

Periodic Payment Agreement

Metropolitan Tower Life Insurance Co.



What is a Periodic Payment Agreement?

The Periodic Payment Agreement (PPA) product is designed to accept the transfer of a periodic payment obligation of certain personal injury cases that are not eligible for an IRC Section 130 qualified assignment.



Potential Uses

There are **two versions of the PPA** designed to solve the needs of different situations:

- **PPA - Contingent:** For use when the carrier or employer must remain contingently liable, as required in certain states for Worker's Compensation cases (e.g., Texas)
- **PPA - Release:** For use when the carrier, employer or defendant can be fully released of the periodic payment obligation
 - Pre-1997 Worker's Compensation
 - Individual Disability
 - Wrongful Imprisonment (where there has been no physical injury)
- The PPA can also be used for Attorney Fees, including Stand-Alone Attorney Fees, which can be life-contingent, in conjunction with the PPA-Release



Potential advantages of the PPA

For the Claimant/Payee

- Guaranteed payments for life¹
- A financial planning opportunity
- Income spread and corresponding spread of tax obligation²

For the Defendant/Purchaser

- Transfer of mortality and investment risk to Met Tower Life
- Reduced administrative burdens associated with issuing periodic payments
- Additional flexibility afforded via available commutation endorsements
- Substandard Underwriting available



Required Documents

- Settlement Agreement and Release, *if applicable*
- Transfer Letter, *for Replacement of Benefits cases only*
- Periodic Payment Agreement (PPA) or Periodic Payment Agreement and Release (PPAR)
- Fully Completed Application
- Proof of birth, *if payments are life-contingent*
- W-9 and W-4P Tax forms, *for Attorney Fees*
- Hold Harmless, *for Attorney Fees*
- Court order, *if applicable*



Metropolitan Tower Life Insurance Company

MetLife recently introduced another affiliate that will offer structured settlement products and services, in addition to Metropolitan Life Insurance Company (MLIC). The affiliate is Metropolitan Tower Life Insurance Company (Met Tower Life), a Nebraska company, which is a wholly-owned operating subsidiary of MetLife, Inc. with an A.M. Best A+ rating, Financial Size Category XV.³ Met Tower Life will be the annuity issuer and the assignment company will be MetLife Assignment Company Inc. (MACI). The obligations of MACI will be guaranteed by Met Tower Life under an Evidence of Guarantee.

1. All guarantees are subject to the financial strength and claims-paying ability of Metropolitan Tower Life Insurance Company.
2. Any discussion of taxes is for general informational purposes only and does not purport to be complete or cover every situation. Met Tower Life, its agents and representatives may not give legal, tax or accounting advice and this document should not be construed as such. You should confer with your qualified legal, tax and accounting advisors as appropriate.
3. For current ratings information and a more complete analysis of the financial strength of Metropolitan Tower Life Insurance Company, please go to www.metlife.com and click on "About Us," "Corporate Profile," "Ratings."

metlife.com

Attorneys will generally need to have a fee arrangement in place at the time of settlement which provides for the structuring of payments solely from the claimant's settlement proceeds. Structuring of attorney fees could have important legal and tax consequences. Attorneys should consult with their own tax and legal advisors prior to agreeing to structure legal fees to determine the tax and other legal consequences. The method of tax reporting with respect to such fees is subject to change, where we deem such change to be required under the Federal tax law or IRS guidance.

