

**Title:**

Getting Quick Cash for Your Structured Settlement

**Word Count:**

773

**Summary:**

A structured settlement is a financial or insurance arrangement, including periodic payments, that a claimant accepts to resolve a personal injury tort claim or to compromise a statutory periodic payment obligation.

**Keywords:**

Cash for your structured settlement, structured settlements, Structured Settlement

**Article Body:**

Just because you received a structured settlement for your lawsuit, it doesn't mean you have to wait for years to get the money. There are many settlement purchasing companies that will give you instant cash for your structured settlement. These companies can pay cash for the entire structured settlement or purchase your remaining periodic settlement payments. You can spend this lump-sum payment on anything—a house, college tuition, business investments or debts.

**What Is a Structured Settlement?**

A structured settlement, which typically results from a personal injury lawsuit, is an agreement where you consent to accept payments over time in exchange for the release of liability for your claim. A structured settlement can provide payments in almost any manner you choose. For example, the settlement may be paid in annual installments over a number of years or in periodic payouts every few years.

These payments are generally awarded through the purchase of one or more annuities from a life insurance company. Structured settlements can also be used with lottery winnings, contest prize money and other situations with substantial cash awards.

**Structured Settlements Not Always the Best Fit**

In theory, structured settlements are designed to provide long-term financial security to injury victims through tax-free payments. And for most people, the

agreed-upon structured payment plan initially makes sense. However, a financial emergency, a business opportunity, an unforeseen medical expense, or a house purchase can put a strain on the injured party's finances.

And the structured nature of the settlement may become too restrictive to cover major financial purchases. Also, a structured settlement may not be the best option for investing. There are many other investment vehicles that can generate greater long-term return than the annuities used in structured settlements. Therefore, some people may be better off getting cash for their structured settlement and then building their own investment portfolio.

### How Getting Cash for a Structured Settlement Works

If you receive an award from your injury case, an attorney or financial advisor will likely recommend setting up periodic installment payments instead of giving you a lump sum of cash up front for your structured settlement. Then, an independent third party will purchase an annuity that will provide you with tax-free periodic payments.

Companies that offer cash for structured settlements have a variety of programs that can allow you to access any portion of your annuity. For example, you may want to sell as little as four year's worth of payments or receive a lump-sum payment while still enjoying some portion of your monthly payment. Or you can sell your settlement for a large payment that is five or six years in the future. You can also customize an arrangement to get cash for a structured settlement based on your unique needs.

Here's an example of how obtaining cash for a structured settlement works: Let's say you were in an accident five years ago. The accident caused you to be hospitalized for several months and undergo nearly a year's worth of physical therapy. So you hired an attorney and sued the responsible individual-or, rather, the person's insurance company. Ultimately, your attorney advises you that you'll be awarded a substantial sum of money.

After several months or years of negotiation, you receive a sizable settlement. However, the cash you get upfront is only enough to cover the medical expenses. The rest of your compensation is scheduled to be paid out in regular installments through an annuity over the next 15 to 30 years. Rather than being restricted to monthly or annual payments, you contact a settlement purchaser to secure immediate cash for your structured settlement. You're then able to use the cash to enhance your current cash flow-rather than waiting on periodic future payments.

### Legal Issues of Receiving Cash for a Structured Settlement

If you're contemplating getting cash for your structured settlement, it's important to contact a financial advisor. Most states have regulations that limit the sale of structured settlements, so you'll need court approval to receive cash for your structured settlement. Federal restrictions also may affect the sale of structured settlements to a third-party individual. And some insurance companies won't transfer annuities to third parties.

Also, before you attempt to obtain cash for a structured settlement, be sure to do your homework. Check out multiple companies to see which one can offer you the most cash for your structured settlement. You also want to examine their integrity, reputation and track record. This will help ensure you have the most positive experience obtaining cash for your structured settlement.

Receiving cash for a structured settlement is an ideal option if you need a lump sum of money to meet your immediate needs.