



# Attorney Fee Structures from The Hartford

A Quick Guide to Structuring Plaintiff Attorney Fees

## UNDERWRITING TIPS

- Attorney must (1) be actively engaged in the practice of law, other than as an employee or as a director of a corporation and (2) provide such services to two or more clients to whom he/she is not related and who are not related to one another
- **Avoid constructive receipt** – Attorney must agree to structure his/her fees prior to plaintiff signing a release.
- Fees can be structured on a **stand-alone basis**.
- Attorney may structure **all or a portion** of fees.
- Lifetime and term certain payouts.
- **Joint and Survivor annuities. (NEW!!)**
- **Rated age underwriting.** Specify as "Attorney Fee".
- **Commutation upon death of attorney** – available according to standard guidelines. **(NEW!!)**
- **Secured Creditor Status** – Not for plaintiff attorney. If effective on the plaintiff's structure, complete a separate Uniform Qualified Assignment (UQA).
- Annuity payments issued during a calendar year are reported to the attorney or his/her firm and the Internal Revenue Service on **IRS Form 1099-MISC**.
- **Beneficiary designations** – Attorney may name and make changes to beneficiaries. **(NEW!!)**
- **Memorandum of Law** – Supports tax deferral for attorneys structuring their fees under The Hartford's program. Copy available upon request. **"UPDATED!!"**

## REQUIRED CONVENIENCE LANGUAGE

Must be included in the Settlement Agreement and in the Uniform Qualified Assignment:

"The Plaintiff authorizes and instructs payment to be made to his or her attorney as provided herein. Such amount shall be paid from the periodic payments that otherwise would be payable to the Plaintiff pursuant to this Agreement. The Plaintiff acknowledges and agrees that these payment instructions are solely for the Plaintiff's convenience. These payments do not provide the Plaintiff's attorney with any ownership interest in any portion of the annuity or the settlement other than the right to receive the payments in the future as more specifically set forth herein."

Neither The Hartford nor its employees nor its agents provide tax or legal advice. Each attorney is responsible for his or her own tax returns, and should obtain independent tax advice before entering into a structured fee arrangement. Any payments made to a beneficiary after the death of the attorney will continue to be reported to the attorney and the Internal Revenue Service on IRS Form 1099-MISC. The attorney should consult his or her tax advisor to determine the impact of this reporting based on the benefit option selected and the beneficiary designated.

Hartford Comprehensive Employee Benefit Service (CEBSICO) Company acts as the assignment company for certain structured settlement obligations as provided under Section 130(c) of the Internal Revenue Code.

Fixed annuities issued by Hartford Life Insurance Company

**NOT FOR USE WITH THE PUBLIC**

## QUOTING ATTORNEY FEE CASES

- Use The Hartford's structured settlement quoting software.
- Quote as a **NON-QUALIFIED, NON-ASSIGNED** case.
- **Owner state:** Connecticut.
- Add **\$250 attorney fee assignment charge to the quote sheet.**

## REQUIRED DOCUMENTATION

- **Annuity Application** with attorney as annuitant. **(NEW!!)**
- **Settlement Agreement** with required convenience language (see paragraph in left column).
- **Qualified Assignment Document** with required convenience language (See paragraph in left column).
- **Original Indemnity/Hold Harmless Agreement. (NEW!!)** – Executed by the plaintiff attorney and a firm partner.
- **Original Internal Revenue Service Form W-9.**

**Questions? Call Us Toll-Free at 800.200.6822**