

SB 180 -2 STAFF MEASURE SUMMARY

**Senate Committee On Judiciary and Ballot Measure 110
Implementation**

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Meeting Dates: 3/8

WHAT THE MEASURE DOES:

Requires insurer to give written notification of payment of third-party liability claim in amounts greater than \$5,000 at the time of payment if the claimant is a natural person and the insurer or insurer's agent or attorney delivers the payment to the claimant or claimant's attorney or agent. Specifies that requirement does not create a cause of action against an insurer other than a public body for failure to provide notice. Specifies that requirement to provide notice does not create a defense for any party to any cause of action based on the insurer's failure to provide notice.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Adds requirement that claimant or claimant's attorney has provided contact information or mailing address to insurer for notification requirement to take effect. Clarifies notification requirement does not create a cause of action against insurer for failure to provide notice or create a defense for claimant's attorney based on insurer's failure to provide notice. Allows insurer to communicate with claimant for purpose of delivering notice, even if claimant is represented by counsel and specifies that notification does not invalidate a settlement for which an insurer has made payment.

BACKGROUND:

Senate Bill 180 requires an insurer to notify a claimant in writing at the time that a the insurer issues a payment on a third-party liability claim when the payment is more than \$5,000 and the claimant is a natural person and the insurer or their agent or attorney is issuing the payment to the claimant or the claimant's attorney or agent. The requirement to give notice does not create a cause of action against an insurer other than a public body and does