

House Bill 3636

Sponsored by Representatives RESCHKE, LEVY B, SMITH G; Representatives BOICE, BOSHART DAVIS, HELFRICH, JAVADI, MCINTIRE, OSBORNE, Senators ANDERSON, ROBINSON

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Says that an insurer that offers car insurance must also offer PIP benefits. Lets a driver decide whether to accept or not. (Flesch Readability Score: 61.0).

Requires insurers to offer personal injury protection benefits to persons insured under the insurer's motor vehicle liability policy, but makes the decision to elect to receive personal injury protection benefits optional.

A BILL FOR AN ACT

1
2 Relating to personal injury protection benefits; creating new provisions; and amending ORS 278.205,
3 278.215, 742.520, 742.522, 742.524 and 742.585.

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

5 **SECTION 1.** ORS 742.520 is amended to read:

6 742.520. (1)(a) [*Every*] **An insurer that issues a** motor vehicle liability policy [*issued*] for de-
7 livery in this state that covers any private passenger motor vehicle shall [*provide*] **make available**
8 **under the policy** personal injury protection benefits [*to*] **for all of the following persons:**

9 (A) The person insured [*thereunder*] **under the motor vehicle liability policy**[,] ;

10 (B) Members of that person's family residing in the same household[,] ;

11 (C) Children not related to the insured by blood, marriage or adoption who are residing in the
12 same household as the insured and being reared as the insured's own[,] ;

13 (D) Passengers occupying the insured motor vehicle; and

14 (E) Pedestrians struck by the insured motor vehicle.

15 (b) A transportation network company shall provide a motor vehicle liability policy with per-
16 sonal injury protection benefits to each driver who operates a personal motor vehicle in affiliation
17 with the transportation network company.

18 (c) A taxi company shall provide a motor vehicle liability policy with personal injury protection
19 benefits to each driver who operates a taxi in affiliation with the taxi company.

20 (d) The personal injury protection benefits described in paragraphs (b) and (c) of this subsection
21 must, at all times during which the driver operates the personal motor vehicle or the taxi to provide
22 transportation services to passengers in affiliation with the transportation network company or the
23 taxi company, cover the driver of the personal motor vehicle or taxi, any passengers that occupy
24 the personal motor vehicle or taxi and pedestrians that are struck by the personal motor vehicle
25 or taxi.

26 (e) Notwithstanding paragraphs (b), (c) and (d) of this subsection, an insurer may exclude from
27 a motor vehicle liability policy for a private passenger motor vehicle any coverage, including per-
28 sonal injury protection benefits, for a loss or injury that occurs while a driver is operating a private

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 passenger motor vehicle to provide transportation services for compensation in affiliation with a
 2 transportation network company.

3 **(2)(a) A person insured under an insurer's motor vehicle liability policy, other than a**
 4 **driver described in subsection (1)(b), (c), (d) or (e) of this section, is not obligated to elect**
 5 **to receive personal injury protection benefits or coverage for injury or death under the cir-**
 6 **cumstances described in subsection (3) of this section. The person may refuse personal injury**
 7 **protection benefits and coverage orally or in writing and need not submit a form to the**
 8 **insurer to indicate the insured's refusal.**

9 **(b) In each declarations page that an insurer provides at the time the insurer issues or**
 10 **renews a motor vehicle liability policy, the insurer shall note prominently whether the in-**
 11 **sured has elected personal injury protection benefits and coverage for injury or death under**
 12 **the circumstances described in subsection (3) of this section. The notation in the declara-**
 13 **tions page is the final and binding expression of the insured's decision as to whether the in-**
 14 **sured consents to or refuses the insurer's personal injury protection benefits and coverage**
 15 **and the insured's refusal also constitutes a refusal on behalf of all persons to whom personal**
 16 **injury protection benefits would otherwise apply under subsection (1)(a) of this section.**

17 [(2)] **(3) Personal injury protection benefits that an insurer offers as part of a motor vehicle**
 18 **liability policy must** apply to a person's injury or death resulting:

19 (a) In the case of the person insured under the policy and members of that person's family re-
 20 siding in the same household, from the use, occupancy or maintenance of any motor vehicle, except
 21 the following vehicles:

22 (A) A motor vehicle, including a motorcycle or moped, that is owned or furnished or available
 23 for regular use by any of such persons and that is not described in the policy;

24 (B) A motorcycle or moped which is not owned by any of such persons, but this exclusion applies
 25 only when the injury or death results from such person's operating or riding upon the motorcycle
 26 or moped; and

27 (C) A motor vehicle not included in subparagraph (A) or (B) of this paragraph and, except as
 28 provided in paragraph (c) of this subsection, not a private passenger motor vehicle. However, this
 29 exclusion applies only when the injury or death results from such person's operating or occupying
 30 the motor vehicle.

31 (b) In the case of a passenger occupying or a pedestrian struck by the insured motor vehicle,
 32 from the use, occupancy or maintenance of the vehicle.

33 (c) In the case of a person insured under the policy who operates a personal motor vehicle or
 34 a taxi with which the person provides transportation services to passengers for compensation in
 35 affiliation with a transportation network company or a taxi company, from the use, occupancy or
 36 maintenance of the personal motor vehicle or taxi.

37 [(3)] **(4) Personal injury protection benefits must** consist of payments for expenses, loss of in-
 38 come and loss of essential services as provided in ORS 742.524.

39 [(4)] **(5) An insurer shall pay all personal injury protection benefits promptly after proof of loss**
 40 **has been submitted to the insurer.**

41 [(5)] **(6) The potential existence of a cause of action in tort does not relieve an insurer from the**
 42 **duty to pay personal injury protection benefits.**

43 [(6)] **(7) Disputes between insurers and beneficiaries about the amount of personal injury pro-**
 44 **tection benefits, or about the denial of personal injury protection benefits, [shall] must**
 45 **be decided by arbitration if mutually agreed to at the time of the dispute. Arbitration under this subsection**

1 *[shall]* **must** take place as described in ORS 742.521.

2 ~~[(7)]~~ **(8)** An insurer:

3 (a) May not enter into or renew any contract that provides, or has the effect of providing,
4 managed care services to beneficiaries.

5 (b) May enter into or renew any contract that provides evaluation services for beneficiaries.

6 **SECTION 2.** ORS 742.522 is amended to read:

7 742.522. (1) Costs to the insured of the arbitration proceeding under ORS 742.520 ~~[(6) shall]~~ **(7)**
8 **may** not exceed \$100 and **the insurer shall bear** all other costs of arbitration ~~[shall be borne by~~
9 ~~the insurer]~~.

10 (2) As used in this section, “costs” does not include attorney fees or expenses incurred in the
11 production of evidence or witnesses or the making of transcripts of the arbitration proceedings.

12 **SECTION 3.** ORS 742.524 is amended to read:

13 742.524. (1) Personal injury protection benefits ~~[required by]~~ **that an insurer makes available**
14 **under** ORS 742.520 **must** consist of the following payments for the injury or death of each person:

15 (a) All reasonable and necessary expenses of medical, hospital, dental, surgical, ambulance and
16 prosthetic services incurred within two years after the date of the person’s injury, but not more than
17 \$15,000 in the aggregate for all such expenses of the person. Expenses of medical, hospital, dental,
18 surgical, ambulance and prosthetic services are presumed to be reasonable and necessary unless the
19 provider receives notice of denial of the charges not more than 60 calendar days after the insurer
20 receives from the provider notice of the claim for the services. At any time during the first 50 cal-
21 endar days after the insurer receives notice of claim, the provider shall, within 10 business days,
22 answer in writing questions from the insurer regarding the claim. For purposes of determining when
23 the 60-day period provided by this paragraph has elapsed, counting of days shall be suspended if the
24 provider does not supply written answers to the insurer within 10 days and may not resume until
25 the answers are supplied.

26 (b) If the injured person is usually engaged in a remunerative occupation and if disability con-
27 tinues for at least 14 days, 70 percent of the loss of income from work during the period of the in-
28 jured person’s disability until the date the person is able to return to the person’s usual occupation.
29 This benefit is subject to a maximum payment of \$3,000 per month and a maximum payment period
30 in the aggregate of 52 weeks. As used in this paragraph, “income” includes but is not limited to
31 salary, wages, tips, commissions, professional fees and profits from an individually owned business
32 or farm.

33 (c) If the injured person is not usually engaged in a remunerative occupation and if disability
34 continues for at least 14 days, the expenses reasonably incurred by the injured person for essential
35 services that were performed by a person who is not related to the injured person or residing in the
36 injured person’s household in lieu of the services the injured person would have performed without
37 income during the period of the person’s disability until the date the person is reasonably able to
38 perform such essential services. This benefit is subject to a maximum payment of \$30 per day and
39 a maximum payment period in the aggregate of 52 weeks.

40 (d) All reasonable and necessary funeral expenses incurred within one year after the date of the
41 person’s injury, but not more than \$5,000.

42 (e) If the injured person is a parent of a minor child and is required to be hospitalized for a
43 minimum of 24 hours, \$25 per day for child care, with payments to begin after the initial 24 hours
44 of hospitalization and to be made for as long as the person is unable to return to work if the person
45 is engaged in a remunerative occupation or for as long as the person is unable to perform essential

1 services that the person would have performed without income if the person is not usually engaged
 2 in a remunerative occupation, but not to exceed \$750.

3 (2) With respect to the insured person and members of that person’s family residing in the same
 4 household, an insurer may offer forms of coverage for the benefits required by subsection (1)(a), (b)
 5 and (c) of this section with deductibles of up to \$250.

6 **SECTION 4.** ORS 278.205 is amended to read:

7 278.205. (1) The Oregon Department of Administrative Services may issue a certificate of motor
 8 vehicle liability insurance and make assessments therefor.

9 (2) When issued on vehicles owned by local public bodies, such insurance shall also include
 10 uninsured motorist coverage and may include personal injury protection benefits and shall provide
 11 at least the minimum coverages and amounts set forth in ORS 742.500 to 742.542. However, at the
 12 request of a local public body, the department may provide uninsured motorist coverage or personal
 13 injury protection benefits for the motor vehicles owned by the local public body in amounts greater
 14 than those [*required under*] **described in** ORS 742.500 to 742.542.

15 (3) When issued on state-owned vehicles furnished for public use including, but not limited to,
 16 use authorized under ORS 276.598, such insurance shall include uninsured motorist coverage and
 17 personal injury protection benefits and shall provide at least the minimum coverages and amounts
 18 set forth in ORS 742.500 to 742.542.

19 (4) The department by rule may provide personal injury protection benefits in excess of those
 20 specified in this section.

21 **SECTION 5.** ORS 278.215 is amended to read:

22 278.215. (1) Any insurance or self-insurance provided by moneys from the Insurance Fund for or
 23 on account of the operation of motor vehicles within the state’s or public body’s control, shall pro-
 24 vide the uninsured motorist coverage required under ORS 742.500 to 742.504 and, except as specified
 25 in ORS 278.205, may provide the personal injury protection benefits [*required under*] **described in**
 26 ORS 742.518 to 742.542.

27 (2) Any local public body, as defined in ORS 30.260, which establishes a self-insurance program
 28 under ORS 30.282 for or on account of the operation of motor vehicles within the local public body’s
 29 control, shall provide the uninsured motorist coverage required under ORS 742.500 to 742.504 and
 30 may provide the personal injury protection benefits [*required under*] **described in** ORS 742.518 to
 31 742.542.

32 (3) The uninsured motorist coverage provided under this section shall be excess over any other
 33 collateral benefits to which an injured person is entitled, including, but not limited to, other
 34 uninsured motorist coverage, insurance benefits, governmental benefits or gratuitous benefits.

35 **SECTION 6.** ORS 742.585 is amended to read:

36 742.585. As used in ORS 742.585 to 742.600:

37 (1) “Owner’s insurance policy” means a private passenger motor vehicle liability insurance pol-
 38 icy that includes:

39 (a) All coverage necessary to comply with the financial or future responsibility requirements of
 40 ORS chapter 806;

41 (b) The personal injury protection coverage [*required under*] **described in** ORS 742.518 to
 42 742.542;

43 (c) The uninsured motorist coverage required under ORS 742.500 to 742.506; and

44 (d) Any optional coverage selected by the owner.

45 (2) “Personal vehicle sharing” means the use of a private passenger motor vehicle by persons

1 other than the vehicle's registered owner in connection with a personal vehicle sharing program.

2 (3) "Personal vehicle sharing program" means a legal entity qualified to do business in this state
3 engaged in the business of facilitating the sharing of private passenger motor vehicles for noncom-
4 mercial use by individuals within this state.

5 (4) "Private passenger motor vehicle" means a four-wheel passenger or station wagon type motor
6 vehicle insured under a motor vehicle liability insurance policy covering a single individual or in-
7 dividuals residing in the same household as the named insured.

8 (5) "Program insurance policy" means a motor vehicle liability insurance policy that is obtained
9 by the personal vehicle sharing program and that:

10 (a) Includes all coverage needed to comply with the financial or future responsibility require-
11 ments of ORS chapter 806;

12 (b) Includes the personal injury protection coverage [*required under*] **described in** ORS 742.518
13 to 742.542;

14 (c) Includes the uninsured motorist coverage required under ORS 742.500 to 742.506;

15 (d) Includes comprehensive property damage coverage for the vehicle;

16 (e) Includes collision property damage coverage for the vehicle; and

17 (f) Does not include any other optional coverage selected by the owner of the vehicle and in-
18 cluded in the owner's insurance policy.

19 **SECTION 7. The amendments to ORS 278.205, 278.215, 742.520, 742.522, 742.524 and 742.585**
20 **by sections 1 to 6 of this 2025 Act become operative January 1, 2027.**

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