

Senate Bill 523

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 **as introduced**.

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.

A BILL FOR AN ACT

Relating to motor vehicle liability insurance; amending ORS 746.280 and 746.290.

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) An insurer may not suggest or recommend that a particular person make the repairs to the insured's motor vehicle unless the insured expressly requests a referral from the insurer.

(3) If the insured elects to have the vehicle repaired at a motor vehicle repair shop other than a shop recommended by the insurer, the insurer may not limit or discount reasonable reimbursement costs based on charges that would have been incurred had the vehicle been repaired by the insurer's recommended shop.

SECTION 2. ORS 746.290 is amended to read:

746.290. (1) An adjuster establishing loss under a motor vehicle liability insurance policy shall advise the insured of the provisions of ORS 746.280.

(2) An insurer providing an oral recommendation for a motor vehicle repair shop at the request of the insured under ORS 746.280 shall provide written notice, within five calendar days, of the provisions of ORS 746.280 and include in the notice in at least 12-point boldfaced type in substantially the following form:

WE ARE PROHIBITED BY LAW FROM REQUIRING THAT REPAIRS BE DONE AT A SPECIFIC MOTOR VEHICLE REPAIR SHOP. YOU ARE ENTITLED TO SELECT THE MOTOR VEHICLE REPAIR SHOP TO REPAIR DAMAGE COVERED BY US. WE HAVE RECOMMENDED A MOTOR VEHICLE REPAIR SHOP THAT WILL REPAIR YOUR DAMAGED VEHICLE. IF YOU EXPERIENCE A PROBLEM WITH THE REPAIR OF YOUR VEHICLE, PLEASE CONTACT US IMMEDIATELY FOR ASSISTANCE.

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.

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2 [(2)] (3) Every motor vehicle liability insurance policy issued in this state after December 31,
3 1977, and any extension or renewal after that date of a policy issued before that date shall be ac-
4 companied by a statement in clear and conspicuous language approved by the director of:

5 (a) The rights and responsibilities of the insured when a claim is submitted; and

6 (b) The provisions of ORS 746.280.

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