

# THE B&B ALERT

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## ***STRUCTURED SETTLEMENTS IN CASING NOT INVOLVING PHYSICAL INJURIES***

***By Thomas D. Begley, Jr., Esquire***

It is possible to use a structured settlement in cases not involving physical injuries. In those cases, the assignment is a non-qualified assignment that does not take advantage of the tax benefits of I.R.C. §130. There are three companies, BARCO, NABCO, and PRUCO, each incorporated in Barbados that will serve as non-qualified assignees.

- *Types of Cases.* Typical cases that might be appropriate for non-qualified assignments include the following:
  - punitive damages;
  - legal malpractice;
  - construction defect;
  - contract dispute;
  - environmental;
  - lottery annuity obligations;
  - employment discrimination;
  - non-wage related;
  - attorney's fees (including stand alone).<sup>[1]</sup>
  
- *Matrimonial Settlements.* Non-qualified assignments may be appropriate in a matrimonial settlement. The structured settlement ensures that the spouse

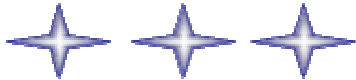
<sup>[1]</sup> [www.ringlerassociates.com](http://www.ringlerassociates.com)

receiving alimony or payment of equitable distribution on a periodic basis or the child receiving child support will receive those payments on time, thereby reducing the cost of new court proceedings to resolve issues that may arise. In cases involving a disabled party, a rated age may be used so that a higher monthly payment can be achieved with a smaller lump sum payment.

The obligations of child support, equitable distribution or alimony can be transferred to BARCO, NABCO, and PRUCO, which then purchase annuities. BARCO purchases annuities from Liberty Life Assurance Company of Boston, NABCO purchases from Allstate Life Insurance Company or Allstate Life Insurance Company of New York, and PRUCO purchases annuities from Prudential Insurance Company of America. In the case of NABCO or PRUCO, if there is a Guarantee Letter issued by a U.S. company to the effect that if the non-qualified assignee fails in its obligations, all parties are protected independent of the annuity contract.<sup>[2]</sup>

<sup>[1]</sup> [www.ringlerassociates.com](http://www.ringlerassociates.com)

<sup>2</sup> Structured Settlements 4Real: What's Real on Structured Settlements and Settlement Planning?, Aug. 1, 2006, <http://structuredsettlements.typedpad.com>.



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## Announcements

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## Speakers

If you are interested in having an Elder & Disabilities Law Attorney from Begley & Bookbinder speak at an event, please contact Colleen Caruso at (856) 787-4237.

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## Begley & Bookbinder

Begley & Bookbinder, P.C. is an Elder & Disability Law Firm with offices in Moorestown, Stone Harbor and Lawrenceville, New Jersey and Oxford Valley, Pennsylvania and can be contacted at 800-533-7227. The firm services southern and central New Jersey and eastern Pennsylvania.

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<sup>[2]</sup> Structured Settlements 4Real: What's Real on Structured Settlements and Settlement Planning?, Aug. 1, 2006, <http://structuredsettlements.typedpad.com>.

The Firm provides services in connection with protecting assets from nursing home costs, Medicaid applications, Estate Planning and Estate Administration, Special Needs Planning and Guardianships. If you have a legal problem in one of these areas of law, contact Begley & Bookbinder at 800-533-7227.

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- ❖ *Blended Families*
- ❖ *Bloodline Trusts*
- ❖ *Vacation Area Homes – Tax and Management Issue*
- ❖ *Special Needs Trusts*
- ❖ *Utilizing Special Needs Trusts in Matrimonial Cases.*
- ❖ *Using Special Needs Trust to Protect Public Benefits*
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