

**STRUCTURED SETTLEMENT PROTECTION ACT (EXCERPT)**  
**Act 330 of 2000**

\*\*\*\*\* 691.1192 THIS SECTION IS REPEALED BY ACT 296 OF 2006 EFFECTIVE OCTOBER 1, 2006  
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**691.1192 Definitions.**

Sec. 2. As used in this act:

(a) "Annuity issuer" means an insurer that has issued an annuity contract used to fund periodic payments under a structured settlement.

(b) "Applicable law" means 1 or more of the following:

(i) The federal laws of the United States.

(ii) The laws of this state, including principles of equity applied in the courts of this state.

(iii) The laws of any other jurisdiction to which 1 or more of the following apply:

(A) The jurisdiction is the domicile of the payee.

(B) A settled claim was pending in a court in the jurisdiction when a structured settlement was reached.

(c) "Contractual assignment restriction" means a term prohibiting or restricting transfer of a structured settlement payments right in a contract or agreement including, but not limited to, an annuity contract, a structured settlement agreement, a qualified assignment agreement, or a court order or administrative order approving a structured settlement.

(d) "Dependent" includes a payee's spouse, minor child, or other person for whom the payee is legally obligated to provide alimony or other support.

(e) "Discounted present value" means, with respect to a proposed transfer of structured settlement payment rights, the fair value of future payments, as determined by discounting the payments to the present using the most recently published applicable federal rate for determining the present value of an annuity issued by the United States internal revenue service.

(f) "Independent professional advice" means advice of an attorney, certified public accountant, or other professional who meets all of the following concerning a transfer of a structured settlement payment right:

(i) He or she is qualified to advise payees and their dependents on the legal, tax, and financial implications of the structured settlement payment right.

(ii) He or she is not affiliated in any manner with the transferee of the structured settlement payment right.

(iii) His or her compensation for rendering the advice does not depend, directly or indirectly, on whether the transfer of the structured settlement payment right occurs.

(g) "Payee" means an individual who is receiving tax-free damages payments under a structured settlement and proposes to make a transfer of his or her payment rights under the structured settlement.

(h) "Protected party" means, with respect to a structured settlement, the payee, a dependent of the payee, a beneficiary designated to receive payments following the payee's death, an annuity issuer, a structured settlement obligor, and any other party entitled to invoke the benefit of a contractual assignment restriction applicable to the structured settlement, whether as a party to or third party beneficiary of the annuity contract, the structured settlement agreement, the qualified assignment agreement, or the court order, administrative order, or other document in which the contractual assignment restriction appears.

(i) "Qualified assignment agreement" means an agreement providing for a qualified assignment within the meaning of section 130 of the internal revenue code of 1986.

(j) "Settled claim" means the original tort claim resolved by a structured settlement.

(k) "Structured settlement" means an arrangement for periodic payment of damages for personal injuries established by settlement or judgment in resolution of a tort claim. Structured settlement does not include an arrangement for periodic payments in settlement of a worker's compensation claim.

(l) "Structured settlement agreement" means the agreement, judgment, stipulation, or release establishing the right of the payee to receive periodic payments and other terms of a structured settlement.

(m) "Structured settlement obligor" means, with respect to any structured settlement, the party that has the continuing periodic payment obligation to the payee under a structured settlement agreement or a qualified assignment agreement.

(n) "Structured settlement payment right" means a right to receive periodic payments including, but not limited to, lump sum payments under a structured settlement from the settlement obligor or the annuity issuer, where 1 or more of the following apply:

(i) The payee or a protected party is a resident of this state.

(ii) The settled claim was pending before a court of this state when the structured settlement was reached.

(o) "Transfer" means a sale, transfer, assignment, pledge, hypothecation, or other form of disposition, alienation, or encumbrance made for consideration.

(p) "Transfer agreement" means an agreement providing for transfer of a structured settlement payment right from a payee.

**History:** 2000, Act 330, Imd. Eff. Dec. 14, 2000.