



**THE NEW ROLE OF ASSIGNMENTS**  
*Important Developments in Attorney Ethics Rules  
Affecting the Collection Of Personal Injury Settlement  
and/or Medical Payments*

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New Attorney Ethics Rules, Effective 2/1/2007, Change the Rules on Assignments

**The Old Rule**

Under the current rule structure, it is improper for an attorney to follow a client's instructions to pay all settlement funds to the client if the attorney is aware that the client entered an agreement with the physician to pay medical expenses out of the proceeds of a settlement and the attorney, with client consent, promised the physician to do so. The attorney should hold the disputed portion of the funds until entitlement is established through mediation, arbitration, or if necessary, through a request to the court.

**The New Rule - Effective 02/01/07**

The changes to assignments are through Rule 1.15(d) and (e) which provide as follows:

*(d) Upon receiving funds or other property in which a client or third person has an interest, a lawyer shall promptly notify the client or third person. Except as stated in this rule or otherwise permitted by law or by agreement with the client or a third person, confirmed in writing, a lawyer shall promptly deliver to the client or third person any funds or property that the client or third person is entitled to receive. Upon request by the client or third person, the lawyer shall promptly render a full accounting regarding such funds or other property.*

*(e) When in the course of representation a lawyer is in possession of property in which two or more persons, one of whom may be the lawyer, claim interests, the property shall be kept separate by the lawyer until the dispute is resolved. The lawyer shall promptly distribute all portions of the property as to which the interests are not in dispute.*

**What Is The Importance?**

All Chiropractic Physicians who treat personal injury patients will need to evaluate their use of, and effectiveness of, assignments. In order *to receive prompt payment under the above rule*, attorneys must first receive funds from settlement or judgment. Thus, a Chiropractic physician must have already demonstrated his entitlement to the funds through a proper assignment. The Chiropractic doctor should provide appropriate notice of assignment to the applicable attorney through certified mail. However, other forms of notice might indeed be sufficient as long as you have proof of receipt of said notice.

Keith Karr's article "*Is it Worth the Price of Paper on Which it is Written,*" (see a copy of this Ohio Trial publication located under the publications tab at <http://www.karrsherman.com>) examines the validity of medical provider assignments. If you have any further comments or questions, please contact us at 614.478.6000 or visit our web site: [www.karrsherman.com](http://www.karrsherman.com)