

# Protect your settlement

Structured settlement agreements (SSA) are a smart way to settle your injury case, providing you with regularly scheduled tax-free payments that are tailored to your specific needs.<sup>1</sup> Structured settlements offer a number of benefits that can help secure your financial future:

- **Guaranteed long-term income**<sup>2</sup> — With a steady stream of payments, structured settlements can help cover medical and everyday expenses.
- **Tax-free advantage** — Your scheduled payments from your physical injury settlement are completely tax-free.<sup>1</sup>
- **Financial protection** — The market can be volatile and unpredictable. Structured settlements protect you from possible overspending and allow you to make risk-adverse decisions with your money.

There may come a time where you seek more immediate cash and look into a process called factoring. If you choose to factor, you would sell future income from your structured settlement annuity for instant access to some or all of your payments.

Before making any major changes to your structured settlement, however, it's important to learn all the facts about factoring.

## What is factoring and how does it work?

Factoring is when an annuitant sells the rights for some or all of their future annuity payments from a structured settlement for immediate cash from a third-party company, usually referred to as a factoring company.

Factoring companies offer a relatively modest amount of cash to the annuitant (i.e., the recipient of the structured settlement) and then turnaround and sell your future payments to investors at a profit. You (the seller) give up a considerable amount of your settlement, while the buyer enjoys its full value.

Here are a few crucial points to consider before making changes to your annuity.

- **Verify the factoring firm.** Research the company on the [Better Business Bureau](#) and the [Consumer Financial Protection Bureau](#). Read reviews on search engines like Google to see if there are complaints about the company.
- **Consult professionals in tax and law.** Do not sign documents without having legal professionals in tax, law, or both review it with you. You may be giving away certain privacy rights, as well as power of attorney, if you are asked to sign anything in order to receive a quote.
- **Ask about fees.** Factoring transaction costs come with fees including, court filing, attorney, and other fees that will inevitably come with their service. The costs can add up quickly: court filings are usually \$400, with attorney fees reaching anywhere from \$4,000 to \$5,000.

- **Get competing offers.** Just like any other major financial decision or purchase, it's wise to shop around for offers.
- **Fully assess your needs.** Is this your second- or third-time factoring? Remember: with every factoring transaction, you incur attorney, court, and background check fees, which come directly out of your annuity's value.

Structured settlements play a very important role — providing you, the injured party, with financial stability and up to a lifetime of steady income you can rely on from a company you know and trust. As our customer, you have access to online resources to help you manage your annuity. We are here to help and make sure you continue to have the financial protection you need.

For more information, visit [metlife.com/settlement-protection](https://www.metlife.com/settlement-protection) or call our Customer Solutions team at **1-800-638-2704**, Monday–Friday 8:00 am–9:00 pm Eastern Time.

1. Any discussion of taxes is for general informational purposes only and does not purport to be complete or cover every situation. MetLife, 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.
2. All guarantees are subject to the financial strength and claims paying ability of the issuing MetLife company.

