

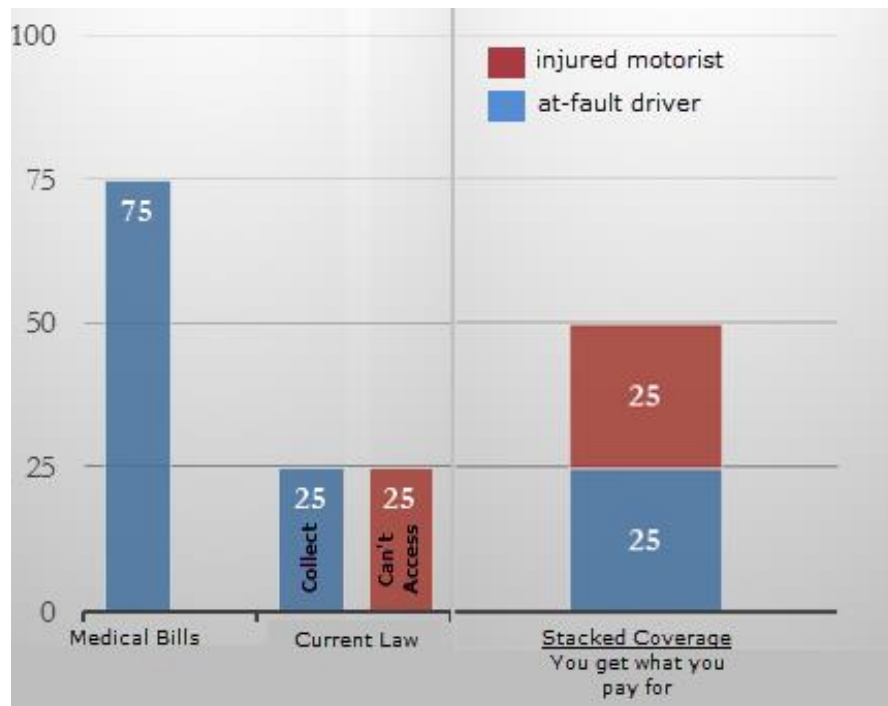
# Consumer Protection in Auto Insurance

## SB 411 (with -1 amendments)

### Topic One: Getting What You Pay For (Stacking)

An unfair loophole in Oregon law prevents victims of underinsured motorists (UIM) from accessing insurance benefits they've been paying for in premiums, month after month, year after year. **SB 411 allows Oregon to join Washington and more than half of the other states in allowing consumers to stack their coverage on top of the at-fault driver's liability coverage so injured consumers get what they've paid for.**

**Example:** You are hit by an underinsured motorist and have medical bills of \$75,000. The at-fault driver has \$25,000 of liability insurance. You collect that. You have your own policy of \$25,000 underinsured motorist coverage. In this instance you would only get \$25,000 in coverage rather than the two policies stacked together for \$50,000 in coverage. Why?



Under current law, the at-fault driver's \$25,000 is subtracted from your underinsured motorist coverage. **SB 411 would STACK your \$25,000 in coverage on top of the underinsured motorist's liability coverage.**

### Topic Two: Putting Injured Motorists Before Insurance Companies (PIP)

Personal Injury Protection (PIP) is a mandatory special (minimum) \$15,000 benefit for which motorists pay a separate premium. PIP is used for speedy payment of medical bills and wage loss. This payment could be issued before there is a determination of fault in the accident. If the other driver is at fault, their insurance pays up to the maximum of their liability coverage. Those funds are used to pay medical bills, lost wages, non-economic and vehicular damage **and to repay the \$15,000 PIP that the injured driver's insurance company has already paid out.** Under current Oregon law, your insurance company's PIP money is repaid to the insurance company **before** you, the injured motorist, get paid for **total** damages. SB 411 would allow the injured motorist to recover their **total** damages first. Then, if there is money left over from the perpetrator's liability insurance, the PIP is reimbursed. This system is in place in 38 other states.

The bill also makes a slight but important modification to the duration of PIP coverage. Currently PIP pays for medical bills incurred within a year of the accident. Without changing the amount of PIP coverage available, the bill would extend the coverage for medical bills from one year to two.