

**A-Engrossed**  
**Senate Bill 922**

Ordered by the Senate April 24  
Including Senate Amendments dated April 24

Sponsored by Senator THOMSEN

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

*[Provides that reimbursement to member of legal expense organization for charges that member incurs for legal services does not include nominal fee for operating expenses that legal expense organization incurs or pays to providing attorney. Specifies allowable operating expenses.]*

**Exempts from certain regulations legal access provider that charges fee to customer for purpose of providing customer with access to legal consultations and other legal services and that pays administration fee to attorney.**

**A BILL FOR AN ACT**

1  
2 Relating to legal expense organizations; amending ORS 750.505 and 750.525.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 750.505 is amended to read:

5 750.505. As used in ORS 750.505 to 750.715:

6 **(1)(a) "Administration fee" means a nominal fee that:**

7 **(A) A legal access provider pays to an attorney;**

8 **(B) Is not more than \$6 per month for each of the legal access provider's customers, or**  
9 **a greater amount that the Director of the Department of Consumer and Business Services**  
10 **specifies by rule; and**

11 **(C) Covers overhead and administrative expenses that the attorney incurs in providing**  
12 **legal consultations or other legal services to a legal access provider's customers.**

13 **(b) "Administration fee" does not include fees, charges or other compensation that an**  
14 **attorney charges to the attorney's client for legal services or a reimbursement that a legal**  
15 **expense organization provides under a legal expense plan.**

16 **(2) "Legal access provider" means a person that charges a fee to a customer for the**  
17 **purpose of providing the customer with access to legal consultations and other legal services**  
18 **and that pays an administration fee to an attorney.**

19 *[(1)]* **(3)(a) "Legal expense organization" or "organization" means [any] a person or group of**  
20 **persons [who] that provide or offer to provide a legal expense plan, including [any] a person [who]**  
21 **that acts as [its] the legal expense plan's administrator.**

22 **(b) "Legal expense organization" or "organization" does not include a legal access pro-**  
23 **vider.**

24 *[(2)]* **(4) "Legal expense plan" or "plan" means [the] an agreement between an organization and**  
25 **a person or a group of persons [whereby] under which the organization, in return for a specified**  
26 **payment as consideration, reimburses the person or group of persons as members of the plan**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **for charges the person or group of persons incurs for** legal services *[are to be provided to the*  
2 *person or group of persons as members, or whereby the persons as members are to be reimbursed for*  
3 *charges incurred for legal services, in consideration of a specified payment].*

4 [(3)] (5) “Member” means a person who is eligible to receive legal services under a legal expense  
5 plan.

6 [(4)] (6) “Membership agreement” means *[the]* written evidence of coverage of a member under  
7 a plan between an organization and members.

8 [(5)] (7) “Provider agreement” means a written contract or agreement between an organization  
9 and a providing attorney for *[the]* rendering *[of]* legal services to a member or group of persons.

10 [(6)] (8) “Providing attorney” means any attorney licensed and in good standing in this state  
11 who provides legal services *[pursuant to the]* **in accordance with a membership agreement or a**  
12 **provider agreement.**

13 [(7)] (9) “Sales or marketing representative” means *[any]* a person who markets or solicits  
14 members for or on behalf of a plan.

15 **SECTION 2.** ORS 750.525 is amended to read:

16 750.525. ORS 750.505 to 750.715 do not apply to the following arrangements:

17 (1) A retainer *[contracts made by]* **contract that** an attorney or firm of attorneys **makes** with  
18 a specific individual, *[pursuant to]* **under the terms of which the attorney or firm bases fees** *[are*  
19 *based]* on reasonable estimates of the nature and amount of services *[to be provided,]* **the attorney**  
20 **or firm will provide,** and similar contracts *[made by]* **that** an attorney or firm of attorneys **makes**  
21 with a group of clients involved in the same or closely related legal matters.

22 (2) Any two-party agreement *[providing for the delivery of]* **for delivering** specified legal services  
23 in return for a specified payment, including *[an administrative]* a fee **for administering the**  
24 **agreement or services related to the agreement,** *[whereby an arrangement is made between]* **un-**  
25 **der the terms of which** an attorney or firm of attorneys *[and]* **arranges to provide legal services**  
26 **to** a group of individuals who are all members of the same bona fide nonprofit membership organ-  
27 ization, **such as a church, trade group, credit union or association,** or a group of individuals  
28 who are all employed by the same employer, *the primary purpose of which is]* **and the primary**  
29 **purpose of the nonprofit membership organization or the employer is** other than *[the provision*  
30 *of legal services]* **providing legal services.** *[Such groups of individuals may be but are not limited to*  
31 *churches, trade groups, credit unions or associations. Under such an arrangement no]* **An agreement**  
32 **is exempt from the application of ORS 750.505 to 750.715 under this subsection only if the**  
33 **agreement does not involve a** third party such as a legal expense organization or sales or mar-  
34 keting representative *[may be involved]* in receiving any of the specified payments or in overseeing  
35 the delivery of the specified legal services.

36 (3) A referral of *[individual clients]* a **client** to an attorney, to the extent that *[such referral is*  
37 *provided by]* a nonprofit lawyer referral service or public corporation such as a state or local bar  
38 association, *so long as there is no]* **provides the referral and does not** charge for *[such]* **the** re-  
39 ferral.

40 (4) Employee welfare benefit plans to the extent that *[state regulation is preempted by]* Section  
41 514 of the federal Employee Retirement Income Security Act of 1974, or successor legislation, **pre-**  
42 **empts state regulation.**

43 (5) Legal assistance plans financed primarily by public funds, interest on lawyers trust accounts  
44 funds under the regulation of the Oregon State Bar or other public service funds.

45 (6) Authorized insurers *[offering]* **that offer** legal expense insurance in this state.

1           **(7) A legal access provider that pays only an administration fee to an attorney and does**  
2           **not pay for or reimburse a customer of the legal access provider for legal services that the**  
3           **attorney provides to the customer.**

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