

The Importance of a Needs-Based Settlement



During times of economic uncertainty, the guarantee of secure income for injured people is of utmost importance. Any decline in financial markets can cause significant devaluation of investment portfolios. Unlike traditional investments, structured settlements provide protection from economic uncertainty in an unpredictable economy. Structured settlement recipients will continue to receive their guaranteed benefits, with no reduction in value.

The role of a structured settlement consultant isn't to sell annuities, but rather to facilitate settlements by ascertaining the long-term needs of the injured person and providing benefit options that will best serve them now and for years to come.

Structured settlements are especially effective tools because they safeguard injured people's settlement dollars in a way that no other product can. Because their versatility allows for both security and customization, structured settlements enable consultants to create a needs-based plan tailored perfectly to fit the unique needs of each injured person.

In Workers' Compensation, for example, structures can creatively address several different challenges:

MSAs: While changes in the financial markets may impact the savings generated by an annuitized MSA, the benefits remain vitally important:

- Savings based on time-value of money
- Eliminating the premature exhaustion of Medicare funds
- Preventing improper or premature dissipation of funds, which could result in loss of Medicare benefits

Non-Medicare needs: Many Non-Medicare medical needs are lifetime needs, which align perfectly with use of an annuity.

Indemnity: The benefits of annuitizing the indemnity portion of the settlement also remain unchanged. Whether addressing lost wages, providing for necessary home modifications or ensuring financial security and independence, injured workers benefit from an annuity that's structured using a needs-based approach.

SSDI: Many Workers' Compensation beneficiaries are also on Social Security Disability, which is affected by the WC claim and will be affected by the settlement. An annuity can be used to increase the recipient's net Income and provide a lump sum portion to the settlement.

Claimant advocacy and a humanistic approach aren't detrimental to settling claims. Structured settlement consultants are actually in the unique position to offer solutions that are truly win-win by using needs-based negotiation methods to enhance the odds of success at mediation.

Every injured person's situation is different. But in times of economic uncertainty, everyone deserves a failsafe future income stream that can't lose value. Structured settlements allow for cost-effectiveness as well as creativity to ensure that payments are timed and tailored to meet the injured person's needs. And most importantly, they provide long-term financial security that recipients can count on, regardless of economic fluctuations.

Contact your Arcadia consultant today for assistance with a structured settlement, or visit teamarcadia.com

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