

Title:  
Selling a Structured Settlement

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Summary:  
With the countless web sites, advertisements, legal jargon and complex issues surrounding structured settlements,

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Article Body:  
With the countless web sites, advertisements, legal jargon and complex issues surrounding structured settlements,

What is a structured settlement?

A structured settlement is a series of guaranteed payments (annuities) made over a certain period of time.

Structured settlements are individualized plans meant to help you cover present and future expenses.

Example ~ how it might work: Melissa is injured in a serious car accident and is now unable to work.

Types of Structured Settlements

Designated Period / Period Certain Annuities: Annuities with a designated period of time for the payments.

Life Annuity: Periodic payments for a guaranteed number of years (based on your life expectancy).

Temporary Life Annuity: Pay you for a designated number of years if you are still living, so you can cover expenses.

Life Contingent Lump Sum: You'll receive a lump sum, provided you are alive on the due date. This is often used to cover expenses.

Lump sum: You can set it up to receive the lump sum on a particular date, say, fifteen years from now.

The Details

Though structured settlements contain a great degree of flexibility during the decision-making process,

So, even if your situation changes down the road, your payments will not. That's why it is extremely important to understand the details.

Inadequate Payments

Unfortunately, life has a way of throwing off our well-thought-out and well-intentioned plans. This can result in inadequate payments.

Should this kind of situation arise, and you are strapped for cash, you would love to be able to sell your structured settlement.

Deciding to sell

Before you decide to sell, think about what you want/need the money for. An immediate medical expense is one possibility.

Selling your payments will result in a loss from the full amount. Consider whether or not it is worth the loss.

Will I get the full amount that I would receive over a period of time?

No. The amount you would receive over a period of time is calculated by adding interest to the principal amount.

Court Order

To ensure that you will not be taken advantage of in this delicate process, the government intervention. Not only does this law protect you, the seller, it also helps the insurance companies who fear

### Selling Options

You do not have to sell the entire remaining amount, or any particular amount, if you so wish.

**Full amount:** The purchaser calculates the present-day value of the payments and offers a lump

**Part of the payments:** Only a specific number of the future payments are sold at their present-

**Percentages:** You may sell a percentage of each payment and keep the remaining balance for your

### Pitfalls of Selling

Shady brokers. Selling your payments will require you to contact a broker who can help take care

You end up losing money. As mentioned earlier, you will not receive the total amount you'd receive

It takes time. Though the federal law requiring court oversight in these proceedings helps protect

### Benefits of Selling

The main benefit of selling your structured settlement payments is, obviously, that you will receive

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