

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 3 - 0
Yeas:	Doherty, Keny-Guyer, Lively, Richardson, Vega Pederson, Holvey
Nays:	Johnson, Smith, Thatcher
Exc.:	0
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	3/12, 4/4

WHAT THE MEASURE DOES: Extends time period in which reasonable and necessary expenses must be covered by personal injury protection benefits. Changes damages used in calculating reimbursement owed to provider of personal injury protection benefits. Modifies application of underinsured motorist coverage in circumstance where recoverable damages exceed liability coverage.

ISSUES DISCUSSED:

- Limitations on personal injury protection coverage in existing statute
- Rates and practices in other states, particularly Washington
- Results of Oregon Insurance Division request for insurer rate predictions in 2009
- Current process of subrogation
- Underinsured motorist (UIM) coverage and “stacking” of UIM benefit with other party’s liability coverage

EFFECT OF COMMITTEE AMENDMENT: Requires underinsurance component of uninsured motorist coverage to equal sums legally recoverable by insured, heirs or legal representative, less amounts recovered from other liability policies, up to limits of uninsured motorist coverage. Makes technical language changes.

BACKGROUND: Oregon law requires all motor vehicle liability insurance policies to provide personal injury protection benefits to the insured, certain relatives of the insured, passengers occupying the insured vehicle and pedestrians struck by the vehicle. Existing statute limits the coverage of reasonable and necessary expenses of medical, hospital, dental, surgical, ambulance and prosthetic services to within one year of the date of injury and no more than \$15,000 per individual, unless the specific policy provides more. Existing statute also requires the insured to reimburse the insurer for personal injury protection payments when the total amount of benefits paid exceeds the economic damages suffered by that person.

House Bill 2821 A extends the one year time period for coverage of medical, hospital, dental, surgical, ambulance and prosthetic services under personal injury protection benefits to two years and requires reimbursement of personal injury protection payments only to the extent that the total amount of benefits exceeds all damages suffered. The measure also requires payment of underinsured motorist benefits when the insured may legally recover more than the amount of the other driver’s liability coverage.