

# OREGON TRIAL LAWYERS ASSOCIATION

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Testimony of Arthur Towers,  
OTLA Political Director  
In Strong Opposition to HB 4008  
Before the House Committee on Business and Labor  
February 5, 2020

Thank you for the opportunity to testify today. OTLA members are lawyers who fight for underdogs. In this instance, these underdogs are auto insurance consumers seeking to get the coverage they have paid for month after month, year after year. Pedestrians, cyclists, and passengers without auto insurance are also at grave risk due to HB 4008.

**HB 4008 is very much an anti-consumer bill.**

The bill repeals insurance coverage in instances in which a driver has resided in a household for 45 days, but is not named on the vehicle owner's insurance policy. This also applies to a newly-licensed driver 45 days after they receive their license.

Thousands of unknowingly uninsured motorists will be on the road. The pedestrians and drivers they hit will be liable for their own medical bills and lost wages.

**Example: I let my roommate borrow my car once in a while. For the first 45 days we are living together she is covered. On day 46, she hits a bicyclist.**

**If the cyclist has auto insurance, then their Uninsured Motorist policy pays. If they have personal health insurance (or OHP), that might pay some of their medical bills, but not their lost wages or any property damage.**

**The driver only has her own health insurance (or OHP). There is no coverage for lost wages. I, as the vehicle owner, have no coverage, and so I have to pay out of pocket for damage to my vehicle.**

**Other examples of the chaos this bill will cause.**

- **A newly-licensed 16 year old lives with her mom during the week and with her dad on weekends. When does the 45-day timeline start?**
- **An adult child is off for a summer. They travel for a few weeks and return to their parents' home. How do we launch the 45-day timeline?**
- **Exchange students, live-in caregivers or nannies, family members who move in due to divorce, and adult children who move home after losing their jobs could all be impacted. The timeline for each of these unnamed drivers will be litigated.**
- **A Representative offers to let a Senator live in his basement weekdays during session. Does the 45-day timeline start every Monday morning?**

### **Medical providers are harmed by HB 4008**

Doctor's offices, physical therapists, chiropractors, urgent care providers, and ambulance services provide care after car crashes. Everyone who provides care to individuals who have been injured in car crashes rely on the promise that personal injury protection benefits will be available to pay the injured person's medical bills **REGARDLESS OF FAULT**. Under HB 4008, they are much more likely never to be compensated for the care they provide.

### **Motorists who pay their premiums are harmed by HB 4008**

Oregonians who insure their vehicles in good faith rely on the promise that by securing coverage for the family car it would be covered if it got in a collision. Families would face financial ruin from the consequences of an accidental uninsured catastrophic collision. **The risk is also being transferred to those of us unlucky enough to be hit by one of these unknowingly uninsured drivers.**

**We urge a no vote on HB 4008, a bill that is inappropriate for a short session.**

Finally we want to draw attention to a very confusing part of the bill. On Page 2 line 21, the bill says that when an insurer denies coverage to a driver due to a bad driving record, they shall state in writing that the person in question is excluded from coverage. The insurer in that instance must get a signed statement from the named insured that the bad driver is excluded.

No such provision is required in regard to drivers excluded because they have been in the household 46 days and not named in the policy.