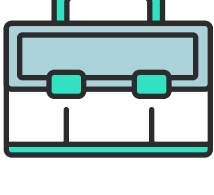


Common Reasons for Selling an Annuity



Job Loss



Medical Emergency



Lifestyle Change



Annuity Inheritance



Fund a Divorce



Pay Off a Credit Card



Finance a College Education
or Pay Off Student Loans



Pay For a Funeral

Process for Selling an Annuity



1
Research Annuity
Purchasers

Start by shopping around for the right annuity buyer. Beware of unethical practices and fraud.



2
Get a Quote

Your quote should have a low discount rate so you get to keep as much of your money as possible. The average discount rate is 12 percent.



3
Submit Your Paperwork

Once you receive a quote, you must complete paperwork to allow buyers to access your annuity contract.



4
Present Your Case Before a
Judge

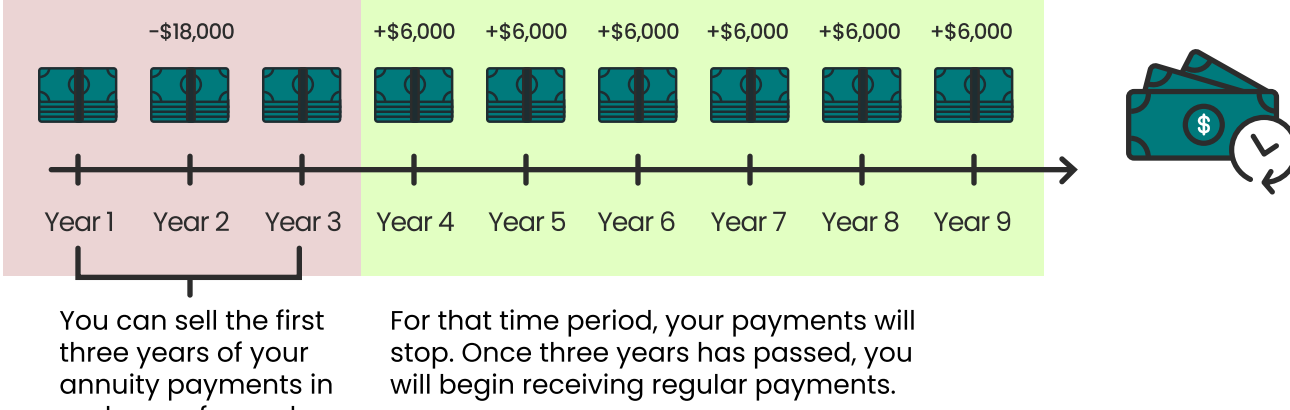
If you're selling a structured settlement, there is one more step. A brief hearing to obtain court approval of your transfer must take place.

Partial vs. Lump Sum Sale

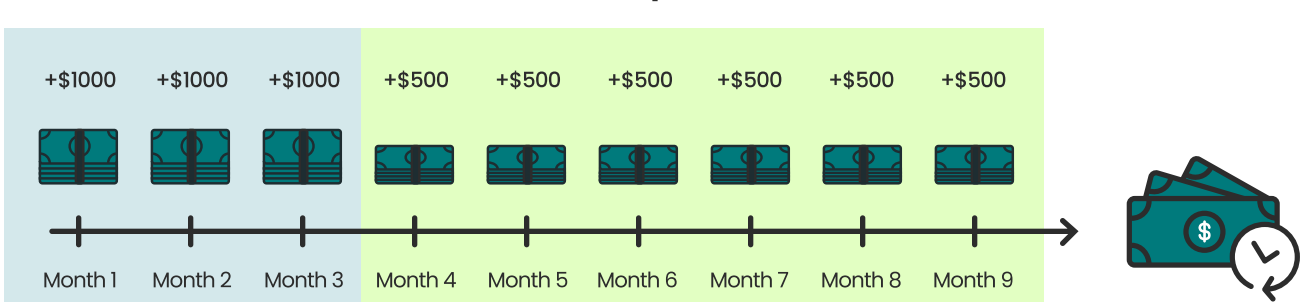
Partial Sale

A partial annuity sale allows you to sell a period of your annuity payments for a lump sum of cash.

Example #1



Example #2



You may also elect to sell a portion of your annuity payments. For example, if your payments are \$1,000 a month, you may sell half or \$500 a month, and continue to receive the rest of the payments.

Lump Sum Sale

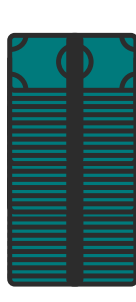
A lump-sum sale allows you to sell a specific dollar amount of your structured settlement or annuity instead of a certain number of payments that might not total the exact amount you need.



\$95,000
Annuity Value
Sold



\$9,500
10% Discount
Rate



\$85,500
Cash Now

Why You're Not Receiving the Full Value

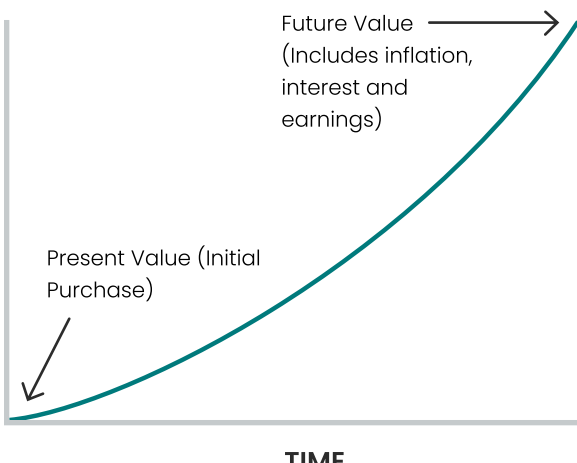
When someone purchases your future payments, it's not a dollar-for-dollar exchange because the overall value of your contract is only worth that amount over a long period of time. This can be explained by a concept called the time value of money.



Time Value of Money

A dollar in hand now is worth more than a dollar in hand later due to its interest-earning potential.

VALUE OF A
DOLLAR



Discount Rates

Annuity buyers use discount rates to account for this discrepancy in value and make a small profit for giving you cash up front.

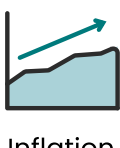
Annuity buyers calculate the discount using fluctuating variables that include:



Demand for Services



Interest Rates



Inflation



Time Investment

Sources

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