



9.13 Doing Well By Doing Good: Savings & Security In Structured Settlements and Professional Administration



REC OPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



“Ingredients”



- INTRODUCTION
- WORKERS' COMPENSATION STRATEGY
- LIABILITY STRATEGY
- WRAP-UP & QUESTIONS



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



INTRODUCTION

“Doing Well By Doing Good”



RECIPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA





Recipes From Two Kitchens:

A M E T R O S

Settle well.



chronovo™



RECIPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Introduction – What Do We Do?

What is a Structured Settlement?



A settlement with tax-free, periodic payments designed to meet the ongoing needs of the injured party while reducing the overall cost for the underwriter.



What is Professional Administration?

Post-settlement assistance with future medical care through technology, network pricing, Medicare reporting, leading to more settlements and seamless transition for the injured party.



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Introduction – Proven Benefits of Settlement

BENEFITS FOR JPA

- **THOMASSEN & BURTON (1993) (NY)**
 - 24% average savings on total cost
- **NEUHAUSER (2010) (37 NCCI)**
 - 8-12% reduction on medical costs
 - 6% reduction in total WC costs

BENEFITS FOR PL / APP

- **HYATT (2010) (CA)**
 - 5% more RTW
 - 8% more stay emp.
- **TORREY (2007) (PA)**
 - Speedier resolution
 - 71% - “Getting on with my life”
- **Since 1970**, 11 of 15 states adopted full closure



Introduction – Benefits Settlements with Us

- **Balance Individual v. Taxpayer**

- **Challenge of Balance**: fair and beneficial for all parties
- **Chronovo and Ametros**: “win / win” options for everyone
- ***“Doing Well By Doing Good”***

- **How Do Chronovo and Ametros Do That?**

- **30%+ savings for JPA / same benefits & network pricing for Plaintiff / Applicant**
- Tax-Free, secure, scheduled, “inheritable” benefits
- “Medical concierge” for questions & payment challenges
- In WC, “replenishing” MSAs, reporting to Medicare, effortless payments, & return to work w/ **“three checks”**

Two Practical Ideas – Why This Is Worth It

- **Post-settlement medical costs and ongoing benefits concerns dictate price and set the tone of negotiations.**

We will give you strategies on MSAs, LCPs, future damages, *and providing more benefits at a lower price*

- **Combining these two kitchens, we will explain how to accomplish increased savings in two situations: Workers' Compensation & General Liability**

You may think you know this recipe but with new strategies, new technologies, and new expertise, it's a dramatically better "Philly Cheesesteak"



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



WORKERS' COMPENSATION

“Doing Well By Doing Good”



REC OPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Issues and Concerns – Workers' Compensation

Applicant's issues...

- **MSA & Costs Issues**: Fears of MSA running out of funding and future issues with Medicare / future retirement
- **Ongoing Care**: Post-settlement medical process for ongoing care: freedom of care, ease of use, treatment options
- **Ongoing Money**: Fears of not having enough money to live on, capacity to return to work, impact on other assistance, care of family upon death

Municipality's / JPA's issues...

- **MSA & Costs Issues**: Worries over inflated settlements, MSAs, & co-morbidities raising price
- **Ongoing Care**: “Zombie” MSAs, ongoing liability and reopened claims, angry calls in the future if issues arise
- **Ongoing Money**: Doing the right thing for a citizen, taxpayer, and employee balanced against fiscal challenges



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



How Does the Structure & PA Help?

The Applicant

- **MSA & Cost issues:** CMS provides a “replenishing MSA” if 1) it is structured (Chronovo) and 2) all medicals have been reported (P.A w/ Ametros)
- **Ongoing Care:** Ametros’ Care Guard Care provides 1) ease of use, 2) network pricing (**20% savings for them**), & 3) care advocate for life of payout.
- **Ongoing Money:** Chronovo structure provides, secure, tax-free income, not typically counted as an asset to impact need-based assistance

The JPA / Municipality

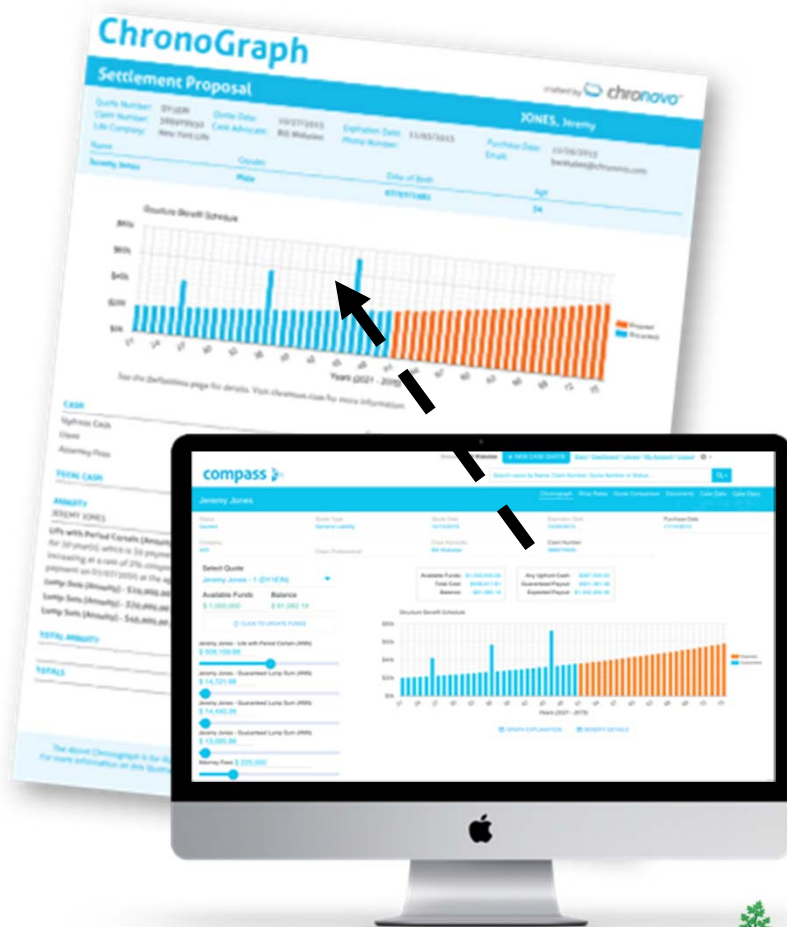
- **MSA & Cost Issues:** Fund the entire MSA at 30%+ savings w/ Rated Age (Chronovo) and ensure MSA spent and reported back to Medicare properly (Ametros)
- **Ongoing Care:** In addition to ongoing care and advocacy, the MSA is never misspent, therefore, no ongoing liability
- **Ongoing Money:** Can fund full value of any remaining PD with a 30%+ discount as well, remove concerns other impact to benefits, spur return to work at employer or elsewhere



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



How Does a structure with Chronovo Help?



- Use structure to prompt **needs-based / “demand deconstruction” settlement negotiations** that begins with lower pricing (not x3)
- **Simplify** the value to the Applicant of all features of a C&R with a structure
- Color graphs of value over the years and type of benefit
- Summary of security of life companies and investment costs / risk without it
- Explanation of ideas and terms behind the structure
- Advocate with counsel and all other parties that may have misconceptions

Full Service Solution

Compare Price & Value

Compare price, life company ratings on the screen

Anytime, Anywhere Access

Technology also provides flexibility for home-based, after-hours reviews and edits

Claims

Professional SLA

Simplicity, clarity, quick & comprehensive turnaround, legacy claims review and resolution & “one-stop shop” coordination of services

Audit-Ready Vision & Control

One system. One set of books. One view of everything for reporting. Quick, organized look at caseload

Customized Reports & Strategic Data

Customizable, configurable data capture and analysis. “SFV” reports. Data on performance and possibilities.

“Picture Perfect” Simplicity

Charts and graphs for everyone to understand the value



REC PE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



How Does PA with Ametros Help?



- CareGuard and Amethyst both work like **traditional insurance cards**, and the injured party will **never touch a bill**
- Applicant shows card at provider's office or pharmacy, and Ametros **processes the bills on their behalf**
- Saves members on average up to **28% on ALL healthcare expenses**
- **CareGuard** creates a dedicated account for the member's settlement funds and completes all necessary reporting
- **Amethyst** allows member to deposit settlement funds in their own bank account (if not structured)
- Technology provides members with their account balance, spending trends, savings amounts and more

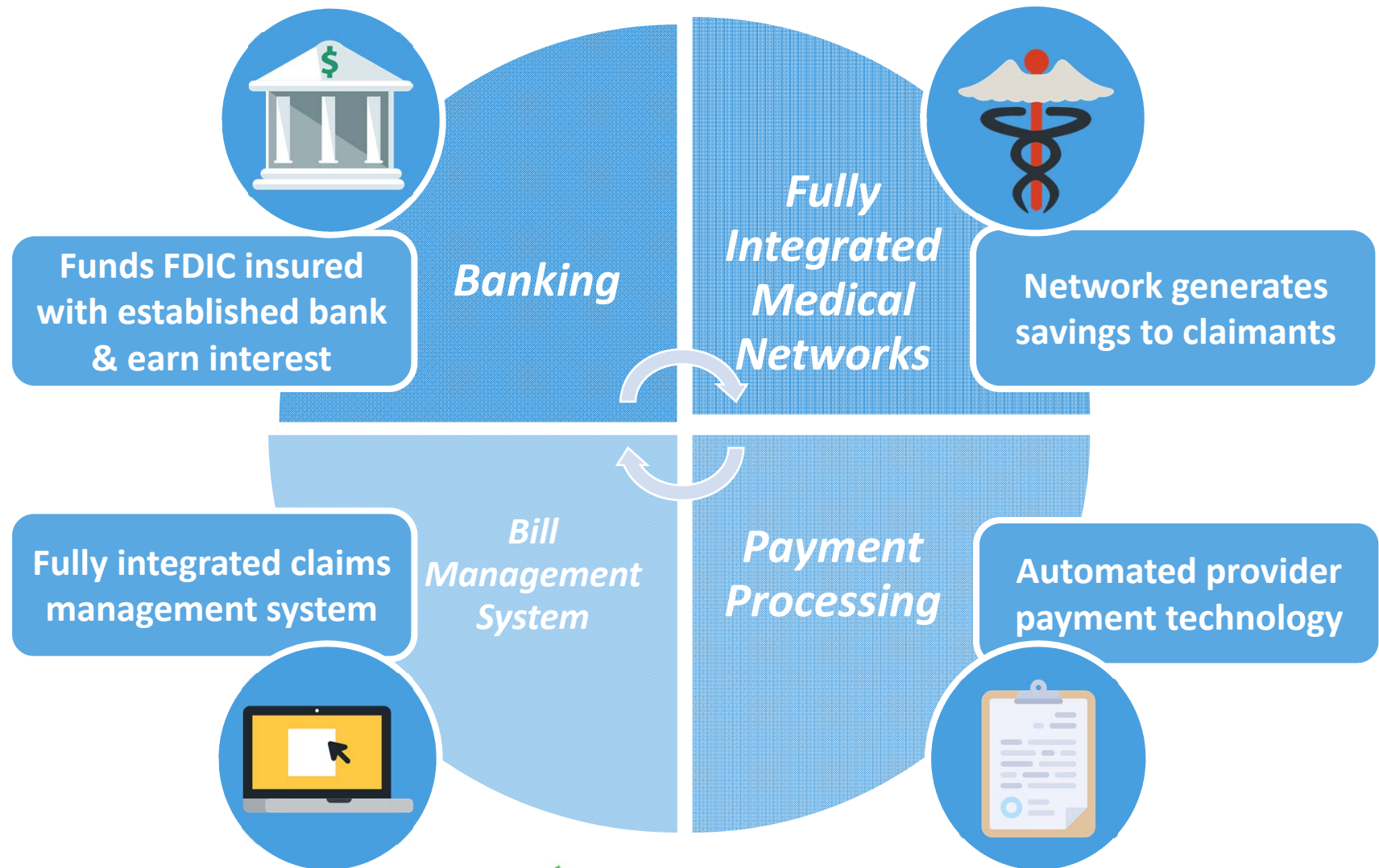


REC  **PE**
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Full Service Solution




REC PE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Example of Savings – Workers Compensation



Benefit Type	Initial Demand [MSA & Indem.]	1st Structure [Standard R.A.]	Chronovo R.A w/ Neg.	TOTAL “SFV” SAVINGS
MSA	\$336k	\$175k	\$77k	\$259k
Indemnity	\$240k	\$142k	\$109k	\$131k
TOTALS	\$576k 			\$390k

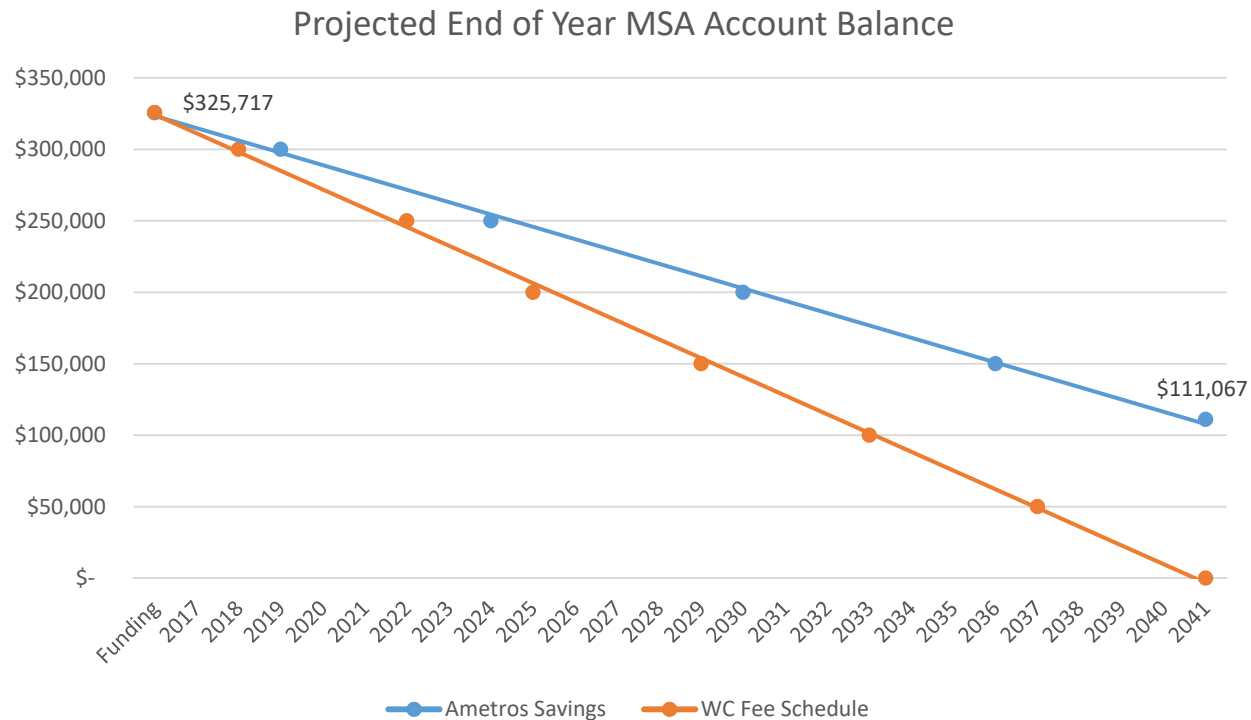


REC PE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Example of Savings – Workers Compensation



RECIPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



LIABILITY

“Doing Well By Doing Good”



RECIPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Issues and Concerns - Liability

Plaintiff's issues...

- **LCP & Costs Issues**: Dueling LCPs and underfunding of future medical needs
- **Ongoing Care**: Post-settlement medical process for ongoing care: freedom of care, ease of use, treatment options
- **Ongoing Money**: Fears of not having enough money to live on with the future ECN loss compensation

Municipality's / JPA's issues...

- **LCP & Costs Issues**: Dueling LCP and future ECN aggravating costs of "specials".
- **Ongoing Care**: Ensuring that ongoing care is simply and accessible enough to enable a settlement.
- **Ongoing Money**: Doing the right thing for a citizen, taxpayer balanced against fiscal challenges



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



How Does the Structure & PA Help?

The Plaintiff

- **LCP & Cost issues:** May fund their LCP medical plan or future ECN at your price (Chronovo). They get more value, less compromise
- **Ongoing Care:** Ametros' Care Guard Care provides 1) ease of use, 2) network pricing (**20% savings for them**), & 3) care advocate for life of payout.
- **Ongoing Money:** Chronovo structure provides, secure, tax-free income, not typically counted as an asset to impact need-based assistance

The JPA / Municipality

- **LCP & Cost Issues:** Fund the entire LCP and future ECN loss at 30%+ savings (Chronovo). Diffuse emotions on specials damages
- **Ongoing Care:** In addition to ongoing care and advocacy, the LCP is maximized and care should not be interrupted. Good PR?
- **Ongoing Money:** Can fund full value of any remaining PD with a 30%+ discount as well, remove concerns other impact to benefits



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Other ways a structure with Chronovo can Help?

- CCG brings wide-ranging expertise and “brokers without borders” to the negotiation process
- “Demand deconstruction” is at a premium in the complex cases with significant need to creative settlement resolution techniques



REC  **PE**
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Other ways PA with Ametros can Help?



A NETWORK FOR YOUR HOME HEALTH
NEEDS BY AMETROS

Prescriptions	Facility Care	Home Healthcare	Durable Medical Equipment
			
4 days	Up to 2 weeks	Up to 2 weeks	Up to 2 weeks

We ensure injured parties have insight into the post-settlement pricing of treatment during settlement, and the savings available on Ametros' platforms.

CareQuote can be used in all cases with future medical in order to bridge the gap to settlement.




REC  **PE**
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Example of Savings - Liability



Benefit Type	Initial Demand [LCP & ECN Loss]	1st Structure [Standard R.A.]	Chronovo R.A w/ Neg.	TOTAL “SFV” SAVINGS
Life Care Plan	\$24.7m	\$11.8m	\$11m	\$13.7m
ECN Loss	\$1.8m	\$1m	\$900k	\$0.9m
TOTALS	\$26.5m 			\$14.6m



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Example of Savings – Liability



Settle well.

	Life Expectancy (Years)	Hourly Rate ⁽¹⁾	Weekly Rate	Annual Cost	Over Lifetime
Life Care Plan/Current Costs					
Attendant Care 24x7 Care:	36	\$23.24	\$ 3,905.00	\$ 203,060.00	\$ 7,310,160.00
Skilled Nursing:	36	\$65.00	\$ 260.00	\$ 13,520.00	\$ 486,720.00
Total Life Care Plan Costs:			\$ 4,165.00	\$ 216,580.00	\$ 7,796,880.00
CareQuote Costs					
Attendant Care 24x7 Care:	36	\$20.00	\$ 3,360.00	\$ 174,720.00	\$ 6,289,920.00
Skilled Nursing:	36	\$48.00	\$ 192.00	\$ 9,984.00	\$ 359,424.00
Total CareQuote Costs:			\$ 3,552.00	\$ 184,704.00	\$ 6,649,344.00
Savings Through CareQuote					
Attendant Care 24x7 Care:	36		\$ (545.00)	\$ (28,340.00)	\$ (1,020,240.00)
Skilled Nursing:	36		\$ (68.00)	\$ (3,536.00)	\$ (127,296.00)
Total Savings:			\$ (613.00)	\$ (31,876.00)	\$ (1,147,536.00)

(1) The life care plan hourly rate is a blend of varying rates for Monday-Friday and the first 11 hours of the versus the last 13 hours of the day. CareQuote's rate is based off of one consistent rate.

Note: CareQuote's costs are based on today's current rates similar to be comparable to the rates provided in the life care plan.



REC
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



WRAP-UP & QUESTIONS

“Doing Well By Doing Good”



RECIPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Top 10 Case Types For Structures & PA

The Claim:

1

involves a settlement offer over \$50k—or a large gap between the offer and the demand

2

in GL: includes serious injury, shortened life expectancy, Life Care Plans and/or Economic Loss Reports

3

in WC: arises from a workers' compensation injury with any level of permanent or long-term disability and / or an MSA

4

ensures the security of monthly / annual payments for a surviving spouse and/or decedents

5

features guardianship of minors, incompetents, and/or spendthrift risk



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Top 10 Case Types For Structures & PA

The App / Plaintiff:

6

requires personal income protection from divorce, child support, or addiction demands

7

expects big ticket expenses like college tuition, mortgage payments, and/or retirement

8

faces the likelihood that the settlement funds will be dissipated early due to risky investments, or the undue influence of friends

9

depends on need-based government entitlement benefits that a structure can protect

10

needs secure income for ongoing medical expenses



RECOPE
FOR SUCCESS

SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA



Questions & Contact

FOR CHRONOVO

Bill Wakelee
***Chief Strategy Officer &
Co-Chair, Complex Claims
Group***

bwakelee@chronovo.com
(610) 564-1734

FOR AMETROS

Don Batchelor
***SVP, Sales & Business
Development***

dbatchelor@ametroscards.com
(682) 300-1607



SEPTEMBER 12-15, 2017
SOUTH LAKE TAHOE, CA

