JMW STRUCTURED SETTLEMENTS REVIEW

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"Mary Murray"

In my travels I talk extensively about how a structured settlement can benefit both the claimant and the defense when designed properly. I often illustrate this point with stories of how the technique worked on one case or did not on another. I have written about a gentleman who suffered severe burns through no fault of his own and then received and squandered over four million dollars in settlement proceeds in less than four years. Everyone in the structured settlement industry cites an article from the National Underwriter indicating 90% of the windfalls people receive are squandered within five years. Yet, in all this time, I have never written the tale of "Mary Murray." I do it now because several recent cases have revealed that many people - not just settlement planners - believe a structured settlement is simply "the right thing to do." With that in mind, here now the story of Mary Murray…

Mary was living an ordinary life when she stepped into the wrong place at the wrong time and was seriously injured. Again, like most claimants, she did not have the training, sophistication, or discipline to manage a large sum of money. Fortunately for Mary, she had a very good attorney. After deducting attorney fees, out-of-pocket expenses, and some cash to be paid to Mary immediately, we were able to fund an annuity that paid Mary $3,000 a month for the rest of her life. Mary's injuries were not so severe as to keep her from working or living an otherwise normal life. You would think that $3,000 per month tax-free would be a nice income to start with, wouldn't you?

Soon after her monthly payments began, Mary called and asked if we could send the next one two weeks early. She would gladly pay whatever penalties there were because it was urgent that she rush to the side of her sister who had just had a baby. We reminded her of a key element of non-taxable structures that had been fully informed about before approving her own plan: she was not the owner of the contract, and the payments could not be accelerated. She cried and pleaded but alas there really was nothing to be done. She did then submit a change of address form advising where to send the next check.

Not long that, a frantic Mary called again, advising that she had just been "strong-arm robbed" and she desperately needed an advance on her next check. She would take half of the money if we could just get it to her now. Again, we explained that she would get a check for $3,000 on the 5th of the month each and every month. Again, we told her we could do nothing to change this. Shortly thereafter, we received yet again another notice of change of address.

The next time Mary called, she said she needed cash so she could travel across the country to be with her daughter who had recently been injured. We again explained the circumstances and again met a river of tears. After she calmed down, she told us she would be moving soon. With all her moving around we asked her if she would like us to have her check sent to her bank under a direct deposit account. She explained that her creditors would seize the money if she used a bank. She was taking her checks to check cashing services where she paid 10% of the value of the check as a fee for cashing it. No, we should just send it to the new address.

The next call was new and different. It was from a car dealer in San Diego. It seems Mary told the car dealer she receives $3,000 per month from the "insurance company" and they would pay her car loan. I had to explain to a hostile salesperson that Mary did not own the referenced annuity policy and, hence, it could not be used as a collateral source and no, they could not attach the benefits. This did not make them happy, as they had *not been able to find Mary or the car for some time*. By this time, we had also quit trying to keep up with Mary's "current" address.

Just when we thought we had heard it all we got a letter from a person alleging to be a psychiatrist in Los Angeles. I couldn't say if he was or wasn't. He aroused my suspicions by addressing his letter to the "Presidint"(sic) of the "Insurence"(sic) Company. This gentleman had apparently provided Mary with many hours of therapy and was promised he could collect his fees from the proceeds of her settlement. Now, what do you think? Legit? Hmmm…

Over the years, as the saga of Mary rolled on, I thought back to a more tranquil time when I laughed endlessly at the antics of Maxwell Q. Klinger in telling his tales of woe to Colonel Henry Blake in the TV show, M*A*S*H. Mother dying, sister pregnant. Father dying, mother pregnant, etc., etc.

The point of this story is: does anyone believe for one minute that Mary could have held onto the $350,000 that was used to fund her structure for more than a month or two if that money had been released to her in cash? Not bloody likely.

Do structured settlements help people? I am sure if you asked Mary, she would tell you NO! "Those people would not let me have my money when I needed it." Yet, on the fifth day of each month a tax-free $3,000 arrives with her name on it, rain or shine. Whatever life holds in store for Mary, she is never more than 30 days away from another $3,000. I firmly believe we - meaning the adjuster, Mary's attorney and I - did exactly the right thing in setting up this structured settlement.

Do you have a case where you think the benefits could help you make the settlement not only more attractive to the claimant but also improve their life from here on? Contact Frank C. Kilcoyne, CSSC at frank.kilcoyne@jmwsettlements.com or call 800-544-5533, I am here to help.