



# CONSUMER ATTORNEYS OF CALIFORNIA

*Seeking Justice for All*

## Newsom signs measure to help streamline settlements

CAOC-backed AB 2723 allows attorneys to sign at the behest of clients not present

**SACRAMENTO (September 30, 2020)** – Gov. Gavin Newsom has signed legislation backed by Consumer Attorneys of California that will help streamline the settlement process, allowing an attorney to sign off on an agreement if a client who isn't present gives the OK.

AB 2723 by Asm. David Chiu (D-San Francisco) and sponsored by CAOC and the California Defense Counsel will help avoid the extra step of having clients travel sometimes great distances to sign off in person.

The bill, which becomes law Jan. 1, allows an attorney who represents a party to sign off on the agreement. If the party is an insurer, an agent who is authorized in writing by the insurer may sign on the insurer's behalf.

Chiu's bill updates the rules to fit the realities of the process: Attorneys act on behalf of their clients during mediation or settlement negotiations, but more often than not the represented parties choose not to be present at these negotiations. But under the old rules, an agreement would not be lawful without the extra step of getting signatures from all parties, which slowed the process.

For example, in wrongful death cases plaintiffs' counsel often will represent heirs scattered about the country. It is impractical to fly them all into town for mediation on the hope of reaching an agreement. AB 2723 will allow a settlement agreement signed by an attorney for plaintiffs to be legally enforceable by the court.

Similarly on the defense side, defendants typically are not present at mediation. A defense attorney or insurance adjuster if the matter is pre-litigation will be able to sign an agreement and have it legally enforceable by the judge.

*Consumer Attorneys of California is a professional organization of plaintiffs' attorneys representing consumers seeking accountability against wrongdoers in cases involving personal injury, product liability, environmental degradation and other causes.*

### **For more information:**

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