

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure with Amendments and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: George, Schrader, Starr, Verger, Metsger

Nays: -

Exc.: -

Prepared By: Jim Stembridge, Administrator

Meeting Dates: 5/20

WHAT THE MEASURE DOES: Establishes that release for bodily injuries obtained by motor vehicle liability insurer within 60 days of motor vehicle accident does not preclude personal injury insurer from recovering payments made for medical benefits from the motor vehicle liability insurer.

ISSUES DISCUSSED:

- How insurance reimbursement works
- Settlement and giving up the right to sue
- Settlement and eliminating the right of subrogation
- Documentation required for settlement
- Potential disruption of doctor-patient relationship due to premature settlement with at-fault insurance carrier
- Example of pressured settlement offer

EFFECT OF COMMITTEE AMENDMENT: Authorizes motor vehicle liability insurer to obtain release from eligible person with inclusion of clear and conspicuous notice of conclusion of claim. Allows eligible person to rescind release if notice is provided to the insurer within five days of execution of the release.

BACKGROUND: Medical services necessary to treat injuries suffered in motor vehicle accidents are not always evident within the first 60 days of an accident. HB 2369-B allows for the possibility of an insurance company recovering additional medical expenses from another insurance company (subrogation) after settlement. Typically, a person injured in an automobile collision may settle with the motor vehicle liability insurer of the at-fault driver, while the person's medical insurer continues to seek subrogation from the motor vehicle liability insurer.

HB 2369-B also allows rescission of settlements within five days, and sets conditions for the settlements and rescissions.