



AMERICAN ASSOCIATION OF
SETTLEMENT CONSULTANTS

BACKGROUND

What is the AASC?

The American Association of Settlement Consultants (AASC) is an industry advocacy group representing settlement consultants from across the country who structure legal settlements. AASC is committed to a vibrant, strong, and modern settlement planning industry. AASC promotes collaboration within the structured settlement industry, actively encourage balanced settlement planning on behalf of its clients, and believe in integrated, common sense solutions that protect the needs of injured people and their families. AASC advocates for public policies that will strengthen this essential industry and provide benefits to the consumer.

What is a structured settlement?

A structured settlement is a regularly scheduled, periodic payment to injured parties and their families over an extended time rather than in a lump sum cash payment. Structured settlement funds are placed in fixed-annuities and investment accounts, for tax-free or tax-deferred growth for the affected party. A structured settlement is a stable financial tool that is widely used by both defendants and plaintiffs when settling cases, and both sides can benefit from their use in finalizing settlements. Recipients of structured settlements represent injured parties ranging from victims in car and workplace accidents, to users of hazardous consumer products, to victims and family members of victims in mass shootings.

Structured settlements have a long-standing history of bipartisan support. The Periodic Payment Settlement Act of 1982 (PPSA) was a bipartisan proposal principally authored by Senator Max Baucus (D-MT) and Congressman Andrew Jacobs Jr. (D -IN). The core of the current law was passed by unanimous voice vote in both the House and the Senate in December 1982 and was signed into law by President Ronald Reagan in January 1983. The PPSA, encoded at 26 USC 130, encourages the use of structured settlements in physical injury cases, by excluding from taxable income, lump sum or periodic payments for damages received on account of personal injuries or sickness to the extent those proceeds are used to purchase an insurance annuity or a U.S. obligation to cover the liability.

What is a settlement consultant?

The settlement consultant is a state-licensed professional who works with injured individuals and families, the parties in settlements and their attorneys, and serves the vital function of planning and structuring the settlement. There are over 600 licensed settlement consultants in the United States, all of whom are required to pass state licensing exams and complete ongoing continuing education in order to place client funds into a structured settlement. It is the job of the consultant to ensure that a portion of the settlement is transformed into a long-term plan that the injured individual and their family can rely on in the future. Settlement consultants are essential to preserving the structured settlement.

