

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass the A-Engrossed Measure
<b>Vote:</b>	3 - 2 - 0
<b>Yeas:</b>	Beyer, Burdick, Rosenbaum
<b>Nays:</b>	Ferrioli, Starr
<b>Exc.:</b>	0
<b>Prepared By:</b>	Lori Brocker, Administrator
<b>Meeting Dates:</b>	6/24

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**WHAT THE MEASURE DOES:** Requires personal injury protection insurance apply to all damages, economic and non-economic, suffered by policyholder prior to reimbursement of insurer, up to limits of personal injury protection policy. Extends personal injury protection benefit coverage from one year after date of injury to two years after date of injury. Modifies calculation of underinsured motorist protection insurance (UIM) from covering difference between policyholder's UIM policy limits and at-fault driver's liability policy limits, to covering maximum of policyholder's UIM and at-fault driver's liability policy limits combined.

**ISSUES DISCUSSED:**

- Prior amendments
- Relationship between personal injury protection coverage and health coverage
- Subrogation
- Impact of measure on insurance rates
- Stacking in insurance context
- Comparison of Washington and Oregon law
- Difference between mandatory and optional coverage
- Cost of measure
- Impact of measure on insured, uninsured and underinsured

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Oregon law requires every insurance policy for private motor vehicles to include personal injury protection (PIP) coverage against damage caused by uninsured or underinsured motorists. PIP benefits are intended to cover immediate expenses associated with an accident. Under current law, PIP benefits are paid by the insurer to the policyholder for economic damages only, up to the limits of the policy. The insurer may recover PIP expenses from any remaining benefits received after the policyholder's economic damages have been satisfied. "Benefits received" may include at-fault driver's liability insurance or payments by an at-fault driver.

House Bill 2821A allows the policyholder to apply benefits received to any damages, not just economic damages, prior to the insurer recovering expenses from benefits paid. The measure also extends the period of coverage of PIP benefits from one year after the date of injury to two years.