

REVISED STRUCTURED SETTLEMENT PROTECTION ACT (EXCERPT)
Act 296 of 2006

***** 691.1304.new THIS NEW SECTION IS EFFECTIVE SEPTEMBER 1, 2006 *****

691.1304.new Transfer of structured settlement payment rights; final court order; approval; basis; findings.

Sec. 4. A direct or indirect transfer of structured settlement payment rights is not effective and a structured settlement obligor or annuity issuer is not required to make a payment directly or indirectly to a transferee of structured settlement payment rights unless the transfer has been approved in a final court order and the order is based on express findings of all of the following:

(a) The transfer is in the best interest of the payee, taking into account the welfare and support of the payee's dependents.

(b) The transferee has advised the payee, in writing, to seek independent professional advice regarding the transfer, and the payee has either received independent professional advice or knowingly waived in writing the opportunity to seek advice.

(c) The transfer does not contravene an applicable statute or order of the court or other government authority.

(d) The discount rate or rates used in determining the discounted present value of the structured settlement payments to be transferred do not exceed 25% per year.

(e) If the transfer is inconsistent with a restriction against assignment in the structured settlement agreement and if the structured settlement obligor objects to the transfer based on the restriction against assignment before the hearing on the application for approval of the transfer, all of the following:

(i) The payee will suffer imminent financial hardship if the transfer is not approved.

(ii) The transfer will not render the payee unable to pay current or future normal living expenses.

(iii) The transfer order will restrict payment of the gross advance amount to direct payment to the provider of the goods or services that are the subject of the imminent financial hardship. If the total cost of the goods or services cannot be readily determined at the time of or within a reasonable time after the transfer, the court may exercise reasonable discretion in ordering such direct payments.

History: 2006, Act 296, Eff. Sept. 1, 2006.