

## **Protecting a Great Decision**

### **Why You Entered Into a Structured Settlement**

You made a great decision when you structured a portion of your settlement proceeds as periodic payments. Your structured settlement is funded by an annuity from First Berkshire Hathaway Life Insurance Company of Nebraska. This benefits you in several ways:

- Your structured payments are backed up by financially strong and well respected members of the Berkshire Hathaway Group.
- In most cases, had you accepted your entire settlement in cash, you would owe income tax on interest and capital gains from investments. Your structured payments will come to you 100% tax free.
- Your structured payments will continue to provide long-term security for the life of your contract, which may include payments for the rest of your life.
- Your structured payments will always come in the amount scheduled and at the time scheduled. Unlike stocks, bonds or real-estate, they cannot go down in value.

### **Beware of Companies Offering to Undo Your Structured Settlement**

You may see advertising from companies offering to buy future payments from you. You may even be contacted directly by such companies who found your name in public records. You entered into a structured settlement for good reasons, and it is usually a bad idea to undo it. If you sell payments, not only will you give up the benefits of the structured settlement, but in most cases, you will be offered substantially less than your payments are worth.

These companies may employ aggressive tactics to encourage you to make a bad decision. If you respond to their advertising or if they directly contact you and you show any interest, they may reach out to you repeatedly to try to get your business. If you exhibit a willingness to do a bad deal and sell some payments, they may aggressively encourage you to enter into repeat transactions. Since the sale of payments is public record, their competitors may also start to pursue your business.

Any company attempting to buy your payments will need a court order to complete the transaction. They will be required to provide us with notice of the court hearing. If you are offered poor economic terms, or if the company withholds important information from the court, we will intervene to make sure you and the judge know. While we cannot prevent you from willfully entering into a transaction that is not good for you, the court may rule that it is not in your best interests.

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### **Our Hardship Exchange Program**

We very much discourage you from cashing out a portion of your structured settlement and disturbing the important protections it provides, but we understand that your circumstances may change, leaving no other option. If you feel that you are in such a situation, please reach out to us as we may be able to help you with a better alternative. Please call us at **1-402-916-3799** with questions.

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### **Stay In Touch**

It is important that you keep your mailing address and other contact information up-to-date. If you want to establish direct deposit, change your direct deposit instruction, update your address or change your beneficiary designation, please see the attached General Information and Change Forms.

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