

549.30 DEFINITIONS.

Subdivision 1. **Application.** For purposes of sections 549.30 to 549.34, the terms defined in this section have the meanings given them.

Subd. 2. **Annuity issuer.** "Annuity issuer" means an insurer that has issued an annuity contract to be used to fund periodic payments under a structured settlement.

Subd. 3. **Applicable law.** "Applicable law" means: (1) the laws of the United States; (2) the laws of this state, including principles of equity applied in the courts of this state; and (3) the laws of any other jurisdiction: (i) which is the domicile of the payee or any other interested party; (ii) under whose laws a structured settlement agreement was approved by a court or responsible administrative authority; or (iii) in whose courts a settled claim was pending when the parties entered into a structured settlement agreement.

Subd. 4. **Dependents.** "Dependents" means a payee's spouse and minor children and all other family members and other persons for whom the payee is legally obligated to provide support, including spousal maintenance.

Subd. 5. **Discounted present value.** "Discounted present value" means, with respect to a proposed transfer of structured settlement payment rights, the fair present value of future payments, as determined by discounting the 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.

Subd. 6. **Independent professional advice.** "Independent professional advice" means advice of an attorney, certified public accountant, actuary, or other professional adviser: (1) who is engaged by a payee to render advice concerning the legal, tax, and financial implications of a transfer of structured settlement payment rights; (2) who is not in any manner affiliated with or compensated by the transferee of the transfer; and (3) whose compensation for providing the advice is not affected by whether a transfer occurs or does not occur.

Subd. 7. **Interested parties.** "Interested parties" means the payee, a beneficiary designated under the annuity contract to receive payments following the payee's death or, if the designated beneficiary is a minor, the designated beneficiary's parent or guardian, the annuity issuer, the structured settlement obligor, and any other party that has continuing rights or obligations under the structured settlement.

Subd. 8. **Payee.** "Payee" means an individual who is receiving tax-free damage payments under a structured settlement and proposes to make a transfer of payment rights under the structured settlement.

Subd. 9. **Qualified assignment agreement.** "Qualified assignment agreement" means an agreement providing for a qualified assignment as provided by the United States Internal Revenue Code, title 26, section 130, as amended through December 31, 1998.

Subd. 10. **Responsible administrative authority.** "Responsible administrative authority" means a government authority vested by law with exclusive jurisdiction over the settled claim resolved by the structured settlement.

Subd. 11. **Settled claim.** "Settled claim" means the original tort claim or workers' compensation claim resolved by a structured settlement.

Subd. 12. **Structured settlement.** "Structured settlement" means an arrangement for periodic payment of damages for personal injuries established by settlement or judgment in resolution of a tort claim or for periodic payments in settlement of a workers' compensation claim.

Subd. 13. **Structured settlement agreement.** "Structured settlement agreement" means the agreement, judgment, stipulation, or release embodying the terms of a structured settlement, including the rights of the payee to receive periodic payments.

Subd. 14. **Structured settlement obligor.** "Structured settlement obligor" means the party that has the continuing periodic payment obligation to the payee under a structured settlement agreement or a qualified assignment agreement.

Subd. 15. **Structured settlement payment rights.** "Structured settlement payment rights" means rights to receive periodic payments, including lump-sum payments, under a structured settlement, whether from the settlement obligor or the annuity issuer, where: (1) the payee or any other interested party is domiciled in the state; (2) the structured settlement agreement was approved by a court or responsible administrative authority in the state; or (3) the settled claim was pending before the courts of this state when the parties entered into the structured settlement agreement.

Subd. 16. **Terms of the structured settlement.** "Terms of the structured settlement" means the terms of the structured settlement agreement, the annuity contract, a qualified assignment agreement, and an order or approval of a court, responsible administrative authority, or other government authority authorizing or approving the structured settlement.

Subd. 17. **Transfer.** "Transfer" means a sale, assignment, pledge, hypothecation, or other form of alienation or encumbrance made by a payee for consideration.

Subd. 18. **Transfer agreement.** "Transfer agreement" means the agreement providing for transfer of structured settlement payment rights from a payee to a transferee.

Subd. 19. **Transferee.** "Transferee" means a person who is receiving or will receive structured settlement payment rights resulting from a transfer.

History: 1999 c 212 s 2