

# Structured Settlements: A Safe Choice In Unsettling Times

## IFS FAMILY COMPANY

SFA, one of the largest broker firms in the industry, is a member of Integrated Financial Settlements (IFS). The broker firm members of IFS make up the largest defense network in the industry.

## NATIONAL PRESENCE

SFA has more than 70 Structured Settlement Consultants with offices in every major metropolitan area of the United States.

## CONTACT INFORMATION

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In these uncertain times, as we struggle to recover from the turmoil in the financial sector, we believe now, more than ever, that structured settlement annuities are the best choice for a person settling their injury claim. Structured Settlements provide a level of security not offered by any other financial product.

Structured Settlements provide:



**SAFETY:** You only need to look at the money flowing into Treasuries to realize that safety is the top priority for everyone. Safety is more about putting your money into an investment vehicle and expecting to get it back. Mutual funds, for example, define safety by the way in which they diversify their holdings, so that the losses in one sector are offset by gains in another. Structured settlement annuities are the "gold standard" of annuities because of the safety they represent. Structured settlements are issued by the largest, best capitalized and most highly rated life insurers in the industry. Payments are guaranteed, so regardless of market performance, a consumer will get their money back plus growth at a competitive rate. Finally, there are the state insurance commissions that regulate the insurers, as well as the guaranty funds that all insurers pay into.



**GROWTH:** After safety, the next item of importance is growth. Consumers like to have a competitive rate of return. Typically, there is a trade off of safety versus growth. The more risky the investment is, generally the higher the rate of return. With structured settlements, the annuity carries a competitive rate of return that is exempt from federal and state income tax. With the dramatic losses in the stock market exceeding 40%, a source of guaranteed growth is more important now than ever.



**LIFETIME PAYMENTS:** It is a proven fact that people are living longer, traditional pension plans are disappearing, Social Security is uncertain and investment returns are plummeting. If your investments do poorly, or if you "live too long," you face the very real threat of running out of money. That's why many financial planners recommend withdrawing no more than 4% of your savings the first year of retirement and not increasing withdrawals by more than 3% for subsequent years. An annuity can provide guaranteed lifetime income for all of one's basic needs, allowing invested funds to be managed more aggressively, or left alone during times of economic upheaval.



**TAX ADVANTAGES:** Structured settlement annuities can claim to have the best tax advantage available - tax free growth. No other annuity, bond, stock, mutual fund, 401(k) or IRA can make that claim. And with tax rates likely to go up in the future, the value of a tax free investment vehicle increases. While one of the strongest features of a structured settlement is its tax-exempt status, it is the combination of safety, secure growth and payment flexibility with a tax advantage that makes it a superior choice.



**ESTATE ADVANTAGES:** Since a structured settlement is funded with an annuity, the payee gets to name a beneficiary and typically avoids the probate process. Thus, an annuity can be the quickest way to get money to a beneficiary after the death of the payee. Another advantage is privacy. With an annuity, you get to name a beneficiary and avoid passing assets through your will. For example, this can allow you, to direct money to a particular heir while still having your will provide for an equal division of assets between all your heirs. Finally, the estate commutation rider many insurers offer gives the payee the option of having the remaining guaranteed payments converted into a lump sum of cash, which may be preferable to a stream of payments for dealing with expenses or estate taxes.

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