

The Advantages of a Structured Settlement

Advantages to claimants

There are compelling reasons for claimants to agree to a structured arrangement of their settlement dollars. Structured settlements can:

- **Eliminate the risk of mismanagement.** By "structuring" a settlement award into a series of payments over time based on known present and future financial needs, the claimant can help assure in advance that he or she will have the funds to meet those needs.
- **Provide tax advantages.** Fixed annuity payments from a qualified structured settlement are tax-free to the annuitant under current IRS rules.
- **Provide a steady, low-risk source of money** and eliminate the expense and worry of managing large sums.
- **Offer more money over time than a lump sum in many cases.** Fixed annuity payments can continue for life – no matter how long the claimant lives.
- **Offer a convenient way – through regular payments – to meet the individual claimant's needs** and special circumstances.
- **Maximize settlement benefits.** In cases where the defendant has low insurance policy limits, a structured settlement can often provide a more generous overall settlement.

Tax rulings support structured settlements

Structured settlements are governed by the Internal Revenue Code (IRC). Under section 104(a) (2) of the IRC, compensation received because of a personal physical injury or sickness is not included in gross income and is therefore exempt from income tax. This is true whether the money is received as a lump sum or as periodic payments.

By entering into a structured settlement using a fixed annuity, the claimant gains a tax advantage. And because benefits to be paid under a fixed annuity are calculated in advance, claimants have the security of knowing that their income stream will be predictable and dependable. No tax exposure means more funds for the claimant.

For more information

To learn more about structured settlement programs from Hartford Life Insurance Company, please call us toll-free at 1-800-200-6822.

Internet Address

<http://institutional.hartfordlife.com>

