

Title:

Get Cash Flow For a Structured Settlement

Word Count:

399

Summary:

There are various companies that offer a lump sum payment in exchange for cash flow streams generated by structured settlements. Beneficiaries of structured settlements often have to sell settlements when faced with an urgent or near-term liquidity need.

Keywords:

cash flow for structured settlement, structured settlement

Article Body:

There are various companies that offer a lump sum payment in exchange for cash flow streams generated by structured settlements. Beneficiaries of structured settlements often have to sell settlements when faced with an urgent or near-term liquidity need.

The process of selling structured settlements begins with understanding one's requirements and the immediacy of the need. This can be done with the help of a financial advisor. In fact, in several states in the U.S, it is mandatory to take legal advice before selling a structured settlement. Brokers who are knowledgeable about the court procedures involved in the sale of a structured settlement can be of great help. Brokers are in contact with numerous settlement companies and upon understanding a seller's unique requirements they can guide the seller to the most appropriate settlement company. Either with the help of brokers or by searching online, one can select a financial institution that appears to offer the best price for the structured settlement at minimum cost and in as less time as possible. Sellers should also check the prospective buyer's credentials, the rate of interest they offer, and their record for prompt payments.

Sellers are usually required to fill an application form that provides the buyer with necessary information such as amount required, nature of the structured settlement, and the insurance company. Upon approval of the application, the buyer forwards closing documents to the seller. These should be studied and understood by the seller with support from his financial advisor. Once the provisions mentioned in the closing documents are met, the funds are released to

the seller. The insurance company is made aware of changes in ownership of the structured settlement. The receipt of cash flow by the seller is subject to court approval. The court assesses the seller's circumstances and then decides whether the sale is in the best interests of the seller and his dependents. A court approved sale of structured settlements is tax-free for the buyer and seller.

The cash flow received in exchange for the structured settlement is minus the buyer's fees and other expenses such as broker commissions, application fees, and legal expenses. These costs are not out-of-pocket expenses for the seller nevertheless they should be carefully considered with respect to different buyers and the maximum amount that can be obtained by the sale of a minimum number of structured settlements.