

STRUCTURED ANNUITIES, INC.

SIDE-BY-SIDE COMPARISON

Structured Settlement vs. Bank Trust

ISSUE/CONCERN	STRUCTURED SETTLEMENT	BANK TRUST
What types of securities/ insurance products support the payments?	A fixed annuity contract issued by a life insurance company. Assets are invested in the insurance company's general account.	For cases involving incompetent individuals, minors or serious injuries, investments may be restricted to federally insured products (i.e., Certificates of Deposit). For other cases, any investment may be used – fixed income, stocks, bonds, and mutual funds. These securities are NOT F.D.I.C.-insured.
Can this option provide a stable, lifetime income?	Yes. Payments and distribution schedule are determined up front. Can provide a dependable, predictable income stream that you cannot outlive.	Any income or return will depend on the type and performance of the underlying investments.
Is there a guarantee with this option?	Yes. The annuity issuer guarantees payments, as provided by the terms of the structured settlement agreement.	Federal Deposit Insurance Corporation (FDIC) insures up to \$100,000 on Treasuries and C.D.'s. Any other investments are NOT guaranteed.
What are the costs and fees associated with this option?	No cost to the annuitant.	Bank management fee of 1-1.25% of asset value per year, every year. Transaction processing costs of securities purchases. Management fees from the various securities in which the Trust invests (i.e. 12b-1 fees on mutual funds).
Will this option keep pace with inflation?	Yes, with a Cost-of-Living-Adjustment (COLA) feature.	It depends on performance of the underlying securities.
What are the tax consequences?	Income provided by the fixed annuity is TAX-FREE , provided the damages received as periodic income (other than punitive damages) are the result of personal physical injuries or physical illness.	All income generated is FULLY TAXABLE (except some income from tax-free Municipal Bonds). Capital gains taxes apply when securities are sold.
Is this option affected by market fluctuations?	No. Benefit payments are determined and fixed at the time the annuity contract is issued.	Payment amounts are fixed, but how long they last may be affected by the performance of the underlying securities.
Can I make changes to this option after I select it?	No. Payment amount and schedule are fixed and may not be changed or accelerated.	It depends on the types of securities and the terms of the trust. Payments may be withheld at Trustee's discretion.

Information provided by Hartford Life

**Important Note: Neither Hartford Life nor its agents give legal or tax advice. Since tax laws are subject to change, the brief discussion of options here cannot be considered complete or necessarily up to date. Please consult your own attorney or tax advisor for more details. 6/11/99*

Contact Us Today for a Quote

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Consult your attorney and/or accountant. We do not give tax or legal advice.