

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure and Be Referred to the Committee on Rules

Vote: 3 - 2 - 0

Yeas: Monnes Anderson, Prozanski, Shields

Nays: Baertschiger, George

Exc.: 0

Prepared By: Channa Newell, Administrator

Meeting Dates: 5/22, 5/31

WHAT THE MEASURE DOES: Provides insurer may only be reimbursed by insured for amounts paid in excess of total damages suffered by insured under personal injury protection policy. Requires uninsured motorist insurance coverage, underinsurance coverage, and personal injury protection benefits provide recovery to insured up to limits of policy, less any amount recovered from other policies. Extends personal injury protection benefit coverage from one year after date of injury to two years after date of injury.

ISSUES DISCUSSED:

- Statistics on adequacy of insurance coverage
- “Stacking” of insurance policy coverage
- Prior legislation on personal injury protection insurance
- Concerns with increase in vehicle insurance premium rates
- Situations in which insurance coverage was inadequate to cover medical expenses

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Oregon law requires every insurance policy for private motor vehicles to include personal injury protection (PIP) benefits and coverage against damage caused by uninsured motorists. Often, PIP benefits have a policy limit of \$15,000. Expenses are covered for one year after the date of the accident and include medical, hospital, dental, surgical, and ambulance services. When the total amount of PIP benefits paid by the insurer exceeds the economic damages suffered by the insured, the insured must reimburse the insurer.

House Bill 2821-A requires the insured to reimburse the insurance company only when the benefits paid exceed all damages suffered by the person, not just economic damages. The measure also extends the period of coverage of PIP benefits from one year after the date of injury to two years.