

REG-127270-06



National Structured  
Settlements Trade Association

LEGAL PROCESSING DIVISION  
PUBLICATION & REGULATIONS  
BRANCH

JAN 29 2010

January 25, 2010

Commissioner of Internal Revenue  
Attention: CC:PA:LPD:PR (REG-127270-06)  
Room 5203  
Internal Revenue Service  
Courier's Desk  
1111 Constitution Avenue N.W.  
Washington, DC 20224

RE: Proposed Regulations Regarding the Exclusion from Gross Income for  
Damages Received on Account of Personal Physical Injuries or Physical Sickness

Dear Mr. Commissioner:

I am writing on behalf of the National Structured Settlements Trade Association (NSSTA), the association of the structured settlements industry. NSSTA is composed of more than 500 members throughout the country, who negotiate and fund structured settlements of tort and worker's compensation claims involving persons with serious long-term physical injuries. NSSTA represents the entire structured settlements industry. Its members include: the structured settlement brokers who work with plaintiff counsel and defense counsel to develop, negotiate, and implement the structured settlement for the injured victim; the life insurance companies that fund the structured settlements through annuities; the property and casualty companies that enter into the structured settlement with the injured plaintiff to resolve his or her physical injury claim; and various plaintiff and defense attorneys and economists active in the structured settlement field.

A commentator has filed comments with respect to the proposed regulations under I.R.C. § 104(a)(2) in REG-127270-06 asserting that the IRS should use this regulations project as a vehicle to issue guidance permitting the use of an I.R.C. § 468B trust established for the benefit of a single claimant to undertake a structured settlement. NSSTA does not believe this regulations project is an appropriate vehicle to address section 468B trusts, particularly since the recently-issued 2009-2010 Priority Guidance Plan dropped a guidance project on the single claimant section 468B trust issue. Moreover, for the reasons set forth in NSSTA's May 10, 2004 submission to IRS and Treasury (attached), NSSTA continues to strongly oppose the issuance of any guidance that would allow a section 468B trust established for the benefit of a single claimant to undertake a structured settlement qualifying under I.R.C. § 130. In particular, any such guidance, if issued, would significantly reduce the use of structured settlements to resolve the claims of physically injured claimants, and would thereby undermine the longstanding legislative policy to promote structured settlements.

NSSTA appreciates this opportunity to comment. If you have any questions, please contact me.

Sincerely,

Joseph Ricci, CAE, CSSC  
Executive Director