Case Study
traumatic brain injury

SAGE
SETTLEMENT CONSULTING

KEY SETTLEMENT TOOLS

- Special Needs Trust (SNT)
- Structured Settlement
- Market-Based Structured Settlement

Client: Daniel F., Age 23
Net Settlement: $4.5 Million

While at a concert with friends, a lighting rig fell on Daniel, causing a traumatic brain injury (TBI). The TBI resulted in apraxia, aphasia, frequent and severe headaches, profound deficits in memory and mental processing abilities, and loss of control in Daniel's legs. He required extensive therapy to regain the ability to speak, write, and walk.

Prior to the accident Daniel worked full-time at a gas station and received Medicaid and SSI benefits. Daniel's settlement plan needed to account for his long-term care needs, in addition to his medical needs. Daniel's parents became his full-time caregivers and guardians.

CHALLENGES

- Loss of earnings potential
- Need to retain needs-based government benefit eligibility
- Home modifications and equipment purchases to accommodate Daniel's disabilities
- Need for extensive therapy and in-home nursing care

SETTLEMENT ALLOCATION

Amount	Solution	Purpose
$2,000,000	Special Needs Trust (SNT)	For immediate expenses including home modifications and adaptive vehicle; ongoing expenses; to maintain needs-based government benefit eligibility
$1,500,000	Structured Settlement payable to SNT	Provides a steady feeder fund for SNT while decreasing trustee fees
$500,000	Market-Based Structured Settlement payable to SNT	Hedge against inflation; will also work as a funding source for the SNT

OUTCOME

Daniel's SNT was the key to preserving his quality of life. It eased the financial and caregiving burden on his parents, enabling them to concentrate on Daniel's recovery. The two structured settlements provided Daniel with long-term financial security, ensuring funds would not be exhausted during his lifetime. By diverting those funds into an SNT, Daniel preserved his Medicaid and SSI eligibility while the trust provided for non-Medicaid-eligible goods and services.