

# House Bill 3217

Sponsored by Representative ESQUIVEL; Representatives GARRARD, G SMITH (at the request of Bill Young)

## 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 motor vehicle liability insurance policies containing provision requiring arbitration of disputes.

## A BILL FOR AN ACT

1  
2 Relating to motor vehicle liability insurance policy arbitration provisions; creating new provisions;  
3 and amending ORS 742.450.

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

5 **SECTION 1.** ORS 742.450 is amended to read:

6 742.450. (1) Every motor vehicle liability insurance policy issued for delivery in this state shall  
7 state the name and address of the named insured, the coverage afforded by the policy, the premium  
8 charged therefor, the policy period and the limits of liability.

9 (2) Every motor vehicle liability insurance policy issued for delivery in this state shall contain  
10 an agreement or indorsement stating that, as respects bodily injury and death or property damage,  
11 or both, the insurance provides either:

12 (a) The coverage described in ORS 806.070 and 806.080; or

13 (b) The coverage described in ORS 806.270.

14 (3) The agreement or indorsement required by subsection (2) of this section shall also state that  
15 the insurance provided is subject to all the provisions of the Oregon Vehicle Code relating to fi-  
16 nancial responsibility requirements as defined in ORS 801.280 or future responsibility filings as de-  
17 fined in ORS 801.290, as appropriate.

18 (4) Every motor vehicle liability insurance policy issued for delivery in this state shall provide  
19 liability coverage to at least the limits specified in ORS 806.070.

20 (5) Every motor vehicle liability insurance policy issued for delivery in this state shall provide  
21 liability coverage, up to the limits of coverage under the policy for a vehicle owned by the named  
22 insured, for the operation by the named insured of a motor vehicle provided to the named insured,  
23 without regard to whether the named insured is charged for the use of the motor vehicle, if:

24 (a) The motor vehicle is provided to the named insured by a person engaged in the business of  
25 repairing or servicing motor vehicles; and

26 (b) The motor vehicle is provided to the named insured as a temporary replacement vehicle  
27 while the named insured's vehicle is being repaired or serviced.

28 (6) A motor vehicle liability insurance policy issued for delivery in this state may exclude by  
29 name from coverage required by subsection (2)(a) of this section any person other than the named  
30 insured, for any of the reasons stated in subsection (7) of this section. When an insurer excludes a  
31 person as provided by this subsection, the insurer shall obtain a statement or indorsement, signed

**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 by each of the named insureds, that the policy will not provide any coverage required by subsection  
2 (2)(a) of this section when the motor vehicle is driven by any named excluded person.

3 (7) A person may be excluded from coverage under a motor vehicle liability insurance policy as  
4 provided in subsection (6) of this section:

5 (a) Because of the driving record of the person. The Director of the Department of Consumer  
6 and Business Services by rule may establish restrictions on the use of the driving record in addition  
7 to other restrictions established by law.

8 (b) Because of any reason or set of criteria established by the director by rule.

9 (8) Every motor vehicle liability insurance policy issued for delivery in this state shall contain  
10 a provision that provides liability coverage for each family member of the insured residing in the  
11 same household as the insured in an amount equal to the amount of liability coverage purchased  
12 by the insured.

13 **(9) A motor vehicle liability insurance policy issued for delivery in this state may not**  
14 **contain a provision requiring arbitration of any dispute.**

15 **SECTION 2. The amendments to ORS 742.450 by section 1 of this 2009 Act apply to in-**  
16 **surance contracts issued or renewed on or after the effective date of this 2009 Act.**

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