PROPOSED AMENDMENTS TO

SENATE BILL 922

1   On page 1 of the printed bill, line 2, delete "creating new provisions;

2 and" and after "750.505" insert "and 750.525".

3   Delete lines 4 through 31 and delete page 2 and insert:

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 for each customer**

8 **the legal access provider refers to the attorney;**

9   **"(B) Is not more than $12 per month, or an amount the Director**

10 **of the Department of Consumer and Business Services specifies by**

11 **rule; and**

12   **"(C) Covers overhead expenses the attorney incurs in providing le-**

13 **gal consultations or other legal services to a legal access provider's**

14 **customers.**

15   **"(b) 'Administration fee' does not include fees, charges or other**

16 **compensation that an attorney charges to the attorney's client for le-**

17 **gal services or a reimbursement that a legal expense organization**

18 **provides under a legal expense plan.**

19   **"(2) 'Legal access provider' means a person that charges a fee to a**

20 **customer for the purpose of providing the customer with access to le-**

21 **gal consultations and other legal services and pays an administration**

22 **fee to an attorney for each customer that the person refers to the at-**

1 **torney for legal consultations or other legal services.**

2 "[*(1)*] **(3)(a)** 'Legal expense organization' or 'organization' means [*any*] **a**

3 person or group of persons [*who*] **that** provide or offer to provide a legal

4 expense plan, including [*any*] **a** person [*who*] **that** acts as [*its*] **the legal**

5 **expense plan's** administrator.

6 "**(b) 'Legal expense organization' or 'organization' does not include**

7 **a legal access provider.**

8 "[*(2)*] **(4)** 'Legal expense plan' or 'plan' means [*the*] **an** agreement between

9 an organization and a person or a group of persons [*whereby*] **under which**

10 **the organization, in return for a specified payment as consideration,**

11 **reimburses the person or group of persons as members of the plan for**

12 **charges the person or group of persons incurs for** legal services [*are to*

13 *be provided to the person or group of persons as members, or whereby the*

14 *persons as members are to be reimbursed for charges incurred for legal ser-*

15 *vices, in consideration of a specified payment*].

16 "[*(3)*] **(5)** 'Member' means a person who is eligible to receive legal services

17 under a legal expense plan.

18 "[*(4)*] **(6)** 'Membership agreement' means [*the*] written evidence of cover-

19 age of a member under a plan between an organization and members.

20 "[*(5)*] **(7)** 'Provider agreement' means a written contract or agreement

21 between an organization and a providing attorney for [*the*] rendering [*of*]

22 legal services to a member or group of persons.

23 "[*(6)*] **(8)** 'Providing attorney' means any attorney licensed and in good

24 standing in this state who provides legal services [*pursuant to the*] **in ac-**

25 **cordance with a** membership agreement **or a provider agreement**.

26 "[*(7)*] **(9)** 'Sales or marketing representative' means [*any*] **a** person who

27 markets or solicits members for or on behalf of a plan.

28 "**SECTION 2.** ORS 750.525 is amended to read:

29 "750.525. ORS 750.505 to 750.715 do not apply to the following arrange-

30 ments:

1   "(1) **A** retainer [*contracts made by*] **contract that** an attorney or firm of

2 attorneys **makes** with a specific individual, [*pursuant to*] **under the terms**

3 **of** which **the attorney or firm bases** fees [*are based*] on reasonable esti-

4 mates of the nature and amount of services [*to be provided,*] **the attorney**

5 **or firm will provide,** and similar contracts [*made by*] **that** an attorney or

6 firm of attorneys **makes** with a group of clients involved in the same or

7 closely related legal matters.

8   "(2) Any two-party agreement [*providing for the delivery of*] **for delivering**

9 specified legal services in return for a specified payment**,** including [*an ad-*

10 *ministrative*] **a** fee **for administering the agreement or services related**

11 **to the agreement**, [*whereby an arrangement is made between*] **under the**

12 **terms of which** an attorney or firm of attorneys [*and*] **arranges to provide**

13 **legal services to** a group of individuals who are all members of the same

14 bona fide nonprofit membership organization**, such as a church, trade**

15 **group, credit union or association,** or **a** group of individuals who are all

16 employed by the same employer[*, the primary purpose of which is*] **and the**

17 **primary purpose of the nonprofit membership organization or the**

18 **employer is** other than [*the provision of legal services*] **providing legal**

19 **services**. [*Such groups of individuals may be but are not limited to churches,*

20 *trade groups, credit unions or associations. Under such an arrangement no*]

21 **An agreement is exempt from the application of ORS 750.505 to 750.715**

22 **under this subsection only if the agreement does not involve a** third

23 party such as a legal expense organization or sales or marketing represen-

24 tative [*may be involved*] in receiving any of the specified payments or in

25 overseeing the delivery of the specified legal services.

26   "(3) **A** referral of [*individual clients*] **a client** to an attorney**,** to the extent

27 that [*such referral is provided by*] a nonprofit lawyer referral service or

28 public corporation such as a state or local bar association[*, so long as there*

29 *is no*] **provides the referral and does not** charge for [*such*] **the** referral.

30   "(4) Employee welfare benefit plans to the extent that [*state regulation is*

1   *preempted by*] Section 514 of the federal Employee Retirement Income Secu-

2   rity Act of 1974, or successor legislation**, preempts state regulation**.

3   "(5) Legal assistance plans financed primarily by public funds, interest

4   on lawyers trust accounts funds under the regulation of the Oregon State

5   Bar or other public service funds.

6   "(6) Authorized insurers [*offering*] **that offer** legal expense insurance in

7   this state.

8   **"(7) A legal access provider that pays only an administration fee to**

9   **an attorney and does not pay for or reimburse a customer of the legal**

10   **access provider for legal services that the attorney provides to the**

11   **customer.**".

12   _____