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Ensure that Oregon Consumers get the Protection and Insurance Benefits They Pay For Please Vote Yes on HB 2821-A

Chair Rosenbaum and members of the committee, my name is Rob Dolton and I'm here to urge you to vote Yes on HB 2821-A. Under current law, most Oregonians pay premiums for insurance they can never collect. To fix this injustice, House Bill 2821-A amends ORS 742.500, which deals with underinsured motorist insurance. This amendment will allow Oregonians to get the insurance coverage they have been paying for.

Underinsured motorist coverage applies when the coverage purchased by the at-fault driver is not enough to cover the damages to the victim of a car accident. Under current Oregon law, the victim is often unable to get all of the benefits from the premiums he/she has paid for.

A typical scenario is as follows: the victim, Sarah, pays for \$50,000 of underinsured motorist bodily injury liability coverage. The at-fault driver, Bob, pays for \$25,000 of bodily injury liability coverage. Bob hits Sarah in her car and she sustains serious, life-changing injuries with more than \$75,000 in bills from the accident. Since \$75,000 worth of insurance had been purchased between both drivers, you'd think Sarah's bills would be covered.

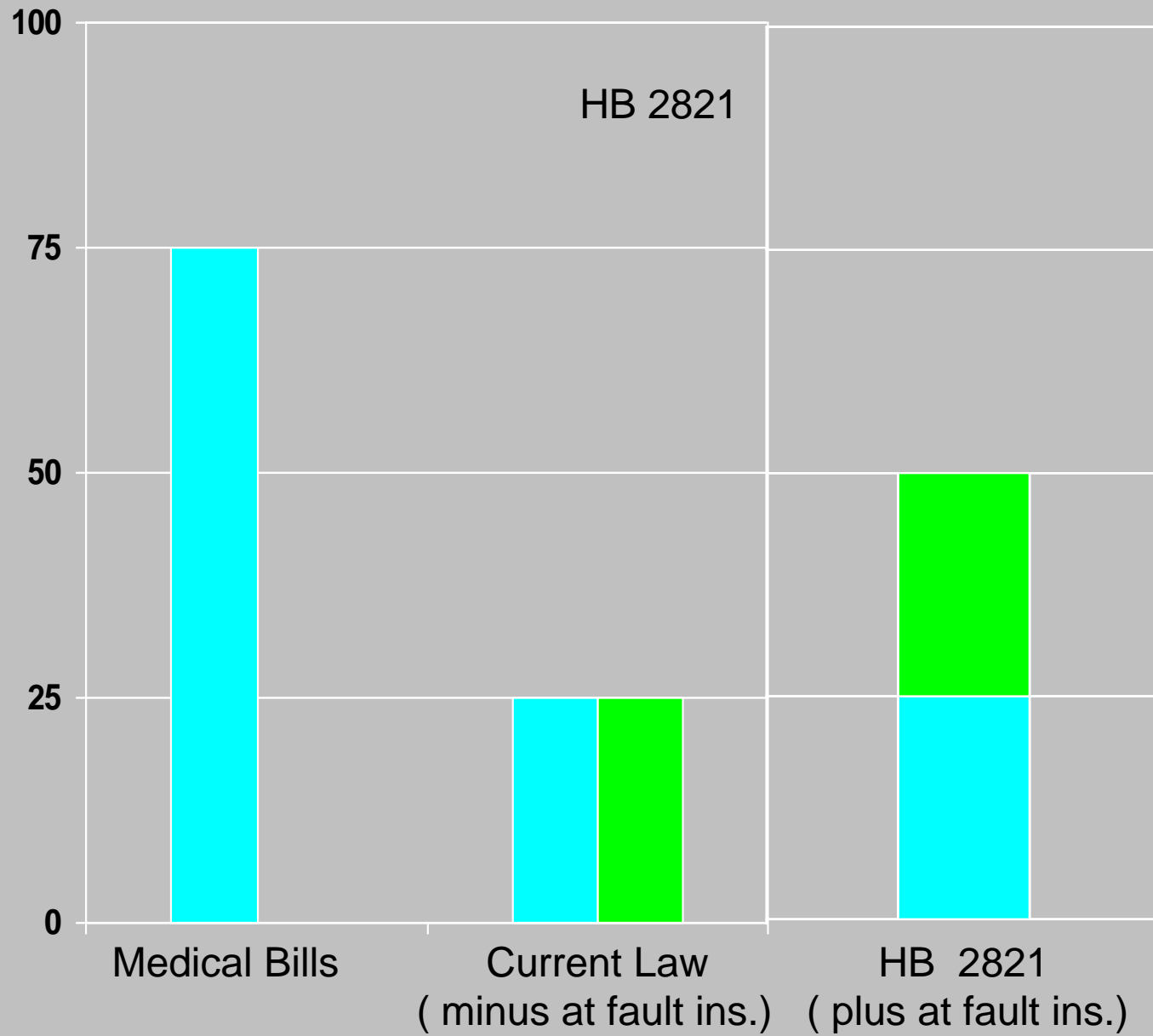
Sadly, you'd be wrong. Bob's insurance company would pay \$25,000 of Sarah's bills. Her insurer would then subtract that amount from her policy limit, only paying her \$25,000 of her \$50,000 policy even though she has \$75,000 worth of bills. If both policies had \$25,000 limits, her situation would be even worse: her company wouldn't have to pay her anything under the existing law.

These amendments resolve this injustice and allow Oregonians to collect the benefits they've paid for. This will change people's lives. One of my clients, a 29 year old waitress, was helping a friend near Sutherlin last summer. A driver, with a suspended license, made an illegal U-turn and crushed her. She was extracted from the car with the jaws-of-life, has undergone three surgeries and faces future reconstructive jaw surgery. Her medical expenses are already in excess of \$100,000. Both drivers paid for \$25,000 worth of coverage. As a result, under the current unjust system, she will only be able to get \$25,000 from the other driver's policy. She can collect \$0- from her own UIM policy. She receives nothing from the policy she paid for!

House Bill 2821-A would allow a victim like her to "stack" all the purchased coverage; the \$25,000 from the at-fault driver and her \$25,000 she paid for. Stacking would have provided \$50,000 for my client's medical bills. Instead, she had to move back to her family home and went on public assistance. Her insurance company kept her premiums, didn't pay the promised benefits and taxpayers are now paying for her health care.

This amendment allows Oregonians to collect all the benefits they have been paying for. Stacking is allowed in Washington and premiums have not sky-rocketed. As my client's case shows, without stacking insurance companies make more profits on the backs of their customers and the taxpayers. On behalf of my client and the Oregon Trial Lawyers Association, I urge you to fix this injustice and help Oregonians get the coverage they've been paying for.

**Please Support Oregon Consumers.
The Oregon Trial Lawyers Association Urges You to Support HB 2821-A**



Do your part to ensure that Oregon consumers get the protection and insurance benefits they pay for

Please vote Yes on HB 2821

In Oregon, every automobile insurance policy requires consumers to buy Underinsured Motorist (UIM) and Personal Injury Protection (PIP) coverage.

When an at fault driver injures another driver, UIM benefits are supposed to cover the costs not covered by the at fault driver's insurance. However, in Oregon, fault free drivers are denied the UIM benefits they have been paying for if their UIM coverage equals the at fault driver's coverage--- no matter how much the medical expenses are. UIM claims often involve serious injuries that are permanent, life changing and require extensive medical care.

Here is a real life example.

Daleen McElhaney was catastrophically injured in a 2011 car accident. Her injuries included broken legs and a hip that was so shattered it is now held together with a metal plate. The photos of the two cars after the accident tell it all. Her medical bills alone were more than \$285,000. She dutifully paid premiums for \$100,000 of UIM coverage. However, because the at fault driver also had \$100,000 in coverage, McElhaney was denied any of her UIM benefits. Current law only allowed her to collect \$100,000 from the at fault driver's insurance rather than being able to "stack" her \$100,000 of coverage on top of the adverse driver's \$100,000.

HB 2821 will fix this injustice by allowing the victim to "stack" their UIM coverage on top of the policy limit of the at-fault driver, when necessary, to fully compensate the victim for their losses. For McElhaney, this change would have allowed her to collect \$200,000 to apply toward her bills and other losses instead of allowing her insurance company to keep the benefits she paid for and needed so badly.

Oregon consumers are also required to pay for a minimum of \$15,000 of PIP coverage. Under current law, if the accident is the fault of another driver, the PIP insurer is reimbursed FIRST, fully, before you (the injured consumer), see a dime from the at fault driver's insurance company for medical and other expenses incurred from the accident. Even before your doctor or other health care providers are fully paid, your insurance company is paid. This bill would change that.

HB 2821 would ensure that the injured consumer is the first party to be reimbursed for her loss and receives the benefits she has been paying for. The PIP insurer would then be reimbursed with the remaining available funds.

Current Washington law allows consumers to "stack" their UIM benefits on top of the policy limit of the at-fault driver and makes certain the victim receives her PIP coverage first, before the insurance company is paid back. Despite these pro-consumer provisions, Washington insurance premiums are nearly identical to Oregon's for the same coverage. PUT NEIL'S STATS IN HERE ON WASHINGTON

HB 2821 will make certain that Oregonians get the coverage they have been paying for.

PLEASE SUPPORT OREGON CONSUMERS –
The Oregon Trial Lawyers Association urges you to **SUPPORT HB 2821**

June 24, 2013

Testimony of Daleen McElhaney, NE Portland, OR

Please Vote Yes on HB 2821-A

Injured Victims Shouldn't be Hurt Twice by Insurance Profiteering

Chair Rosenbaum and members of the committee, my name is Daleen McElhaney and I'm urging you to help injured victims get the insurance they've paid for by voting Yes on HB 2821-A. I teach kindergarten at Prescott Elementary in NE Portland, so unfortunately my work makes it impossible to be there in person today, but I respectfully wanted to share my story, as I hope it will illustrate how our current motor vehicle insurance law leaves injured insured Oregonians woefully under-served, often leading to financial hardship when medical bills pile up after an accident.

On October 30th of 2011, I was bringing my two children home from a swim meet in my Chrysler minivan. We were 4 miles outside of Madras heading back to Portland when a teenager driving a Geo Prism on the other side of the 2-lane highway drifted onto the shoulder, then over-corrected and crashed head-on into my car at over 55 miles per hour. The entire front and driver's side was smashed to bits. I thank God my kids, who were 8 and 12 at the time, were sitting in the middle seats and were just banged up. I, however, took the brunt of the impact and was immediately rushed to the hospital in Madras and then transferred to St. Charles in Bend for emergency surgery. I spent 9 nights at St. Charles before being transferred to Good Samaritan in Portland for another 14 days. I'm now bionic, complete with a plate in my left hip, a rod in my left femur and a rod in my right tibia. Add to that the multiple screws to hold it all together and I can assure you I light up like a Christmas tree when going through airport security. It took a total of 10 months of excruciating physical therapy to get me back on my feet again. I spent 4 months in a wheelchair, a short time on a walker, 9 months on crutches and 4 months on a cane, before I was able to walk "freely" again. I once again thank God for my parents who were able to take me and my kids into their home to take care of us. I lost my husband suddenly on Christmas Eve in 2003 and as a single mother working part-time teaching English (at the time of the accident) I was blessed to have their emotional, physical and financial support of my parents to see me and my children through a very devastating ordeal.

No less crushing, was the cold realization that my medical bills had racked up to over \$285,000. I paid \$1,000 out-of-pocket on physical therapy as well. All along I was assuming with my \$100,000 car insurance policy (UIM) combined with the at-fault driver's \$100,000 insurance policy – I would pay off a big chunk of those medical bills right off the top. I was shocked to find out from a lawyer that indeed, I was only entitled to \$100,000 total from the other driver's policy. I would receive nothing from my own policy. That took my breath away. It was like I was crashed into twice.

Prescott Elementary was kind enough to bump me up to teaching full-time kindergarten as soon as I was mobile again. I'm physically at about 75-80% now, but still limp and have to take stairs one at a time. I believe my recovery progress was hindered by the emotional drain of trying to figure out how to cover all my medical costs. If not for my parents stepping in, I'm not sure what I would have done. The law simply favors insurance industry profits and deals a blow to injured people who need coverage they have paid for. I hope you'll help Oregonians, like me, who should have the insurance coverage when they need it most. Please Vote Yes on HB 2821-A. Thank you.