Case Study 1: Employment Litigation

Situation
Sarah, a former employee of ABC Power Cooling, Inc., was wrongfully terminated after she reported unethical activity involving her senior colleagues. Sarah and her legal team file a complaint against ABC Power Cooling, Inc.

Settlement
As part of the wrongful termination settlement, Sarah will be awarded a large sum of money.

Solution
After consulting with her structured settlement broker and tax advisor, Sarah and ABC Power Cooling, Inc. agree to settle for periodic payments. This helps Sarah manage her transition and spread her tax liability over the duration of her annuity.

Why NQA?
Outsource liability management with a trusted carrier: By utilizing our NQA, ABC Power Cooling, Inc. may be able to avoid a trial and its associated costs while transferring the periodic payment obligation to a company with strong financial quality ratings.

Manage cash flows and tax impact for claimant: If managed properly, a sizeable settlement is incredibly helpful as a claimant transitions. With an NQA annuity, Sarah can rely on her guaranteed1 settlement income while deferring the tax2 impact.

For more information, visit www.metlife.com/nqa or call our Sales Team at 800.638.0051 ext. 2.

1. All guarantees are subject to the financial strength and claims-paying ability of Metropolitan Tower Life Insurance Company.
2. Neither MetLife nor its affiliates offer tax or legal advice. Any discussion of taxes in this material is intended to be general in nature and based on our understanding of the tax laws as they currently apply. Tax laws are subject to change and to different interpretation. You should consult your own tax advisor to determine how the tax law applies to your situation.
Case Study 2: Punitive Damages

Situation
While at an amusement park with his family, Joe is seriously injured on one of the park’s thrill rides. After the incident, investigators discovered that the ride had failed several recent inspections and should have been closed.

Settlement
The settlement award included compensatory damages for Joe’s physical injuries and punitive damages due to the park’s gross negligence.

Solution
After consulting with his structured settlement broker and tax advisor, Joe chooses to receive the physical injury, tax-free monies in cash today, but agrees to structure the taxable punitive damages. By agreeing to structure the award, he guarantees his payments and spreads his tax liability over the duration of the annuity.1,2

Why NQA?
Tax efficiency and guaranteed payments for the claimant: Managing a large settlement for Joe’s ongoing care is a significant task for his family. Agreeing to assign the proceeds to a trusted carrier like us ensures that the family will be able to guarantee funds to provide for his long-term care.

Secure liability management for defendants: In accidents as tragic as Joe’s, it is important for the amusement park to manage its reputation fairly and with strong guarantees. By entering into an NQA, the settlement will be managed by a highly rated and financially secure U.S. based company.

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Non-Qualified Assignment (NQA) Case Study: Construction Defect
Metropolitan Tower Life Insurance Co.

Case Study 3: Construction Defect

Situation
A construction company is facing legal action after a faulty foundation is discovered at one of its residential developments. As a result, homeowners in the development must pay for substantial construction repairs.

Settlement
Local homeowners file a Class Action Lawsuit against the construction company. A Qualified Settlement Fund (QSF) is established to distribute settlement funds.

Solution
While the homeowners received their settlements in immediate cash, the homeowners’ plaintiff attorney wanted to spread his attorney fees over several years. To structure the attorney’s fees, the QSF Administrator entered into an NQA agreement with the attorney.

Why NQA?
Consistent cashflow with a trusted, highly rated carrier: Winning a settlement can make a difference in an attorney’s life and business. The NQA allows the homeowner’s attorney to defer his taxes and provides guaranteed cashflow for his law firm.

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