

**A-Engrossed**  
**House Bill 2190**

Ordered by the House February 17  
Including House Amendments dated February 17

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor Theodore R. Kulongoski for Department of Consumer and Business Services)

**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.

Requires insurer to provide owner written documentation to support valuation of totaled motor vehicle when vehicle is declared total loss.

Requires insurer, **after certain conditions are met**, to pay amount not in dispute when there is disagreement over value of totaled motor vehicle.

Allows owner of totaled motor vehicle to recover reasonable appraisal costs from insurer when final appraisal valuation is greater than insurer's final offer.

**A BILL FOR AN ACT**

1  
2 Relating to valuations under motor vehicle liability insurance; creating new provisions; and amend-  
3 ing ORS 742.466.

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

5 **SECTION 1. Sections 2 and 3 of this 2009 Act are added to and made a part of the In-**  
6 **surance Code.**

7 **SECTION 2. When an insurer declares a motor vehicle a total loss and offers to make a**  
8 **cash settlement to an insured or third-party owner of the motor vehicle, the insurer shall**  
9 **provide the insured or third-party owner:**

10 (1) Any valuation or appraisal reports relied upon by the insurer to determine value; and

11 (2) A written statement in a form provided by the Director of the Department of Con-  
12 sumer and Business Services that includes:

13 (a) Information about total loss, vehicle valuation and the duties of the insurer; and

14 (b) The manner in which and under what circumstances the insured may contact the  
15 Insurance Division of the Department of Consumer and Business Services.

16 **SECTION 3. (1) An insurer shall pay the insured or third-party owner of a motor vehicle**  
17 **the amount of the motor vehicle's value that is not in dispute if the insurer declares the**  
18 **motor vehicle a total loss and the insurer and the insured or third-party owner are unable**  
19 **to agree on the value of the motor vehicle. Acceptance of payment of the undisputed amount**  
20 **neither waives the rights of the insured or third-party owner under the policy nor prevents**  
21 **the insured or third-party owner from pursuing a claim for additional amounts. Payment of**  
22 **the undisputed amount by the insurer does not waive any rights of the insurer under the**  
23 **policy.**

24 (2) An insurer is not obligated to pay the undisputed amount under subsection (1) of this  
25 section until the insured or third-party owner of the motor vehicle:

**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       **(a) Agrees to execute documents sufficient to transfer ownership of the motor vehicle**  
2 **to the insurer; and**

3       **(b) Authorizes the insurer, at the insurer's expense, to move the motor vehicle to a dis-**  
4 **closed location selected by the insurer, where the motor vehicle will remain available for**  
5 **inspection and evaluation for not fewer than 14 calendar days.**

6       **(3) After the expiration of the 14-day period under subsection (2) of this section, the**  
7 **insurer may proceed with the salvage sale of the motor vehicle.**

8       **SECTION 4.** ORS 742.466 is amended to read:

9       742.466. (1) In the event of a dispute between the insurer and insured under a motor vehicle li-  
10 ability policy concerning coverage for physical damage, if the policy contains a provision authoriz-  
11 ing the insured to obtain an independent appraisal by a disinterested party of the physical damage,  
12 that provision shall apply.

13       **(2) When a motor vehicle liability policy contains a provision for resolving a dispute**  
14 **through appraisal of a motor vehicle insured under the policy, the insurer shall reimburse**  
15 **the insured for the reasonable appraisal costs if the final appraisal decision under the policy**  
16 **provision is greater than the amount of the insurer's last offer prior to the incurrence of the**  
17 **appraisal costs.**

18       [(2)] (3) If a motor vehicle liability policy does not contain a provision described in subsection  
19 (1) of this section, then notwithstanding any other provision of the policy, any resolution of the  
20 dispute shall be subject to rules adopted by the Director of the Department of Consumer and Busi-  
21 ness Services.

22       **SECTION 5.** (1) **Section 2 of this 2009 Act applies to a determination of loss made on or**  
23 **after the effective date of this 2009 Act.**

24       **(2) Section 3 of this 2009 Act and the amendments to ORS 742.466 by section 4 of this 2009**  
25 **Act apply to motor vehicle liability insurance policies issued or renewed on or after the ef-**  
26 **fective date of this 2009 Act.**