

REVENUE: No revenue impact**FISCAL: Minimal fiscal impact, no statement issued**

Action:	Do Pass
Vote:	3 - 2 - 0
Yeas:	Bonamici, Monroe, Shields
Nays:	Boquist, George
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	3/2, 4/18

WHAT THE MEASURE DOES: Allows an injured person to retain from payments on claims of the injured person reimbursement for both economic and noneconomic damages prior to reimbursement of personal injury protection benefits paid by an insurer. Extends personal injury protection coverage for certain expenses from one year to two years after the date of injury.

ISSUES DISCUSSED:

- How personal injury protection coverage works
- Financial impact of injury accidents
- Potential impact on cost of coverage

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon law requires residents to carry liability insurance in order to operate a motor vehicle in the state. These policies must include personal injury protection benefits for the insured, the insured's family in the same household, children in the same household, passengers occupying the insured motor vehicle and pedestrians struck by the insured motor vehicle. Currently, this personal injury protection covers medical, hospital, surgical ambulance and prosthetic services incurred within one year of the date of injury. Senate Bill 372 increases coverage for these services to two years.

Current law stipulates that in cases where an injured party receives benefits through a personal injury policy, the insurer is to be reimbursed for payments made on the behalf of a person only to the extent that the total amount of benefits paid exceeds the economic damages, as defined in ORS 31.710, suffered by that person. "Economic damages" includes losses due to expenses such as medical, hospital, nursing, rehabilitative services, burial and memorial expenses, loss of income and past and future impairment of earning capacity, expenses for substitute domestic services, recurring loss to an estate, damage to reputation, costs incurred due to loss of use of property, and costs for repair or replacement of damaged property. Senate Bill 372 amends the requirement to reimburse providers of personal injury benefits to stipulate that they are to be reimbursed after payment of all benefits, both economic and noneconomic. Examples of noneconomic benefits include subjective, nonmonetary losses such as pain, mental suffering, emotional distress, humiliation, injury to reputation, loss of care, comfort or companionship, inconvenience and interference with normal and usual activities.