

Why Met Tower Life?

Metropolitan Tower Life Insurance Co.



Why a Met Tower Life structured settlement?

The same team that has been providing financial security through structured settlement annuities issued by Metropolitan Life Insurance Company (“MLIC”) for over 30 years is now offering the same quality products and services through Metropolitan Tower Life Insurance Company (“Met Tower Life.”) Therefore, clients can also look to Met Tower Life for our expertise and ability to create customized, tailored solutions. Like MLIC, Met Tower Life is a wholly-owned subsidiary of MetLife, Inc., and its ratings are among the highest in the industry.¹



What is a structured settlement?

A structured settlement is an agreement between a claimant and a defendant under which the claimant receives a settlement award in the form of a stream of periodic payments. A structured settlement may be agreed to privately, in a pre-trial settlement, or may be required by a court order, which often happens with judgments involving minors.

In 1982, Congress passed legislation affirming that claimants in personal injury, wrongful death and worker’s compensation lawsuits could receive their settlement awards as streams of tax-free income payments through a structured settlement annuity. Prior to the legislation, settlements were awarded as single lump sums, and claimants were often burdened with the task of managing the money themselves. In fact, a substantial number of accident victims completely dissipate their recoveries soon after receipt.²

Structured settlements provide a solid foundation for future financial security. It is important to carefully evaluate the choices available and decide which payment option is most appropriate.

A structured settlement creates a stable and guaranteed financial future for the claimant.



Benefits of a structured settlement

Tax-free income.

A structured settlement is a one-time opportunity to settle a personal physical injury claim, including wrongful death, with tax-free benefit payments.³ Section 104(a)(2) of the Internal Revenue Code states that the full amount of the structured settlement payments is tax-free. By contrast, the investment earnings on a lump sum payment are usually fully taxable.⁴

Customized payment streams.

In a time where people are living longer and concerned about outliving their savings, payments that can be guaranteed for life can provide a claimant with increased financial security. This financial security can be the deciding factor in a claimant choosing a structured settlement annuity to settle their litigation.

Guaranteed Payments for life.⁵

In times of increasing longevity, when many people are concerned about outliving their savings, the availability of lifetime payments can be of critical importance to claimants. Lifelong income can provide a claimant with increased financial security.

Payments to the beneficiary.

If a claimant accepts an all-cash settlement, there is no assurance that funds will remain after death for a named beneficiary. However, guaranteed structured settlement payments can be received by the named beneficiary on a tax-free basis.^{5,6}

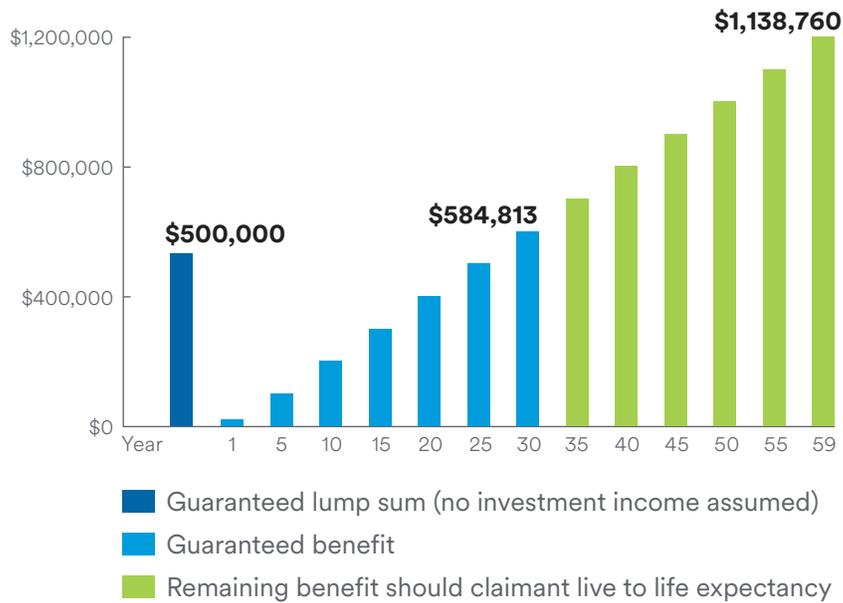


Compare the benefits

Example

Consider the difference between a lump sum settlement of \$500,000 versus purchasing a structured settlement annuity. The settlement, when used to purchase a 30-year certain and life structured settlement annuity with \$500,000 for a 21-year-old male, will provide \$1,624 per month and a total guaranteed payout of \$584,813. If the claimant lives to life expectancy, the total payout would be \$1,138,760.

Lump sum settlement of \$500,000 versus purchasing a structured settlement annuity⁷



1. 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."
2. The Rutter Group, Ltd. From Flahavan, Rea, Kelly, "California Practice Guide: Personal Injury" (2004).
3. This tax exclusion does not apply to payments received for punitive damages or to damages received on account of medical expenses previously deducted on Federal tax returns. The tax law is subject to change and to different interpretations. Met Tower Life does not provide tax advice.
4. As described by the National Structured Settlements Trade Association.
5. Guarantees are subject to the financial strength and claims-paying ability of Metropolitan Tower Life Insurance Company.
6. Federal and State Estate Taxes may be due upon death based on the value of any remaining payments.
7. Based on rates in effect October 10, 2018. All rates are subject to change. This chart shows an example of how a lump sum payment and a 30-year term certain and life annuity compare. Returns shown are hypothetical and are not intended to represent returns on any MetLife product.

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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.

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