

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Deckert, George L., Monnes Anderson, Starr, Metsger
Nays:	0
Exc.:	0
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	2/1, 2/14

WHAT THE MEASURE DOES: Specifies that an insurer who does not elect direct reimbursement of personal injury protection benefits paid to their policyholder may only recover the payments through a statutory lien or subrogation process. Ensures that any costs or attorney fees the injured claimant incurs in connection with recovery are shared by the insurer who gets reimbursed.

ISSUES DISCUSSED:

- Problem with interpretation under current law
- Instances when costs were not appropriately shared

EFFECT OF COMMITTEE AMENDMENT: Replaces the bill. Specifies that an insurer who does not elect direct reimbursement of benefits may only recover the payments through the lien process (ORS 742.536) or subrogation (ORS 742.538).

BACKGROUND: When a policyholder makes a personal injury protection (PIP) claim for injuries suffered in an accident that was not their fault, their own insurance company pays their medical bills. The claimant's insurance company is then reimbursed from any settlement or recovery from the negligent or at-fault party. If insurance carriers do not collect directly from the other insurance company, the injured claimant may need to use an attorney to negotiate a settlement. In such cases, insurance carriers may be repaid the full amount of PIP from the settlement without having to pay the attorney fees for recovery made on the carrier's behalf. The attorney fee comes from the policyholder's settlement, even though part of the settlement went to the insurance carrier.

SB 255-A establishes that the only time an insurance carrier is not going to incur their proportionate share of expenses in recovering personal injury protection benefits is when an agreement for a direct reimbursement between two insurers takes place. By specifying that an insurer may only recover expenses by one of the three statutory methods (direct reimbursement, lien, or subrogation), SB 255-A ensures that any costs the injured person incurs in connection with recovery are shared by the insurer who gets reimbursed.