



## Clients Need Help Planning Life Transitions

PLAINTIFFS OFTEN RECEIVE SETTLEMENT MONEY DURING STRESSFUL PERIODS

By JOHN DARER

A plaintiff's life between a tragic event and settlement may be uncertain, confusing and stressful. During a lawsuit which could last two or three or more years, punctuated with an undulating cycle of anticipation and delays, the plaintiff ponders how the damage from the event will affect his or her immediate future and weighs the uncertainty of litigation with the day-to-day emotional and physical challenges.

A settlement may seem like a windfall to others, but it is not like winning a contest because the plaintiff may not have had any control of the events that put him or her in the position he or she is in, and the emotional and physical challenges often continue through the financial transition.

The Sudden Money Institute refers to a transition period during which "what was" no longer exists and "what will be" has not yet taken shape. Transitions are temporary states, but that does not mean they are short-lived. By their very nature, transitions have broad-reaching implications for people's lives—their finances, important relationships, where to live and how to live.

### What Is Transition Stress?

Plaintiffs are often asked to make life-impacting financial decisions during a period of heightened transition stress. Some of the factors:

- Confusion about settlement options
- Future spending and commitments
- Expectations
- Pressure and/or influence from family and friends
- Recurring stress patterns
- Managing debt

When a plaintiff is going through tran-

sition stress, he or she may lose perspective (or may have an impaired perspective) that affects rational thinking and decision-making skills critical to the resolution of the case, or the timely finalization of the settlement. The plaintiff may show signs of confusion, conflict, invincibility, being overwhelmed, being frozen or fragmented or feeling like avoiding decision-making altogether. He or she may be combative/angry, hyper, puttering around in a "sea of what-ifs" or exhibit a combination of these and other characteristics, which in some cases may put the plaintiff at odds with his or her own lawyers (who have worked very hard to maximize the financial recovery).

A sudden money adviser is a new breed of settlement adviser who introduces transitions planning to the settlement equation. When the right perspective is established, then and only then, can decisions be made with confidence and a commitment to positive action. These advisers go through extensive training through the Sudden Money Institute, the first organization of professionals to synthesize decades of experience in financial planning with cutting-edge research in neurology, sociology and psychology.

When life is changing, many people seek professional advice. They go to attorneys, accountants, financial planners and therapists, all of whom have clear protocols for dealing with clients. But if you don't understand the experience you're having, and the professional you have enlisted already has a protocol, you can be mismatched. The change that is occurring in a person's life should drive a shift in how a professional guides that person. Unfortunately, both financial advisers and the people who hire

them have historically underestimated what's going on in the case of people going through a settlement transition and other types of transition. They need different tools and protocols. They need their own settlement financial planning model.



John Darer

### Turbulent Times

The Sudden Money Institute has developed a process that transcends those fields of study by integrating their technical aspects with the human experiences of the person in transition. And it has trained experts, including this author, in the art and science of transition and the optimal way to guide their clients through turbulent and transformative times.

The best time to start financial transitions planning is when a life event first occurs or is first identified. The best time to start settlement transitions planning is in the months before the earliest possible settlement. As a Connecticut trial lawyer, you may feel uncomfortable bringing in a structured settlement broker or settlement financial planner before a case settles for fear of raising client expectations. That's where the transitions expertise comes in.

Waiting until "things to calm down" may feel intuitive, but a wide range of regrettable decisions may be made and some may

be impossible to unwind. This is a time to minimize and manage the confusion and challenges around change and transition. It's the time to create a safe space and make one good decision at a time. The goal is to provide a service to your clients to help them in preparation of a financial and life plan to manage decisions that may have been on hold for some time. It may sound satisfying and fun to immediately spend the settlement money, but the good feelings can soon fade and the money can quickly shrink if bad financial decisions become known.

One of my most satisfying experiences with a transition planning client was a young man who lost his girlfriend, and was himself severely injured, when a truck struck them while they were pedestrians. The young man's lawyers, having been introduced to the "transitions" planning concept, agreed to have me go visit this young man, a three-hour plane ride away, knowing that there was a reasonable chance the case would be in a position to settle "within the next six months."

During the visit, in which the young man was in so much pain when sitting down that he took the meeting lying on his back on the floor, we got a "GPS" read on where he was. We spoke of many things

past, present and future, including his dreams and his fears, and in general took steps to prepare him for the next phase of his lawsuit and what happens next.

We spent a very small amount of time on financial products in order to illustrate possible solutions to different concerns. The case did settle about three months later and in the subsequent meeting, during which I shared a marvelous meal with 10 members of his family, we spoke of solutions and a plan of action and empowerment, over which he had coauthorship. Several months later, he visited New York and joined me for lunch. After we ordered, with a look of bewilderment, he asked me: "So John, what now?" After a muted "Pulp Fiction"-inspired subreference about "having got some folks together with a pair of pliers and a blow torch to 'get medieval' on his settlement plan," I explained to him that: (1) he now had a "job" with MetLife for life, that he could never be fired from, that paid him 50 percent more than he was earning before the accident, income tax-free; (2) that he had a substantial amount of liquidity available to him to go to law school or pursue his dreams; (3) and that he had a Medicare set-aside that was approved by Centers for Medicare and Med-

icaid Services to help protect his eligibility.

In addition to offering some other advice, I arranged for a client of mine who is an aviation lawyer to give him some time to discuss a possible career in that field. Needless to say, the client was empowered. I have followed his progress in the years since then and I am very proud to report that he is thriving in his "new normal."

We have found from experience that the quality of your life after the settlement can be determined by the choices you make now. Each decision and commitment you make has an impact, it takes time to understand how the pieces fit together and which choices are in your best interest now and for the long term.

In conclusion, I encourage members of the Connecticut legal community to become familiar with how financial transitions planning can benefit the client before, during and after the settlement of their lawsuit.

Remember that it's not just a matter of managing the financial situation, it's managing the change. ■

---

*John Darer is president of 4structures.com LLC in Stamford and is a settlement planner and Sudden Money Institute adviser.*