

2019 NSSTA
“TAKE THE HILL DAY”
March 13, 2019

OVERVIEW:

On Wednesday, March 13, 2019, NSSTA members are invited to spend the day on Capitol Hill meeting with Members of Congress and senior Congressional staff. On this day NSSTA members will “Take the Hill” to meet Members of Congress and highlight the important public policy and economic security benefits of structured settlements.

NSSTA members are also invited to attend the 2019 AAPD Leadership Gala at the Washington Hilton Hotel the night before.

NOTE: “Take the Hill” doesn’t just happen in Washington, DC. If you aren’t able to travel to Washington, we encourage you to schedule meetings with your Member of Congress in their local district office.

This packet has been prepared to guide NSSTA members on:

1. How to contact Members of Congress
2. How to schedule meetings on Capitol Hill
3. How to best “lobby” Congress on behalf of the structured settlements industry.

The NSSTA Association Management Team and the NSSTA Director of Government Affairs will assist your Congressional outreach efforts. **If you need help finding the name of your Member of Congress, the name of the Congressional Staffer to call or even the correct phone number—contact Eric Vaughn directly.**

In this packet, you will find the following:

- Information that will guide you as you contact your Member of Congress to schedule a meeting on Capitol Hill
- “Helpful Hints” on what to do and what to say to Members of Congress and senior Congressional staff
- The Agenda for the “Take the Hill Day
- The NSSTA-AAPD Structured Settlements Position Paper

HOW TO CONTACT YOUR MEMBER OF CONGRESS

The following steps will help you make initial contact with Congressional staff, prepare the meeting request memo, and follow-up to secure your meeting on Capitol Hill or the Congressional District Office.

1. Identify your Members of Congress: You are represented in Washington, D.C. by three Members of Congress—two U.S. Senators and one Member of the U.S. House of Representatives.

The easiest way to identify your Congressional Representative and your Senators is to go on-line to the web site of the U.S. House of Representatives, www.house.gov and the U.S. Senate www.senate.gov. In both cases you can insert your Zip Code and find your Member of Congress.

2. Information You Need: There are several pieces of information you need from the House of Representatives and U.S. Senate websites, including;

- The correct spelling of the Member's name
- Congressional Office Address on Capitol Hill
- Congressional Office Phone Number
- Name of the Member's Scheduler and Member's Chief of Staff
- District Office Address and Phone Number
- District Office Staff Director

3. Congressional Offices—Washington, D.C. vs. District Offices: Members of Congress typically have two or more local (District) offices located in their Congressional District—which could be in your home town, and an office in Washington D.C. **NOTE: Unless you already know your Member of Congress and have met with senior Congressional Staff, make your first contact with your Member of Congress in their District Office.**

- First--Call the Congressional District Office: Because you visited the Member's web site you know the name of the District Staff Director for the Member. You are calling to introduce yourself, introduce your company and your trade association—NSSTA. You are also calling to inform the staff that you plan to be in Washington, D.C. for the NSSTA "Take the Hill" event on March 13, and you want to arrange a time to meet with the Congressperson when you are in Washington. You need to know who in the Member's Office on Capitol Hill you need to speak with to schedule this meeting.

- Second--Call the Congressional Office on Capitol Hill: Members of Congress have a full time Scheduler on their staff. As soon as you know you will be attending the NSSTA “Take the Hill” event, you need to contact the Congressional Office Scheduler—first with a phone call and then an e-mail message.
3. Meeting Request: Members of Congress and their staffs meet with thousands of people every year. Your request for a meeting with your Member of Congress should include the following:
 - Clear statement of the facts—who are you, who do you work for and what are you doing in Washington, D.C.
 - Clear Request--you are asking for time to introduce yourself, your company and structured settlements to the Member of Congress
 - Clear Contact Information for you—office phone, cell number, office address
 - Clear Dates and Times—when are you available to meet with the Member—be as flexible as possible
 4. NOTE: Be Professional and Be Positive: Congressional staffers are generally very positive when dealing with constituents and very serious about working with constituents to schedule meetings with the Member of Congress and/or senior staff
 5. Make your initial contact with the Congressional staff yourself. Do not ask your secretary or staff assistant to contact Congressional staff to schedule your meeting with the Congressman or Senator
 6. General Information:
 - Capitol Hill Phone Number Switchboard: 202-224-3121
 - E-mail House Members: www.house.gov/writerep
 - E-mail Senate Offices: www.senate.gov

AGENDA
“TAKE THE HILL DAY”
March 13, 2019

- 9:00 AM: Arrive at the Rayburn House Office Building, located at Independence Avenue and South Capitol Street, SW.

Note: We are meeting for coffee and rolls in the Rayburn House Office Building Cafeteria, located on the Basement Level.

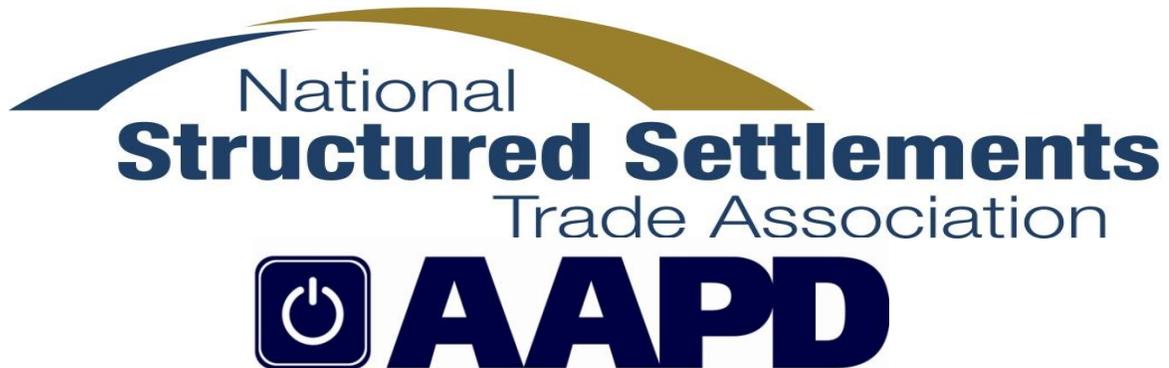
Building Security: You do not need an ID to enter the Rayburn House Office building, but you do need to pass through security. You will not be allowed to carry coffee, drinks or metal objects. You will pass through airport-like magnetometers

- 10:00 AM: Meeting with the Co-Chairs of the Congressional Structured Settlements Caucus--Congressman Jim Sensenbrenner, Congressman John Lewis and Congressman Matt Cartwright who will provide industry leaders with an overview of the major issues Congress plans to address during this first Session of the 116th Congress.
- 10:45 AM: NSSTA Staff will provide guidance and direction on meetings with Members of Congress
 - Members of Congress and Senior Congressional Staff
 - NSSTA members will locate the offices of all three Members of Congress who represent them on Capitol Hill.
 - NSSTA members will seek to meet with the Members of Congress and/or Congressional Staff.
 - NSSTA members will share information about structured settlements

HELPFUL HINTS ON MAKING YOUR MEETING WITH A MEMBER OF CONGRESS
SUCCESSFUL

1. The Meeting: Here are just a few helpful hints:
 - Be on time—allow 30 minutes to get to the meeting, which includes getting through security.

- Be prepared and be brief--you will typically have no more than 10-15 minutes with a Member of Congress. Do not assume your Member of Congress has an understanding of structured settlements.
 - Be clear--provide general information about you and your company and personal data or real-life structured settlement case story for illustration.
 - Be polite--Members of Congress and Congressional staffers are both very important to the legislative process—issues advocacy is all about building and maintaining relationships over time.
 - Be apolitical—a structured settlement is not a political issue, not a Republican issue and not a Democratic issue.
 - Listen carefully--Questions or comments about structured settlements should be noted and addressed.
 - Business Cards--Leave your business card with the Congressman and his/her staff assistant and, most importantly, get a business card from the Congressional staffer in your meeting
2. Political Campaign Information: NEVER, NEVER, NEVER discuss political campaign contributions or political fundraising events EVER in a Congressional Office with any Member of Congress or any Congressional Staffer--EVER.



Structured Settlements Enable the Newly Injured to Live with Dignity, Independence, and Freedom from Reliance on Government

Executive Summary

- **Structured settlements are in wide use today to resolve physical injury claims**

Structured settlements have been widely used in the tort area for more than three decades, and in worker's compensation for over a decade. In a structured settlement, a voluntary agreement is reached between the parties under which the injured person receives damages in the form of a stream of periodic payments tailored to his or her future medical expenses and basic living needs from a well-capitalized, financially-experienced institution.

- **Structured settlements enable injured persons to live with dignity, free of reliance on government**

- Structure settlements provide a private sector funding alternative to the traditional taxpayer-financed assistance programs in order to meet the ongoing, long-term medical and basic living needs of seriously-injured persons and their families. This is done through an assured stream of payments tailored to their needs.
- It enables persons who are injured to live with dignity and financial independence, free of reliance on government programs.

- Structured settlements have strong support from the plaintiff's bar, defense bar, judges, and mediators.
- **With bipartisan support Congress has adopted special tax rules to encourage use of structured settlements to provide long-term financial protection to injured persons and their families**
- **These structured settlement tax rules have worked effectively over the past three decades and should remain part of the tax law in any reform effort.**

For over a decade NSSTA and AAPD forged a strong partnership in order to promote the peace of mind and long term financial security inherent in structured settlements to the newly injured and disabled. For anyone who comes to disability through accident or injury, they and their loved ones face new questions and uncertainties. Structured settlements remove many of the challenges that confront them regarding long term financial and healthcare needs.

From a public health perspective, settlements keep many from reliance on governments and protect scarce resource dollars. Through the efforts of AAPD and NSSTA, persons who become disabled through accident or injury will gain financial security and peace of mind.

About AAPD

The American Association of People with Disabilities (AAPD) is the nation's largest disability rights organization. AAPD promotes equal opportunity, economic empowerment, independent living, and political participation for people with disabilities. Our members, including people with disabilities and our family, friends, and supporters, represent a powerful force for change.

About the National Structured Settlement Trade Association

The National Structured Settlements Trade Association (NSSTA) is an organization composed of more than 500 members throughout the country. These members specialize in negotiating and funding structured settlements of tort and worker's compensation claims involving persons with serious, long-term physical injuries. Structured settlements provide the injured person with the financial security of an assured payout over time. Founded in 1986, NSSTA's mission is to

advance the use of structured settlements as a means of resolving physical injury claims.

NSSTA's members include: structured settlement brokers who work with plaintiff counsel and defense counsel to develop, negotiate, and implement the structured settlement for the injured person; life insurance companies which fund the structured settlements through annuities; property and casualty companies and self-insured entities which enter into the structured settlement with the injured person to resolve his or her physical injury claim; and various attorneys, economists, and experts active in the structured settlements field.

About Structured Settlements

Structured settlements provide crucial financial protection to injured persons and their families

Historically, a lump sum recovery was the standard option in personal injury cases. The injured person then faced the daunting challenge of managing that lump sum in order to cover substantial ongoing medical and living expenses for her or her lifetime. All too often, this lump sum swiftly eroded away. When the recovery money was used, the injured person was still left in the same situation as before—disabled and unable to work. In such cases, responsibility to care for this disabled person fell to Medicaid and public assistance systems.

Structured settlements provide a better approach. A voluntary agreement is reached between the parties generally through their counsel under which the injured person receives damages in the form of a stream of periodic payments tailored to address the future medical expenses and basic living needs of the injured person and his or her family from a well-capitalized, financially-secure institution. This process may be overseen by a court, particularly in minor's cases.

Often, this payment stream is dispersed throughout the individual's lifetime to ensure future medical expenses and basic living needs will be met, and that the injured person will not outlive his or her compensation. In the case of a disabling injury or wrongful death of a bread-winner, the payment stream can be tailored to support the family. For example, the family may have young children to care for at home, with the other spouse unable to return to work or to earn enough to support the family. The payment stream can be tailored to meet the family's specific needs over time, including providing lump sum payments in the future when the children reach college to help fund the cost of their education.

Structured settlements are voluntary arrangements. The injured person has a choice whether or not to take a structured settlement. Generally, about one-third

of the injured persons who are offered a structured settlement take it. The other two-thirds take the cash lump sum.

Structured settlements typically are used in the case of major physical injuries “when the loss payments are very large” (Closed Claim Survey for Commercial General Liability: Survey Results, 1997, p. 22, prepared by ISO DATA, Inc., a nonprofit arm of the Insurance Services Office, Inc., which conducted the survey under the auspices of the National Association of Insurance Commissioners (NAIC), the national group of the State insurance regulators).

The ISO study found that of the 215 claims involving structured settlements in the survey sample, 67 percent arose from “major injuries” (“permanent significant”, “permanent major”, “permanent grave”, death and “temporary major”), with an average total present value of \$408,000. The remaining 33 percent of claims involving structured settlements for other types of significant injuries had an average total present value of \$210,000. The ISO study found that about half of the present value of the case was paid in an upfront lump sum to meet the injured person’s cash needs (e.g., retrofitting the house for wheelchair access), and the remaining half represented the present value of the structured future payments (ISO Study, at p. 22). Overall, the ISO study found that the average total present value (including the upfront cash and the present value of the future payments) of a case resolved by structured settlement was \$343,000 (ISO Study, at p. 21).

Structured settlements have the strong support of the plaintiff’s bar, the defense bar, judges, and mediators.

The Federal government also makes significant use of structured settlements to resolve physical injury claims under the Vaccine Injury Compensation Trust Fund established by section 9510 of the Internal Revenue Code and under the Federal Tort Claims Act. NSSTA estimates that over 50 percent of all Vaccine Injury Compensation Fund claims for the young children suffering physical injuries from vaccines are resolved with structured settlements.

In summary, a structured settlement provides these key policy benefits:

- Protection against premature dissipation by injured persons who usually lack the experience to manage the financial responsibilities and risks of investing a large lump sum to cover a substantial, ongoing stream of medical and basic living expenses for a lengthy period.
- Payout tailored to the day-to-day living expenses and the ongoing medical and financial needs of the injured person and his or her family.
- Payment stream is often for the remainder of the injured person's lifetime, so that the injured person does not outlive his or her compensation, and can be extended to the life of a spouse and to support children in the family
- Avoids shift of responsibility for care to taxpayer-financed public assistance programs.

Legislative History

Congress has adopted special tax rules to encourage and govern structured settlements

For these reasons Congress adopted, with bipartisan support, a series of special tax rules to encourage and govern the use of structured settlements to provide long-term financial security to injured victims and their families. These structured settlement tax rules have worked effectively for three decades.

Under these rules, the full amount of the periodic payments constitutes tax-free damages to the injured person, and the liability to make the periodic payments to the injured person may be assigned by the settling defendant to a structured settlement assignment company that will use a financially-secure annuity to fund the damage payments (I.R.C. §§ 130, 104, 72).

In the Taxpayer Relief Act of 1997, in a provision sponsored by Rep. Clay Shaw (R-Fla.) and Pete Stark (D-Ca.), and co-sponsored by a bipartisan majority of the House Ways and Means Committee and by Sen. Max Baucus (D-Mont.) and Chuck Grassley (R-Iowa) in the Senate, Congress extended the structured settlement tax rules to worker's compensation to cover physical injuries suffered in the workplace.

The Victims of Terrorism Tax Relief Act of 2001, enacted to compensate the victims of the September 11 attack, included a measure championed by Reps. Shaw

and Stark along with a broad bipartisan majority of the Ways and Means Committee and with the support of Sens. Baucus and Grassley in the Senate to protect structured settlement recipients from factoring companies which seek to purchase part or all of an injured person's future payments in exchange for a sharply discounted lump sum now. These factoring transactions can jeopardize the long-term financial security of injured persons and their families.

The Joint Committee on Taxation staff has estimated that the structured settlement tax rules in Code sections 130 and 72 have a total five-year revenue loss that is "below the *de minimis* amount (\$50 million)" for the fiscal years 2013 through 2017 (Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2012-2017* (JCS-1-13), February 1, 2013, at pp. 25-26).

Conclusion

In summary, structured settlements constitute a private sector funding alternative to taxpayer-financed assistance programs to meet the ongoing, long-term medical and basic living needs of seriously-injured persons and their families, providing long-term financial security through an assured stream of payments tailored to the injured person's needs throughout his or her lifetime. Thus, structured settlements enable seriously-injured people to live with dignity and financial independence, free from reliance on government programs and interference.

The structured settlement tax rules that Congress adopted on a bipartisan basis to encourage and govern the use of structured settlements to provide long-term financial protection to injured persons and their families have worked effectively over the past three decades and should remain part of the tax law in any reform effort.