



MONTANA STATE AUDITOR
JOHN MORRISON

Alicia Pichette
Deputy Ins Comm
840 Helena Ave
444-2004
COMMISSIONER OF INSURANCE
COMMISSIONER OF SECURITIES

Structured Settlement Protection Act

SB 122

SB 122 to Protect Montana Consumers

This bill is intended to protect persons who are injured and receive the right to a series of payments under a structured settlement to compensate them for their injuries when the injured person is later engaged in the sale of those payment rights. A **structured settlement payment right** is the right to receive periodic payments upon settlement of a personal injury lawsuit from the person obligated to pay the judgment or from the issuer of the annuity policy purchased to create a stream of payments to the injured person. This bill is designed to involve the court or authority that first approved the structured settlement in the terms of the sale of those payment rights. It would require that a person selling his or her right to a series of payments be fully informed of the value of those rights they are selling and that they would not be protected after they sell the rights in exchange for a lump sum payment.

This a Consumer Protection Measure

Specific disclosure requirements and procedures for court approval of a sale of payment rights will apply:

- when the person entitled to the payments is domiciled in this state, or
- when either the person obligated to pay or the annuity issuer has this state as its domicile or principal place of business; or
- where a court or responsible administrative authority in this state approved the structured settlement agreement, or
- where the structured settlement agreement is expressly governed by the laws of this state.

SENATE JOURNAL

Exhibit 2

Date 1-4-05

Bill No. 122