

HB 2393 -3 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/24, 4/5

WHAT THE MEASURE DOES:

Eliminates option to elect coverage limits for uninsured motorist coverage that are lower than the insured's bodily injury liability coverage. Specifies order in which coverage under motor vehicle insurance policies applies to compensate for bodily injury or death of the insured. Eliminates exemption that liability insurance include personal injury protection (PIP) benefits for private passenger vehicles used as a public or livery conveyance.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Replaces the measure. Requires Transportation Network Company (TNC) to provide motor vehicle liability policy with personal injury protection (PIP) benefits to driver who operates personal motor vehicle in affiliation with the company. Requires taxi company to provide motor vehicle liability policy with personal injury protection (PIP) benefits to driver who operates a taxi in affiliation with the company. Requires PIP benefits to cover at all times the driver and passengers as well as any pedestrian struck by the vehicle. Allows insurer to exclude from motor vehicle liability policy any coverage when the driver is operating a personal motor vehicle to taxi in affiliation with a TNC or taxi company. Applies to policies issued or renewed after effective date and to TNC and taxi companies that conduct operations on or after effective date.

BACKGROUND:

Under current law, every motor vehicle liability policy sold in Oregon that provides coverage for a private passenger vehicle must include personal injury protection (PIP) benefits to the insured person and their family members in the household, as well as passengers in the insured vehicle and pedestrians struck by the insured's vehicle. Benefits include up to \$15,000 for medical-related expenses, up to \$3,000 per month for up to one year for income loss, up to \$30 per day for up to 52 weeks for essential services that the injured person can no longer perform themselves, up to \$5,000 for funeral expenses, and up to \$750 for child care expenses. Because the current law does not require liability policies on private passenger vehicles used as a public or livery conveyance to include PIP benefits, a passenger in a ride-sharing vehicle or a taxicab may not necessarily have access to PIP benefits in the event of an accident. House Bill 2393 includes vehicles used as a public or livery conveyance in the definition of private passenger vehicles for purposes of requiring PIP benefits under a motor vehicle liability policy.

Oregon law requires drivers to carry insurance that includes bodily injury liability coverage of at least \$25,000 per person and \$50,000 per accident. Similarly, drivers must carry insurance in the event they are in an accident involving an uninsured vehicle; this uninsured motorist bodily injury coverage must be at least \$25,000 per person and \$50,000 per accident. Policyholders can choose to purchase coverage in excess of the legal minimum, and the law allows them to elect uninsured motorist coverage that is lower than the excess coverage purchased for bodily injury liability. House Bill 2393 eliminates the option to elect uninsured motorist coverage that is lower than bodily injury liability coverage.