



Pitfalls of Structured Settlements

Structured settlements come with several risks that individuals should consider.

Limited Flexibility

Structured settlements offer fixed payments over time, hindering adjustments for changing finances or unforeseen expenses. This can lead to selling settlements to firms like Peachtree or JG Wentworth with exorbitant fees.

Inflation Risk

Fixed payments don't keep up with inflation, eroding purchasing power and affecting healthcare costs.

Counterparty Risk

Structured settlements rely on the financial stability and longevity of the insurance company or annuity provider responsible for making the payments. If the responsible party encounters financial difficulties, declares bankruptcy, or fails to fulfill its obligations, the recipient may face challenges in receiving the payments.

Reduced Control

Structured settlements hand control to insurers for payments, limiting financial autonomy for some individuals.

Unforeseen Changes

Life's unpredictability can strain settlements, insufficient for emergencies, pushing some to sell at a loss.

Lost Investment Opportunities

By opting for a structured settlement, individuals forgo the opportunity to invest the lump sum of money received in a potentially more profitable manner. If the recipient could have invested the funds in higher-yielding investments, they may miss out on potential investment returns.

Emotional & Psychological Impact

It's worth considering the emotional and psychological impact of receiving a structured settlement. Some individuals may feel frustrated or restricted by the ongoing payment schedule, as it serves as a constant reminder of the incident that led to the settlement. This emotional burden can affect your overall well-being.

Contact us to evaluate settlement planning based on your situation. Consult a comprehensive settlement planner offering various financial options for your specific case.

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