

Case Study

spinal cord injury



SAGE
SETTLEMENT CONSULTING

KEY SETTLEMENT TOOLS

- Structured Settlement
- Medicare Set-Aside
- Market-Based Structured Settlement
- Minors' Trusts for Children



Client: Michelle R., Age 42

Net Settlement: \$3.2 Million

A devastating auto accident left Michelle paralyzed from the waist down and suffering from chronic, debilitating pain. Michelle was unable to maintain her job as a project manager for a private IT firm. As single mom of two children under 10, she needed security.

While awaiting settlement, Michelle qualified for Social Security Disability (SSDI) benefits and would become automatically be eligible for Medicare benefits within months. In the interim, she relied on COBRA benefits to cover her healthcare costs.

CHALLENGES

- Risk of rapidly depleting a lump sum cash settlement
- Need for lifetime income
- Provide funding for children's future college expenses

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SETTLEMENT ALLOCATION

Amount	Solution	Purpose
\$1,900,000	Structured Settlement Annuity	Income replacement via lifetime monthly payments; one stream will be used to replenish Medicare Set-Aside annually
\$13,000	Medicare Set-Aside Seed Money	MSA needed to fund Medicare-eligible expenses
\$387,000	Market-Based Structured Settlement	Additional income and hedge against inflation
\$600,000	Minor Trusts (\$300K/child)	Fund college and first vehicle for each child
\$300,000	Immediate Cash Lump Sum	For immediate needs, including home modifications and emergency fund

OUTCOME

Michelle's settlement plan secured predictable income for the remainder of her life and provided for her children's future needs. The structured settlements provided Michelle with enough future monthly income to assist in the payment of a home health aide or a nurse if needed. A cash lump sum paid for immediate financial needs, including home accessibility modifications. Lastly, the remaining liquid cash served as an emergency fund, providing Michelle with peace of mind.