

# House Bill 2393

Sponsored by Representative MARSH (Pre-session filed.)

## 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**.

Removes option to elect, for uninsured motorist coverage, coverage limits that fall below coverage limits applicable to personal injury protection benefits.

Specifies order in which coverage under motor vehicle insurance policies, other than insured's primary policy, applies to compensate for bodily injury or death of insured.

Includes motor vehicle used as public or livery conveyance within definition of private passenger motor vehicle for purposes of requiring personal injury protection benefits under motor vehicle liability policy.

## A BILL FOR AN ACT

1  
2 Relating to motor vehicle liability insurance coverage; creating new provisions; and amending ORS  
3 742.502, 742.504 and 742.518.

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

5 **SECTION 1.** ORS 742.502 is amended to read:

6 742.502. (1) Every motor vehicle liability policy that insures against a loss that a natural person  
7 suffers and that results from liability imposed by law for bodily injury or death that arises out of  
8 owning, maintaining or using a motor vehicle shall provide in the policy or by indorsement on the  
9 policy uninsured motorist coverage if the policy is either:

10 (a) Issued for delivery in this state; or

11 (b) Issued or delivered by an insurer that does business in this state with respect to any motor  
12 vehicle then principally used or principally garaged in this state.

13 [(2)(a)] **(2)** A motor vehicle bodily injury liability policy must have the same limits for uninsured  
14 motorist coverage as for bodily injury liability coverage [*unless a named insured in writing elects*  
15 *lower limits. The insured may not elect limits lower than the amounts prescribed to meet the require-*  
16 *ments of ORS 806.070 for bodily injury or death*]. Uninsured motorist coverage must include under-  
17 insurance coverage for bodily injury or death caused by accident and arising out of the ownership,  
18 maintenance or use of a motor vehicle with motor vehicle liability insurance that provides recovery  
19 in an amount that is less than the sums that the insured or the heirs or legal representative of the  
20 insured is legally entitled to recover as damages for bodily injury or death that is caused by acci-  
21 dent and that arises out of owning, maintaining or using an uninsured vehicle. Underinsurance  
22 coverage must be equal to the sums that the insured or the heirs or legal representative of the in-  
23 sured is legally entitled to recover as damages for bodily injury or death that is caused by accident  
24 and that arises out of owning, maintaining or using an uninsured vehicle up to the limits of the  
25 uninsured motorist coverage.

26 [(b) *If a named insured elects lower limits, the named insured shall sign a statement to elect lower*  
27 *limits within 60 days after the time the named insured makes the election. The statement must ac-*  
28 *knowledge that a named insured was offered uninsured motorist coverage with the limits equal to those*

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 for bodily injury liability. The statement must have a brief summary that is not part of the insurance  
2 contract and that describes what uninsured motorist coverage provides and what the underinsured  
3 coverage provides. The summary must also state the price for coverage with limits equal to the named  
4 insured's bodily injury liability limits and the price for coverage with the lower limits the named in-  
5 sured requested. The statement remains in force until a named insured rescinds the statement in writing  
6 or until the motor vehicle bodily injury liability limits are changed. The Department of Consumer and  
7 Business Services shall approve the form of statement that complies with this paragraph.]

8 [(c) A statement electing lower limits need not be signed if vehicles are either added to or sub-  
9 tracted from a policy or if the policy is amended, renewed, modified or replaced by the same insurer  
10 or an insurer within a group of companies that is under common ownership or control, unless the li-  
11 ability limits of the policy are changed.]

12 (3) The insurer that issues the policy may offer one or more options of uninsured motorist cov-  
13 erage that are larger than the amounts prescribed to meet the requirements of ORS 806.070 and in  
14 excess of the limits provided under the policy for motor vehicle bodily injury liability insurance.  
15 Offers of uninsured motorist coverage must include underinsurance coverage for bodily injury or  
16 death that is caused by accident and that arises out of owning, maintaining or using a motor vehicle  
17 with motor vehicle liability insurance that provides recovery in an amount that is less than the sums  
18 that the insured or the heirs or legal representative of the insured is legally entitled to recover as  
19 damages for bodily injury or death that is caused by accident and that arises out of owning, main-  
20 taining or using an uninsured vehicle. Underinsurance coverage must be equal to the sums that the  
21 insured or the heirs or legal representative of the insured is legally entitled to recover as damages  
22 for bodily injury or death that is caused by accident and that arises from owning, maintaining or  
23 using an uninsured vehicle up to the limits of the uninsured motorist coverage.

24 (4) Underinsurance coverage is subject to ORS 742.504 and 742.542.

25 (5) Uninsured motorist coverage and underinsurance coverage must provide coverage for bodily  
26 injury or death if the amount of liability insurance recovered is less than the sums that the insured  
27 or the heirs or legal representative of the insured is legally entitled to recover as damages for bodily  
28 injury or death that is caused by accident and that arises out of owning, maintaining or using an  
29 uninsured vehicle.

30 (6) Uninsured motorist coverage and underinsurance coverage must provide coverage for bodily  
31 injury or death if the amount recovered from a self-insurer is less than the sums that the insured  
32 or the heirs or legal representative of the insured is legally entitled to recover as damages for bodily  
33 injury or death that is caused by accident and that arises out of owning, maintaining or using an  
34 uninsured vehicle.

35 (7) As used in this section and except as otherwise provided in this subsection, "amount recov-  
36 ered from other motor vehicle liability insurance policies" means the proceeds of liability insurance  
37 or the proceeds received from a public body under ORS 30.260 to 30.300 that are recovered by or  
38 on behalf of the injured party. Proceeds recovered on behalf of the injured party include proceeds  
39 the injured party's insurer receives as reimbursement for personal injury protection benefits the  
40 insurer provides to the injured person, proceeds the medical providers of the injured person receive  
41 and proceeds received as attorney fees on the claim of the injured person. If applicable liability in-  
42 surance policy limits are exhausted upon payment, settlement or judgment by division among two  
43 or more injured persons, "amount recovered from other motor vehicle liability insurance policies"  
44 means the proceeds that are recovered by or on behalf of the injured person but does not include  
45 any proceeds of the liability policy that other injured persons receive.

**SECTION 2.** ORS 742.504 is amended to read:

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

(1)(a) Notwithstanding ORS 30.260 to 30.300, the insurer will pay all sums that the insured or the heirs or legal representative of the insured is legally entitled to recover as damages from the owner or operator of an uninsured vehicle because of bodily injury sustained by the insured caused by accident and arising out of the ownership, maintenance or use of the uninsured vehicle. Determination as to whether the insured, the insured's heirs or the insured's legal representative is legally entitled to recover such damages, and if so, the amount thereof, shall be made by agreement between the insured and the insurer, or, in the event of disagreement, may be determined by arbitration as provided in subsection (10) of this section.

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

(2) As used in this policy:

(a) "Bodily injury" means bodily injury, sickness or disease, including death resulting therefrom.

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

(A) The identity of either the operator or the owner of the hit-and-run vehicle cannot be ascertained;

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

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

(c) "Insured," when unqualified and when applied to uninsured motorist coverage, means:

(A) The named insured as stated in the policy and any person designated as named insured in the schedule and, while residents of the same household, the spouse of any named insured and relatives of either, provided that neither the relative nor the spouse is the owner of a vehicle not described in the policy and that, if the named insured as stated in the policy is other than an individual or spouses in a marriage who are residents of the same household, the named insured shall be only a person so designated in the schedule;

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

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

1 (d) "Insured vehicle," except as provided in paragraph (e) of this [provision] **subsection**, means:

2 (A) The vehicle described in the policy or a newly acquired or substitute vehicle, as each of

3 those terms is defined in the public liability coverage of the policy, insured under the public liability

4 provisions of the policy; or

5 (B) A nonowned vehicle operated by the named insured or spouse if a resident of the same

6 household, provided that the actual use thereof is with the permission of the owner of the vehicle

7 and the vehicle is not owned by nor furnished for the regular or frequent use of the insured or any

8 member of the same household.

9 (e) "Insured vehicle" does not include a trailer of any type unless the trailer is a described ve-

10 hicle in the policy.

11 (f) "Occupying" means in or upon or entering into or alighting from.

12 (g) "Phantom vehicle" means a vehicle that causes bodily injury to an insured arising out of a

13 motor vehicle accident that is caused by a vehicle that has no physical contact with the insured or

14 the vehicle the insured is occupying at the time of the accident, provided:

15 (A) The identity of either the operator or the owner of the phantom vehicle cannot be ascer-

16 tained;

17 (B) The facts of the accident can be corroborated by competent evidence other than the testi-

18 mony of the insured or any person having an uninsured motorist claim resulting from the accident;

19 and

20 (C) The insured or someone on behalf of the insured reported the accident within 72 hours to

21 a police, peace or judicial officer, to the Department of Transportation or to the equivalent depart-

22 ment in the state where the accident occurred, and filed with the insurer within 30 days thereafter

23 a statement under oath that the insured or the legal representative of the insured has a cause or

24 causes of action arising out of the accident for damages against a person or persons whose identities

25 are unascertainable, and setting forth the facts in support thereof.

26 (h) "State" includes the District of Columbia, a territory or possession of the United States and

27 a province of Canada.

28 (i) "Stolen vehicle" means an insured vehicle that causes bodily injury to the insured arising

29 out of a motor vehicle accident if:

30 (A) The vehicle is operated without the consent of the insured;

31 (B) The operator of the vehicle does not have collectible motor vehicle bodily injury liability

32 insurance;

33 (C) The insured or someone on behalf of the insured reported the accident within 72 hours to

34 a police, peace or judicial officer or to the equivalent department in the state where the accident

35 occurred; and

36 (D) The insured or someone on behalf of the insured cooperates with the appropriate law

37 enforcement agency in the prosecution of the theft of the vehicle.

38 (j) "Sums that the insured or the heirs or legal representative of the insured is legally entitled

39 to recover as damages" means the amount of damages that:

40 (A) A claimant could have recovered in a civil action from the owner or operator at the time

41 of the injury after determination of fault or comparative fault and resolution of any applicable de-

42 fenses;

43 (B) Are calculated without regard to the tort claims limitations of ORS 30.260 to 30.300; and

44 (C) Are no larger than benefits payable under the terms of the policy as provided in subsection

45 (7) of this section.

1 (k) "Uninsured vehicle," except as provided in paragraph (L) of this [provision] subsection,  
 2 means:

3 (A) A vehicle with respect to the ownership, maintenance or use of which there is no collectible  
 4 motor vehicle bodily injury liability insurance, in at least the amounts or limits prescribed for bodily  
 5 injury or death under ORS 806.070 applicable at the time of the accident with respect to any person  
 6 or organization legally responsible for the use of the vehicle, or with respect to which there is  
 7 collectible bodily injury liability insurance applicable at the time of the accident but the insurance  
 8 company writing the insurance denies coverage or the company writing the insurance becomes vol-  
 9 untarily or involuntarily declared bankrupt or for which a receiver is appointed or becomes insol-  
 10 vent. It shall be a disputable presumption that a vehicle is uninsured in the event the insured and  
 11 the insurer, after reasonable efforts, fail to discover within 90 days from the date of the accident,  
 12 the existence of a valid and collectible motor vehicle bodily injury liability insurance applicable at  
 13 the time of the accident.

14 (B) A hit-and-run vehicle.

15 (C) A phantom vehicle.

16 (D) A stolen vehicle.

17 (E) A vehicle that is owned or operated by a self-insurer:

18 (i) That is not in compliance with ORS 806.130 (1)(c); or

19 (ii) That provides recovery to an insured in an amount that is less than the sums that the in-  
 20 sured or the heirs or legal representative of the insured is legally entitled to recover as damages  
 21 for bodily injury or death that is caused by accident and that arises out of owning, maintaining or  
 22 using an uninsured vehicle.

23 (L) "Uninsured vehicle" does not include:

24 (A) An insured vehicle, unless the vehicle is a stolen vehicle;

25 (B) Except as provided in paragraph (k)(E) of this subsection, a vehicle that is owned or oper-  
 26 ated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor  
 27 carrier law or any similar law;

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

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

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

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

36 (m) "Vehicle" means every device in, upon or by which any person or property is or may be  
 37 transported or drawn upon a public highway, but does not include devices moved by human power  
 38 or used exclusively upon stationary rails or tracks.

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

42 (4)(a) This coverage does not apply to bodily injury of an insured with respect to which the in-  
 43 sured or the legal representative of the insured shall, without the written consent of the insurer,  
 44 make any settlement with or prosecute to judgment any action against any person or organization  
 45 who may be legally liable therefor.

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

4 (c) This coverage does not apply so as to inure directly or indirectly to the benefit of any  
 5 workers' compensation carrier, any person or organization qualifying as a self-insurer under any  
 6 workers' compensation or disability benefits law or any similar law or the State Accident Insurance  
 7 Fund Corporation.

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

9 (A) The limits of liability under any bodily injury liability insurance applicable at the time of  
 10 the accident regarding the injured person have been exhausted by payment of judgments or settle-  
 11 ments to the injured person or other injured persons;

12 (B) The described limits have been offered in settlement, the insurer has refused consent under  
 13 paragraph (a) of this subsection and the insured protects the insurer's right of subrogation to the  
 14 claim against the tortfeasor;

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

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

22 (e) When seeking consent under paragraph (a) or (d) of this subsection, the insured shall allow  
 23 the insurer a reasonable time in which to collect and evaluate information related to consent to the  
 24 proposed offer of settlement. The insured shall provide promptly to the insurer any information that  
 25 is reasonably requested by the insurer and that is within the custody and control of the insured.  
 26 Consent will be presumed to be given if the insurer does not respond within a reasonable time. For  
 27 purposes of this paragraph, a "reasonable time" is no more than 30 days from the insurer's receipt  
 28 of a written request for consent, unless the insured and the insurer agree otherwise.

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

36 (b) Upon reasonable request of and at the expense of the insurer, the injured person shall submit  
 37 to physical examinations by physicians, naturopathic physicians, physician assistants or nurse  
 38 practitioners selected by the insurer and shall, upon each request from the insurer, execute au-  
 39 thorization to enable the insurer to obtain medical reports and copies of records.

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

45 (7)(a) The limit of liability stated in the declarations as applicable to "each person" is the limit

1 of the insurer's liability for all damages because of bodily injury sustained by one person as the  
 2 result of any one accident and, subject to the above provision respecting each person, the limit of  
 3 liability stated in the declarations as applicable to "each accident" is the total limit of the  
 4 company's liability for all damages because of bodily injury sustained by two or more persons as the  
 5 result of any one accident.

6 (b) Any amount payable under the terms of this coverage because of bodily injury sustained in  
 7 an accident by a person who is an insured under this coverage shall be reduced by the amount paid  
 8 and the present value of all amounts payable on account of the bodily injury under any workers'  
 9 compensation law, disability benefits law or any similar law.

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

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

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

21 [(9)(a)] **(9)** With respect to bodily injury to **or death of** an insured:

22 [(A)] **(a)** While occupying a vehicle owned by a named insured under this coverage, the insur-  
 23 ance under this coverage is primary.

24 [(B)] **(b)** While occupying a vehicle not owned by a named insured under this coverage, the in-  
 25 surance under this coverage shall apply only as excess insurance over any primary insurance  
 26 available to the occupant that is similar to this coverage, and this excess insurance coverage shall  
 27 then apply only to the sums that the insured or the heirs or legal representative of the insured is  
 28 legally entitled to recover as damages for bodily injury or death that is caused by accident and that  
 29 arises out of owning, maintaining or using an uninsured vehicle.

30 *[(b) With respect to bodily injury to an insured while occupying any motor vehicle used as a public  
 31 or livery conveyance, the insurance under this coverage shall apply only as excess insurance over any  
 32 other insurance available to the insured that is similar to this coverage, and this excess insurance  
 33 coverage shall then apply only to the amount by which the applicable limit of liability of this coverage  
 34 exceeds the sum of the applicable limits of liability of all other insurance.]*

35 **(c) Except as otherwise provided in paragraphs (a) and (b) of this subsection, coverage  
 36 under insurance policies that are available to compensate the insured for bodily injury or  
 37 death that is caused by accident and that arises out of owning, maintaining or using a motor  
 38 vehicle, other than coverage under this policy, applies in the following order:**

39 **(A) Coverage up to the limit of the policy of the person or organization determined to  
 40 be legally responsible for causing the accident, including the limit of any excess or umbrella  
 41 coverage that the person or organization has and that is available to compensate the insured;**

42 **(B) Coverage up to the limit of the policy of the person that owned or operated the motor  
 43 vehicle that the insured occupied at the time of the accident;**

44 **(C) Coverage up to the limit of any policy for a vehicle that the insured owns, maintains  
 45 or uses and that was not involved in the accident; and**

**(D) Coverage up to the limit of any personal liability umbrella policy that is available to compensate the insured.**

(10) If any person making claim hereunder and the insurer do not agree that the person is legally entitled to recover damages from the owner or operator of an uninsured vehicle because of bodily injury to the insured, or do not agree as to the amount of payment that may be owing under this coverage, then, in the event the insured and the insurer elect by mutual agreement at the time of the dispute to settle the matter by arbitration, the arbitration shall take place as described in ORS 742.505. Any judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof, provided, however, that the costs to the insured of the arbitration proceeding do not exceed \$100 and that all other costs of arbitration are borne by the insurer. "Costs" as used in this provision does not include attorney fees or expenses incurred in the production of evidence or witnesses or the making of transcripts of the arbitration proceedings. The person and the insurer each agree to consider themselves bound and to be bound by any award made by the arbitrators pursuant to this coverage in the event of such election. At the election of the insured, the arbitration shall be held:

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

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

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

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

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

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

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

(d) The person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights;

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

(f) The person shall execute and deliver to the insurer any instruments and papers as may be

1 appropriate to secure the rights and obligations of the person and the insurer established by this  
 2 provision.

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

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

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

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

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

11 (b) For purposes of this subsection:

12 (A) "Date of settlement" means the date on which a written settlement agreement or release is  
 13 signed by an insured or, in the absence of these documents, the date on which the insured or the  
 14 attorney for the insured receives payment of any sum required by the settlement agreement. An  
 15 advance payment as defined in ORS 31.550 shall not be deemed a payment of a settlement for pur-  
 16 poses of the time limitation in this subsection.

17 (B) "Final judgment" means a judgment that has become final by lapse of time for appeal or by  
 18 entry in an appellate court of an appellate judgment.

19 **SECTION 3.** ORS 742.518 is amended to read:

20 742.518. As used in ORS 742.518 to 742.542:

21 (1) "Evaluation services" means physical examinations or reviews of medical records of benefi-  
 22 ciaries conducted at the request of an insurer by either an employee of the insurer or a third-party  
 23 medical record or bill review service to determine whether the provision or continuation of medical  
 24 services is necessary or reasonable.

25 (2) "Managed care services" means any system of health care delivery that attempts to control  
 26 or coordinate use of health care services in order to contain health care expenditures or improve  
 27 quality of health care services.

28 (3) "Motor vehicle" means a self-propelled land motor vehicle or trailer, other than:

29 (a) A farm-type tractor or other self-propelled equipment designed for use principally off public  
 30 roads, while not upon public roads;

31 (b) A vehicle operated on rails or crawler-treads; or

32 (c) A vehicle located for use as a residence or premises.

33 (4) "Motorcycle" and "moped" have the meanings given those terms in ORS 801.345 and 801.365.

34 (5) "Occupying" means in, or upon, or entering into or alighting from.

35 (6) "Pedestrian" means a person while not occupying a self-propelled vehicle other than a  
 36 wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed  
 37 specifically for use by a person with a physical disability and that is determined to be medically  
 38 necessary for the occupant of the wheelchair or other low-powered vehicle.

39 (7) "Personal injury protection benefits" means the benefits described in ORS 742.518 to 742.542.

40 (8) "Private passenger motor vehicle" means a four-wheel passenger or station wagon type motor  
 41 vehicle [*not used as a public or livery conveyance, and includes*], **including** any other four-wheel  
 42 motor vehicle of the utility, pickup body, sedan delivery or panel truck type not used for wholesale  
 43 or retail delivery other than farming, a self-propelled mobile home and a farm truck.

44 (9) "Proof of loss" means documentation that allows an insurer to determine whether a person  
 45 is entitled to personal injury protection benefits and the amount of any benefit that is due.

1 (10) "Provider" has the meaning given that term in ORS 743B.001.

2 **SECTION 4. The amendments to ORS 742.502, 742.504 and 742.518 a by sections 1 to 3 of**  
3 **this 2021 Act apply to policies of insurance that an insurer issues or renews on and after the**  
4 **effective date of this 2021 Act.**

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