Securing Your Future

Your Guide to Structured Settlements

FROM THE EXPERTS AT

McKellar STRUCTURED SETTLEMENTS

Trusted. Proven. Secure.

When your personal injury claim settles, the next steps can be overwhelming.

One of the most important decisions you will make is how to transform your settlement into long-term financial security.

A structured settlement replaces uncertainty with **guaranteed, tax-free income** — a “paycheque” that is designed around your needs. You have the confidence that your money lasts as long as it needs to.

What Is a Structured Settlement?

A structured settlement is created when part of your settlement is deposited with a Canadian life insurer. In return, you receive guaranteed, tax-free payments (typically monthly) for a set period, or for life.

Planning allows for flexibility: payments can be tailored to your timeline and life goals. **You call the shots.**

Important note: Once established, a structured settlement cannot be changed or cashed in. That permanence is what secures the tax-free status.

You never pay fees — ever.

There are no management fees or hidden expenses — you pay us nothing. McKellar is paid by the life insurer that delivers your payments. The amount promised is the amount you receive — guaranteed.

How Secure Is a Structured Settlement?

Your Three Levels of Protection

1. **The Life Insurer**
   We work exclusively with Canadian, federally regulated life insurance companies that are **financially secure** and **highly rated** by independent agencies.

2. **Assuris**
   If a life insurer were ever to become insolvent, Assuris (the industry's not-for-profit safety net) steps in. At a minimum, payments are protected up to **$5,000/month**, or **90%** — whichever is greater.

3. **The Structure Owner**
   For the payments to remain tax free, an insurer must remain **fully liable** for your payments.
   If the issuing life insurer could not pay and there was any Assuris shortfall, the structure owner (often the funding casualty insurer or its Assignee) is obligated to continue payments.

Together, these guarantees make a structured settlement one of the most secure financial arrangements available.

Seven Reasons Why a Structure Makes Sense

1. Certainty and Peace of Mind

A structure turns your settlement into a reliable, tax-free income stream you can count on, paid exactly as scheduled for a defined period or for life. There is no market risk, no need to manage investments, and no uncertainty about how long your money will last. Your payments arrive automatically, providing lasting financial security and peace of mind for you and your family without the stress or responsibility of managing a lump sum.

2. Tax Free, Forever

It is hard to beat a guaranteed return that the government does not tax. Canada Revenue Agency (CRA) has confirmed that structured settlement payments are tax free. They are not treated as income, will never generate a tax slip to you, and do not appear on your tax return. This means every dollar you receive is yours to use, with **no deductions or tax surprises**.

By contrast, investment earnings on a lump sum payout are likely taxable, which can significantly erode growth over time. A structure removes this risk, often making it more advantageous than a taxable investment — even one that may appear to offer a higher return.

3. Protect your Other Essential Government Benefits

Many important government benefits programs (such as Old Age Security, Canada Child Benefit, provincial benefits, and disability supports) are based on taxable income. Because structure payments do not count as income, they protect access to these programs. In contrast, taxable investment income from a lump sum may push you over certain thresholds, reducing or eliminating benefits you rely on. **This hidden cost can be substantial:** losing even one benefit can impact your long-term financial stability. A structured settlement helps ensure those supports stay in place.

4. Stronger Guaranteed Returns

Structured settlements typically outperform other guaranteed investments — especially after taxes and fees. While financial advisors often advertise attractive “potential” returns, these projections are not guaranteed and are subject to fees, market volatility, changing interest rates, and tax. A structured settlement offers a guaranteed rate of return unaffected by future economic conditions. The result: A structure may quietly and steadily produce **more real-world value than risk-based investment strategies** that appear promising on paper.

5. Customized to Fit Your Life

Every structured settlement is built around your specific needs, not a one-size-fits-all investment model. This allows you to **shape a plan that reflects your reality** — your health, your family circumstances, and your long-term goals.

You may design:

- When payments start (right away or years from now).
- How often payments are made — monthly (most common), quarterly, or annually.
- Whether they increase over time to keep pace with inflation.
- Periods of higher or lower payments to match expected expenses and life plans (e.g., education, equipment, housing, or future needs).
- Whether you receive additional lump sums in the future.

6. Estate Protection*

A structure can be designed with a minimum guarantee period, ensuring **your loved ones continue to receive payments** even if you pass away earlier than expected. These payments remain tax free. For many people, traditional life insurance may be unaffordable or unavailable due to injury-related health conditions. A structured settlement can include financial protection for your family — without the need for medical visits, additional costs, or renewal worries.

7. Creditor Protection

A structured settlement offers a level of financial protection that few other investments can match. Once established, it cannot be collapsed, accessed early, or seized — even in the event of bankruptcy. Payments are shielded from creditor claims, ensuring your income remains secure. Courts have also consistently ruled that structured settlements are not considered matrimonial property, providing important protection in the event of a marriage breakdown.

*Depending on the terms of your settlement.

Lump Sum

Looks Big Today. Uncertain Tomorrow.

Amount from Settlement + – Taxes – Market volatility – Lost benefits – Spending temptations = ? Uncertain Return in your Pocket

VS.

Structured Settlement

Tax-Free Paycheque. Guaranteed.

Amount from Settlement + + Completely tax free + Stable + Government benefits remain = Guaranteed Return in your Pocket

Frequently Asked Questions

Do I have to choose between cash and a structured settlement?

No. Many people choose both: a portion in immediate cash for short-term needs, and the balance structured for long-term stability. The right ratio depends on your personal circumstances, which McKellar helps you assess at no cost.

Can I set up a structure after I have already taken a cash settlement?

No. To remain tax free, the structure must be established as part of the original settlement.

What if I need more money later?

You can build in flexibility up front, including delayed start dates, periodic lump sums, or an annual "raise". However, a structure cannot be changed once put into place. Our team can help you plan your structure with all these considerations in mind.

What happens if I die early?

If your plan includes a minimum guarantee period, remaining guaranteed payments go to your estate or secondary payee (beneficiary) — tax free.

Will my structured settlement affect my eligibility for legal aid, social programs, or subsidized housing?

Structured payments typically do not count as income for these types of programs, but each program applies its own rules. While structured settlements help preserve most income-tested government benefits, it's always wise to confirm with your program administrator.

Can my structured settlement help me secure a loan or mortgage?

Yes. Though a structured settlement cannot be pledged as collateral or assigned, lenders may still consider your structure payments when assessing your overall financial stability. A structure is often viewed by lenders as a 'job with no chance of lay-off'.

What happens if the markets drop after my structured settlement is set up?

Your entire structure is locked in at the guaranteed rate at the time of purchase. If rates fall, all payments remain fully guaranteed. This stability is part of the value of a structure, especially in uncertain economic periods.

Can a structured settlement include payments for large, occasional expenses?

Yes. Your plan can include scheduled lump sum payments. These can align with anticipated needs like home modifications, medical equipment replacement, education funding, or vehicle purchases.

Why McKellar?
Six Reasons.

All structure companies access the same rates from the life insurers. With McKellar, you are choosing to work with the industry's undisputed leader with exceptional client service every step of the way.

1. **Market leadership & focus.** McKellar is Canada's first and largest structured settlement firm.
2. **Highest payments.** We complete an exhaustive brokerage review to obtain the highest yield, under the terms of the settlement, at the time of funding the structured settlement.
3. **Legal & tax expertise.** We are the only Canadian structured settlement firm with both the legal and tax expertise necessary to support our clients' needs.
4. **Quality, guaranteed.** Multiple layers of internal review mean we can promise you The McKellar Guarantee.
5. **Accessibility.** As the only structured settlement firm licensed in every province and territory, we are available across the country for one-on-one meetings at your convenience, always at no cost to you.
6. **Longevity.** Backed by decades of experience, we are a strong, stable company built to be here for many years to come.

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