

A-Engrossed
Senate Bill 180

Ordered by the Senate April 8
Including Senate Amendments dated April 8

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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.

Requires insurer to notify claimant upon paying \$5,000 or more to settle third-party liability claim if claimant is natural person and if insurer or insurer's agent or other representative, including insurer's attorney, delivers payment to claimant or to claimant's attorney, agent or other representative by draft, check or other form of payment.

Provides that notice may not include more than specified contents and that notice requirement does not create cause of action against insurer or create defense for claimant's attorney against cause of action based on insurer's failure to provide notice. Authorizes insurer to communicate with claimant for purposes of providing notice even if insurer or insurer's attorney knows that claimant is represented by attorney.

A BILL FOR AN ACT

1
2 Relating to notifications required upon making payments to settle third-party liability claims.

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

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of the Insurance Code.**

5 **SECTION 2. (1)(a) An insurer shall notify a claimant in writing at the time the insurer**
6 **pays \$5,000 or more to settle a third-party liability claim if:**

7 **(A) The claimant is a natural person;**

8 **(B) The insurer or an agent or other representative of the insurer, including the**
9 **insurer's attorney, delivers the payment to the claimant or to the claimant's attorney, agent**
10 **or other representative by draft, check or other form of payment; and**

11 **(C) The claimant or the claimant's attorney has provided contact information or a mail-**
12 **ing address to the insurer.**

13 **(b) An insurer may comply with paragraph (a) of this subsection by sending to the**
14 **claimant a copy of the cover letter that accompanies the insurer's settlement payment to**
15 **the claimant's attorney. Any notice to the claimant other than a copy of the cover letter**
16 **may not include more than:**

17 **(A) A statement that the insurer has paid a settlement;**

18 **(B) The amount of the settlement;**

19 **(C) The date on which the insurer paid the settlement;**

20 **(D) The insurer's name; and**

21 **(E) Any identifying number for the claim.**

22 **(2) Subsection (1) of this section does not:**

23 **(a) Create a cause of action against an insurer for the insurer's failure to provide the**

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 **notice described in subsection (1) of this section; or**

2 **(b) Create for the claimant's attorney a defense to any cause of action based on an**
3 **insurer's failure to provide the notice described in subsection (1) of this section.**

4 **(3) Subsection (1) of this section authorizes an insurer or the insurer's attorney to**
5 **communicate with the claimant for the purpose of delivering the notice described in sub-**
6 **section (1) of this section even if the insurer or the insurer's attorney knows that the**
7 **claimant is represented by an attorney.**

8 **(4) This section does not invalidate or otherwise affect a settlement for which an insurer**
9 **made a payment.**

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