

**REVENUE: No revenue impact**

**FISCAL: No fiscal impact**

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 4 - 0 - 1

**Yeas:** Beyer, Prozanski, Walker, Burdick

**Nays:** 0

**Exc.:** Kruse

**Prepared By:** Matt Kalmanson, Counsel

**Meeting Dates:** 3/7, 3/28

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**WHAT THE MEASURE DOES:** Clarifies that an insurer's liability to a policyholder who was an occupant of a motor vehicle is presumed to not exceed the liability limits of the insurance available to the policyholder. Declares an emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Changes made to uninsured/underinsured motorist statutes in SB 925 (2005)
- Inadvertent deletion of text from ORS 742.504(9)(b)
- Ambiguity created by drafting error

**EFFECT OF COMMITTEE AMENDMENT:** Declares an emergency, effective upon passage.

**BACKGROUND:** Last session, the legislature passed SB 925, which was intended to clarify Oregon law governing the priority of uninsured motorist coverage when a policyholder is injured while occupying a car that is not owned by the policyholder. Generally, SB 925 amended ORS 742.504 to provide that the coverage of the policyholder is secondary to the coverage of the owner of the car. The drafters of SB 925 intended to retain the presumption in 742.504(9)(b) that the insured's damages are deemed not to exceed the amount of coverage available to the insured, whether it is primary or excess. In amending ORS 742.504, however, the words, "this insurance," were inadvertently omitted from the statute, creating an ambiguity as to whether an insurer's liability *can* exceed that of the uninsured or underinsured policy (i.e., "this insurance"), but not the additional primary or excess insurance. HB 2384 reinserts the words, "this insurance or" into ORS 742.504(9)(b).

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*This summary has not been adopted or officially endorsed by action of the committee.*