 541-A. Copies of the petition shall be served on each interested party. The petition shall set forth facts which are alleged in support of the

findings required under RSA 543-A:2; shall include a copy of the transfer agreement, a copy of the disclosure statement required under RSA 543-A:2; and shall include notification that any interested party is entitled to support, oppose or otherwise respond to the transferee's petition, either in person or by counsel, by a written response and by participating in the hearing thereon.

543-A:4 No Waiver; No Penalties.

I. The provisions of this chapter shall not be waived.

II. No payee who proposes to make a transfer of structured settlement payment rights shall incur any penalty, forfeit any application fee or other payment, or otherwise incur any liability to the proposed transferee based on any failure of such transfer to satisfy the conditions of RSA 543-A:2.

543-A:5 Construction. Nothing in this chapter shall be construed to authorize any transfer of structured settlement payment rights in contravention of applicable law or to give effect to any transfer of structured settlement payment rights that is invalid under applicable law.

543-A:6 Applicability. This chapter applies to any transfer of structured settlement payment rights under a transfer agreement entered into on or after the effective date of this chapter. Nothing contained herein shall imply that any transfer under a transfer agreement reached prior to such date is effective.

2 New Paragraph; Transfer of Structured Settlement Payment Rights under Workers' Compensation. Amend RSA 281-A:52 by adding after paragraph II the following new paragraph II the following new paragraph:

III. Transfers of structured settlement payment rights, as defined in RSA 543-A:1, under structured settlement agreements resolving claims for compensation under this chapter shall be enforceable only upon satisfaction of the conditions specified in RSA 543-A:2.

3 Effective Date. This act shall take effect January 1, 2000.

Amendments

Sen. Squires, Dist. 12
December 15, 1999
1999-2258s
09/01

Amendment to SB 126

Amend RSA 543-A:1, XIII as inserted by section 1 of the bill to read as follows:

XIII. "Structured settlement" means an arrangement for periodic payment of damages for personal physical injuries or physical sickness established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim.

Sen. Squires, Dist. 12
December 15, 1999
1999-2258s
09/01

Amendment to SB 126

Amend RSA 543-A:1, XIII as inserted by section 1 of the bill to read as follows:

XIII. "Structured settlement" means an arrangement for periodic payment of damages for personal physical injuries or physical sickness established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim.

Committee Minutes

Date: APRIL 14, 1999
Time: 11:05 AM
Room: 102, LOB

The Senate Committee on Judiciary held a hearing on the following:

SB66 ***relative to structured settlements.***

SB126 ***requiring approval of the superior court or, in the case of workers' compensation, the labor commissioner, as a precondition to transfer of any structured settlement payment rights.***

Members of Committee present:

Senator Pignatelli
Senator Gordon
Senator Brown
Senator Cohen
Senator Fernald
Senator Squires
Senator Trombly
Senator Wheeler

The Chair, Senator Debora B. Pignatelli, opened the hearing.

Senator Debora B. Pignatelli, D. 13: I'm going to call on Michael Kitch first to read a statement from Senator "Junie" Blaisdell, who's the sponsor of Senate Bill 126.

Michael Kitch, Legislative Assistant-N.H. Senate: Thank you. I'm Michael Kitch, and Senator Blaisdell has asked me to read the following statement.

I'm glad to sponsor Senate Bill 126 to help assure that badly injured accident victims continue to receive the long-term benefits they are entitled to receive under structured agreements and are not deceived or hurried into selling off their payment rights at deep discounts only to find they have nothing left to live on or to pay for medical care they may desperately need.

The problem SB 126 addresses was described graphically in a recent issue of U. S. News & World Report. The article described situations where accident victims were persuaded to sell their long-term periodic payment rights to factoring companies in return for lump-sum payments at a small fraction of their total payment rights. The article goes on to describe how, as part of the deal, these accident victims were persuaded to sign complicated documents that waived their legal rights and weren't told about the potentially serious income tax penalties that could come along with signing over their payment rights.

Once these accident victims use up the lump-sum payment, because many of them can't support themselves, they are cast back on public sources of support like welfare and Medicaid to meet their living and medical expenses.

Senate Bill 126 would address these problems by requiring approval by the Superior Court or the Labor Commissioner for transfer of any structured settlement payment rights. **Transfer of payment rights could be approved if: 1) The accident victim has received a disclosure statement completely explaining the terms of the transfer; 2) The court or the labor commission finds that the transfer is necessary for the beneficiary to avoid "imminent financial hardship;" 3) The beneficiary has received independent professional advice about the proposed transfer;** and **4) The transfer is otherwise not contrary to law.**

The bill does not absolutely prohibit transfer of structured settlement payment rights, but it assures that such transfers would take place only where there is full disclosure and real need.

I ask that the technical questions about the bill be directed to Attorney Martin Gross and others who will appear in support of the bill. I urge your favorable consideration to SB 126. Thank you.

Senator Debora B. Pignatelli, D. 13: Thank you, Michael.

Caroline McCarley, who's the prime sponsor of Senate Bill 66?

Senator Caroline McCarley, D. 6: Thank you, and thank you for taking these together given everyone's time constraint.

I don't have a detailed statement, because what I discovered about this issue is that it's a somewhat complicated issue. I think that, based on the testimony that you just heard, you will find people here who will disagree with the consumer interests that are involved and protect them and the best way to protect those consumer interests relative to structured settlement. There are a number of people here that

want to testify to that effect in terms of what is in Senate Bill 66 and what it does to address the very issues that were mentioned by Mr. Kitch.

I guess, at this time, what I would say is that I also know, for the interested parties on Senate Bill 66, that certainly they acknowledge some of the difficulties; they acknowledge this is a difficult issue and would certainly be willing to talk about re-referring this bill and allowing some more work and time to be put on it. So, I want to put that out right up front in terms of what the people that are very connected with this bill would be happy to talk about it and address in terms of giving it some more time and some more work with both of these bills.

Senator Debora B. Pignatelli, D. 13: Thank you.

Senator Brown?

Senator Mary E. Brown, D. 17: Just a quick question. Are these the ads that you see on TV that say-if you're entitled to some annuity or settlement, call us and we will give you a lump sum? Is that the kind of ad we're talking about?

Senator Caroline McCarley, D. 6: Senator Brown, I'm going to let someone behind answer that, because it wouldn't surprise me if there was even disagreement about that.

Senator Mary E. Brown, D. 17: Okay.

Senator Debora B. Pignatelli, D. 13: Thank you, Senator McCarley.

Martin Gross and Randy Dyor?

Martin Gross, Esq. – Sulloway & Hollis: Thank you madam chairman, members of the committee.

My name is Martin Gross; I'm a lawyer from Concord with the firm Sulloway & Hollis. I'm here today representing the American Insurance Association, which is an accredited association of property and casualty insurance companies whose members write a good deal of property and casualty insurance such as automobile insurance and homeowner's insurance in New Hampshire and whose members (because they do defend their insureds) enter into structured settlements to resolve claims against their insureds.

With me today is Randy Dyor, who is executive director of the National Structured Settlements Trade Association in Washington, DC. We are here to **support Senate Bill 126** and to **oppose Senate Bill 66**.

If I may address my comments first to Senate Bill 126 and see if we can get through that one. What I'd like to do is (after my brief comments) turn the floor over to Mr. Dyor, who's got some specific instances of the problems that we can share with you that reflect directly on New Hampshire and, perhaps, when we are both done, then we could take questions, if that is satisfactory to the committee.

As Senator Blaisdell stated, the purpose of Senate Bill 126 is not to ban the transfer of structured settlement payment rights. Senator Brown – Yes, those are the ads you see on TV. But, to set up a process to assure that such transfers occur only with full disclosure to the accident victim, incases of financial hardship, and with independent advice for the accident victim.

My client, **AIA, supports the bill (Senate Bill 126)** because it would protect the integrity of structured settlement agreements, which, in serious accident cases, helped promote settlement and assure continued flow of periodic payments for the seriously injured accident victims. The growth of the factoring industry, which specializes in buying periodic payment rights from beneficiaries at deep discounts, produces situations of inadequate disclosure in terms of consequences and potential penalties to both the beneficiary and the insurance company that originally settled the claim.

Those kinds of transfers could jeopardize the integrity of structured settlements as a whole and could limit their usefulness in settling accident claims. In my presentation, I'll first briefly describe what a structured settlement is. Then, I'll explain the problems caused by improvident transfer of payment rights; and then, I'll show how the bill would deal with those problems. Mr. Dyor will provide close-up looks at the problems caused by traffic in structured settlement payment rights.

My first topic is to briefly describe **what a structured settlement is**. Very simply, **it's a way to settle an accident claim to provide long term periodic payments to the injured person instead of immediate lump sum**. Commonly, the defendant's insurance company (that's my people) buy an annuity from a life insurance company that then provides the stream of periodic payments to the injured person over the period of time. Compound interest built in within the annuity agreement makes the payments go much farther than a lump sum front end payment would go, and federal law (that's the tax code) provides that this interest element in the structured settlement annuities will be tax free to the injured person if certain requirements are met in the way the annuity is set up.

In other words, structured settlement annuities are tax favored under federal law reflecting a policy of the United States Congress that these kinds of settlements are useful in dealing with the problems of the long-term injured and disabled.

Federal law also provides tax incentives to the insurance company paying the settlement, if the requirements are met. Structured settlements are often attractive in serious injury cases where the injured party needs extended support and care. If I might, at this point (to shorten my presentation), I'd like to simply hand around to members of the committee copies of an extract from **a legal work that lawyers in New Hampshire use (Mr. McNamara's treatise on civil practice)**, which explains in a little bit more detail what a structured settlement is and how it goes together. It's only a two-page extract, but it may help you in your review of this bill as you go forward. I don't plan to speak anymore about that piece.

Now, there are **lots of winners in structured settlements**. The **injured person wins by getting more dollars over time** than would have been the case with an upfront lump sum. The injured person gets these extra dollars totally tax free and, over the long period of time, to use support and care.

Another winner is the **defendant's insurance company (my clients)**. They win because a **lower up-front payment buys a bigger settlement** because of the compound interest factor and because the **insurer also gets favored federal tax treatment** of its reserves in dealing with the case.

The third winner is **the public.** The public wins in a structured settlement because a severely injured person gets money for maintenance and care out of the settlement for a long period **without burdening public programs**.

But, all of these **benefits of structured settlements turn around when the structured settlement beneficiary is induced to transfer payment rights to a factoring company – The winners become losers**, and to that regard, I'd like to hand around to you copies of the **article from U.S. News**. This is the article that Senator Blaisdell's introductory statement referred to. Again, I'm not going to.....that in the interest of time, but this is (as I said) the article that Senator Blaisdell referred to in his statement; it fairly and plainly outlines the problems of transferring payments from structured settlements. I ask you to read it at your leisure. It is an interesting article and very informative.

How do the winners become losers? Well, **the injured person gets a deeply discounted sum**, which is all too often frittered away **leaving nothing to live on or pay for care** over an extended period of time. **Uncle Sam may come knocking with a tax claim** against the injured person because the **transfer may violate federal tax regulations**. Uncle Sam may want the taxes that Uncle Sam will win under the structured settlement. But, if the injured person sells the structured settlement payment rights and no longer has the benefit of this extended stream of payments, why should the U. S. government allow tax benefits to remain? So, Uncle Sam may come knocking with a tax claim against the injured person. The **injured person may also be stuck with costs and attorney's fees assessed**

by the factoring company if the annuity company doesn't honor the transfer, and that is your view from Mr. Dyor. It may take place in a court nowhere near New Hampshire.

The **defendant's insurance company** that got tax benefits from the original structured settlement **may also face a tax risk and the possibility of having to pay again**, and **the public may have to bear the burden** of another welfare Medicaid case. All of that can happen when structured payment settlement rights are transferred.

Finally, **how would SB 126 deal with this problem?** Preliminarily, let me say that SB 126 is model legislation developed by the National Structured Settlements Trade Association, and it's intended to work in every state and to be enacted in that form so that it will work in every state with minor adjustments. It appears complex and wordy because it's model legislation. It's designed to cover all circumstances where a factoring company may seek to induce a beneficiary to transfer payment rights.

But, the **heart of the bill** (you can turn to it) starts on **Page 3, Line 20.** In **543-A:2**, if you will take a look there with me (Page 3 of the bill, Line 20). The section that I am referring to provides that, to be effective, a transfer of payment rights must be authorized by the superior court or by the labor commissioner where the structured settlement was entered in connection with a worker's comp claim with specified findings in both cases.

Paragraph 2 on **Line 28** of that page risks the requirements of a detailed disclosure statement including the discount rate and other items to show how much the beneficiary is giving up in connection with the transfer.

Now, if you'll turn to **Page 4** of the bill with me, on **Line 12**, we see that **Paragraph 3** requires a finding of **"imminent financial hardship"** in order to authorize the transfer (imminent financial hardship).

Paragraph 4 on **Line 17, Page 4** of the bill **requires a finding that the injured person has received independent professional advice**-a very important element in a transfer of structured settlement payment rights. Unlike a situation when a structured settlement is first negotiated between the plaintiff's lawyer and the defendant's lawyer in the tort case; when the time comes for a transfer in response to one of those ads that you've seen, Senator. Usually the payee is not independently represented. Usually, the payee does not have his/her own lawyer at his/her side to help them through the maze of these transfer of documents. So, that's the heart of the bill. It doesn't prohibit all transfers of structured settlement payment rights, but it **assures that the injured person is fully informed and that the transfer is needed to avert financial hardship**. It also **assures that**

the parties who may be exposed to tax losses or tax claims by the transfer are notified so they will have the right to be heard in court.

Similar legislation has been enacted in Illinois, Connecticut, Kentucky and, most recently, Virginia. I'm told that in West Virginia the bill was on the governor's desk, and it was actively being pursued in 18 other states including all New England states, Connecticut having already enacted a bill similar to this one.

That concludes my remarks, and I ask that you would recognize Randy Dyor, who is executive director of the National Structured Settlements Trade Association with some information about **real New Hampshire cases** where transfers have led to problems.

Senator Debora B. Pignatelli, D. 13: Before we do that, we might want to ask some questions.

Senator Squires?

Senator James Squires, D. 12: Just for information, Attorney Gross, in similar litigation like this, it's my understanding that occasionally the attorney's fees are a percentage of the settlement (let's take a third). So, if the settlement is for a million dollars and the difference here is a lump sum payment of a million dollars to the plaintiff in which case the attorney's fee would be $300,000. If it's a structured settlement, the amount that the insurance company puts up is less given the time value of money. Let's say it's $900,000, does the attorney's fee go down to a third of $900,00, (which is $270,00) or do they still claim to the third of the million dollar lump sum settlement?

Martin Gross, Esq. – Sulloway & Hollis: I'll be glad to – You're talking now about the structured settlement stage and not the transfer stage? We're talking about the head-in of this of where the tort case is about to be settled and a structured settlement is about to be ended, and your question is: Do the attorney fees get negotiated off what would have been the total amount of a settlement or off the total amount of the structured?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: Senator, if I may - The contingency fee agreement would be on the amount of the payment received at the time of settlement. In the case of a lump-sum settlement, it is whatever the lump sum is. In the case of a structured settlement - Normally a structured settlement is composed of two pieces, the cash payment which would include the attorney's fees and other past economic damages and then a future stream of payments that comes to the injured party through an annuity purchased by Mr. Gross's client with cash if the company were self-insured. The cost of that future stream of payments would

be the amount that you'd be settling for. So, in your example, a third of the cost would represent the attorney's fees.

For example, if you have a settlement that consists of the expenses of the suit (including attorney's fees and the past damages) on a million dollar settlement which is $500,000, the plaintiff's attorney gets a third of $500,000. If the rest of the million-dollar settlement is to be used to purchase the annuity, the attorney's fee on that is a third of $500,000.

Senator James Squires, D. 12: So, the attorney has no incentive to negotiate either way?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: That's correct, Senator. I would hope so, Senator. That's the way it's intended.

Senator James Squires, D. 12: I would like to be reassured.

Randy Dyor, Executive Director-National Structured Settlements Trade Association: I believe that's correct.

Martin Gross, Esq. – Solloway & Hollis: I'd like to add that the legislation that we have here today is not directed (at least SB 126) at the structured settlement phase but at the transfer later on of the payments.

Senator Edward M. Gordon, D. 2: I just wanted to include as an attorney who's been paid on that basis tell you that, whenever it's been calculated, it's always been calculated on the present values. There's no financial incentive to the attorney other than the fact of what occurred in the settlement itself. We would promote a structured settlement.

Senator Debora B. Pignatelli, D. 13: You mentioned full disclosure at one time here in your testimony. Does the person who is going to receive the annuity know through your disclosure how much you're paying for the annuity when you're buying it from another company?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: Again, you're talking about the structured settlement itself rather the transfer of the payment rights?

Senator Debora B. Pignatelli, D. 13: Yes.

Randy Dyor, Executive Director-National Structured Settlements Trade Association: The answer is Yes.

Senator Debora B. Pignatelli, D. 13: Also, on **Page 4-Lines 17 & 18,**

Randy Dyor, Executive Director-National Structured Settlements Trade Association: You can probably just supplement that. More importantly, the plaintiff's lawyer gets this information when the plaintiff is independently represented by his/her lawyer and the lawyer gets the opportunity to understand what these numbers mean.

Senator Debora B. Pignatelli, D. 13: And, on **Page 4, Lines 17 & 18** (the payee has received independent professional advice), who pays for this advice?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: Which transaction are you speaking?

Senator Debora B. Pignatelli, D. 13: I'm looking on Page 4, Lines 17 & 18.

Randy Dyor, executive Director-national Structured Settlements Trade Association: I understand that. Now, you're talking about the transfer?

Senator Debora B. Pignatelli, D. 13: Yes, regarding the financial implications of the transfer.

Randy Dyor, Executive Director-national Structured Settlements Trade Association: And that's not the establishment of structured settlement itself but later on, if they want to transfer these payment rights? The answer to that is – Because by that time, the insurance company is-It is the insurance company's deal that's going to be unwound by the transfer; so, the insurance company would not be involved in paying for these cost.

Martin Gross, Esq. – Solloway & Hollis: Senator, as I'll show you, in some cases we've seen from the court records where the factoring company provides that advice (It's inside baseball.). I mean they use their own attorneys to provide advice to people and then use those same attorneys to sue the people later on. Independent advice, believe me, is an important part of this.

Senator Debora B. Pignatelli, D. 13: Senator Gordon?

Senator Edward M. Gordon, D. 2: I just wanted to make clear here, there are two bills here. One appears to apply and one is conversation (inaudible).... appears to apply to settlements in general. I guess I'm trying to understand whether your testimony today is intended to apply in ..... structured settlements....(inaudible)...vs.....

Martin Gross, Esq. – Solloway & Hollis: Senate Bill 126, which is the bill....(inaudible)....applies to all structured settlements. The transfer of structured settlement payments, regardless of the source-that's why Senate Bill 126 provides for superior court approval of the transfer or for labor commissioner approval to transfer in the case that's a structured settlement in the workmen's compensation.

Ned?

Senator Edward M. Gordon, D. 2: I'm sorry, I have to leave, and I just need this question answered and that is: I understand the basic principle here, and that is that you want to avoid people being preyed upon (I guess) by a particular group of people, I guess I have to understand what our responsibility is for keeping people from being stupid and whether or not we should legislate that. I guess I'm trying to figure out how the arguments that you've made about not selling the structured settlement, why those same arguments don't apply to preventing people from getting structured settlements in the beginning, particularly in the area of worker's compensation where, it seems to me that, you get a structured settlement ordinarily when you have a lump sum, that somebody could, in fact, take their lump sum in a single payment, and, if they do, that's fine. They can fritter away money and so what?

Now, are you saying that, if they decide to take the same amount of money but take it over time, you've got to protect them from yourselves? And, I guess I don't understand why you would make the exception and why you wouldn't just say, we're not going to allow structured settlements at all and keep them walking to the mailbox every two weeks.

Martin Gross, Solloway & Hollis: In worker's compensation cases? First, let me say that a structured settlement, if it's done as part of the lump sum, is subject to the approval of the labor commissioner; unlike in the tort case when a structured settlement can occur regardless of whether a court approves it.

Second, the only interest here is not just the frittering away. That's one of the major affects here, but there are some other problems that go along with the transfer of payment rights other than just the injured person frittering away a lump sum, and it had to do with exposure, the subsequent tax claims with exposure to all kinds of confessional judgements, and attorney's fee claims and, even in one case (which Mr. Dyor can tell you about) in which a Texas court held the payee responsible in a worker's compensation case for punitive damages in a state far far away. These are the kinds of things that I think require the public interest to be expressed through legislation to deal with these practices. You may hear testimony, but these practices don't go on all the time. I've got a witness here who can tell you how frequently they do go on and why they should justify the exercise of legislation

to police and patrol the matter of transfer of structured settlement payment rights. It is that serious.

Randy Dyor, Executive Director-National Structured Settlements Trade Association: Senator, if I could just add one thing to that. Structured settlements are essentially a creature of congress. Congress invented structured settlements with a change in the tax code in 1982, and it did so for one reason. – They saw a confluence of the great society programs of the '60's with the first million dollar judgements and settlements of the 1970's. By 1982 they realized that people were getting substantial settlements and judgements that were intended to last their lifetime to provide for their medical needs to keep their lives and their families together and the money has been dissipated. So, they said, we're going to provide a tax incentive for people to take their money over time because we want them to do this so that they won't fall back on the great society programs. They created a web of tax treatments for all parties to a structured settlement (the injured person, the casualty company and the annuity company), and they tied all those treatments together because they didn't want to let anybody out of the game. They wanted all of those people (parties to the structured settlements) to stay in the game so that people wouldn't fall victim.

Nobody anticipated that the factoring companies would come along. Now that they have, now that we've had a chance to look at the kinds of onerous transactions that have been imposed on these people in exchange for their structured settlement payment; we're here before you because we think that it cries out for regulation.

The insurance industry is regulated because companies and individuals are not on a level playing field; the regulation puts them on a level playing field. Banks and their customers are regulated for the same reason. These transactions cry out for litigation.

Senator James Squires, D.12: To either of the parties, I want to make sure I understand this also. If, at the end of....(inaudible)...the plaintiff agrees that it's in their best interest to take a structured settlement and, then, someone comes along and says, now it really wasn't (after the fact) and says- you're really better off to take a lump sum. How's that possible? It doesn't make sense to me. If all the parties have agreed that the structured settlement is better, then why is it just turned around? What new facts come to bear that, after the fact that we're.....

Martin Gross, Esq. – Solloway & Hollis: Senator, I think the best answer to that question is...(the question that Senator Brown asked) – This market for structured settlements has been created by these factoring companies with a series of advertisements. They go out and purchase lists of structured settlement recipients and then they call the people and try to convince them to sell the

payments for a lump sum; these people are aggressively marketing these things. You're right, Senator. It doesn't make sense and you wouldn't do it; but regrettably, some people are.

Senator Debora B. Pignatelli, D. 13: Senator Brown?

Senator Mary E. Brown, D. 17: It just occurred to me that, if you're in a position to receive a settlement and your option is the lump sum or a structured settlement, with the structured settlement you also find out (I would imagine) that you are stuck with that-you're going to stay with that-because we've now written law that makes it very difficult for you to undo that once you've accepted it. Aren't most people then going to say initially, I'd rather take the lump sum. Aren't we defeating sort of the initial purpose of what you just described?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: They're used when (as Senator Squires said) the plaintiff believes it's in their best interest to have it. I believe those interests won't change over time. Now, regrettably, a structured settlement is a rigid product (congress made it so). They said (in the words of a tax code) that the payment stream had to be fixed and determinable at the onset. So, you can agree to whatever payment stream you like, but once you've agreed to it, that's the payment stream.

When we first saw these factoring transactions, we weren't sure if they were a good thing or a bad thing. We thought this may add some needed flexibility to what is otherwise a rigid product. Regrettably, once we got into the details, we saw that people were being cheated, and we're here today because we think that needs regulation. As Mr. Gross said, this bill is not to stamp out the factoring; this is to put needed regulation on it so that the companies will give these people a better deal, the flexibility will be there, and then we'll sort of have the best of both worlds.

Unidentified Speaker: Mr. Dyor, could you rapidly go through...

Randy Dyor, Executive Director-National Structured Settlements Trade Association: Very rapidly, I appreciate, your time is not your own today. Let me just walk you through my handout. I wanted (as best I could) to very quickly put a human face on these complex transactions we're talking about. You've already gotten a U. S. News & World Report-let me just point out to you who we're talking about here.

The first face looking at you is Jerry Magee (he's a Mississippi worker's compensation recipient). The next face, Christopher Hicks (a teenage quadriplegic from Oklahoma City). Mr. Hicks gave up half of his money. The third face you're looking at is Raymond White-a particularly compelling case. Mr. White was a

homeless individual living on the streets of New York for six years. He was involved in a subway accident and received a structured settlement. With that money, Mr. White turned his life around (he got an apartment, he got married and has a four-year old child). He also, regrettably, has an eighth grade education. He then fell in with the factoring companies, and, over the course of five deals, they took it all-they took all of his money. He now lives on public assistance and the welfare of Abyssinian Baptist Church. The next face is Davinia Willis,a teenage paraplegic.

I told you a moment ago that we weren't sure if these were good things or bad things so we tried to look into these factoring transactions. Fortunately, or unfortunately, the best place we could find information was from court records. We now examined 150 factoring transactions, and the table that you see is an analysis of the transactions that are included. I've highlighted the New Hampshire cases. On average, the victims of factoring transactions receive less than half of the true present value of their future stream of payments-less than half of the true present value of their future stream of payments.

If you recalculate what's happening in these transactions as a loan (in other words, you receive a lump sum, and you pay me back with your future stream of payments), what interest rate did they bear? On average, 28.4% interest in our study.

Next, we have the case of Wayne Nason. Wayne Nason is an individual from Franklin, NH. Mr. Nason was receiving $840 a month plus some scheduled lump sum payments. He did a factoring transaction with a Florida company called Windsor-Thomas in March of 1998 selling $200,480 worth of payments for $71,000 (That averages about 55% of the true present value of that future stream of payment.). One month later (on April 30), Windsor-Thomas stepped into court, brought with him an attorney purporting to represent Mr. Nason, and filed a stipulated judgement against Mr. Nason.

Unidentified Speaker: Where was the court?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: In Florida. How do these guys work? Let's assume you were getting $2,000 a month; I come to you as a factoring company and I say, I'll buy $500 a month of your payments; I'll give you a lump sum for it. Here's what we're going to do-We're not going to tell the annuity company this is happening because you have a contract with them that says you won't sell your payments. So, we're going to try a little trick. You're going to send them a change of address and your checks are going to come to me. I'm then (as part of my contract) going to take from you a Power of Attorney over that check-I'll cash it, and I'll mail you your $1,500.

I know that, at any point, you could call the annuity company and say, Send the check back to me (And, they will send the check wherever you say.). So, to avoid that happening, I need to get you in court (I need a judgement against you to perfect my transaction with you.); so, I've created a complex contract, and there are any number of ways in the contract that I can get that judgement against you. I've also taken a confessed judgement against you. In the case of Windsor-Thomas, for example, you're required to bond me (Well, you don't know that-You didn't see that in the contract-Nobody explained the contract to you.). So, one month after the deal - What could Mr. Nason have done wrong to get a judgement against him one month after (There wasn't even enough time for the first check to arrive.)? They stepped into court in Florida (He's a New Hampshire resident.); they took a confessed judgement against him.

Now, they surface before the annuity company, and they say, "We have a judgement against Mr. Nason, and we're going to garnish his payments. Now you'll have to send me his payments."

In my example, you were getting $2,000 a month and I bought $500. Once I have the garnishment, I could take your whole $2,000 until my judgement's satisfied, so I've accelerated my own payments.

The case of Earl Berghman from Gorham, NH – Mr. Berghman sold $43,000 worth of payments for $25,000. A confessed judgement was entered against.....oh, he then did subsequent deals, each deal getting worse and worse (a total of $175,000 in payments for $47,000). They then added a confessed judgement against him for $196,000 inclusive of penalties and attorney's fees.

Terry Mooradian of Newmarket, NH sold $30,000 worth of payments for $14,000. That's an internal interest rate of 34.5% per year.

I then have included some of the ads in web sites of the factoring companies so that you can see what they're saying to people (Dial 1-800-CASH-NOW, 1-800-WHY-WAIT). These are the ads that you've seen. They advertise on late night cable television. They buy worker's compensation claims even though statutes in the state of New Hampshire (as in all 50 states) bar the purchase of people's worker's comp claims. The state of Alabama criminalizes the behavior-(They do it anyway.).

You'll also notice that the disability groups have weighed in on this issue. The National Spinal Cord Injury Association has testified in a number of states on this matter. The National Organization on Disability has weighed in on the issue.

Senators, members of the committee, this, as I said, is a practice that cries out for regulation. These people are getting structured settlements because, at the outset

(when they had independent advice), it was agreed that they would receive this money to try to keep their lives and their families together. Once it's gone, there's nothing to replace this money but social welfare programs. Thank you for your time. I'll be happy to answer any questions that you have.

Senator Debora B. Pignatelli, D. 13: Senator Brown?

Senator Mary E. Brown, D. 17: You said that in some places it's illegal to sell worker's comp and they're doing it anyway. Might it not be a more appropriate approach to make it illegal and make penalties?

Randy Dyor, Executive Director-National Structured Settlement Trade Asociation: That, regrettably, would be, as you say, sort of like passing a second law against murder in the District of Columbia. If they're ignoring the first law, they would, it seems to me, ignore the second law.

I have with me the case of Sandra Silverman-Brewster (sic), a Florida worker's comp beneficiary. She sold payments to a Texas company called Settlement Capital and agreed (as part of her contract), that if there was any case to be heard it would be heard in Dallas court. She sold $17,000 worth of her payments. Included in the package is the agreement that she signed with Settlement Capital, and the closing attorney on the case is a gentleman named Bruce Cheatum (I can't make up a name like that.) from the law firm of Jackson & Walker. Shortly thereafter, Settlement Capital moved in Dallas court to sue Mrs. Brewster and (because she's in Florida and they were in Texas) she was unable to appear in the case. She lost $17,750 worth of worker's compensation claims. There's nothing in the record to indicate that the Dallas court was aware that it was a worker's compensation claim, because nobody was there to make that representation, and certainly Settlement Capital did not.

They received a judgement for $17,000 plus attorneys fees of $3,500, plus punitive damages of $30,000. Who sued Mrs. Brewster? Earl Nesbit of the same firm (Jackson & Walker). She got the benefit of no legal advice. Jackson & Walker is the general counsel for Settlement Capital Corporation. They are also general counsel for the National Association of Settlement Purchasers. That's the kind of deal New Hampshire residents will get.

Senator Debora B. Pignatelli, D. 13: Any further questions?

Randy Dyor, Executive Director-national Structured Settlement Trade Association: If I may just conclude on Senate Bill 66.....

Senator Debora B. Pignatelli, D. 13: Let me just stop you before you conclude. We have a problem on this committee; all of our members need to be elsewhere and some of us need to be there twenty minutes ago. So, what I'm going to do is keep the hearing going, because we're now scheduled out into May, and I can't reschedule this. I have a list of people who wish to speak, and I have put them in order, Laurel. So, if you would call them in order (and Laurel will transcribe everything that you say), and if you could put this ahead of the people that have already spoken (so that when we look at our transcripts on this, we see the people that haven't spoken first). We will review the transcript when we decide what we're going to do with these bills. I apologize to the members of the public, especially if you've come a long way to speak to us about this bill, but I promise you we will review what you have to say.

We now can conclude.

Randy Dyor, Executive Director-National Structured Settlement Trade Association: Madam chair, members of the committee, we, AIA, opposes Senate Bill 66 because it is what I would call a.....bill. It is counterfeit. It does nothing to protect the interest of payees of structured settlements who fall into these transfer transactions. A specific example: If you look at **543-A:2 (f) (1)** in the bill, it does not even say that in transfer arrangements the beneficiary is going to get a detailed statement of all the commissions that are attaching to the transfer transaction. Very granted, it requires that detail with structured settlement transactions themselves but, on the transfer transaction it says, "just the net amount" (just take away all of the commissions and all the rest and tell them what your net amount is). So, that isn't protecting the payee's rights at all.

And finally, the heart of why this is a counterfeit bill is on **Page 3 of the bill** when it starts to talk about what structured settlement transfers ought to be approved by a court. If you look at the top of **Page 3**, court approval is only necessary if a structured settlement was originally approved by the court. In other words, in a normal course of events where you have a settlement of a tort case in which there has been no court approval but simply an agreement between the plaintiff and defendant, those transfers of payment rights would not be subject to any court proceeding under Senate Bill 66.

The class that they talk about in Senate Bill 66 to require court approval amounts to (as Mr. Dyor has told you earlier today) only about 5% of the structured settlement cases. So, what you have in Senate Bill 66 is an attempt by the factoring industry to tell you that they are trying to do some policing with no address to the real problems that Senate Bill 126 is designed to address.

Again, we thank you for the opportunity to be heard, and I'm sorry to be taking up so much time of this committee in your grave circumstances.

Senator James Squires, D. 12: In other states, is there extension made to claim structured settlements as relate to worker's compensation judgements and structured settlements as relate to personal injury, etc.?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: You mean in terms of factoring...?

Senator James Squares, D. 12: In terms of legislation.

Randy Dyor, Executive Director-National Structured Settlements Trade Association: In terms of the transfer of the payment rights?

Senator James Squires, D. 12 No. As I read 126, that's specifically talking about structured settlements-these are the workmen's compensation?

Randy Dyor, Executive Director-National Structured Settlements Trade Association: No. Senate Bill 126 applies to transfers of any structured settlement payment rights whether they have been court approved in a tort case or not and in worker's compensation cases. It's not just worker's comp cases.

Martin Gross, Esq. – Solloway & Hollis: Senator, the distinction we make is that under 126 the court approves any transfer applications other than those in a worker's comp case; the worker's comp board would have to approve those transfers. Since it contravenes New Hampshire law, the worker's comp board would be the only one who could.....

Randy Dyor, Executive Director-National Structured Settlements Trade Association: Thank you, Senator.

Committee Secretary: Rick Newman?

Rick Newman – N. H. Trial Lawyers Association: I'm Rick Newman representing New Hampshire Trial Lawyers Association. We are here in opposition to Senate Bill 126 as drafted. I intend to follow up testimony with a letter to the committee and go into more detail on our opposition, but essentially, Senate Bill 126 (in our view) establishes hurdles that are very difficult to climb in an effort if you want to transfer your structured settlement. I'm not saying that the trial lawyers would not support some regulation in the area, but the bill as written is obviously model legislation put forth by National Structured Settlement Trade

Association or whomever, and it is truly designed to keep people from being able to transfer virtually all circumstances. I think the burden of having to get to "imminent financial hardship" (whatever that means) is very difficult, and most people would not be able to meet it.

Aside, and not necessarily (I haven't discussed this aspect with my client; so, if you'll allow me to address this as an individual.), I would tell you that you did hear testimony that's been introduced in 18 states or so. There's also legislation pending in congress that would put a 50% tax on the transfer of structured settlements. In all those bills (just so you know) there isn't a ground swell of like the public or the peasants with pitchforks out there claming for the legislation. They are all being hastily put forth by the American Insurance Association and National Structured Settlement Trade Association. When you read their press releases in all of the states that the bills are pending, it is the AIA that's basically out there beating the bushes to introduce this type of legislation. It seems like a war is going on between the insurance industry and the factoring companies, and what you're being asked to do is take sides. I recommend that you think very long and hard before you take sides.

Senator Mary E. Brown, D. 17: Thank you. I have one question. Whether it's true or not, it's appearing that there's sort of a scam process going on or there's some sort of deceptive practices going on here. Do you see any way to deal with that for those few people who sell their structured settlements other than this kind of regulation?

Rick Newman – N. H. Trial Lawyers Association: Well, I think that disclosure-the Trial Lawyers Association generally supports disclosure of instances like this and other areas. If you look at Senate Bill 66, there is very straight forward disclosures that have to take place up front and if you want to transfer. I'm not sure, again, if the wording of that bill is exactly correct, but I think that clearly it makes sense that there be certain disclosures made at the time of the transfer. I'm not so sure that you need the kinds of hurdles that are being put forth in this bill, but I would suggest the Senate committee look at the possibility of disclosures, and I will tell you, obviously, it's a very complicated issue. It would seem to me to make sense that Senator McCarley mentioned re-refer or you could kill 126 and re-refer 66 to have something to work on through the summer.

Senator Mary E. Brown, D. 17: Thank you.

Committee Secretary: Is Judge Nadeau here?

Unidentified Speaker: He's left.

Committee Secretary: Jim Terlizzi?

James Terlizzi-National Association of Settlement Purchasers: I have some materials for the committee.

Thank you. Senator, I'll try and be brief in light of your schedule and, obviously, everyone else's. My name is James Terlizzi, I'm an attorney. I'm the chief operating officer of one of the "evil factoring companies" (that's Peachtree Settlement Funding. I'm also one of the directors of the National Association of Settlement Purchasers, which is a trade group organized by the major companies involved in this business. I'd like to also tell you that we have two individuals here from New Hampshire entered into transactions, and they are the people who allegedly frittered away their money on such silly things as a home for their families. They'll be testifying momentarily.

I'd like to take you through, quickly, some of the situations here. I have to say at the outset that never has a situation been so filled with demagoguery misinformation of this information at this time. It is actually mind boggling, the misinformation is being bandied about in state legislatures around the country. I'd like to take an opportunity to try and separate some of the fact from fiction. Let me just explain the business basically.

An individual who settles a personal injury case some years ago maybe they agreed-they think that $1,000 a month for 120 months is a fine settlement at the time (It may well be.). Five years later, then married with two children and they need a home. They need a down payment for that home. They want to amortize a portion of their future payments in order to obtain that money. Over 35% of the people we deal with use the money to purchase a home. The balance within the statistics ringer (I won't bore you)-but they pay off debts, high interest credit cards, etc.

Let me tell you what's wrong with Senate Bill 126 and what's right with Senate Bill 66. Secondly, Senate Bill 126 is a ban. It's a thinly veiled ban and, actually, before I even go through what's wrong with it, I should say, why are we here? The reason we're here is very simple, and as Mr. Dyor stated the other day in Iowa where we were debating this issue, it is about money. At the end of the day, structured settlements were a cost-effective way to settle personal injury cases. In fact, Mr. Gross admitted that before you momentarily. The fact is, it's a very cost-effective way to settle personal injury cases (no problem with that), but people's situations change over time. All we do is provide an opportunity to refinance that settlement. They had a choice at the front end, they chose a structured settlement, their life circumstances change, we provide them a choice. Our interest rates are between 18% and 22%. I have here (and I would be happy to distribute to you-This is from the Wall Street Journal yesterday.) the ten largest bank credit card interest rates, and these are banks that you're familiar with like City Group, Discover, Chase

Manhattan. The rates range from 16.99%-25%. Now, if that's so outrageous, I mean that's a decision you'll have to make.

The fact of the matter is that what's happening here-this is a dispute between two industries. Effectively, because we're out there advertising to individuals. That's the only way, by the way, we contact individuals is to advertise. If there's a list that's been purchased, I don't know where it can be purchased because I haven't been able to find one and have no idea what Mr. Dyor is referring to. In any case, we advertise on television, in print, and on the radio; people call us-we respond to those inbound phone calls.

What's happening is we educate people about present value, and I have a piece here entitled How Insurers Abuse Structured Settlements. This is-simply what's happening is they use the mirror of that for the magnifying affect of the payment in the future. I could promise to pay you a million dollars for your home if I don't buy it for another 45 years. That's what's going on here. If you look through this piece, you'll see exactly what I mean. For example, in Exhibit 1 (there's a list of these) an individual (we'll take Mr. Abernathy (sic)), he's entitled to $1,870 per month for 10 years; that totals up to $224,400. Guess how much the insurance company for that annuity-$13,376. Now, that's on AETNA's stationery; this is not me making this up. These are all insurance company documents, you can prove it to yourself. Let me tell you what's wrong with-or more, actually, to dispute this very well. We educate people about present value. When somebody calls me up and says, I'm receiving $1,000 a month for 20 years-they say I'm getting $240,000. I say, "I'm very sorry Mr. Smith; you're not getting $240,000. That's really worth closer to $120,000, and I can only give you $108,000 for it."

Now, all of a sudden, what's happened is we've said the emperor has no clothes; these structured settlements are not all they're cracked up to be. Again, I will back up a step and say I think they are very effective settlement tools. For a lot of people, they're excellent choices; but what's happened is the insurance industry, instead of just using them for catastrophic injury cases (which is what they were intended for), they use them for every.....and tort. In fact, according to their own web site (I will find that document, and that's also in that package.), it says, "Although originally designed for catastrophic injuries, today structured settlements are used to settle cases as small as $5,000." That's from the single biggest broker of structured settlements in the country, Ringler Associates. On their web site, you can look it up yourself, and it's also in that package.

Let me speak to this bill quickly, and I do appreciate the time, Senator. In any case, this bill (SB 126) provides a veto power for the insurance companies. You can't even go to court to ask for permission of the court to assign your payments under SB 126 unless they consent. They're not going to consent. They wouldn't be serving me with (Here's a brief I received yesterday in a transfer.) We made an application in

New York court for transfer. There's a 50 page brief that the individual, Miss...(recording unclear to identify correct spelling to identify individual)..., whose home is in foreclosure; that's the reason she wants to settle one of her future payments. She has lump sum payments due in the future; she needs to settle so she can save her home from foreclosure. The insurance company is opposed to the 50-page brief. Ask yourself how much that's going to cost to litigate and how long that'll take. So, they should not be permitted...

I should also just comment at the very beginning, my industry has no problems with consumer protection, proper disclosure, etc. We think the vast majority of those issues are dealt with properly by Senate Bill 66. I'll also just point out that in the transaction involving Windsor-Thomas, Windsor-Thomas was drummed out of our trade association. So, I'm not going to suggest that there aren't some companies that need to be reigned in, there are. That's why we support proper consumer protection legislation, but what's happening is a very small handful of the 20,000 or 30,000 refinancing transactions our industry is engaged in are being bandied about as though they're the model or the standard; well, it's not the case. Those are anecdotes, and they don't make data. The fact that of the matter is the other 19,875 people are very happy with the transactions they've engaged in, including the two folks behind me.

So, first of all, we shouldn't be able to veto the transaction. The sale should not be limited to the desperate and the needy. Imminent financial hardship (whatever that means) is an extraordinary high standard. When you opt to adopt a child, the interest is what's in the best interest of the child. We're happy with the best interest standard. As Mr. Dyor testified minutes ago, he said that, when an individual settles a structured settlement, he does it with what's in his best interest. Well, if it's not in his best interest any longer 5 or 10 years down the road, why are we going to now have him prove imminent financial hardship? Doesn't make any sense.

Moreover, we heard about an unregulated industry and, actually, Mr. Dyor admitted in his testimony minutes ago, that banks are regulated. A tremendous number of our transactions are structured as just straight out loans. Our loans have gone through a FDIC insured nationally chartered bank. The same is true of Singer Asset Finance Company (sic), one of the bigger companies in this business. We comply with all state and federal banking laws and lending regulations when we enter into those transactions. So, this is not what's made out to be.....

The bank lending should not be encompassed by this bill; that's an issue. There's already a whole pamphlet of regulations regarding lending at the federal and state level. Court orders shouldn't be required unless the original court order is approved. What will happen if these individuals have to go to court is: **a)** It's extremely expensive, **b)** It's time consuming, and **c)** They're going to get served with

briefs just like this, because I'm finding these all over the country; and, remarkably, they all read very similarly which tells me that somebody's e-mailing them around to insurance companies counsel. Additionally, claimants deserve these protections (meaning the disclosures) when they set up a structured settlement as well as when they enter into a financing transaction.

What's happening here is, as you'll see from that piece I have (which is How Insurer's Abuse Structured Settlements), many of these folks had no idea what the real value of the settlement was. If anyone can convince me that this 19- year old in Exhibit 7 thought she was getting $1.594M. This is Exhibit 7, and it shows you this is actually the settlement proposal from Hoover & Associates, a structured settlement broker. It shows the total settlement amount as $1.594M not withstanding the fact that $1M of it doesn't come in (from the time of the settlement) for 31 years. The true value of the settlement is closer to $340,000. I can assure you that that wasn't disclosed to her or she wouldn't have accepted that kind of settlement. If the fact is that it was disclosed, then why not clarify it?

Let's clarify the disclosure so that everybody's on an even playing field. That's also important regarding Exhibit 2 in this document. The attorney, who was probably not aware of the settlement value of the case, took his fee on the future value of the settlement, unfortunately. That's why I think the trial lawyers are behind this bill on proper disclosure on the front end as well as the back end.

Finally, the way this law is written, it applies to an individual outside the state. It's not limited just to residents of New Hampshire. If we're talking about a consumer protection bill (and we're in the New Hampshire Senate), we should be talking about New Hampshire residents. This bill would attempt to export New Hampshire law to transactions outside the borders of New Hampshire simply because an insurance company happened to have been located in New Hampshire. With the insurance companies being bought and sold all the time, one never knows who one's insurance company is likely to be or where it's likely to become a settlement. So, this law probably is unconstitutional as written in that regard in any case, but putting that issue aside, it's simply not appropriate to try and legislate the consumers of a foreign state. We should limit that (the law) to this state.

So, essentially, Senate Bill 66 deals with all of those criticisms I think pretty easily and pretty well. It provides for proper disclosure, provides for court orders from the original settlement court order, it provides for independent counsel in those circumstances. I think that is the appropriate type of regulation; it's something that we would support, and we would work with this committee to draft model legislation along those lines.

Finally, so I can turn this over to the individuals who were so nice to be here today- the New Hampshire residents. We heard about this model "being adapted in other

states," and that's pretty puzzling to me, because Illinois's law doesn't read anything like this. It's two sentences long and simply says you need to go to court; and, in those transactions, the vast majority-in fact from the Senate floor, they said they expected 99.9% of the cases to be approved by the court. That's in fact what's going on in Illinois. In Kentucky, it's the only state where a bill similar to this one was passed. In Virginia, the standard was changed to a best interest standard, the veto power of the insurance companies was pulled out, and a host of other changes were made. In Connecticut, precisely the same thing has occurred. In fact, I venture that the insurance industry is not happy in Connecticut, because the court orders that have been answered there have found that it was the state's public policy to permit these types of assignments with proper disclosure. With that I actually could go on and on, because it's truly remarkable some of the demagoguery that's taking place. I think it's also important for this body to note that you should be somewhat suspicious of what's being said to you when the insurance companies come in and say they're in this to protect the consumer. The fact of the matter is they're in this to protect themselves, that's what's really going on.

I'd like to turn this over to the two witnesses from New Hampshire if I may-unless you have any questions. Thank you very much.

Ernest Haskell – Charlestown, NH: My name is Ernest Haskell from Charlestown, NH. Back in 1984 I was involved in a motorcycle accident (It wasn't my fault or the person who was driving the motor cycle-I was a passenger.) I suffered some pretty good injuries for it. Obviously, they weren't life depleting or anything like that, and, upon my settlement, I settled for (I believe) $42,000 up front, of which my lawyer was paid out of that, and I had some medical expenses that were paid. The state of Connecticut had supported me for awhile while I was out of work, and they were repaid. I was given the remainder of that, which was about $11,000.

I was 20 years old, so, I chose to take that up-front settlement and to structure the payments, which was a 30-year guarantee and the rest of my life (providing I lived after the 30 years), which (at that time) I figured was good, because (like I said) I was 20 years old and to admit the $11,000 in the lump sum I pretty well squandered that right out-I bought a new car, got married, had a child, bought all the baby stuff and everything and, to make a long story short, yes, I pretty well went right through that. To this day, I believe that, if I would have been given a lump sum of $100,00 or $150,000 at that age, I probably would have gone ahead and managed to blow that too.

Well, I did go ahead and take the lump sum payment, and, at that time, the insurance company never told me what they paid for the annuity. I guess they figured it was none of my business or I wouldn't understand, or whatever. But, here we are 15 years later, I'm living in Charlestown, I have 3 children, and I've been in

the process of trying to purchase a home (I'm owner financing it), and, through a couple of setbacks, I've been unable to achieve a mortgage. Now, I don't have the greatest credit in the world, you know (late here, late there), it happens. Basically, what it came down to was you need some kind of a substantial down payment; and having a house, paying the owner a mortgage per se, insurances, taxes, and all that makes it kind of tough to save enough money for their so called substantial down payment. I saw the ad in the paper. It was very clear in layman's terms that your average sixth grader could read saying that if you have lottery winnings or annuities that we could give you a lump sum by buying the whole, part of, or whatever.

So, I called them up, and they were very explanatory on the phone; I never felt that I was deceived in any way. The informational packet, when it came in, - the first thing on it was, "We suggest you get a lawyer or a tax advisor at your convenience, at your expense, of course," (They're not going to pay for that, which I wouldn't expect them to.) but, through the whole contract that they were sending me, I wasn't obligated by any means-never sent them any money or anything like that. I read the whole contract, and it was in layman's terms. I'm a high school graduate, so, I'm not going to be reading college type material; I wouldn't understand it. So, it was written layman's terms, which I understood. My wife and I went over it. We looked at the fact that, if we want to acquire this house, this is a very good way for us to go-it's an excellent opportunity. We didn't jump right into it; we had thought about it for about six months before we even started looking into it. I shopped around-I tried a couple of different companies, and I got different figures from each company. At that time, I felt that Peachtree was willing to give me the best offer on my money, which I believe they did.

So, they bought ten years of my annuity, and if you add it up, ten years of my annuity equaled out to about (we'll say) $50,000. They bought it for around $14,000; but the way I look at it is ten years from now, the money isn't going to be as worth as much as it is now, and that's money ten years from now. So, I don't actually have this money, so I don't feel that I've lost this money because it's not in my hand. If I had $10,000 and somebody takes it from me, that's a different story-I've lost it. For money in the future, I haven't lost it-how have I lost it? I honestly feel that, out of this whole deal, through Peachtree I've gained. I've gained in the long run. I've been given a substantial amount of money to put down on the purchase of my home. I have banks that didn't want to give me loans before. Excuse my language, but the proverbial saying "money talks", and I was able to come up with the money. Well, now, the same banks that were turning me down before are kind of fighting over who wants to take me on now, because it's a different story.

As far as I'm concerned, I believe that it should be regulated to a degree, but if they were to tell me, "Okay, we'll buy your annuity and give you $14,000 for it, but it's

going to cost you $6,000 in lawyer's fees, court fees, and everything.....", I would look at them and say, "Well, gee, that doesn't make a lot of sense. I'm going to sell you $14,000 worth of my annuity, but after I'm done, I'm going to receive $7,000." What sense does that make? Obviously, I'm not going to do that so I would say, "Well, I'll have to find another avenue." As far as I'm concerned, it's a good deal for me, anyway; and I believe that it's on a circumstances basis. If a person is a quadriplegic and they put him on a structured settlement plan, that's good. His needs are going to be met, his bills are going to be paid, but I'm a healthy person (I've got some hearing loss and a bad shoulder.), I'm capable of working. If I take this money that Peachtree gave me and I go out and buy $14,000 worth of lottery tickets and lose every dime; oh well, I'm not going to end up on welfare. I'm going to keep on working. I work two jobs-my wife works two jobs, we're hardworking people; and this is the break that we needed in order to buy a house for our family. Basically, I have nothing bad to say about the company; that's all I have to say. Thank you very much.

Committee Secretary: Georgean?

Georgean Steiner – Charlestown, NH: I'm Georgean Steiner, I live in Charlestown, NH. I'm actually here to represent Peachtree, and I agree with the whole process of buying out your structured settlement.

In 1982 I was involved in a house fire where I had personal injury. At the time, I was only four years of age, so my parents joined the settlement, then there was a lawsuit. They decided to open up for a structured settlement. At the time that they opened it, they were informed by the insurance company that, at the age of twenty one, I would have been able to have been given cash the full amount present day value of the money. Well, when I was sixteen and started checking into everything and making sure they had our address, and we came to find out that that no longer stood.

I was only entitled to $245.00 a month for 120 months. Well, I am now a mother of three children, I am also married, and I work. My husband and I got together-we saw the advertisement on the TV for Peachtree, Settlement Capital, and J. G. Wentworth. I contacted all three, and we were informed of what we can have, what they can do for us, and we had different prices.

We wound up going back to Peachtree; Peachtree wound up within the first week (sent me papers stating exactly about taxes, contacting a lawyer-or doing it on our own). So, my husband and I read through the papers, we were able to understand it all, we decided to go with them, we got the structured settlement. In the paperwork it also asked, "What were you planning using the money for?" They wanted to know what you were going to use it for just so they know we weren't going to blow the money on nonsense. So, my husband and I wound up putting down a deposit on our

home and just furnishing the home and everything (that was last year). Since last year, we were able to resell that home and buy a bigger home to accommodate out family size, and, without Peachtree being there, we never would have been able to do it. I support them completely.

Committee Secretary: Any written testimony, I'd be glad to take and reproduce for the committee.

Paula Rogers – National Association of Independent Insurers: I'd like to say something briefly on the record if I could. My name is Paula Rogers. I'm here on behalf of the National Association of Independent Insurers which is a trade association of property and casualty insurers, and I've had the good fortune, I guess, of listening to most of the testimony. I'd like to say that I in large measure support of Senate Bill 126 and oppose Senate Bill 66.

I think I would commend to the senators who are not here a reading of New Hampshire law which, presently under our state lottery provision, has fully instituted a similar procedure to Senate Bill 126 for the winners of lottery prizes who later want to enter into an agreement with a factoring company for the purchase of lottery prizes that they've chosen to receive in an annuity fashion. Many of the protective provisions in Senate Bill 126 are also included in that particular provision of law. I've had the fortune actually of (and oddly enough) representing a factoring company for the purchase of a lottery prize, and I found the superior court procedure to be very easily accessed. The committee might want to take a look at the standard that's outlined there for approval of a transfer. I know that prior speakers have talked about the fact that, in Senate Bill 126, any interested party (including an insurer) could essentially have veto power over a transfer, and I know that's going to be something the committee will be interested in looking at. Again, the standard for transfer is more permissive in the lottery provision that I've referenced, but it occurs to me that disclosure in any event is probably the most important factor for this bill, and I certainly believe that the court involvement (particularly if there's a personal injury)-If court involvement is required for a windfall of a lottery winning, it surely ought to be provided when somebody has entered into a structured settlement to be compensated for an essential loss. So I confirm, again, my position in large measure supporting Senate Bill 126 and hope that the committee (despite its work pressures) will have an opportunity to look favorably upon it. Thanks.

Committee Secretary: Raymond Kagels?

Raymond Kagels – Cambridge Gallagher Settlements Company: My name is Raymond Kagels; I work for Cambridge Gallagher Settlements Company, and I work out of both our Boston and Dover, NH offices. I'm going to be brief-I don't have a lot to say, there's another gentlemen here who's also a structured

settlement broker who will go into a little bit more about what we do, but I do have a few points I'd like to make.

Number one, I am here in favor of Senate Bill 126 and opposed to Senate Bill 66. My involvement is that I work for a number of self-insured companies in New Hampshire and also for the state of New Hampshire in worker's compensation claims, and I just want to mention parenthetically that the state labor department does encourage and often times requires structured settlements in large worker's compensation settlement. I don't think that would probably be the case if they felt there was significant possibility of anyone undoing very easily the good that they feel they're doing, and I think that's kind of what's this is about. This is not an effort to eliminate the factoring transactions; it's an effort to have some control over them.

I believe (from experience) that these companies do engage in very aggressive sales tactics. A couple of situations – I had a case in Biddeford, Maine where I was contacted after a settlement (within a few weeks) by the plaintiff's attorney and both I and the insurance company that I was working for were accused of selling his client's name. This was a case that did not involve any courts involvement; there was no lawsuit pending, so it was a completely private transaction; and within a few weeks, this gentleman was contacted by someone looking to purchase structured settlement payments. We were unable to ever determine who that was.

Another situation (and this happens more often in our office)-we receive fairly regularly (as a result of these factoring transactions) requests to change the address where the checks are going to be sent (to a post office box), and generally, that's to a factoring company. At times we find those requests coming before we have even had time to issue the policy. I don't think that these are situations that result from hardship, because they happen so soon after the settlement was put in place. These are certainly the result of aggressive sales tactics. If cash that was involved in the settlement is spent that quickly, the person needs to factor the transaction within weeks. Certainly, it suggests that there is a problem with dissipation in that case.

The second point I'd like to make is with regard to Senate Bill 66, and I don't claim to be an expert on that. I saw it this morning for the first time. It appears to me (as far as my personal interest is concerned as a structured settlement broker), it's an effort to add a layer of regulation to an industry that's already regulated. That's all I'm really going to say about that. We are regulated by the insurance department-we are licensed insurance brokers.

I'd like to make one other point about the threshold issue for "imminent financial hardship" that's been discussed here a little bit this morning. I believe (and there are others who can clarify that better) this is the federal standard. I think, if that standard is not adopted, you could have a situation here in New Hampshire where

the New Hampshire courts (which would be the overseers of what that means and would decide what that means-even under the federal regulation) – You could have a situation where the individual qualifies to enter into the factoring transaction at the state level, but the IRS later on saying they did not meet the standard on a federal level, and there could be tax implications. Those implications are not just for that individual; they could potentially flow back to the original insurer involved, the assignee, and the life insurance company. I think all those things need to be taken into consideration before there's any further movement on that bill. Thank you for your time.

Committee Secretary: Jack McGintee?

Jack McGintee: In the interest of your time constraint, what I think I'll do is submit something in writing, and I was wondering if you could indicate where I should send that to.

Committee Secretary: Please do. I'm in Room 105-State House.

Thank you.

John Murphy?

John Murphy – Liberty Mutual Insurance Group: My name is John Murphy from Liberty Mutual Insurance Group. I'm also here on behalf of the Alliance of American Insurers, and, in the interest of time, I will just register our **support for Senate Bill 126**. I think my colleagues who preceded me have aired all of the issues very well, and I won't add to your stenographic record at this point.

Also, I'd like to register our **opposition to Senate Bill 66**. Thank you.

Committee Secretary: Thank you very much. Thank you all.

Hearing closed at 1:05 P.M.

Respectfully submitted,
Carolyn Carey, Senate Secretary

Speakers

SB126 Senate Judiciary - Public Hearing Sign In

APPEARING: IN FAVOR	APPEARING: TO OPPOSE	DATE: NOVEMBER 10, 1999 TIME: 10:00 AM Please write name and mailing address for mailing list if you wish to be notified of upcoming hearings.	WISH TO SPEAK?
	✓	James D. Terlizzi 5085 Avalon Ridge Pkwy Norcross GA 30071	yes
	✓	Ernest Haskell PO Box 1013 Charlestown NH 03603	yes
	✓	[illegible]	yes
✓		Martin L. Gross P.O. Box 1256 Concord 03301	yes
✓		Gary J. Payne 21 Stoneridge Circle Standish, Maine	yes
✓		Randy Dyer NSSTA, Washington, DC	Yes
✓		Bill Glahn 900 Elm St. Manchester	Yes
✓		Jim Hatem 889 Elm St. Manchester State Farm Ins	yes
✓		ROGER MCARDLE Bedford	no
✓		Michael McLaughlin, Concord NH NAII	NO
✓	✓	KEVIN LUCAN, NH TRIAL LAWYERS	YES

Hearing Minutes

Sen. Squires, Dist. 12
December 15, 1999
1999-2258s
09/01

Amendment to SB 126

Amend RSA 543-A:1, XIII as inserted by section 1 of the bill to read as follows:

XIII. "Structured settlement" means an arrangement for periodic payment of damages for personal physical injuries or physical sickness established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim.

Testimony

How Insurers Abuse Structured Settlements

The attached are examples of structured settlements. These example show how, when they are being set up, the insurance industry abuses them and how the true economics of a structured settlement are buried, hidden and obscured to make them seem more appealing to the plaintiff lawyer and his client[1].

Exhibit:	**Explanation/Comments:**
1.	Examples of actual insurance company settlement documents showing the amount they paid for the annuity and the future value of the settlement. This is why structured settlement "seem" like a great deal for the claimant when they are really a great deal for the insurer.
2.	Attorney accidentally took his fee on the future value of the settlement.
3.	Christy's proposal states that the value of the settlement is $222,000. In fact discounted at 10% it is really worth only $140,000 an overstatement of more than 58% !
4.	The proposal for Rose states that the value of $630.89 per month for 240 months is $151,413. Discounted to present value at 10% per annum it is only worth $63,000 - an overstatement of the value of more than 140% !!
5.	The Mr. & Mrs. Gibbons settlement proposal says that they are guaranteed $830,000. However, the real economic value of the guaranteed portion of the settlement is half that amount !!!
6.	This settlement agreement wrongly set forth the settlement values suggesting that the client is settling for over $413,000 when in fact the settlement is a mere $129,000.
7.	The settlement foisted on this 19 year old accident victim tells her the settlement is worth $1,594,918 when in fact, it is only worth $341,166 in present value - this settlement proposal overstates the true value of the settlement by an astounding 367.4 % !!!
8.	The settlement proposal for Kimberly sets out the actual cost of the annuities being purchased. With this information we can see that the yield she is receiving on the annuities purchased is a miserly 3.452% for the monthly annuity and 4.253% for the one paying the lump sum whereas, in 1993, United States Treasury Bonds were yielding over 7%.
9.	Here again, due to lack of information, the attorney over-charged his client by taking a fee on the entire future value of the settlement.
10.	This comparison is so utterly misleading and incorrect as to need almost no commentary. First, yields on U.S. Treasury securities at the time (7/'93) were over 7%. Thus, the annual payment would have been closer to $46,800. Second, the tax code specifically allows one to fund a structured settlement with U.S. Govt. securities - thus there would be no taxes due ! Third, A U.S. Govt. bond is risk free whereas, an a commercial annuity has default risk (see First Executive Life, Mutual Benefit Life, Confederation Life, etc.).
11.	As a result of the death of her father, a structured settlement was used to provide for the care of Bobbyjo Plank (12 years old at the time). It provides her monthly payments of $2,250. However, they don't start until 43 years latter !!! The true value of this settlement discounted at a mere 5% is less than $64,000. How, pray tell, was this structured settlement designed to care for her ???

More examples available upon request.

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[1] Over 20% of all structured settlements involve clients with no attorney representation !

Exhibit 1 Overview

Crawford:

What the Settlement Looks Like[1]:	$125/month for 30 years =	$45,000
What it's Really Worth[2]:		$19,758

Abernathy:

What the Settlement Looks Like:	$1,870/month for 10 years =	$224,400.
What it's Really Worth:		$ 13,376

The payments don't start until 30 years after the settlement !!!

Abdullah:

What the Settlement Looks Like:	4 Lump Sums Totaling	$17,000
What it's Really Worth:		$ 6,048

C. Grey:

What the Settlement Looks Like:	Lump Sums and Monthlies Totaling	$146,000
What it's Really Worth:		$ 39,859

Gryczkowski:

What the Settlement Looks Like:	Lump Sums and Monthlies Totaling	$1,535,000
What it's Really Worth:		$ 232,819

Grossman:

What the Settlement Looks Like:	Lump Sums Totaling	$378,000
What it's Really Worth:		$ 79,927

Grosvenor:

What the Settlement Looks Like:	A Lump Sum Totaling	$75,236
What it's Really Worth:		$ 9,999

M. Grey:

What the Settlement Looks Like:	A Lump Sum Totaling	$25,000
What it's Really Worth:		$ 5,200

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[1] This is the amount that the injured party is told the settlement is worth.

[2] This is what the insurance company actually paid for the annuity.

United Pacific Life Insurance Company
One Penn Center
Philadelphia, PA 19103

Quote Date : 08/25/1992
Quote Id :

Structured Settlement Illustration

Benefit Cost Summary for DONALD CRAWFORD

Sex: Male DOB: 01/23/1942
Age: 51 Rated Age: 51
Owner's State : OH, 0.00% Tax

Purchase Date : 09/06/1992
Rate Series : U036
Effective Date : 08/25/1992

Benefit Type and Duration		Amount and Mode	Premium Incl 0.00% Tax
Certain with Life	11/01/1992-10/01/2022 (30 yrs 0 mos)	$125 M	$19,758
			$19,758
	Case Fee.....		$300
	Total Cost		$20,058

* This is an illustration only and is subject to approval by United Pacific Life Insurance Company. Actual rates used will be those in effect on the date premium is received. United Pacific Life Insurance Company will not be bound by any improper quote.

Prepared by : Structured Benefits

UPL03

ATL

SAFECO

APPLICATION
SINGLE PREMIUM IMMEDIATE ANNUITY

SAFECO LIFE INSURANCE COMPANY
SAFECO PLAZA
SEATTLE, WASHINGTON 98185

1. Proposed Annuitant

(a) Perry G. Abernathy
First Middle Last

(b) 2569 Carter's Gin Road
No. Street

(c) [redacted], [redacted] [redacted]
City and State ZIP Code

(d) Date of Birth 03 / 25 / 59 ☐ Female ☒ Male
M D Y

(e) Social Security No.: [redacted]

2. Joint Annuitant (if any)

(a) _____
First Middle Last

(b) _____
No. Street

(c) _____
City and State ZIP Code

(d) Date of Birth / / ☐ Female ☐ Male
M D Y

(e) Social Security No.: _____

(f) Relationship to Proposed Annuitant _____

3. Owner, If Other Than Proposed Annuitant, is:

(a) Aetna Casualty & Surety Co.
First Middle Last

(b) P.O. Box 30109
No. Street

(c) Tampa, FL 33630
City and State ZIP Code

(d) Owner is ☐ Individual ☒ Corporation ☐ Partnership ☐ Trustee

4. Plan Applied for

(describe benefits to be paid and dates to commence, attach an additional sheet if more space is required.)

$1,870.00 per month for 120 months guaranteed beginning on 3-2-2020.

5. ☐ Check if additional sheet is attached.

6. Beneficiary

The Estate of Perry G. Abernathy
First Middle Last Relationship

7. Do you intend the replacement or change of any of your existing life insurance or annuity policies in connection with this application for an annuity?

☐ Yes ☒ No

For Home Office Use Only

Note: ***It is essential that an authentic record of annuitant's birth be submitted prior to the first annuity payment: A birth certificate, if available; otherwise a certified copy of church or baptismal record, or certified copy of family record, such as reference to annuitant in family Bible.***

I (We) represent that the statements and answers recorded on this application are full, complete and true, to the best of my (our) knowledge and belief, and shall form a part of the annuity contract issued hereon, and my (our) acceptance of such annuity shall constitute my (our) ratification of any additions, corrections or changes made in the space provided "For Home Office Use Only." The owner of this annuity will be the applicant. Application is made with the knowledge and consent of the proposed annuitant. I (We) agree that any annuity contract issued upon this application shall be considered a contract of the State in which this application is signed by the applicant and its terms shall be construed in accordance with the laws of that State.

Agent: To the best of your knowledge, does the annuity applied for replace any other annuity or life insurance presently in force? ☐ Yes ☒ No

X Robert D. Reid, CLU
Signature of Agent

Structured Benefits of Fl, Inc. 10-96-0668
Agency Stat #

Tampa, FL 3/9/90
Dated At (City, State) On (Month Day)

Tampa, FL 3/9 19 90
Dated At (City, State) On (Month Day)

X [signature]
Signature of Applicant

X Mgr.
Title

If applicant is corporation or partnership, a corporate officer other than proposed annuitant must **sign** and **state title.**

Exhibit 1

Aetna LIFE & CASUALTY

STRUCTURED SETTLEMENT PAYMENT TRANSMITTAL

#E/ATL

(PLEASE PRINT OR TYPE)

Safeco 3/25

To: Benefits Planning/Structured Settlements - Home Office; D309

Date 3-5-90 - Connie

From: Steve Bair (X) CID Claim ( ) PFSD Claim

BIRMINGHAM Montevallo

Telephone No. 205 883-0711

CLAIMANT: Peggy G Abernathy

DATE OF ACCIDENT: 10-1-86

52427

(If multiple files - list each file number and amount to be charged to each claim)

CLAIM FILE NUMBER (UNIT/OFF. CODE-CCL-SERIAL NO.-SUFX)	INSURED	POLICY NUMBER (OFF. CODE-SYMB.-SERIAL NO.-SUFX)	POLICY EFFECTIVE DATE (MM DD YY)	ANNUITY PREMIUM (Exclude prior paid advances, liens, front money, and lump sum Attorney Fees)
H716 HC 43935 RG	Ashburn & Gray	76 CO 863946 CCA	7-1-86	$ 14,107
				$ 13,376
			due to Rate Change	

CLAIMANT'S SETTLEMENT (Attach Birth Certificate for each payee receiving a life income or deferred payments based on age. Use additional forms for multiple payees.)

SS# 421-22-2512

PAYEE'S COMPLETE NAME: Peggy G. Abernathy

PAYEE'S DATE OF BIRTH: 3-25-59

PAYEE'S MAILING ADDRESS (Include zip code): 3569 Carter's Gin Road

[redacted]

ZIP CODE

ACCOUNT NUMBER (If sending payment to a bank, payee's account number is required)

DESCRIPTION OF SETTLEMENT - STRUCTURED PORTION ONLY (Example: $500 monthly for life; guaranteed 240 months.):	STARTING DATE FOR PAYMENT
$ 1,870 per month for 120 mos certain	3-2-2020

STRUCTURED ATTORNEY'S FEES

ATTORNEY'S COMPLETE NAME	ATTORNEY'S DATE OF BIRTH

ATTORNEY'S MAILING ADDRESS (Include zip code)

DESCRIPTION OF SETTLEMENT (Example: $10,000 per year for 7 years.):	STARTING DATE FOR PAYMENT

(C-4113-81 10-83)

Exhibit 1

CAT. 820154 PRINTED IN U.S.

Aetna LIFE & CASUALTY

STRUCTURED SETTLEMENT PAYMENT TRANSMITTAL

Dep. 8/25 SBFI Safeco

Act CHICAGO (PLEASE PRINT OR TYPE) OFFICE

To: Benefits Planning/Structured Settlements - Home Office, D309

Date 8-17-87

From: Lisa Hildebrand Chi ☐ CID Claim ☑ PFSD Claim

Telephone No. (312) 971-5280

CLAIMANT	DATE OF ACCIDENT
Shamina ABDULLAH	9-5-86

(If multiple files - list each file number and amount to be charged to each claim)

CLAIM FILE NUMBER UNIT/OFF. CODE-CCL-SERIAL NO.-SUFX.	INSURED	POLICY NUMBER OFF. CODE-SYMB.-SERIAL NO.-SUFX.	POLICY EFFECTIVE DATE MM DD YY	ANNUITY PREMIUM (Exclude prior paid advances, liens, front money, and lump sum Attorney Fees)
C208AU73458 93 RG	Karim Abdullah	208841917 62 79PCI	4-28-86	$ 6,048
				$
				$

CLAIMANT'S SETTLEMENT *(Attach Birth Certificate for each payee receiving a life income or deferred payments based on age. Use additional forms for multiple payees.)*

PAYEE'S COMPLETE NAME	PAYEE'S DATE OF BIRTH
SHAMINA Abdullah	6-17-80
PAYEE'S MAILING ADDRESS *(Include zip code)* ZIP CODE	ACCOUNT NUMBER *(If sending payment to a bank, payee's account number is required)*

DESCRIPTION OF SETTLEMENT-STRUCTURED PORTION ONLY *(Example: $500 monthly for life; guaranteed 240 months.)*:	STARTING DATE FOR PAYMENT
$ 4,000 45	6-17-98
$ 4,000	99
$ 4,000	00
$ 5,000	01

STRUCTURED ATTORNEY'S FEES

ATTORNEY'S COMPLETE NAME	ATTORNEY'S DATE OF BIRTH
ATTORNEY'S MAILING ADDRESS *(Include zip code)*	OK CB 8-19-87

DESCRIPTION OF SETTLEMENT *(Example: $10,000 per year for 7 years.)*:	STARTING DATE FOR PAYMENT

Exhibit 1

SAFECO

APPLICATION
SINGLE PREMIUM IMMEDIATE ANNUITY

SAFECO LIFE INSURANCE COMPANY
SAFECO PLAZA
SEATTLE, WASHINGTON 98185

1. Proposed Annuitant

(a) Shamina Abdullah
First Middle Last

(b) _____
No. Street

(c) _____
City and State ZIP Code

(d) Date of Birth 6 / 17 / 80 (M / D / Y) ☒ Female ☐ Male

(e) Social Security No.: _____

2. Joint Annuitant (if any)

(a) _____
First Middle Last

(b) _____
No. Street

(c) _____
City and State ZIP Code

(d) Date of Birth / / (M / D / Y) ☐ Female ☐ Male

(e) Social Security No.: _____

(f) Relationship to Proposed Annuitant _____

3. Owner, If Other Than Proposed Annuitant, is:

(a) Aetna Casualty & Surety Company
First Middle Last

(b) P.O. Box 30109
No. Street

(c) Tampa, Florida 33630
City and State ZIP Code

(d) Owner is ☐ Individual ☒ Corporation ☐ Partnership ☐ Trustee

4. Plan Applied for

(describe benefits to be paid and dates to commence, attach an additional sheet if more space is required.)

4,000 lump sum to be paid on 6/17/98
4,000 lump sum to be paid on 6/17/99
4,000 lump sum to be paid on 6/17/00
5,000 lump sum to be paid on 6/17/01

5. ☐ Check if additional sheet is attached.

6. Beneficiary

The Estate of Shamina Abdullah
First Middle Last Relationship

7. Do you intend the replacement or change of any of your existing life insurance or annuity policies in connection with this application for an annuity?
☐ Yes ☒ No

For Home Office Use Only

Note: ***It is essential that an authentic record of annuitant's birth be submitted prior to the first annuity payment: A birth certificate, if available; otherwise a certified copy of church or baptismal record, or certified copy of family record, such as reference to annuitant in family Bible.***

I (We) represent that the statements and answers recorded on this application are full, complete and true, to the best of my (our) knowledge and belief, and shall form a part of the annuity contract issued hereon, and my (our) acceptance of such annuity shall constitute my (our) ratification of any additions, corrections or changes made in the space provided "For Home Office Use Only." The owner of this annuity will be the applicant. Application is made with the knowledge and consent of the proposed annuitant. I (We) agree that any annuity contract issued upon this application shall be considered a contract of the State in which this application is signed by the applicant and its terms shall be construed in accordance with the laws of that State.

Agent: To the best of your knowledge, does the annuity applied for replace any other annuity or life insurance presently in force? ☐ Yes ☒ No

X _____
Signature of Agent

Structured Benefits of Florida, Inc. 10-96-0668
Agency Stat #

Tampa, Florida August 20, 1987
Dated At (City, State) On (Month Day)

Tampa, Florida August 20, 1987
Dated At (City, State) On (Month Day)

X _____
Signature of Applicant*

X _____
Title

* If applicant is corporation or partnership, a corporate officer other than proposed annuitant must sign and state title.

LU-350 2/84

Exhibit 1

ADDENDUM

ANNUITANT - Christropher Ryan Grey
* Make check payable to Richard Grey, Guardian of Christropher Grey

Benefit Plan:

$10,000 lump sum guaranteed to be paid on 3/31/1996

$10,000 lump sum guaranteed to be paid on 3/31/1998

$350.00 per month for 60 months guaranteed beginning on 3/31/1998.

$10,000 lump sum guaranteed to be paid on 3/31/2000.

$10,000 lump sum guaranteed to be paid on 3/31/2002.

$12,000 lump sum guaranteed to be paid on 3/31/2004.

$15,000 lump sum guaranteed to be paid on 3/31/2006.

$18,000 lump sum guaranteed to be paid on 3/31/2008.

$20,000 lump sum guaranteed to be paid on 3/31/2010.

$20,000 lump sum guaranteed to be paid on 3/31/2015.

Exhibit 1

Aetna LIFE & CASUALTY

STRUCTURED SETTLEMENT PAYMENT TRANSMITTAL

AE/ATL

(PLEASE PRINT OR TYPE)

Safeco 4/date 5/5/89

Faxed 4:30 5/1/89

To: Benefits Planning/Structured Settlements - Home Office, D309

Date 5-2-89 - Corrected

From: Bill Rogers Tampa,

☐ CID Claim
☒ PFSD Claim

Telephone No. (813) 287-7246

CLAIMANT	DATE OF ACCIDENT
Christopher Ryan Gray	7-25-88

(If multiple files - list each file number and amount to be charged to each claim)

CLAIM FILE NUMBER (UNIT/OFF. CODE-CCL-SERIAL NO.-SUFX.)	INSURED	POLICY NUMBER (OFF. CODE-SYMB.-SERIAL NO.-SUFX.)	POLICY EFFECTIVE DATE (MM DD YY)	ANNUITY PREMIUM (Exclude prior paid advances, liens, front money, and lump sum Attorney Fees)
W233HCG27F486 AE	David F. Taylor	23350 1789 1402 AES	3-26-88 3-26-89	$ 39,859
				$
				$

CLAIMANT'S SETTLEMENT

(Attach Birth Certificate for each payee receiving a life income or deferred payments based on age. Use additional forms for multiple payees.)

PAYEE'S COMPLETE NAME	PAYEE'S DATE OF BIRTH
Richard [redacted] Gray, Guardian of Christopher Ryan Gray	3-31-80
PAYEE'S MAILING ADDRESS *(Include zip code)*	**ACCOUNT NUMBER** *(If sending payment to a bank, payee's account number is required)*
3010 Cedar Wood Village Ln. [redacted] ZIP CODE	

DESCRIPTION OF SETTLEMENT - STRUCTURED PORTION ONLY (Example: $500 monthly for life; guaranteed 240 months.):	STARTING DATE FOR PAYMENT
$ 10,000 4/5	3/31/96
$ 10,000 4/5	3/31/98
$ 10,000 4/5	3/31/2000
$ 10,000 4/5	3/31/2002
$ 350 per month for 60 mos. Certain	3/31/1993
$ 13,000 4/5	3/31/2004
$ 15,000 4/5	3/31/2006
$ 18,000 4/5	3/31/2008
$ 30,000 4/5	3/31/2010
$ 20,000 4/5	3/31/2015

STRUCTURED ATTORNEY'S FEES

ATTORNEY'S COMPLETE NAME	ATTORNEY'S DATE OF BIRTH
ATTORNEY'S MAILING ADDRESS *(Include zip code)*	

DESCRIPTION OF SETTLEMENT (Example: $10,000 per year for 7 years...)	STARTING DATE FOR PAYMENT

Exhibit 1

ADDENDUM

(Teddie Jean Gryczkowski)

Plan Applied For:

$1,000.00 Per month guaranteed for 480 months and life thereafter beginning 6-1-84.

$22,000 Lump sum guaranteed to be paid on 6-1-89.

$40,000 Lump sum guaranteed to be paid on 6-1-94.

$74,000 Lump sum guaranteed to be paid on 6-1-99.

$119,000 Lump sum guaranteed to be paid on 6-1-2004.

$185,000 Lump sum guaranteed to be paid on 6-1-2009.

$255,000 Lump sum guaranteed to be paid on 6-1-2014.

$360,000 Lump sum guaranteed to be paid on 6-1-2019.

Signature of Applicant
Director-Claim Department

Exhibit 1

Aetna LIFE & CASUALTY

STRUCTURED SETTLEMENT PAYMENT TRANSMITTAL

(PLEASE PRINT OR TYPE)

SBI Safeco

To: Benefits Planning/Structured Settlements - Home Office, D309 Date 4/6/84

From: R. FOGLIL, NO. JERSEY (WEILL) ☐ CID Claim ☑ PFSD Claim Telephone No. (201) 285-5870

CLAIMANT	DATE OF ACCIDENT
TEDDIE JEAN GRYCZKOWSKI	12/22/80

(If multiple files - list each file number and amount to be charged to each claim)

CLAIM FILE NUMBER UNIT/OFF. CODE-CCL-SERIAL NO.-SUFX.	INSURED	POLICY NUMBER OFF. CODE-SYMB.-SERIAL NO.-SUFX.	POLICY EFFECTIVE DATE MM DD YY	ANNUITY PREMIUM (Exclude prior paid advances, liens, front money, and lump sum Attorney Fees)
R38AA 7251229R6	JOHN HENDERSON	38SR 6369555PCA	8/20/80	$ 232,819
				$ ok 4/6/84
				$

CLAIMANT'S SETTLEMENT (Attach Birth Certificate for each payee receiving a life income or deferred payments based on age. Use additional forms for multiple payees.)

PAYEE'S COMPLETE NAME: TEDDIE JEAN GRYCZKOWSKI — PAYEE'S DATE OF BIRTH: 1/29/61

PAYEE'S MAILING ADDRESS (Include zip code): 4 CHERYL COURT, [redacted], [redacted] ZIP CODE — ACCOUNT NUMBER (If sending payment to a bank, payee's account number is required)

DESCRIPTION OF SETTLEMENT-STRUCTURED PORTION ONLY (Example: $300 monthly for life, guaranteed 240 months.):			STARTING DATE FOR PAYMENT
$1000.00 ✓ 40CC w/ pw (107,671)			6/1/84
$22,000 ✓	ok	(560)	6/1/89
$40,000 ✓	ok	(304)	6/1/94
$74,000 ✓	ok	(166)	6/1/99
$119,000 ✓	ok LS	(104)	6/1/2004
$185,000 ✓	ok	(65)	6/1/2009
$255,000 ✓	ok	(47)	6/1/2014
$360,000 ✓	ok	(34)	6/1/2019

STRUCTURED ATTORNEY'S FEES

ATTORNEY'S COMPLETE NAME: RICHARD C. SWARBRICK — ATTORNEY'S DATE OF BIRTH: 5/24/27

ATTORNEY'S MAILING ADDRESS (Include zip code): 344 ~~HOSE~~ LANE, PISCATAWAY, NJ 08854

DESCRIPTION OF SETTLEMENT (Example: $10,000 per year for 7 years.):			STARTING DATE OF PAYMENT
$845.60 ✓ 60C	ok	(47,017)	6/1/84
		ok CC 4-9-84	

Exhibit 1

CONTRACT DATA

PAYMENT SCHEDULE	ANNUITY AMOUNT
May 1, 1992	$15,000.00
May 1, 1995	$20,000.00
May 1, 2000	$30,000.00
May 1, 2005	$50,000.00
May 1, 2010	$263,000.00

DEATH BENEFIT AT DEATH OF OWNER

The greater of: (a) the Single Premium; or (b) 93% of the Single Premium increased with interest at the rate of 10% per year, compounded each year, from the Contract Date to the Date of Death.

CONTRACT NUMBER K0286301	10/13/1988	CONTRACT DATE
ANNUITANT Michael Grossman	Male	SEX
COMMENCEMENT DATE 5/1/1992	18	ISSUE AGE
PERIOD CERTAIN 19 Years	Valuable Consideration	SINGLE PREMIUM
OWNER, OWNER'S DESIGNEE, PAYEE & CONTINGENT PAYEE	As provided in the application unless otherwise designated by Endorsement or Rider.	

Exhibit 1

Aetna LIFE & CASUALTY

STRUCTURED SETTLEMENT PAYMENT TRANSMITTAL

UPL
AETNA

(PLEASE PRINT OR TYPE)

DEP 10/14/88

To: Benefits Planning/Structured Settlements - Home Office, D309 Date 10/11/88

From: LEIGH PRESUTTI DETROIT ☐ CID Claim ☑ PFSD Claim Telephone No. (313) 637-6098

CLAIMANT	DATE OF ACCIDENT
MICHAEL GROSSMAN	11/29/84

(If multiple files - list each file number and amount to be charged to each claim)

CLAIM FILE NUMBER UNIT/OFF. CODE-CCL-SERIAL NO.-SUFX.	INSURED	POLICY NUMBER OFF. CODE-SYMB.-SERIAL NO.-SUFX.	POLICY EFFECTIVE DATE MM DD YY	ANNUITY PREMIUM (Exclude prior paid advances, liens, front money, and lump sum Attorney Fees)
H205HCB538 0919RG	GORDON SCOVEL	2055H/22153 32PCA	7/27/84	$ 79,927.22
				$
				$

CLAIMANT'S SETTLEMENT *(Attach Birth Certificate for each payee receiving a life income or deferred payments based on age. Use additional forms for multiple payees.)*

PAYEE'S COMPLETE NAME	PAYEE'S DATE OF BIRTH
MICHAEL GROSSMAN	5/1/70
PAYEE'S MAILING ADDRESS *(Include zip code)* ZIP CODE	ACCOUNT NUMBER *(If sending payment to a bank, payee's account number is required)*

DESCRIPTION OF SETTLEMENT-STRUCTURED PORTION ONLY *(Example: $500 monthly for life; guaranteed 240 months.)*:		STARTING DATE FOR PAYMENT
A15000	LS	5/1/92
20000	LS	5/1/95
30000	LS	5/1/00
50000	LS	5/1/05
263,000	LS	5/1/10

STRUCTURED ATTORNEY'S FEES

ATTORNEY'S COMPLETE NAME	ATTORNEY'S DATE OF BIRTH
ATTORNEY'S MAILING ADDRESS *(Include zip code)*	

DESCRIPTION OF SETTLEMENT *(Example: $10,000 per year for 7 years.)*:	STARTING DATE FOR PAYMENT

Exhibit 1

SPECIFICATIONS

Annuitant: **Bruce Grosvenor** Contract No. **WS 12774 - 2**
(Measured Life)

Date of Issue: **June 1, 1982** First Payment Date: **June 1, 2002**

Owner: **The Ætna Casualty And Surety Co.**

Stated Annuity Payment Option: **Pay in one lump sum the amount of $75,236.00 on June 1, 2002**

Amount of Annuity Payment: $75,236.00 This Amount of Annuity Payment is the paid-up annuity due on the above First Payment Date.

THERE ARE NO CASH SURRENDER BENEFITS.

THERE ARE NO DEATH BENEFITS PRIOR TO THE FIRST PAYMENT DATE.

Guaranteed Number of Payments (if any): 1

Guaranteed Interest Rate (Prior to First Payment Date): 10.61%

Frequency of Payment (if other than monthly): One lump sum payment

Amount of Single Premium: $9,999.92

8-11-82

Deduction From Premium — The amount of the Premium applied will be the Premium received minus a deduction for premium taxes, if any.

This Contract is a legal contract between the Owner and Ætna.

READ THIS CONTRACT CAREFULLY. This Contract sets forth, in detail, all of the rights and obligations of both you and Ætna. IT IS THEREFORE IMPORTANT THAT YOU READ THIS CONTRACT CAREFULLY.

SPECIFICATIONS

Annuitant: Michael Phillip Grey (Measured Life) Contract No. WS 11018

Date of Issue: June 17, 1981 First Payment Date: June 17, 1996

Owner: The Ætna Casualty and Surety Co.

Stated Annuity Payment Option: Pay in one lump sum the amount of $25,000.00 on June 17, 1996.

Amount of Annuity Payment: $25,000.00 This Amount of Annuity Payment is the paid-up annuity due on the above First Payment Date.

THERE ARE NO CASH SURRENDER BENEFITS.

THERE ARE NO DEATH BENEFITS PRIOR TO THE FIRST PAYMENT DATE.

Guaranteed Number of Payments (if any): 1

Guaranteed Interest Rate (Prior to First Payment Date): 11.03%

Frequency of Payment (if other than monthly): one lump sum payment

Amount of Single Premium: $5,200.63

Deduction From Premium — The amount of the Premium applied will be the Premium received minus a deduction for premium taxes, if any.

This Contract is a legal contract between the Owner and Ætna.

READ THIS CONTRACT CAREFULLY. This Contract sets forth, in detail, all of the rights and obligations of both you and Ætna. IT IS THEREFORE IMPORTANT THAT YOU READ THIS CONTRACT CAREFULLY.

Reliance

STRUCTURED SETTLEMENT NOTICE

Claim Number: D30-77-04392	Policy Number: WC574731		Handling Claim Office Code: 127
Claim Caption: Claimant: Donald Crawford vs. Insured: Central Kentucky Sup			
Technician Last Name: Mellott Initial: K	Work Station Number: 590		Line of Business Code: WCP
Date of Loss: 08/10/76	Date Reported to Reliance: 08/16/76	Date Settled: 08/25/92	
Broker Name: Structured Benefits, Inc			Broker Code: 04
Life Company Name: United Pacific Life			Life Company Code: 01
Cash Payment: $ 20,000 —	Annuity Premium: + $ 20,058.00	Total Settlement Cost: = $ 40,058.00	
Reserves at Settlement (Gross, All Subfiles Settled): $ 173,926.00	Projected Payout: $ 176,926.00	Last Settlement Demand: $ NA	
Rate: ☒ Standard ☐ Substandard	Assignment Taken: ☐ Yes ☒ No	Suit Filed: ☐ Yes ☒ No	Claimant Attorney: ☐ Yes ☒ No
Date of Last Expected Payment: 11/01/2017	Original Documents Attached: ☐ Annuity ☐ Assignment (if any) ☐ Release/Court Approval		
Today's Date: / /	Signed		

LC-6678 Ed. 7/89 WHITE—H.O. Claims YELLOW—Claims Finance/Systems PINK—Claim File

This shows that the carrier expected to pay $176,926 to settle Mr. Crawford's claim.

However, through the use of a structured settlement they actually paid only $40,058.

A stunning savings for the insurer of more than 440%

Exhibit 1

RE: Accident of: 4-11-92

DISTRIBUTION STATEMENT

Amount of Settlement: Cash received		$200,000.00
Present value of Structured Settlement at $550.00 per month for 15 years		115,000.00
		$315,000.00
Less Attorney's fees:		126,000.00 ✓✓
		$189,000.00
Less Structured settlement to be paid to client in future		115,000.00
CASH AVAILABLE		$ 74,000.00

LESS COSTS ADVANCED:

Photos & Film	$ 9.88
InfoCopy	45.10
Sparrow Investigations	798.55
Sparrow Investigations	200.00
Clerk of the Circuit Court	200.00
Broward Sheriff's Office	13.00
Sheriff of Dade County	26.00
InfoCopy	14.52
Dr. Marc Hammerman (conference)	100.00
Clerk of the Circuit Court	2.00
Broward Process Servers	25.00
Broward Medical Examiner	8.00
John Camino	8.00
Internal Revenue Service	12.75
Verbatim Reporting Service	135.00
Clerk of the Circuit Court	1.00
Broward Process Servers	20.00
Hill & Neale	44.00
Lauderdale Reporting Service	175.50
Dr. Marc Hammerman (conference)	200.00
Dr. Marc Hammerman (records)	107.00
Dr. Michael Margaretten	65.00
Davie Police Dept. Records	28.50
Guy E. Von Wiegand	50.00
Cash (Conf. with Ofc. Kiso)	50.00
Broward Process Servers	40.00
Clerk of the Circuit Court	4.00
MRC-Humana Hospital Bennett	6.00
MRC-Humana Hospital Bennett	6.00
Rush Messenger Service	19.75
Affordable Copy Service	129.21
Dr. Michael Margaretten	300.00
Clerk of the Circuit Court	1.00
Broward Process Servers	20.00
Dr. William Fogarty	8.00
Southeastern University	200.00
Dr. Marc Hammerman	$100.00
Broward Process Servers	25.00
Clerk of the Circuit Court	1.00
Officer Holden - Davie Police Dept.	10.00
Guy E. Von Wiegand	60.00
Lauderdale Reporting Service	150.75** ✓
Memorial Hospital	67.00** ✓
Barnett, Hill, Barnard & Neale	41.75** ✓
Mechanical Consulting & Services	372.50** ✓
Mediation, Inc.	299.50** ✓
Lauderdale Reporting Service	90.00** ✓
Miscellaneous Costs: including long distance telephone, postage, photo-copying, etc., to 1-22-93	362.80
	3631.56 ✓
	$ 4,653.06

Exhibit 2

Settlement Proposal for CHRISTY
DATE OF BIRTH: 01-13-1976
Funding Date: 10-14-1994

Item	Guaranteed	Expected
$500.00 monthly beginning 11-14-1994 through 10-14-1999. 60 Payments guaranteed.	$ 30,000.00	$ 30,000.00
Lump sum: $5,000.00 on 01-13-00	$ 5,000.00	$ 5,000.00
Lump sum: $10,000.00 on 01-13-02	$ 10,000.00	$ 10,000.00
Lump sum: $10,000.00 on 01-13-07	$ 10,000.00	$ 10,000.00
Lump sum: $15,000.00 on 09-11-09	$ 15,000.00	$ 15,000.00
$8000.00 annually beginning 09-11-2011 through 09-11-2014 4 payments guaranteed.	$ 32,000.00	$ 32,000.00
Lump sum: $25,000.00 on 01-13-17	$ 25,000.00	$ 25,000.00
Up Front Cash:	$ 95,000.00	$ 95,000.00
Totals:	$222,000.00	$222.000.00

Prepared 10-06-1994, 12:19 p.m.

Exhibit 3

Present Value Calculation for: Christy

Compound Period ..... : Monthly

Nominal Annual Rate ....: 9.569 %
Effective Annual Rate ... : 10.000 %
Periodic Rate .....: 0.7974 %
Daily Rate ..... : 0.02622 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	10/14/1994	140,308.23	1		
2	Payment	11/14/1994	95,000.00	1		
3	Payment	11/14/1994	500.00	60	Monthly	10/14/1999
4	Payment	01/13/2000	5,000.00	1		
5	Payment	01/13/2002	10,000.00	1		
6	Payment	01/13/2007	10,000.00	1		
7	Payment	01/13/2009	10,000.00	1		
8	Payment	09/11/2011	8,000.00	4	Annual	09/11/2014
9	Payment	01/13/2017	25,000.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1994 Totals	96,000.00	1,485.07	94,514.93	45,793.30
1995 Totals	6,000.00	4,309.06	1,690.94	44,102.36
1996 Totals	6,000.00	4,139.98	1,860.02	42,242.34
1997 Totals	6,000.00	3,953.97	2,046.03	40,196.31
1998 Totals	6,000.00	3,749.37	2,250.63	37,945.68
1999 Totals	5,000.00	2,953.47	2,046.53	35,899.15
2000 Totals	5,000.00	861.68	4,138.32	31,760.83
2002 Totals	10,000.00	6,669.78	3,330.22	28,430.61
2007 Totals	10,000.00	17,357.18	7,357.18-	35,787.79
2009 Totals	10,000.00	7,515.44	2,484.56	33,303.23
2011 Totals	8,000.00	9,621.43	1,621.43-	34,924.66
2012 Totals	8,000.00	3,492.47	4,507.53	30,417.13
2013 Totals	8,000.00	3,041.71	4,958.29	25,458.84

ared for: ROSE
im number: 20-2333-823
osal number: 01

Requested by: BRUCE
Office name:
Location code: 117
Date prepared: 03-21-9

PROPOSAL NOT VALID AFTER 04-30-95

Schedule of Annuity Payments

	Total Payments
Segment 1	
240 PAYMENTS OF $630.89 PAYABLE MONTHLY WITH THE FIRST PAYMENT ON JANUARY 1, 1996, AND THE FINAL PAYMENT ON DECEMBER 1, 2015.	$151,413.60
Annuity Total	$151,413.60
Previous Amount Paid	$110,000.00
Grand Total	$261,413.60

Present Value Calculation for: Rose

Compound Period ..... : Monthly

Nominal Annual Rate .... : 9.569 %
Effective Annual Rate ... : 10.000 %
Periodic Rate ..... : 0.7974 %
Daily Rate ..... : 0.02622 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	03/21/1995	63,028.27	1		
2	Payment	01/01/1996	630.89	240	Monthly	12/01/2015

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1995 Totals	0.00	0.00	0.00	63,028.27
1996 Totals	7,570.68	10,723.13	3,152.45-	66,180.72
1997 Totals	7,570.68	6,277.06	1,293.62	64,887.10
1998 Totals	7,570.68	6,147.68	1,423.00	63,464.10
1999 Totals	7,570.68	6,005.39	1,565.29	61,898.81
2000 Totals	7,570.68	5,848.87	1,721.81	60,177.00
2001 Totals	7,570.68	5,676.69	1,893.99	58,283.01
2002 Totals	7,570.68	5,487.29	2,083.39	56,199.62
2003 Totals	7,570.68	5,278.95	2,291.73	53,907.89
2004 Totals	7,570.68	5,049.78	2,520.90	51,386.99
2005 Totals	7,570.68	4,797.69	2,772.99	48,614.00
2006 Totals	7,570.68	4,520.38	3,050.30	45,563.70
2007 Totals	7,570.68	4,215.34	3,355.34	42,208.36
2008 Totals	7,570.68	3,879.83	3,690.85	38,517.51
2009 Totals	7,570.68	3,510.72	4,059.96	34,457.55
2010 Totals	7,570.68	3,104.74	4,465.94	29,991.61

MAY 04 '93 16:16 4

SETTLEMENT ANNUITY
PACKAGE ILLUSTRATIONS
FOR MR. & MRS. GIBBONS

May 4, 1993
Page 3 of 4

DESCRIPTION OF BENEFITS	YIELD*	GUARANTEED**
ILLUSTRATION NO. 3		
Up Front Monies	$152,000	$152,000
Joint Life Annuity with 20 years payments guaranteed in the event of the premature death of both annuitants, providing $2,200 per month level income, first payment commencing on 08/25/93, with 100% of the income continuing to the survivor	$976,800	$528,000
Lump Sum Payments for MR. & MRS. GIBBONS:		
$ 10,000 on 07/25/98	$10,000	$10,000
$ 20,000 on 07/25/03	$20,000	$20,000
$ 40,000 on 07/25/08	$40,000	$40,000
$ 80,000 on 08/25/13	$80,000	$80,000
	$150,000	$150,000
TOTAL SETTLEMENT PACKAGE	$1,278,800	$830,000

* Yield figures are based on life expectancy to 80 years.

** Portion of the annuity guaranteed in the event of premature death.

THE

COMPANY

Present Value Calculation for: Gibbons

Compound Period ..... : Monthly

Nominal Annual Rate ....: 9.569 %
Effective Annual Rate ... : 10.000 %
Periodic Rate .....: 0.7974 %
Daily Rate ..... : 0.02622 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	05/04/1993	416,553.66	1		
2	Payment	05/04/1993	152,000.00	1		
3	Payment	08/25/1993	2,200.00	60	Monthly	07/25/1998
4	Payment	07/25/1998	10,000.00	1		
5	Payment	08/25/1998	2,200.00	60	Monthly	07/25/2003
6	Payment	07/25/2003	20,000.00	1		
7	Payment	08/25/2003	2,200.00	60	Monthly	07/25/2008
8	Payment	07/25/2008	40,000.00	1		
9	Payment	08/25/2008	2,200.00	60	Monthly	07/25/2013
10	Payment	07/25/2013	80,000.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1993 Totals	163,000.00	16,488.04	146,511.96	270,041.70
1994 Totals	26,400.00	25,814.97	585.03	269,456.67
1995 Totals	26,400.00	25,756.49	643.51	268,813.16
1996 Totals	26,400.00	25,692.13	707.87	268,105.29
1997 Totals	26,400.00	25,621.36	778.64	267,326.65
1998 Totals	36,400.00	25,138.37	11,261.63	256,065.02
1999 Totals	26,400.00	24,417.33	1,982.67	254,082.35
2000 Totals	26,400.00	24,219.04	2,180.96	251,901.39
2001 Totals	26,400.00	24,000.95	2,399.05	249,502.34
2002 Totals	26,400.00	23,761.05	2,638.95	246,863.39
2003 Totals	46,400.00	22,686.93	23,713.07	223,150.32
2004 Totals	26,400.00	21,125.86	5,274.14	217,876.18

d) Payment of unpaid medical bill $ 1,760.00

e) Net to plaintiff in the sum of $ 13,400.00 shall be deposit with Bayview Federal Savings & Loan Association, 3560 Homestead Road, Santa Clara, California, in the highest interest-bearing. insured savings instrument. No withdrawals without Order of Court. Rollovers and reinvestments may be made without Order of Court provided no withdrawals are made. More than one instrument may be opened. Upon reaching majority on November 28, 1990, the minor plaintiff may withdraw all funds on deposit without further Order of Court.

TOTAL CASH SETTLEMENT $ 37,893.00

2) In addition to the immediate payment of $37,893.00, the defendants will make the following payments to plaintiff:

a) Beginning at age 18, payment of $8,400/year at $700/month for 5 years; $ 42,000.00

b) Beginning at age 23, payment of $16,800/year at $1,400/month for 5 years; $ 84,000.00

c) Beginning at age 28, payment of $30,000/year at $2,500/month for 5 years; $150,000.00

d) At age 35 a lump sum payment of $100,000.00

TOTAL CASH AND EXTENDED BENEFITS $413,893.00

e) The above amounts are guaranteed and should the minor plaintiff die the proceeds would go to her estate.

Exhibit 6

Present Value Calculation for: Unnamed

Compound Period ..... : Monthly

Nominal Annual Rate .... : 9.569 %
Effective Annual Rate ... : 10.000 %
Periodic Rate ..... : 0.7974 %
Daily Rate ..... : 0.02622 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	05/01/1986	129,178.56	1		
2	Payment	05/01/1986	37,893.00	1		
3	Payment	11/28/1990	700.00	60	Monthly	10/28/1995
4	Payment	11/28/1995	1,400.00	60	Monthly	10/28/2000
5	Payment	11/28/2000	2,500.00	60	Monthly	10/28/2005
6	Payment	11/28/2007	100,000.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1986 Totals	37,893.00	0.00	37,893.00	91,285.56
1990 Totals	1,400.00	51,001.31	49,601.31-	140,886.87
1991 Totals	8,400.00	13,710.31	5,310.31-	146,197.18
1992 Totals	8,400.00	14,241.34	5,841.34-	152,038.52
1993 Totals	8,400.00	14,825.48	6,425.48-	158,464.00
1994 Totals	8,400.00	15,468.04	7,068.04-	165,532.04
1995 Totals	9,800.00	16,169.27	6,369.27-	171,901.31
1996 Totals	16,800.00	16,433.39	366.61	171,534.70
1997 Totals	16,800.00	16,396.72	403.28	171,131.42
1998 Totals	16,800.00	16,356.38	443.62	170,687.80
1999 Totals	16,800.00	16,312.04	487.96	170,199.84
2000 Totals	19,000.00	16,254.48	2,745.52	167,454.32
2001 Totals	30,000.00	15,394.11	14,605.89	152,848.43
2002 Totals	30,000.00	13,933.51	16,066.49	136,781.94

HUVER & ASSOCIATES, INC.
Proposed Structured Settlement
December 28, 1990

Claimant: Age: 19
Life Expectancy: 64
Proposed Purchase Date: 01/15/1991 Birth Date: 08/04/1971

	GUARANTEED TOTAL PAYMENTS
FRONT MONEY	$184,918.00
Payments of $500 monthly, for a period certain of 2 years, 6 months starting 02/15/1991 through 07/15/1993	$15,000.00
Payment on 08/01/1991	$10,000.00
Payment on 08/01/1992	$10,000.00
Payment on 08/01/1993	$25,000.00
Payment on 02/15/1997	$25,000.00
Payment on 02/15/1999	$25,000.00
Payment on 02/15/2002	$25,000.00
Payment on 02/15/2004	$25,000.00
Payment on 02/15/2007	$50,000.00
Payment on 02/15/2009	$50,000.00
Payment on 02/15/2012	$50,000.00
Payment on 02/15/2017	$100,000.00
Payment on 02/15/2022	$250,000.00
Payment on 02/15/2027	$250,000.00
Payment on 02/15/2032	$250,000.00
Payment on 02/15/2037	$250,000.00
	$1,594,918.00

NOTE: Rates shown are guaranteed for 10 days from the date of this proposal

Exhibit 7

Present Value Calculation for: Huver & Associates Proposal

Compound Period ..... : Monthly

Nominal Annual Rate .... : 9.569 %
Effective Annual Rate ... : 10.000 %
Periodic Rate ..... : 0.7974 %
Daily Rate ..... : 0.02622 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	01/15/1991	341,166.56	1		
2	Payment	01/15/1991	184,918.00	1		
3	Payment	02/15/1991	500.00	6	Monthly	07/15/1991
4	Payment	08/01/1991	10,000.00	1		
5	Payment	08/15/1991	500.00	12	Monthly	07/15/1992
6	Payment	08/01/1992	10,000.00	1		
7	Payment	08/15/1992	500.00	12	Monthly	07/15/1993
8	Payment	08/01/1993	25,000.00	1		
9	Payment	02/15/1997	25,000.00	1		
10	Payment	02/15/1999	25,000.00	1		
11	Payment	02/15/2002	25,000.00	1		
12	Payment	02/15/2004	25,000.00	1		
13	Payment	02/15/2007	50,000.00	1		
14	Payment	02/15/2009	50,000.00	1		
15	Payment	02/15/2012	50,000.00	1		
16	Payment	02/15/2017	100,000.00	1		
17	Payment	02/15/2022	250,000.00	1		
18	Payment	02/15/2027	250,000.00	1		
19	Payment	02/15/2032	250,000.00	1		
20	Payment	02/15/2037	250,000.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1991 Totals	200,418.00	13,707.96	186,710.04	154,456.52
1992 Totals	16,000.00	14,842.60	1,157.40	153,299.12
1993 Totals	28,500.00	9,385.91	19,114.09	134,185.03
1997 Totals	25,000.00	53,820.04	28,820.04-	163,005.07
1999 Totals	25,000.00	34,231.07	9,231.07-	172,236.14
2002 Totals	25,000.00	57,010.17	32,010.17-	204,246.31
2004 Totals	25,000.00	42,891.73	17,891.73-	222,138.04

Exhibit 7

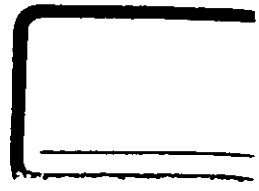
SETTLEMENT PROPOSAL
for
Kimberly
DOB: 04/13/1976
Claim No.

BENEFIT	COST	GUARANTEED PAYOUT	EXPECTED PAYOUT
PAYABLE TO KIMBERLY			
$50,000 paid at time of settlement	$ 50,000	$ 50,000	$ 50,000
$1,623 paid monthly, guaranteed for 25 years certain & LIFE, beginning 1 month from purchase of annuity	$ 327,733	$ 486,900	$1,304,892
$50,000 paid in 5 years	$ 40,600	$ 50,000	$ 50,000
ATTORNEY FEES			
$209,167 paid at time of settlement	$ 209,167	$ 209,167	$ 209,167
TOTALS	$ 627,500	$ 796,067	$1,614,059

Total settlement cost:	$627,500
Less 1/3 for attorney fees	-209,167
	$418,333
Less cash to Kimberly	50,000
Annuity cost	$368,333

Prepared by:

SETTLEMENT SERVICES INC.
800/397-5656
815/961-9999



Kimberly Monthly Annuity
The Real Value of the Guaranteed Payout of the Annuity

Compound Period .....: Monthly

Nominal Annual Rate ... : 3.399 %
Effective Annual Rate .. : 3.452 %
Periodic Rate ..... : 0.2832 %
Daily Rate .....: 0.00931 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	08/17/1993	327,733.00	1		
2	Payment	09/17/1993	1,623.00	300	Monthly	08/17/2018

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1993 Totals	6,492.00	3,701.33	2,790.67	324,942.33
1994 Totals	19,476.00	10,912.01	8,563.99	316,378.34
1995 Totals	19,476.00	10,616.35	8,859.65	307,518.69
1996 Totals	19,476.00	10,310.47	9,165.53	298,353.16
1997 Totals	19,476.00	9,994.05	9,481.95	288,871.21
1998 Totals	19,476.00	9,666.69	9,809.31	279,061.90
1999 Totals	19,476.00	9,328.04	10,147.96	268,913.94
2000 Totals	19,476.00	8,977.70	10,498.30	258,415.64
2001 Totals	19,476.00	8,615.26	10,860.74	247,554.90
2002 Totals	19,476.00	8,240.29	11,235.71	236,319.19
2003 Totals	19,476.00	7,852.38	11,623.62	224,695.57
2004 Totals	19,476.00	7,451.08	12,024.92	212,670.65
2005 Totals	19,476.00	7,035.95	12,440.05	200,230.60
2006 Totals	19,476.00	6,606.46	12,869.54	187,361.06
2007 Totals	19,476.00	6,162.14	13,313.86	174,047.20
2008 Totals	19,476.00	5,702.51	13,773.49	160,273.71

Kimberly $50,000 Lump Sum Annuity Payment
The Real Value of the Guaranteed Payout of the Annuity

Compound Period .....: Monthly

Nominal Annual Rate ... :	4.172	%
Effective Annual Rate .. :	4.253	%
Periodic Rate ..... :	0.3477	%
Daily Rate ..... :	0.01143	%

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	08/17/1993	40,600.00	1		
2	Payment	08/17/1998	50,000.00	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1993 Totals	0.00	0.00	0.00	40,600.00
1998 Totals	50,000.00	9,400.00	40,600.00	0.00
Grand Totals	50,000.00	9,400.00	40,600.00	0.00

SETTLEMENT STATEMENT

DEBRA . . v. . . CONCRETE

1.	TOTAL SETTLEMENT: (*110,000.00 cash; balance in payments as specified in settlement agreement and release)	$200,000.00*
2.	LESS ATTORNEY'S FEES (1/3)	66,666.66
	NET TO CLIENT BEFORE PAYMENTS (present cash; balance in deferred payments)	$43,333.34
3.	EXPENSES PAID BY CHENEY & CHENEY:	
	(a) Gottschalk Engineering	$10,379.34
	(b) J. Waters Investigations	275.00
	(c) Ann Rewis, Court Reporter	571.00
	(d) Legal Research Associates	147.55
	(e) Wendell Smith	308.00
	(f) Zorn Aerial Photo	150.00
	(g) Kent, Vadnais & Wood	168.00
	(h) Betty D. Smith, Court Reporter	1,413.10
	(i) Brown Reporting	309.40
	(j) Coastal Reporting	107.65
	(k) Massey Logging	200.00
	(l) Gillis & Phillips Investigations	1,220.20
	(m) Professional Reporters	252.00
	(n) The Tattnall Bank, car payments	400.00
	(o) out of pocket expenses (medical reports, filing fees, postage, copies, long distance, etc.)	2,545.23
	TOTAL	$18,446.47
4.	TOTAL PAYMENTS BY OR ON BEHALF OF CLIENT:	
	(a) Dr. Snowdy	605.00
	(b) Neurological Institute of Savannah	380.00
	(c) The Tattnall Bank (payoff)	18,457.02
	(d) Collins Mobile Homes (down payment)	5,000.00
	(e) Hugh S. Geiger, M.D.	1,675.00
	(f) . . . & . . . expenses (this represents $5,330.15 in expenses that are being written off by &)	13,116.32
	TOTAL PAYMENTS	$39,233.34
4.	NET TO CLIENT:	$ 4,100.00

Exhibit 9

ANNUITY vs: LUMP SUM INVESTMENT

Date: 7/30/93

Investment: $650,000

Taxable Rate: 5.78% for 10 years in a U.S. TREASURY BOND

Non-Taxable Rate: 5.05% for 10 years in a AAA MUNICIPAL BOND

Federal Tax Bracket: 28%

	U.S. TREASURY BOND	AAA MUNICIPAL BOND	SETTLEMENT ANNUITY
Annual Payment:	37,570	32,825	36,438
Investment Term:	x 10 yrs	x 10 yrs	x 10 yrs
Investment Yield:	375,700	328,250	364,380
Federal Tax Bracket:	x 28%	x 0%	x 0%
Federal Tax Due:	105,196	0	0
After Tax Proceeds:	270,504	328,250	364,380
Net Investment Yield:	270,504	328,850	364,380
Return of Principal:	650,000	650,000	650,000
Total Proceeds:	920,504	978,250	1,014,380
Return Comparison to Annuity:	-10.2%	-3.69%	

Please note that the U.S. Treasury Bond and AAA Municipal Bond proceeds do not take into account any Management Fees.

Annuitant	BOBBYJO LYNN PLANK
Contract Number	AA585799
Contract Date	JUNE 13, 1989
Premium	$1.00 and other valuable consideration
Date of Birth	OCTOBER 18, 1977
Sex	FEMALE

Schedule of Benefits

Amount	Due Dates
$2,250.00	On OCTOBER 18, 2032 and on the 18th day of each following month as long as the annuitant is alive. In no event shall there be fewer than 240 payments.
$2,500.00	OCTOBER 18, 1995
$5,000.00	OCTOBER 18, 1998
$10,000.00	OCTOBER 18, 2002
$25,000.00	OCTOBER 18, 2012
$35,000.00	OCTOBER 18, 2022

COPY

Bobbyjo Lynn Plank

Compound Period ..... : Monthly

Nominal Annual Rate ....: 5.000 %
Effective Annual Rate ... : 5.116 %
Periodic Rate .....: 0.4167 %
Daily Rate ..... : 0.01370 %

CASH FLOW DATA

	Event	Start Date	Amount	Number	Period	End Date
1	Loan	06/13/1989	63,892.64	1		
2	Payment	10/18/1995	2,500.00	1		
3	Payment	10/18/1998	5,000.00	1		
4	Payment	10/18/2002	10,000.00	1		
5	Payment	10/18/2012	25,000.00	1		
6	Payment	10/18/2022	35,000.00	1		
7	Payment	10/18/2032	2,250.00	240	Monthly	09/18/2052

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
1989 Totals	0.00	0.00	0.00	63,892.64
1995 Totals	2,500.00	23,805.23	21,305.23-	85,197.87
1998 Totals	5,000.00	13,757.09	8,757.09-	93,954.96
2002 Totals	10,000.00	20,754.21	10,754.21-	104,709.17
2012 Totals	25,000.00	67,747.83	42,747.83-	147,457.00
2022 Totals	35,000.00	95,406.08	60,406.08-	207,863.08
2032 Totals	6,750.00	137,320.10	130,570.10-	338,433.18
2033 Totals	27,000.00	16,687.44	10,312.56	328,120.62
2034 Totals	27,000.00	16,159.86	10,840.14	317,280.48
2035 Totals	27,000.00	15,605.24	11,394.76	305,885.72
2036 Totals	27,000.00	15,022.26	11,977.74	293,907.98
2037 Totals	27,000.00	14,409.46	12,590.54	281,317.44
2038 Totals	27,000.00	13,765.32	13,234.68	268,082.76
2039 Totals	27,000.00	13,088.20	13,911.80	254,170.96



James D. Terlizzi
Chief Operating Officer

Peachtree
Settlement
Funding

5085 Avalon Ridge Pkwy., Suite 600
Norcross, Georgia 30071
1 (800) 600-9161 • Direct: (770) 261-1259
Fax: (770) 368-9659 • JTerlizzi@lumpsum.com

SB176

New Hampshire Biographies

Full Name: Georgeann Steiner

Last Name: Steiner

First Name: Georgeann

Job Title: Carpenter

Company: New Hampshire

Date of Accident: Accident occurred in 1982.

BIOGRAPHY: In 1982, then 4 year-old Georgeann McCormick (maiden name) suffered injuries in an electrical fire that killed two of her siblings. Georgeann received a structured settlement annuity as a result of injuries she suffered in the accident, which includes the following scheduled payments:

120 monthly payments of $245.00 commencing on September 21, 1996 through and including August 21, 2006.

The settlement offer was accepted by Georgeann's parents', who at the time had no way to gage the future financial needs of their daughter.

In January 1998 Georgeann, now a 20 year-old married mother of three, approached Peachtree Settlement Funding, LLC to secure a lump sum for future payments due to her from the settlement annuity. She is very displeased with her insurance company and felt that the small payments alone were not contributing towards the overall goals of she wanted to achieve for her family, so she opted to receive present value for her deferred, future payments. Georgeann was able to pay off several bills with the proceeds from the sale of her annuity payments. But more important than anything, she was able to provide the down payment on a home for her family. This was of great importance to her in that she and her husband no longer had to pay rent...they are now homeowners!

Presently, Georgeann says that all their bills are paid and she is able to live comfortably. She is currently on maternity leave.

Purchase Price: $11,510 for 90 payments of $245.00.

SB126

Full Name: Ernest Haskell

Last Name: Haskell

First Name: Ernest

Job Title: Machine Engraver

Company: New Hampshire

Date of Accident: 1983

Age: 37

In 1983 Ernest Haskell was injured during a head on collision while he and a friend were riding a motorcycle. His friend died as a result of injuries he sustained in the crash. Ernest suffered a broken finger and collarbone and was hospitalized for one month. In addition, Ernest suffered severe damage to his earlobe and was pronounced 40 percent deaf. He will never be able to recover his full hearing.

Mr. Haskell settled his claim against the insurer of the driver that hit him head on. He received a received $42,000.00 lumpsum that covered his hospital bill and attorney fees. In addition,Ernest was awarded a structured settlement annuity with the following payments:

360 monthly payments of $270.00 commencing June 1, 1984 through and including May 1, 2014, and life thereafter.

Ernest, now a 37 year-old married father of 3, was in pretty good financial shape prior to the accident. He definitely feels that the accident disrupted his life, but he eventually he was able to get things back on track. However, Ernest approached Peachtree Settlement Funding in February 1999 because he wanted to purchase a minivan and make a down payment on a home for his family. The mini-van will make it more comfortable and efficient to transport his wife and kids to work and school. He also plans to use the balance to pay off some debts that he and his wife have accrued.

Purchase Price: $12,689.00 for 120 payments of $270.00.

Voting Sheets

Senate Judiciary Committee
EXECUTIVE SESSION

SB 126

Hearing date: 5/5/99 Re-referred Room: _____

Motion of: _____

Made by Senator:			*Seconded by Senator:*		
	Pignatelli	☐		Pignatelli	☐
	Gordon	☐		Gordon	☐
	K. Wheeler	☐		K. Wheeler	☐
	Squires	☐		Squires	☐
	Trombly	☐		Trombly	☐
	Brown	☐		Brown	☐
	Cohen	☐		Cohen	☐
	Fernald	☐		Fernald	☐

6/0
Re-REFER

Committee Member	*Present*	*Vote*	*Reported out by*
Senator Debora Pignatelli, Chairman	☐	✓	✓
Senator Edward Gordon, Vice-Chair	☐	✓	
Senator Katherine Wells-Wheeler	☐	✓	
Senator James Squires	☐	✓ A	
Senator Rick Trombly	~~☐~~		
Senator Mary Brown	☐	✓	
Senator Burton Cohen	☐	✓ A	
Senator Mark Fernald	~~☐~~		

*Amendments: _____

NOTES: _____

SENATE JUDICIARY COMMITTEE

Court would have oversight of Would AWC structured settlements

EXECUTIVE SESSION

SB 126

Date: 10/13/99

Room: 102 LOB

Motion of:

Made by Senator:		*Seconded by Senator:*	
	Pignatelli ☐		Pignatelli ☐
	Gordon ☐		Gordon ☐
	K. Wheeler ☐		K. Wheeler ☐
	Squires ☐		Squires ☐
	Trombly ☐		Trombly ☐
	Brown ☐		Brown ☐
	Cohen ☐		Cohen ☐
	Fernald ☐		Fernald ☐

Committee Member	*Present*	*Vote*	*Reported out by*
Senator Debora Pignatelli, Chairman	☐		
Senator Edward Gordon, Vice-Chair	☐		
Senator Katherine Wells-Wheeler	☐		
Senator James Squires	☐		
Senator Rick Trombly	☐		
Senator Mary Brown	☐		
Senator Burton Cohen	☐		
Senator Mark Fernald	☐		

*Amendments:

NOTES:

SENATE JUDICIARY COMMITTEE

EXECUTIVE SESSION

SB 126

Date: 12/15/99 ~~SB~~ A ITL Room: 102 LOB

Motion of:

Made by Senator:	Pignatelli	☐	*Seconded by Senator:*	Pignatelli	☐
	Gordon	☐		Gordon	☑
	K. Wheeler	☑		K. Wheeler	☐
	Squires	☑		Squires	☐
	Trombly	☐		Trombly	☐
	Brown	☐		Brown	☑
	Cohen	☐		Cohen	☐
	Fernald	☐		Fernald	☐

5/0

Committee Member	*Present*	Vote		*Reported out by*
Senator Debora Pignatelli, Chairman	☑	* adopt-amendment ONLY ✓	✓	✓
Senator Edward Gordon, Vice-Chair	☑	✓	✓	
Senator Katherine Wells-Wheeler	☑	✓	✓	
Senator James Squires	☑	✓	✓	
Senator Rick Trombly	☐			
Senator Mary Brown	☑	✓	✓	
Senator Burton Cohen	☐			
Senator Mark Fernald	☐			

*Amendments:

NOTES: ditto - see Pignatelli - Executive

Committee Report

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: _____ **1999**

THE COMMITTEE ON **Judiciary**

to which was referred **Senate Bill 126**

AN ACT ***requiring approval of the superior court or, in the case of workers' compensation, the labor commissioner, as a precondition to transfer of any structured settlement payment rights.***

VOTE: **6 / 0**

Having considered the same, report the same with the following recommendation that the bill be: **REREFERRED TO COMMITTEE.**

Senator Debora B. Pignatelli
For the Committee

Date: NOVEMBER 10, 1999 Time: 10:00 AM

The Senate Committee on Judiciary held its hearing in Room 102, LOB, Concord, New Hampshire.

BILL NO.: SB 126 TITLE: requiring approval of the Superior Court, or, in the case of workers' compensation, the labor commissioner, as a precondition to transfer of any structured settlement payment rights.

Members of the Committee present:

Senator Pignatelli
Senator Gordon
Senator Brown
Senator Cohen
Senator Fernald
Senator Squires
Senator Trombly
Senator Wheeler

Those appearing in favor:

Name and Address	Representing
See Attached.	

Those appearing in opposition:

Name and Address	Representing
See Attached.	

REPORT OF THE COMMITTEE: 5 / 0

- ☐ Ought to Pass
- ☐ Ought to Pass w/ Amendment
- ☒ Inexpedient to Legislate
- ☐ Rereferred
- ☐ Interim Study
- ☐ Continued Hearing
- ☐ Postponed Hearing

STATE OF NEW HAMPSHIRE

SENATE

REPORT OF THE COMMITTEE

Date: **JANUARY _____, 2000**

THE COMMITTEE ON ***Judiciary***

to which was referred **Senate Bill 126**

AN ACT ***requiring approval of the Superior Court, or, in the case of workers' compensation, the labor commissioner, as a precondition to transfer of any structured settlement payment rights.***

VOTE: **5 / 0**

Having considered the same, report the same with the following resolution:
Resolved, that it is: **INEXPEDIENT TO LEGISLATE.**

Senator Debora B. Pignatelli
For the Committee