

Non-Qualified Assignment Attorney Fee Rules¹

Metropolitan Tower Life Insurance Company

Transfer of Obligation

Yes, the periodic payment obligation is transferred to and owned by MetLife Assignment Company, Inc. (MACI). Language required in the Settlement Agreement and the Non-Qualified Assignment Agreement (see below).

Annuity Requirements

Payments Must*:

- Begin Immediately
- Be substantially equal
- Payout in regularly scheduled intervals
- Pay no less frequently than annually
- No lump sums permitted

Quote

Payee must be properly identified by selecting the “Attorney” checkbox under the payee section in the QIB Software

Stand-Alone

Yes, the case is transferred to and owned by MACI. Additional language required in the Settlement Agreement and the Non-Qualified Assignment Agreement (see below)

Payee

Must be the person or law firm who is legally entitled to the payments under the contingent fee agreement. Joint payments types are permitted (i.e.: Joint Life with Certain) as long as the joint payee is the spouse of the attorney

Beneficiary Designation

Designations may be revocable but require MACI’s consent at the time of the change. The following are the only allowable designations: Estate of Attorney, law firm, spouse or named children.

Commutation

Yes, please follow Commutation on Death Endorsement Guidelines

Application

Separate application must be submitted

*The annuity must satisfy the requirements of IRC section 72(u)(4)

(OVER)

Non-Qualified Assignment Agreement Attorney Fee Rules¹ (Continued)

Metropolitan Tower Life Insurance Co.

IRS Reporting

Annuity payments identified as attorney fees made during a calendar year to the attorney will be reported on IRS Form 1099-MISC.

Hold Harmless, W-9 & W4P

These forms must be completed, signed and submitted to Metropolitan Tower Life Insurance Company with a valid TIN # prior to making any payments to attorney. Otherwise, the payments will be subject to backup withholding.

Settlement Agreement

A copy of the signed agreement must be submitted. Payee designation should be specified in all documents

Required Language for Settlement Agreement and NQAR

The following language will need to be included in both the Settlement Agreement and the NQAR:

Each attorney and the law firm hereby waives and disclaims any and all ownership interest or liens that they may have in the settlement proceeds by reason of any applicable state statute, common law decision or ruling. By their signature, the claimant and each attorney and the law firm, acknowledge that the attorney fee benefit payments are being made at the direction of the claimant and for the convenience of the claimant.

In addition to the language above, the following language must be included in both the Settlement Agreement and NQAR for Stand-alone cases:

The claimant solely for his/her convenience directs the above payment stream(s) to be paid to (name of attorney or firm with whom claimant has a contingent fee arrangement). Claimant consents to the above-mentioned portion of the settlement obligation transfer to MetLife Assignment Company, Inc.(MACI). MACI will purchase a Met Tower Life annuity to fund this obligation.

Home Office

Please call us at 800-638-0051 if you have any questions or need any documents.

¹ Metropolitan Tower Life Insurance Company does not warrant or represent that the attorney is entitled under the tax law to defer taxation of attorney fees under this arrangement. Any discussion of taxes herein is intended to be general in nature. The tax law is subject to change and to different interpretations. MetLife does not provide tax or legal advice. Under Section 409A of the Internal Revenue Code, as added by American Jobs Creation Act (AJCA), penalties and interest may apply to receipt of amounts of deferred compensation. This section of the Code may restrict the ability to structure attorney fees without current taxation and penalties. Each attorney and law firm should seek advice from an independent tax advisor to determine how the tax law applies to their situation. Met Tower Life reserves the right to discontinue accepting these cases for any reason including, but not limited to, if it is determined that state law provides attorney with rights to settlement proceeds which he or she cannot effectively waive or should there be subsequent changes under the tax law or authoritative interpretations of the tax law which would make acceptance of such structured fees untenable for Met Tower Life and its assignee. Met Tower Life also reserves the right to tax report such payments as required by the Internal Revenue Service.