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Oregon's New Payee Notification Law: What Insurers and Their Lawyers Need to Know

By Jacqueline Mitchson

Beginning January 1, 2022, Oregon law will require insurers to directly notify a third-party claimant of any settlement payment above \$5,000. This rule applies even if the claimant is represented by an attorney. The full text of Enrolled Senate Bill 180 is available [here](#).

The new law is aimed at protecting the claimant from theft of settlement funds by their attorney. Consequently, the new law creates an exception to the general prohibition against an attorney directly contacting a represented party. However, it is important to note that the insurer is not required to notify the claimant if they do not have contact information for the claimant.

Under the new statute, the notice may simply be a copy of the cover letter accompanying the settlement check. The notice may only include the following information:

- (A) A statement that the insurer has paid a settlement;
- (B) The amount of the settlement;
- (C) The date on which the insurer paid the settlement;
- (D) The insurer's name; and
- (E) Any identifying number for the claim.

Under the new statute, the claimant has no cause of action against the insurer if the insurer fails to give the required notice.

Please feel free to call us with any questions.