B-Engrossed House Bill 2369

Ordered by the Senate May 27 Including House Amendments dated April 8 and Senate Amendments dated May 27

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Presession filed (at the request of House Interim Committee on Consumer Protection)

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.

Provides that release for bodily injuries obtained by motor vehicle liability insurer within 60 days following accident may not impair ability of insurer to recover personal injury protection benefits by subrogation.

Requires representative of motor vehicle liability insurer to provide notice to person from whom insurer obtains release for claim of bodily injuries. Specifies contents of notice. Allows person to rescind release within specified amount of time after execution of release.

A BILL FOR AN ACT

2 Relating to motor vehicles.

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- Be It Enacted by the People of the State of Oregon:
- <u>SECTION 1.</u> Sections 2 and 3 of this 2009 Act are added to and made a part of the Insurance Code.
- SECTION 2. (1) When a motor vehicle liability insurer obtains a release for bodily injuries within 60 calendar days following an accident from a person who is eligible to receive personal injury protection benefits under ORS 742.518 to 742.542, the release must state that, subject to the motor vehicle liability insurer's applicable limits of liability, the rights of an insurer furnishing personal injury protection to recover payments made for medical benefits from the motor vehicle liability insurer are not impaired.
- (2) Nothing in this section impairs the rights of a motor vehicle liability insurer to contest a recovery claim from an insurer furnishing personal injury protection, based upon liability or the reasonableness or necessity of medical benefits paid by the insurer furnishing personal injury protection.
- <u>SECTION 3.</u> If a representative of a motor vehicle liability insurer obtains a release for a claim of bodily injuries in person from a person who is eligible to receive personal injury protection benefits under ORS 742.518 to 742.542:
- (1) The representative of the insurer must provide the eligible person with a clear and conspicuous notice substantially similar to the following, which shall be incorporated into the insurer's release or provided in a separate document:

THE DOCUMENT YOU ARE BEING ASKED TO SIGN IS A BINDING CONTRACT THAT CONCLUDES YOUR CLAIM(S) AGAINST THE PARTIES IT IDENTIFIES. AFTER YOU SIGN

1	IT YOU WILL NOT BE ABLE TO MAKE ANY FURTHER CLAIM(S) AGAINST THESE
2	PARTIES.
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5	(2) The eligible person may rescind the release if the person provides the insurer written

(2) The eligible person may rescind the release if the person provides the insurer written notice of rescission no later than five business days after the execution of the release and then promptly performs all other requisite acts for rescission of a contract. For the purposes of this subsection, notice of rescission is provided to an insurer on the date and time shown on a properly addressed proof of mailing or electronic transmission.

SECTION 4. Sections 2 and 3 of this 2009 Act apply to motor vehicle accidents that occur on or after the effective date of this 2009 Act and apply to releases obtained on or after the effective date of this 2009 Act.