

A-Engrossed
Senate Bill 255

Ordered by the Senate February 23
Including Senate Amendments dated February 23

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Judiciary)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Modifies provisions under which motor vehicle liability insurer is responsible to second insurer for reimbursement of personal injury protection benefits.]

Provides that if motor vehicle liability insurer does not request reimbursement for recovery of personal injury protection payments from other insurer, insurer may recover payments only through lien process or subrogation.

A BILL FOR AN ACT

1
2 Relating to reimbursement of personal injury protection benefits; creating new provisions; and
3 amending ORS 742.534.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 742.534 is amended to read:

6 742.534. (1) Except as provided in ORS 742.544, every authorized motor vehicle liability insurer
7 whose insured is or would be held legally liable for damages for injuries sustained in a motor vehicle
8 accident by a person for whom personal injury protection benefits have been furnished by another
9 such insurer, or for whom benefits have been furnished by an authorized health insurer, shall reim-
10 burse such other insurer for the benefits it has so furnished if it has requested such reimbursement,
11 has not given notice as provided in ORS 742.536 that it elects recovery by lien in accordance with
12 that section and is entitled to reimbursement under this section by the terms of its policy. Re-
13 imbursement under this subsection, together with the amount paid to injured persons by the liability
14 insurer, shall not exceed the limits of the policy issued by the insurer.

15 (2) In calculating such reimbursement, the amount of benefits so furnished shall be diminished
16 in proportion to the amount of negligence attributable to the person for whom benefits have been
17 so furnished, and the reimbursement shall not exceed the amount of damages legally recoverable by
18 the person.

19 (3) Disputes between insurers as to such issues of liability and the amount of reimbursement
20 required by this section shall be decided by arbitration.

21 (4) Findings and awards made in such an arbitration proceeding are not admissible in any action
22 at law or suit in equity.

23 **(5) If an insurer does not request reimbursement under this section for recovery of per-**
24 **sonal injury protection payments, then the insurer may only recover personal injury pro-**
25 **tection payments under the provisions of ORS 742.536 or 742.538.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 **SECTION 2.** The amendments to ORS 742.534 by section 1 of this 2007 Act apply to motor
2 vehicle liability insurance policies issued or renewed on or after the effective date of this 2007
3 Act.
4
