



Ohio Revised Code

Section 2323.58 Transfer of structural settlement payment rights definitions.

Effective: October 27, 2000

Legislation: Senate Bill 260 - 123rd General Assembly

As used in this section and sections 2323.581 to 2323.587 of the Revised Code:

(A) "Annuity issuer" means an insurer that has issued an insurance contract that is used to fund periodic payments under a structured settlement.

(B) "Applicable law" means any of the following, as applicable in interpreting the terms of a structured settlement agreement:

(1) The laws of the United States;

(2) The laws of this state, including principles of equity that are applied in the courts of this state;

(3) The laws of any other jurisdiction if any of the following applies:

(a) The laws of that other jurisdiction govern the structured settlement.

(b) A court or a responsible administrative authority approved the structured settlement agreement under the laws of that other jurisdiction.

(c) The transfer of payments under the structured settlement is subject to the laws of that other jurisdiction.

(C) "Dependent" means a spouse of a payee, a minor child of a payee, or any other member of the family of a payee or other person whom, by law or by court order or decree, the payee is legally obligated to support.

(D) "Discounted present value" means the fair present value of the future payments under a structured settlement that is determined by discounting those payments to the present, using the most



recently published applicable federal rate for determining the present value of an annuity as issued by the United States internal revenue service.

(E) "Independent professional advice" means the advice of an attorney, a certified public accountant, an actuary, or any other licensed professional adviser if all of the following apply:

(1) The payee has engaged the services of the licensed professional adviser to render advice concerning the legal and other implications of a transfer of structured settlement payment rights.

(2) The licensed professional adviser has signed a statement to the effect that the licensed professional adviser rendered advice to the payee concerning the legal and other implications of a transfer of structured settlement payment rights.

(3) The licensed professional adviser is not affiliated in any manner with, referred by, or compensated in any manner by the transferee of the structured settlement payment rights.

(4) The compensation of the licensed professional adviser is not affected by whether or not a transfer of structured settlement payment rights occurs.

(F) "Interested party" includes the payee with respect to a structured settlement, the annuity issuer, the structured settlement agreement obligor, and any other party that has continuing rights or obligations under the structured settlement agreement.

(G) "Payee" means an individual who is receiving periodic payments under a structured settlement agreement that are excludable from the individual's gross income under federal income taxation laws applicable to that individual and who proposes to make a transfer of the rights to receive those periodic payments.

(H) "Periodic payments" includes both continuing monthly or other periodic payments and scheduled future lump-sum payments under a structured settlement.

(I) "Qualified assignment agreement" means an agreement that provides for a qualified assignment, as defined in section 130 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A.



130(c), as amended, through an assignment of the liability under a structured settlement agreement to make periodic payments as damages, on account of personal injury or sickness.

(J) "Responsible administrative authority" means any government authority of another state vested by the law of that state with the original exclusive jurisdiction over the settled claim resolved by a structured settlement.

(K) "Settled claim" means the original tort claim resolved by a structured settlement.

(L) "Structured settlement" means an arrangement for periodic payments of damages for injury to a person that is established by a settlement or a court judgment in resolution of a tort claim.

(M) "Structured settlement agreement" means an agreement, judgment, stipulation, or release that embodies the terms of a structured settlement, including the rights of a payee to receive periodic payments.

(N) "Structured settlement obligor" means the party that has the obligation to make continuing periodic payments to the payee under a structured settlement agreement or a qualified assignment agreement.

(O) "Structured settlement payment rights" means the rights under a structured settlement agreement to receive periodic payments from a structured settlement obligor or an annuity issuer if either of the following applies:

(1) The payee, the structured settlement obligor, or the annuity issuer with respect to the structured settlement agreement is a resident of this state.

(2) The structured settlement agreement was approved by a court in this state.

(P) "Terms of a structured settlement" includes the terms of a structured settlement agreement, an insurance contract, a qualified assignment agreement, and any order or approval by a court, a responsible administrative authority, or other government authority authorizing or approving the structured settlement.



(Q) "Transfer" means a sale, assignment, pledge, hypothecation, or any other form of alienation or encumbrance of structured settlement payment rights made by a payee for consideration.

(R) "Transfer agreement" means an agreement that provides for the transfer of structured settlement payment rights from a payee to a transferee.

(S) "Transferee" means a party acquiring or proposing to acquire structured settlement payment rights through a transfer of those rights.