

## HOUSE AMENDMENTS TO RESOLVE CONFLICTS TO SENATE BILL 926

By COMMITTEE ON BUSINESS, LABOR AND CONSUMER AFFAIRS

May 25

1 On page 2 of the printed bill, line 5, delete “identity is” and insert “identities are”.

2 On page 3, line 1, delete “identity is” and insert “identities are”.

3 In line 18, delete “as defined in paragraph (b) of this provision”.

4 In line 19, delete “as defined in paragraph (g) of this provision”.

5 On page 8, delete lines 3 through 5 and insert:

6 **“SECTION 2. If Senate Bill 925 becomes law, section 1 of this 2005 Act (amending ORS**  
7 **742.504) is repealed and ORS 742.504, as amended by section 1, chapter \_\_, Oregon Laws 2005**  
8 **(Enrolled Senate Bill 925), is amended to read:**

9 “742.504. Every policy required to provide the coverage specified in ORS 742.502 shall provide  
10 uninsured motorist coverage that in each instance is no less favorable in any respect to the insured  
11 or the beneficiary than if the following provisions were set forth in the policy. However, nothing  
12 contained in this section requires the insurer to reproduce in the policy the particular language of  
13 any of the following provisions:

14 “(1)(a) The insurer will pay all sums that the insured, the heirs or the legal representative of  
15 the insured is legally entitled to recover as general and special damages from the owner or operator  
16 of an uninsured vehicle because of bodily injury sustained by the insured caused by accident and  
17 arising out of the ownership, maintenance or use of the uninsured vehicle. Determination as to  
18 whether the insured, the insured’s heirs or the insured’s legal representative is legally entitled to  
19 recover such damages, and if so, the amount thereof, shall be made by agreement between the in-  
20 sured and the insurer, or, in the event of disagreement, may be determined by arbitration as pro-  
21 vided in subsection (10) of this section.

22 “(b) No judgment against any person or organization alleged to be legally responsible for bodily  
23 injury, except for proceedings instituted against the insurer as provided in this policy, shall be  
24 conclusive, as between the insured and the insurer, on the issues of liability of the person or or-  
25 ganization or of the amount of damages to which the insured is legally entitled.

26 “(2) As used in this policy:

27 “(a) ‘Bodily injury’ means bodily injury, sickness or disease, including death resulting therefrom.

28 “(b) ‘Hit-and-run vehicle’ means a vehicle that causes bodily injury to an insured arising out of  
29 physical contact of the vehicle with the insured or with a vehicle the insured is occupying at the  
30 time of the accident, provided:

31 “(A) The identity of either the operator or the owner of the hit-and-run vehicle cannot be as-  
32 certained;

33 “(B) The insured or someone on behalf of the insured reported the accident within 72 hours to  
34 a police, peace or judicial officer, to the Department of Transportation or to the equivalent depart-  
35 ment in the state where the accident occurred, and filed with the insurer within 30 days thereafter

1 a statement under oath that the insured or the legal representative of the insured has a cause or  
2 causes of action arising out of the accident for damages against a person or persons whose identities  
3 are unascertainable, and setting forth the facts in support thereof; and

4 “(C) At the insurer’s request, the insured or the legal representative of the insured makes  
5 available for inspection the vehicle the insured was occupying at the time of the accident.

6 “(c) ‘Insured,’ when unqualified and when applied to uninsured motorist coverage, means:

7 “(A) The named insured as stated in the policy and any person designated as named insured in  
8 the schedule and, while residents of the same household, the spouse of any named insured and rel-  
9 atives of either, provided that neither the relative nor the spouse is the owner of a vehicle not de-  
10 scribed in the policy and that, if the named insured as stated in the policy is other than an  
11 individual or husband and wife who are residents of the same household, the named insured shall  
12 be only a person so designated in the schedule;

13 “(B) Any child residing in the household of the named insured if the insured has performed the  
14 duties of a parent to the child by rearing the child as the insured’s own although the child is not  
15 related to the insured by blood, marriage or adoption; and

16 “(C) Any other person while occupying an insured vehicle, provided the actual use thereof is  
17 with the permission of the named insured.

18 “(d) ‘Insured vehicle,’ except as provided in paragraph (e) of this provision, means:

19 “(A) The vehicle described in the policy or a newly acquired or substitute vehicle, as each of  
20 those terms is defined in the public liability coverage of the policy, insured under the public liability  
21 provisions of the policy; or

22 “(B) A nonowned vehicle operated by the named insured or spouse if a resident of the same  
23 household, provided that the actual use thereof is with the permission of the owner of the vehicle  
24 and the vehicle is not owned by nor furnished for the regular or frequent use of the insured or any  
25 member of the same household.

26 “(e) ‘Insured vehicle’ does not include a trailer of any type unless the trailer is a described ve-  
27 hicle in the policy.

28 “(f) ‘Occupying’ means in or upon or entering into or alighting from.

29 “(g) ‘Phantom vehicle’ means a vehicle that causes bodily injury to an insured arising out of a  
30 motor vehicle accident that is caused by a vehicle that has no physical contact with the insured or  
31 the vehicle the insured is occupying at the time of the accident, provided:

32 “(A) The identity of either the operator or the owner of the phantom vehicle cannot be ascer-  
33 tained;

34 “(B) The facts of the accident can be corroborated by competent evidence other than the testi-  
35 mony of the insured or any person having an uninsured motorist claim resulting from the accident;  
36 and

37 “(C) The insured or someone on behalf of the insured reported the accident within 72 hours to  
38 a police, peace or judicial officer, to the Department of Transportation or to the equivalent depart-  
39 ment in the state where the accident occurred, and filed with the insurer within 30 days thereafter  
40 a statement under oath that the insured or the legal representative of the insured has a cause or  
41 causes of action arising out of the accident for damages against a person or persons whose identities  
42 are unascertainable, and setting forth the facts in support thereof.

43 “(h) ‘State’ includes the District of Columbia, a territory or possession of the United States and  
44 a province of Canada.

45 “(i) ‘Uninsured vehicle,’ except as provided in paragraph (j) of this provision, means:

1           “(A) A vehicle with respect to the ownership, maintenance or use of which there is no collect-  
2 ible motor vehicle bodily injury liability insurance, in at least the amounts or limits prescribed for  
3 bodily injury or death under ORS 806.070 applicable at the time of the accident with respect to any  
4 person or organization legally responsible for the use of the vehicle, or with respect to which there  
5 is collectible bodily injury liability insurance applicable at the time of the accident but the insur-  
6 ance company writing the insurance denies coverage or[, *within two years of the date of the*  
7 *accident,*] the company writing the insurance becomes voluntarily or involuntarily declared bankrupt  
8 or for which a receiver is appointed or becomes insolvent. It shall be a disputable presumption that  
9 a vehicle is uninsured in the event the insured and the insurer, after reasonable efforts, fail to dis-  
10 cover within 90 days from the date of the accident, the existence of a valid and collectible motor  
11 vehicle bodily injury liability insurance applicable at the time of the accident.

12           “(B) A hit-and-run vehicle.

13           “(C) A phantom vehicle.

14           “(j) ‘Uninsured vehicle’ does not include:

15           “(A) An insured vehicle;

16           “(B) A vehicle that is owned or operated by a self-insurer within the meaning of any motor ve-  
17 hicle financial responsibility law, motor carrier law or any similar law;

18           “(C) A vehicle that is owned by the United States of America, Canada, a state, a political sub-  
19 division of any such government or an agency of any such government;

20           “(D) A land motor vehicle or trailer, if operated on rails or crawler-treads or while located for  
21 use as a residence or premises and not as a vehicle;

22           “(E) A farm-type tractor or equipment designed for use principally off public roads, except while  
23 actually upon public roads; or

24           “(F) A vehicle owned by or furnished for the regular or frequent use of the insured or any  
25 member of the household of the insured.

26           “(k) ‘Vehicle’ means every device in, upon or by which any person or property is or may be  
27 transported or drawn upon a public highway, but does not include devices moved by human power  
28 or used exclusively upon stationary rails or tracks.

29           “(3) This coverage applies only to accidents that occur on and after the effective date of the  
30 policy, during the policy period and within the United States of America, its territories or pos-  
31 sessions, or Canada.

32           “(4)(a) This coverage does not apply to bodily injury of an insured with respect to which the  
33 insured or the legal representative of the insured shall, without the written consent of the insurer,  
34 make any settlement with or prosecute to judgment any action against any person or organization  
35 who may be legally liable therefor.

36           “(b) This coverage does not apply to bodily injury to an insured while occupying a vehicle, other  
37 than an insured vehicle, owned by, or furnished for the regular use of, the named insured or any  
38 relative resident in the same household, or through being struck by the vehicle.

39           “(c) This coverage does not apply so as to inure directly or indirectly to the benefit of any  
40 workers’ compensation carrier, any person or organization qualifying as a self-insurer under any  
41 workers’ compensation or disability benefits law or any similar law or the State Accident Insurance  
42 Fund Corporation.

43           “(d) This coverage does not apply with respect to underinsured motorist benefits unless:

44           “(A) The limits of liability under any bodily injury liability insurance applicable at the time of  
45 the accident regarding the injured person have been exhausted by payment of judgments or settle-

1 ments to the injured person or other injured persons;

2 “(B) The described limits have been offered in settlement, the insurer has refused consent under  
3 paragraph (a) of this subsection and the insured protects the insurer’s right of subrogation to the  
4 claim against the tortfeasor;

5 “(C) The insured gives credit to the insurer for the unrealized portion of the described liability  
6 limits as if the full limits had been received if less than the described limits have been offered in  
7 settlement, and the insurer has consented under paragraph (a) of this subsection; or

8 “(D) The insured gives credit to the insurer for the unrealized portion of the described liability  
9 limits as if the full limits had been received if less than the described limits have been offered in  
10 settlement and, if the insurer has refused consent under paragraph (a) of this subsection, the insured  
11 protects the insurer’s right of subrogation to the claim against the tortfeasor.

12 “(e) When seeking consent under paragraph (a) or (d) of this subsection, the insured shall allow  
13 the insurer a reasonable time in which to collect and evaluate information related to consent to the  
14 proposed offer of settlement. The insured shall provide promptly to the insurer any information that  
15 is reasonably requested by the insurer and that is within the custody and control of the insured.  
16 Consent will be presumed to be given if the insurer does not respond within a reasonable time. For  
17 purposes of this paragraph, a ‘reasonable time’ is no more than 30 days from the insurer’s receipt  
18 of a written request for consent, unless the insured and the insurer agree otherwise.

19 “(5)(a) As soon as practicable, the insured or other person making claim shall give to the insurer  
20 written proof of claim, under oath if required, including full particulars of the nature and extent of  
21 the injuries, treatment and other details entering into the determination of the amount payable  
22 hereunder. The insured and every other person making claim hereunder shall submit to examinations  
23 under oath by any person named by the insurer and subscribe the same, as often as may reasonably  
24 be required. Proof of claim shall be made upon forms furnished by the insurer unless the insurer fails  
25 to furnish the forms within 15 days after receiving notice of claim.

26 “(b) Upon reasonable request of and at the expense of the insurer, the injured person shall  
27 submit to physical examinations by physicians selected by the insurer and shall, upon each request  
28 from the insurer, execute authorization to enable the insurer to obtain medical reports and copies  
29 of records.

30 “(6) If, before the insurer makes payment of loss hereunder, the insured or the legal represen-  
31 tative of the insured institutes any legal action for bodily injury against any person or organization  
32 legally responsible for the use of a vehicle involved in the accident, a copy of the summons and  
33 complaint or other process served in connection with the legal action shall be forwarded imme-  
34 diately to the insurer by the insured or the legal representative of the insured.

35 “(7)(a) The limit of liability stated in the declarations as applicable to ‘each person’ is the limit  
36 of the insurer’s liability for all damages because of bodily injury sustained by one person as the  
37 result of any one accident and, subject to the above provision respecting each person, the limit of  
38 liability stated in the declarations as applicable to ‘each accident’ is the total limit of the company’s  
39 liability for all damages because of bodily injury sustained by two or more persons as the result of  
40 any one accident.

41 “(b) Any payment made under this coverage to or for an insured shall be applied in reduction  
42 of any amount that the insured may be entitled to recover from any person who is an insured under  
43 the bodily injury liability coverage of this policy.

44 “(c) Any amount payable under the terms of this coverage because of bodily injury sustained in  
45 an accident by a person who is an insured under this coverage shall be reduced by:

1 “(A) All sums paid on account of the bodily injury by or on behalf of the owner or operator of  
2 the uninsured vehicle and by or on behalf of any other person or organization jointly or severally  
3 liable together with the owner or operator for the bodily injury, including all sums paid under the  
4 bodily injury liability coverage of the policy; and

5 “(B) The amount paid and the present value of all amounts payable on account of the bodily  
6 injury under any workers’ compensation law, disability benefits law or any similar law.

7 “(d) Any amount payable under the terms of this coverage because of bodily injury sustained in  
8 an accident by a person who is an insured under this coverage shall be reduced by the credit given  
9 to the insurer pursuant to subsection (4)(d)(C) or (D) of this section.

10 “(e) The amount payable under the terms of this coverage may not be reduced by the amount  
11 of liability proceeds offered, described in subsection (4)(d)(B) or (D) of this section, that has not been  
12 paid to the injured person. If liability proceeds have been offered and not paid, the amount payable  
13 under the terms of the coverage shall include the amount of liability limits offered but not accepted  
14 due to the insurer’s refusal to consent. The insured shall cooperate so as to permit the insurer to  
15 proceed by subrogation or assignment to prosecute the claim against the uninsured motorist.

16 “(8) No action shall lie against the insurer unless, as a condition precedent thereto, the insured  
17 or the legal representative of the insured has fully complied with all the terms of this policy.

18 “(9)(a) With respect to bodily injury to an insured:

19 “(A) While occupying a vehicle owned by a named insured under this coverage, the insurance  
20 under this coverage is primary.

21 “(B) While occupying a vehicle not owned by a named insured under this coverage, the insur-  
22 ance under this coverage shall apply only as excess insurance over any primary insurance available  
23 to the occupant that is similar to this coverage, and this excess insurance shall then apply only in  
24 the amount by which the applicable limit of liability of this excess coverage exceeds the sum of the  
25 applicable limits of liability of all primary insurance available to the occupant.

26 “(b) If an insured is an insured under other primary or excess insurance available to the insured  
27 that is similar to this coverage, then the insured’s damages are deemed not to exceed the higher of  
28 the applicable limits of liability of the additional primary or excess insurance available to the in-  
29 sured, and the insurer is not liable under this coverage for a greater proportion of the insured’s  
30 damages than the applicable limit of liability of this coverage bears to the sum of the applicable  
31 limits of liability of this insurance and other primary or excess insurance available to the insured.

32 “(c) With respect to bodily injury to an insured while occupying any motor vehicle used as a  
33 public or livery conveyance, the insurance under this coverage shall apply only as excess insurance  
34 over any other insurance available to the insured that is similar to this coverage, and this insurance  
35 shall then apply only in the amount by which the applicable limit of liability of this coverage ex-  
36 ceeds the sum of the applicable limits of liability of all other insurance.

37 “(10) If any person making claim hereunder and the insurer do not agree that the person is le-  
38 gally entitled to recover damages from the owner or operator of an uninsured vehicle because of  
39 bodily injury to the insured, or do not agree as to the amount of payment that may be owing under  
40 this coverage, then, in the event the insured and the insurer elect by mutual agreement at the time  
41 of the dispute to settle the matter by arbitration, the arbitration shall take place under the arbi-  
42 tration laws of the State of Oregon or, if the parties agree, according to any other procedure. Any  
43 judgment upon the award rendered by the arbitrators may be entered in any court having jurisdic-  
44 tion thereof, provided, however, that the costs to the insured of the arbitration proceeding do not  
45 exceed \$100 and that all other costs of arbitration are borne by the insurer. ‘Costs’ as used in this

1 provision does not include attorney fees or expenses incurred in the production of evidence or wit-  
2 nesses or the making of transcripts of the arbitration proceedings. The person and the insurer each  
3 agree to consider themselves bound and to be bound by any award made by the arbitrators pursuant  
4 to this coverage in the event of such election. At the election of the insured, the arbitration shall  
5 be held:

6 “(a) In the county and state of residence of the insured;

7 “(b) In the county and state where the insured’s cause of action against the uninsured motorist  
8 arose; or

9 “(c) At any other place mutually agreed upon by the insured and the insurer.

10 “(11) In the event of payment to any person under this coverage:

11 “(a) The insurer shall be entitled to the extent of the payment to the proceeds of any settlement  
12 or judgment that may result from the exercise of any rights of recovery of the person against any  
13 uninsured motorist legally responsible for the bodily injury because of which payment is made;

14 “(b) The person shall hold in trust for the benefit of the insurer all rights of recovery that the  
15 person shall have against such other uninsured person or organization because of the damages that  
16 are the subject of claim made under this coverage, but only to the extent that the claim is made or  
17 paid herein;

18 “(c) If the insured is injured by the joint or concurrent act or acts of two or more persons, one  
19 or more of whom is uninsured, the insured shall have the election to receive from the insurer any  
20 payment to which the insured would be entitled under this coverage by reason of the act or acts  
21 of the uninsured motorist, or the insured may, with the written consent of the insurer, proceed with  
22 legal action against any or all persons claimed to be liable to the insured for the injuries. If the  
23 insured elects to receive payment from the insurer under this coverage, then the insured shall hold  
24 in trust for the benefit of the insurer all rights of recovery the insured shall have against any other  
25 person, firm or organization because of the damages that are the subject of claim made under this  
26 coverage, but only to the extent of the actual payment made by the insurer;

27 “(d) The person shall do whatever is proper to secure and shall do nothing after loss to preju-  
28 dice such rights;

29 “(e) If requested in writing by the insurer, the person shall take, through any representative not  
30 in conflict in interest with the person, designated by the insurer, such action as may be necessary  
31 or appropriate to recover payment as damages from such other uninsured person or organization,  
32 such action to be taken in the name of the person, but only to the extent of the payment made  
33 hereunder. In the event of a recovery, the insurer shall be reimbursed out of the recovery for ex-  
34 penses, costs and attorney fees incurred by the insurer in connection therewith; and

35 “(f) The person shall execute and deliver to the insurer any instruments and papers as may be  
36 appropriate to secure the rights and obligations of the person and the insurer established by this  
37 provision.

38 “(12)(a) The parties to this coverage agree that no cause of action shall accrue to the insured  
39 under this coverage unless within two years from the date of the accident:

40 “(A) Agreement as to the amount due under the policy has been concluded;

41 “(B) The insured or the insurer has formally instituted arbitration proceedings;

42 “(C) The insured has filed an action against the insurer; or

43 “(D) Suit for bodily injury has been filed against the uninsured motorist and, within two years  
44 from the date of settlement or final judgment against the uninsured motorist, the insured has  
45 formally instituted arbitration proceedings or filed an action against the insurer.

1           “(b) For purposes of this subsection:

2           “(A) ‘Date of settlement’ means the date on which a written settlement agreement or release is  
3 signed by an insured or, in the absence of these documents, the date on which the insured or the  
4 attorney for the insured receives payment of any sum required by the settlement agreement. An  
5 advance payment as defined in ORS 31.550 shall not be deemed a payment of a settlement for pur-  
6 poses of the time limitation in this subsection.

7           “(B) ‘Final judgment’ means a judgment that has become final by lapse of time for appeal or by  
8 entry in an appellate court of an appellate judgment.

9           “**SECTION 3. The amendments to ORS 742.504 by sections 1 and 2 of this 2005 Act apply**  
10 **to motor vehicle liability insurance policies issued or renewed on or after the effective date**  
11 **of this 2005 Act.”.**

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