



SENATE MAJORITY OFFICE

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Senate protects vulnerable Oregonians from payout scams

HB 2536B gives vulnerable structured settlement recipients new protections against lump sum payment offers

SALEM—Today the Oregon Senate approved consumer protection legislation aimed at helping vulnerable Oregonians who rely on structured settlements for their future well-being. House Bill 2536B, which passed the Senate on a vote of 16-14, provides reasonable legal safeguards that protect the interests of injured Oregonians who receive a structured settlement from vendors who offer lump-sum cash payouts.

A structured settlement is a court-approved agreement for periodic payment of damages stemming from a tort or workers' compensation claim.

“Oregonians who rely on structured settlements need and deserve the protections that this bill provides. Structured settlement payments are paid over a period of time in order to provide consistent, lasting financial support for people with a disabling injury,” said Senator Floyd Prozanski (D-Eugene), chair of the Senate Judiciary Committee.

In 2005, the Oregon Legislature passed a law allowing injured Oregonians to sell their structured settlement agreements to vendors in exchange for a lump sum payment. Concerns have been raised about the current process since then, which does not always fully account for the best interests of settlement recipients before allowing a one-time cash payout instead of monthly payments. One-time cash payouts can have a wide-ranging impact on the long-term financial stability of recipients.

“We need additional protections to make sure they don’t fall prey to scams and get-rich-quick schemes,” said Prozanski.

House Bill 2536B responds to concerns about these one-time cash payouts by requiring courts to consider additional criteria and consumer safeguards before they can rule that exchanging a structured settlement for a one-time payout is in the best interest of the recipient.

House Bill 2536B will now return to the Oregon House of Representatives for a concurrence motion.

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