

A-Engrossed Senate Bill 523

Ordered by the Senate May 9
Including Senate Amendments dated May 9

Sponsored by Senator PROZANSKI (at the request of Jim Marr)

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.

[Prohibits insurer from suggesting or recommending motor vehicle repair shop unless insured requests referral and insured is informed of rights in writing.]

[Prohibits insurer from limiting or discounting reasonable repair costs if insured uses motor vehicle repair shop other than shop recommended by insurer.]

Requires insurer, before recommending that particular motor vehicle repair shop make repairs to insured's motor vehicle, to inform insured of insured's right to select repair shop of insured's choice. Prohibits insurer from limiting cost of repairs based on insured's choice. Requires insurer to provide written notice regarding costs to insured if insured accepts insurer's recommendation.

A BILL FOR AN ACT

Relating to motor vehicle liability insurance; amending ORS 746.280.

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

SECTION 1. ORS 746.280 is amended to read:

746.280. (1) An insurer [*shall*] **may** not require that a particular person make the repairs to the insured's motor vehicle as a condition for recovery by the insured under a motor vehicle liability insurance policy.

(2) Prior to providing a recommendation that a particular person make repairs to the insured's motor vehicle, the person adjusting the claim on behalf of the insurer shall inform the insured of the rights conferred by subsection (1) of this section by communicating in a statement substantially similar to the following:

OREGON LAW PROHIBITS US FROM REQUIRING YOU TO GET REPAIRS TO YOUR VEHICLE AT A PARTICULAR MOTOR VEHICLE REPAIR SHOP. YOU HAVE THE RIGHT TO SELECT THE MOTOR VEHICLE REPAIR SHOP OF YOUR CHOICE.

(3) If an insured elects to have the motor vehicle repaired at a motor vehicle repair shop other than a shop recommended by the insurer, the insurer may not limit the cost of repairs necessary to return the motor vehicle to a preloss condition relative to safety, function and appearance other than as stated in the policy or as otherwise allowed by law.

(4) If an insured accepts the insurer's recommendation, the insurer shall provide, electronically or in printed form, a statement to the insured within three business days after the

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 **date of acceptance in substantially the following form:**

2 _____

3
4 **WE HAVE RECOMMENDED A MOTOR VEHICLE REPAIR SHOP. IF YOU AGREE TO**
5 **USE OUR RECOMMENDED REPAIR SHOP, YOUR VEHICLE WILL RECEIVE REPAIRS**
6 **RETURNING IT TO A PRELOSS CONDITION RELATIVE TO SAFETY, FUNCTION AND**
7 **APPEARANCE AT NO ADDITIONAL COST TO YOU OTHER THAN AS STATED IN THE**
8 **INSURANCE POLICY OR AS OTHERWISE ALLOWED BY LAW.**

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