Senate Bill 354

Sponsored by Senator METSGER (at the request of Linda Minten)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Requires insurers to disclose legal consequences of claim settlement to insured. Allows insured 14 days to rescind signed settlement. Requires witness signature to settlement.

1   **A BILL FOR AN ACT**

2   Relating to claim settlement for motor vehicle insurance policies.

3   **Be It Enacted by the People of the State of Oregon:**

4   **SECTION 1. Section 2 of this 2009 Act is added to and made a part of the Insurance Code.**

5   **SECTION 2. (1) When making a settlement offer to an insured based upon a claim against**

6   **a policy for motor vehicle liability insurance, an insurer shall:**

7   **(a) Provide a written disclosure on all settlement documents transmitted to the insured**

8   **stating that agreement to the settlement by the insured forecloses all legal attempts by the**

9   **insured to gain additional benefits under the policy.**

10   **(b) Provide, in a written statement on all settlement documents transmitted to the in-**

11   **sured, that if the insured wishes to rescind a signed settlement agreement, the insured must**

12   **provide written notice of the rescission to the insurer by regular delivery mail, postmarked**

13   **no later than 14 days from the date of the insured's signature on the settlement agreement**

14   **document.**

15   **(2) If the insured notifies the insurer of the rescission pursuant to subsection (1)(b) of**

16   **this section, the insurer shall rescind the settlement agreement.**

17   **(3) A settlement agreement document is not valid unless signed by the insured, the**

18   **insurer and a witness to the insured's signature. The witness must not be an employee or**

19   **agent of the insurer.**

20   **SECTION 3. Section 2 of this 2009 Act applies to insurance contracts issued or renewed**

21   **on or after the effective date of this 2009 Act.**

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