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Crisis in textiles

At the start of 2005, the United States and other countries (e.g., the EU) eliminated remaining quotas on textiles and apparel. China dramatically increased exports of these products to the quota-eliminating countries. The U.S. has recently self-initiated some textile safeguard actions, and in April domestic producers filed against China in fourteen product categories. Textile/apparel concerns will likely continue for the foreseeable future.

Will China budge?

The above moves have sent strong signals that trade with China is not balanced, and that action is needed by China to address some of the key problems leading to the size of the imbalance. The message may be getting through. Press accounts indicate the Chinese government is considering what it can do to reduce the trade tensions.

Whether China budes immediately, the country will remain an important opportunity for U.S. exporters, an obviously growing source of imports, and an increasing destination for foreign investment. How the above issues are resolved will affect the underlying business logic of many decisions.

Terry Stewart will be happy to answer questions about trade with China as well as the status of the measures mentioned in this article. You can contact him at tstewart@stewartlaw.com.

Best Practices



An Insider's Look at Structured Settlements Avoiding Pitfalls – Seizing Opportunities

Joseph Hadus
J Hadus & Associates
– *Structured Settlements*

Structured settlements can be an important tool in the settlement of high damage personal injury litigation. Tax-free periodic payments eliminate the fear and worry of investing a cash lump sum and are understandably attractive to many plaintiffs. Appropriate use of this tool, however, should include the knowledge of practices to avoid along with opportunities to embrace.

Watch that annuity

Annuity company medical age ratings can significantly reduce the cost on any life contingent plan (or increase the benefit for the same cost). Make certain to forward current medical records, with narrative type reports showing the history, diagnosis, and prognosis from your structured settlement consultant to the medical underwriters prior to settlement plans being considered.

Include Medicare and Medicaid

In all liability and worker's compensation cases, past and possible future Medicare and Medicaid liens should also be accounted for in the settlement documents. The government has become much more aggressive in this area, and all parties involved in the suit, including the attorneys, can have personal liability exposure here.

Take care with Special Needs Trust

Special Needs Trusts have been used for many years in order to retain Medicaid eligibility. However, improper drafting, including failure to get Medicaid pre-approval, could render your client ineligible for Medicaid and create exposure here for you.

Cover your bets on the estate tax

The future estate tax situation in this country is uncertain. Unless Congress renews the present law by 2011, the situation reverts back to the old law with the original exemptions. In that case, the present value of remaining guaranteed annuity payments is included in the decedent's estate. Therefore, in large settlements, the practitioner will want to consider a commutation rider to provide liquidity for these taxes. Upon an early death, the present value of remaining guaranteed payments would be paid out in a lump sum.

Keep your client informed

Lawyers should be mindful of due diligence when discussing settlement options with their clients. Due diligence in today's litigation climate includes careful consideration of the options available and the use of life care planners, economists, and your structured settlement consultant. In the Christina Grillo case (Terrence County, Texas, 2002), a failure to inform the family of a structured settlement offer from the hospital and also of the option of a tax-free structured settlement including

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the advantages of obtaining a medically rated age resulted in a malpractice action against the plaintiff attorney that was settled for \$1.6 million.

In the concluding article, we’ll continue to discuss problems and opportunities.

Joseph Hadus is the Founder and President of J. Hadus & Associates, Inc. - Structured Settlements. His firm has specialized in providing comprehensive structured settlement services to attorneys throughout the country for the past 23 years, and he may be contacted at (800) 645-6420 or jhadus@aol.com.

RECAP

- Appropriate use of structured settlements should include the knowledge of practices to avoid, and what opportunities to embrace.
- Past and possible future Medicare and Medicaid liens should be accounted for in settlement documents.
- All parties involved in a high damage personal injury suit, including the attorneys, can have personal liability exposure.

Introducing



Meet Chuck Runyan

Vice President of Services
International Society of Primerus Law Firms

The challenges of the mid-sized law firm are no mystery to Chuck Runyan, the new Vice President of Services for Primerus. He knows them first-hand. For the past six years, Runyan has been in the thick of things as the Firm Administrator for Price Heneveld (Grand Rapids MI), a law firm specializing in intellectual property.

When the opportunity to work for Primerus came along, he notes, “the fit just seemed right.”

A love for the small firm

“At Price Heneveld, we had 22 lawyers, serving a national client base,” Runyan explains. “I learned first-hand the challenges and opportunities that face mid-sized firms.”

“I began my career in retail management. I have seen what large corporations didn’t do. It’s a lot better at smaller firm,” he continued. “Here, your expertise matters. You get to see up close, the impact your work makes on others. I enjoy dealing with small firms, getting close to them on a one-to-one basis – they aren’t numbers, they’re names. You can do so much more when you can see with whom you’re working.”

Expertise proven every day

It was the depth and breadth of experience

that impressed Primerus.

At Price Heneveld, one of Runyan’s most visible tasks was that of marketing. “I was responsible for coordinating all the firm’s marketing efforts – and I do mean all,” he emphasized. “I had to cover everything from maintaining the firm’s website to purchasing the yellow pages ads. And then there were the support materials, the brochures, the ads, the mailings.”

His responsibilities did not end there, however. Runyan noted that as firm administrator, he was responsible for the full scope of firm operations, from handling its Human Resources and managing the technology infrastructure for the firm, to serving as the coordinator for firm management meetings – sitting in and assuring that decisions and information were properly distributed.

“Chuck brings to Primerus lengthy experience in law firm administration,” notes Primerus President John C. Buchanan. “His extensive experience with Best Practices and law firm management adds new dimensions to our internal operations.”

Plans for Primerus

Although he came on board this March, Runyan has already set his sights on improvements in Primerus offerings. “With almost 80 firms and nearly 1000 attorneys we have a great opportunity to improve and increase the efficiency of benefits and services we provide. I