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Testimony of Arthur Towers

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**In Support of House Bill 2393**

Before the House Business and Labor Committee

February 24, 2021

Chair Holvey, Vice-Chairs Grayber and Bonham and members of the committee, thank you for the opportunity to testify on this important consumer protection bill.

OTLA members are lawyers who fight for the rights of victims of car crashes. We work to make sure consumers can get the compensation they are due from at-fault parties and from insurance companies. We have identified several holes in current law that create problems for consumers who find themselves in a significant crash.

We appreciate a great deal Representative Marsh's willingness to bring this bill forward and your willingness to consider it today.

**The Crisis:** Pre-pandemic, there were more than 10,000,000 rides provided annually in the City of Portland alone by taxicabs and transportation network companies like Uber and Lyft. Unsuspecting passengers and drivers are not provided the basic insurance coverage that is required for private passenger vehicles.

**The Solution:** HB 2393 requires TNCs and cab companies to provide Personal Injury Protection (PIP). PIP is the \$15,000 policy that injured Oregonians can access for lost wages and pressing medical bills while the insurance claim is awaiting settlement. This is a lifeline for Oregonians who have creditors hounding them for payment of medical bills, who cannot go to work due to their injuries, or who are living paycheck to paycheck.

PIP is required for private passenger vehicles but there has been an exception for livery vehicles. HB 2393 simply close that loopholes. Already, at least one major

TNC provides this coverage for their drivers and passengers. HB 2393 would level the playing field so that their competitors would also have to take the high road.

**The Problem:** Insurance companies are currently allowed to market policies that provide higher liability policies and the bare minimum coverage for crashes involving uninsured and underinsured motorists (UM/UIM). Consumers sometime seek to protect their families by purchasing auto insurance coverage above the minimum required by state law. Our experience is that they are surprised to learn that in a crash involving UM/UIM, the coverage they've purchased only provides the bare minimum benefit to their own family.

**The Solution:** HB 2393 would bar the sale of these deceiving “opt-down” insurance policies. Consumers who are budget conscious could still purchase minimum coverage. Nothing in the bill would remove that choice. However, the amount of the policy limits would have to match to ensure there is clarity for the consumer about the amount of coverage their family is receiving.

**The Glitch:** In catastrophic crashes, the medical bills of victims may exceed the amount available in the at-fault drivers' policy. Current law allows funds to be drawn down from other policies, but the law lacks clarity about the sequence in which other available policies may be accessed.

**The Solution:** HB 2393 simply clarifies which of these additional policies are drawn on first.

We urge you to vote YES on HB 2393, a straightforward consumer protection bill.