



OREGON MUTUAL INSURANCE GROUP

BULLETIN NO: 2164

DATE: November 23, 2009

DEPT: Product Development

SUBJECT: Private Passenger Automobile –
Endorsement Revisions

TO: All Oregon Personal Lines Agents

Effective January 1, 2010 for both new and renewal business we have revised the following endorsements to comply with statutes passed by the Oregon Legislature during 2009.

AMENDATORY ENDORSEMENT G0093A (1-10) House Bill 2190 – Enhances the policy Appraisal Provision as follows: If the final appraisal decision pursuant to this policy is greater than the amount of our last offer prior to the appraisal costs being incurred, we will reimburse you for reasonable appraisal costs.

SECTION II – PERSONAL INJURY PROTECTION G0574AO (1-10) House Bill 2326 – Changes the limit of liability for Income Continuation expenses from \$1,250 to \$3,000.

PROPERTY DAMAGE LIABILITY AND UNINSURED MOTORIST PROPERTY DAMAGE

House Bill 2326 also changes the minimum Property Damage Liability and Uninsured Motorist Property Damage from \$10,000 to \$20,000. Coverage for policyholders who previously purchased \$10,000 of Property Damage and Uninsured Motorist Property Damage coverage will increase to the new state minimum limit of \$20,000 at renewal.

Policyholders will receive the revised endorsements and a copy of the attached policyholder notice with their renewal.

If you have any questions regarding these changes, please contact your Personal Lines Underwriter, Agency Marketing Manager, or me.

We appreciate your business.

Eric Cutler, CPCU, CIC
Personal Lines
Business Unit Manager



**OREGON MUTUAL INSURANCE GROUP
AMENDATORY ENDORSEMENT**

G0093A (1-10)

YOUR DUTIES AFTER ACCIDENT OR LOSS listed in the policy, is amended by the following:

Other Duties

You must also allow **us** to accomplish the following in the event of loss or damage to covered property:

1. **We** may examine any insured under oath, while not in the presence of any other insured and as many times as may be reasonably required, about any matter relating to this insurance or the claim. In the event of an examination, an insured's answers must be signed.

APPRAISAL

The Appraisal provision found in the policy is replaced by the following:

If **we** and **you** do not agree on the amount of loss, then an appraisal of the loss may be made. However, both parties must agree to the appraisal and to be bound by the results of that appraisal. In such an event, **you** and **we** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss**, and failing to agree, shall submit their differences to the umpire. An agreement in writing of any two shall determine the amount of **loss**. **You** will pay **your** chosen appraiser and **we** will pay **our** chosen appraiser. **You** and **we** shall bear equally the other expenses of the appraisal and umpire. If, however, the final appraisal decision pursuant to this policy provision is greater than the amount of **our** last offer prior to the appraisal costs being incurred **we** will reimburse **you** for the reasonable appraisal costs.

We shall not be held to have waived any of **our** rights by any act relating to appraisal.



OREGON MUTUAL INSURANCE GROUP
SECTION II - PERSONAL INJURY PROTECTION

G0574AO (1-10)

We agree with **you**, subject to all the terms of this endorsement and to all of the terms of the policy unless modified by this endorsement.

COVERAGE C - PERSONAL INJURY PROTECTION

We will pay Oregon Personal Injury Protection Benefits for:

1. **Medical and hospital expenses,**
2. **Income continuation expenses,**
3. **Loss of services expenses,**
4. **Funeral expenses,** and
5. **Child care services**

incurred with respect to **bodily injury** sustained by an **injured person** and caused by an **auto accident** arising out of ownership, maintenance or use of a **motor vehicle** as a **motor vehicle**.

DEFINITIONS USED IN THIS ENDORSEMENT ONLY

When used in reference to this coverage:

"**Auto accident**" means a sudden event, including continuous or repeated exposure to the same conditions, resulting in **bodily injury** neither expected nor intended by the **injured person**.

"**Bodily Injury**" means **bodily injury**, sickness, or disease including death at any time resulting therefrom.

"**Damages**" are the cost of compensating those who suffer **bodily injury** from an **auto accident**.

"**Family member**" means a person related to **you** by blood, marriage or adoption who is a resident of **your** household, including a ward or foster child under the age of 21.

"**Funeral Expenses**" means reasonable and necessary expenses for professional funeral services incurred within one year after the date of the **auto accident**.

"**Income**" means salary, wages, tips, commissions, professional fees, and profits from an individually owned business or farm.

"**Income continuation expenses**" means 70% of the **injured person's** loss of income during the period of the **injured person's** disability until the date the person is reasonably able to return to the person's usual occupation; provided that

1. such person was usually engaged in a remunerative occupation at the time of the **auto accident**,
2. the period of such disability continues for at least 14 days, and
3. **income continuous expenses** shall include only loss of **income** incurred from the date such disability commenced to the date on which such person is able to return to his usual occupation, or the expiration of not more than 52 weeks in the aggregate, or upon the death of such **injured person**, whichever occurs first.

"**Injured person**" means,

1. **you** or any **family member** who sustains **bodily injury** while **occupying a private passenger motor vehicle** or, while a **pedestrian**, through being struck by a **motor vehicle**;
2. any other person who sustains **bodily injury** while **occupying** or using the **insured motor vehicle**, with the permission of **you**, or while a **pedestrian**, through being struck by the **insured motor vehicle**.

"**Insured motor vehicle**" means a vehicle owned by **you**, to which the Bodily Injury Liability Insurance coverage of Section I of this policy applies and for which a specific premium is charged.

"**Loss of services expenses**" means expenses reasonably incurred by the **injured person** for essential services that were performed by a person who is not related to the injured person or residing in the injured person's household in lieu of the services the **injured person** would have performed without **income** during the period of the **injured person's** disability until the date the **injured person** is reasonably able to perform such essential services again; provided that,

1. such person was not usually engaged in remunerative occupation at the time of the accident,
2. the period of such disability continues for at least 14 days, and
3. **loss of services expenses** shall include only expense for such services actually rendered from the date such disability commenced to the date on which such person is reasonably able to perform such services, or the expiration of not more than 52 weeks in the aggregate, or the date of such **injured person's** death.

"**Medical and hospital expenses**" means all reasonable and necessary expenses incurred within one year from the date of the accident for medical, hospital, dental, surgical, ambulance and prosthetic services, provided that the cost of such expenses cannot exceed the lesser of:

1. An amount that does not exceed the amount the provider charges the general public; or
2. An amount that does not exceed the fee schedules for medical services published pursuant to ORS 656.248 for expenses of medical, hospital, dental, surgical, ambulance and prosthetic services.

This coverage includes expenses of hospital services that are subject to the adjusted cost-to-charge ratio specified for a hospital in the hospital fee schedule published pursuant to ORS 656.248, a provider of hospital services shall charge a person who receives personal injury protection benefits or that person's insurer the greater of:

1. The amount of the hospital charges multiplied by the adjusted cost-to-charge ratio specified for the hospital; or
2. Ninety percent of the hospital charges.

"Motor vehicle" means a self-propelled land **motor vehicle** or **trailer**, but does not include:

1. A vehicle operated on rails or crawler treads;
2. A farm type tractor or any other self-propelled equipment designed or modified for use principally off public roads, while not upon public roads;
3. A vehicle located for use as a residence or premises;
4. A vehicle, including a motorcycle or moped, which is owned by **you** or a **family member** and which is not covered by a motor vehicle liability insurance policy that provides personal injury protection benefits with respect to the use and maintenance of that vehicle;
5. A motorcycle or moped which is not owned by **you** or a **family member**.

However, this exclusion applies only when the injury or death results from such persons operating or riding upon the motorcycle or moped; or

6. A vehicle not described in sub-paragraphs 1 through 5 above of this paragraph and not a **private passenger motor vehicle**.

However this exclusion applies only when the injury or death results from such persons operating or **occupying** this vehicle.

"Occupying" means in, on, getting into or out of.

"Pedestrian" means a person while not occupying a self-propelled vehicle other than a wheelchair or a similar low-powered motorized or mechanically propelled vehicle that is designed specifically for use by a physically disabled person and that is determined to be medically necessary for the occupant of the wheelchair or other low-powered vehicle.

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

"Total amount of benefits" means the amount of money recovered by a person from: (1) Applicable underinsured motorist benefits described in ORS 742.502 paragraph 2; (2) Liability insurance coverage available to the person receiving the personal injury protection benefits from other parties to the accident; (3) Personal injury protection payments; and (4) Any other payments by or on behalf of the party whose fault caused the **damages**. (5) Nothing in this section requires a person to repay more than the amount of personal injury protection benefits actually received.

"Utility Auto" means a land motor vehicle having at least four wheels actually licensed for use upon public highways, with a rated load capacity of not more than 2,000 pounds, of the pickup, panel or van type.

This does not mean a vehicle used in any business or occupation other than farming or ranching.

"We", **"us"**, and **"our"** refer to the company providing this insurance.

"You" and **"your"** refer to the **"named insured"** shown in the Declarations and the spouse if a resident of the same household.

EXCLUSIONS

We will not pay:

1. For **bodily injury** intentionally caused by any insured person to him or herself. This exclusion applies regardless of the person or persons to whom the intentional act was directed.
2. For **bodily injury** sustained by any person while participating in any organized, prearranged, or agreed upon racing or speed contest, a one-car speed or performance exhibition, demolition, stunting activity contest, demonstration, or in practice or preparation for any such contest.
3. **Income continuation expenses, loss of services expenses, and child care expenses** with respect to **bodily injury** sustained by any **pedestrian** in an **auto accident** which occurs outside the State of Oregon.
However, these coverages do apply to **you** or any **family member**.
4. For **bodily injury** due to war (declared or undeclared), civil war, insurrection, rebellion, revolution, riot, civil commotion, discharge of any nuclear weapon, or any consequences of any of these.
5. For **bodily injury** sustained by **you** or a **family member** while **occupying** any **motor vehicle**, including a motorcycle or moped, owned by or furnished or available for the regular use of **you** or a **family member** and not insured for Oregon Personal Injury Protection Benefits coverage under this policy.
6. For **bodily injury** sustained by **you** or a **family member** when the **bodily injury** results from such person's operation or riding upon a motorcycle or moped not owned by or furnished or available for regular use of **you** or a **family member**, and not insured for Oregon Personal Injury Protection Coverage under this policy.
7. For injury to any person arising out of the ownership, maintenance, or use of any motorized vehicle with less than four wheels.
8. For **bodily injury** sustained while **occupying** any vehicle located for use as a residence or premises.

9. For **bodily injury** resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.
 10. For **bodily injury** to an **injured person** who is entitled to receive, under the laws of this state or any other state of the United States, workers' compensation benefits or any other similar medical or disability benefits.
 11. For any coverage under this endorsement if **you** or any other person insured under this policy willfully conceals or misrepresents any material fact in connection with a claim for personal injury protection benefits.
3. Any Oregon Personal Injury Protection Benefits payable to an insured under this policy shall be applied in reduction of the amount of damages that the insured may be entitled to recover from the insurer under Uninsured Motorist coverage for the same accident.
 4. Any payments made by the Company under this insurance either as benefits to or on behalf of the **injured person** or as reimbursement, pursuant to Oregon Automobile Personal Injury Protection statutes, to any other insurer or organization for such benefits paid by it shall be applied in reduction of the amount of **damages** which, because of **bodily injury** sustained in the same accident, such **injured person** may be entitled to recover from the Company or any other insurer under insurance afforded for either **bodily injury** liability or protection against uninsured/underinsured motorists.
 5. Any amount payable to or for the benefit of a pedestrian injured by the **insured motor vehicle** shall be excess over any other collateral benefits to which the **injured person** is entitled including but not limited to insurance benefits, governmental benefits (except Medicare benefits) or gratuitous benefits.

LIMITS OF LIABILITY

Regardless of the number of persons or organizations insured, policies or bonds applicable, claims made, number of claimants, or **insured motor vehicles** to which this insurance applies, **we** will pay no more than the limits of liability described in this coverage section. Our liability for Oregon Personal Injury Protection Benefits with respect to **bodily injury** sustained by any one **injured person** in any one **motor vehicle** accident is limited as follows:

1. The total amount payable shall not exceed the sum of:
 - a. \$15,000 for **medical and hospital expenses**, or such higher limit of liability as is stated in the Declarations page of this policy to which this endorsement is attached, subject to stipulations as defined in the Definition section.
 - b. \$3,000 per month for **income continuation expenses** subject to stipulations as defined in the Definition section.
 - c. \$30 per day for **loss of services expenses** subject to stipulations as defined in the Definition section.
 - d. \$5,000 for **funeral expenses**.
 - e. \$750 for child care for an injured parent of a minor child. If the **injured person** is a parent of a minor child and is required to be hospitalized for a minimum of 24 hours, \$25 per day for child care, with payments to begin after the initial 24 hours of hospitalization and to be made for as long as the person is unable to return to work if the person is engaged in a remunerative occupation, or for as long as the person is unable to perform essential services that the person would have performed without income if the person is not usually engaged in a remunerative occupation.
2. Any amount payable under the terms of this insurance shall be reduced or eliminated by the amount paid or payable to or on behalf of an **injured person** under any worker's compensation benefits recoverable under the laws of this state or any other state of the United States or any medical or disability benefits law.

POLICY PERIOD; TERRITORY

This insurance applies only to **auto accidents** which occur during the policy period within the United States of America, its territories or possessions, or Canada.

NO MEXICO COVERAGE. READ THIS WARNING CAREFULLY. No coverage under this policy is provided while in Mexico. The Republic of Mexico considers an automobile accident a criminal offense as well as a civil matter. Coverage can be obtained through a Mexican Insurance Company when needed.

NOTICE

In the event of an **auto accident**, written notice containing particulars sufficient to identify the **injured persons**, and also reasonably obtainable information respecting the time, date, place and circumstances of the **auto accident** shall be given by or on behalf of each **injured person to us** or any of **our** authorized agents as soon as practicable. If any **injured person** or his legal representative shall institute legal action to recover **damages for bodily injury** against a person or organization who is or may be liable in tort therefor, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded as soon as practicable to **us** by such **injured person** or his legal representative.

Any **injured person** who has received benefits and who makes a claim or institutes legal action against any person or organization legally responsible for the **bodily injury** shall give notice of such claim or action to **us** by personal service or by registered or certified mail.

If **we** have not been a party to an interinsurer reimbursement proceeding with respect to benefits under ORS 742.534, **we** may seek reimbursement for benefits **we** have furnished, out of any recovery under a claim or legal action filed by an **injured person**. **We** shall give written notice of such election within 30 days from the receipt of notice of such claim or legal action from the **injured person**.

If **we** serve the written notice of election:

- a. **We** have a lien against such action for benefits **we** have furnished, less the proportion, not to exceed 100 percent, of the expenses, costs, and attorney's fees incurred by the **injured person** in connection with the recovery that the amount of the lien before such reduction bears to the amount of the recovery.
- b. The benefits furnished by **us** shall be included as **damages** in the claim by the **injured person**.
- c. Any legal action shall be taken in the name of the **injured person**.

If **we** furnished personal injury protection benefits for a person injured in a motor vehicle accident and the interinsurer reimbursement benefit of ORS 742.534 is not available under the terms of that section, and **we** have not elected recovery by lien as provided in ORS 742.536, **we** are entitled to the following subrogation benefits as stipulated by ORS 742.538.

SUBROGATION

In the event of payment to any person of any benefits under this endorsement:

1. **We** are entitled to the proceeds of any settlement or judgment that may result from the exercise of any rights of recovery of the **injured person** against any person legally responsible for the accident, to the extent of such benefits furnished by **us** less **our** share of expenses, costs and attorney fees incurred by the **injured person** in connection with such recovery.
2. **We** are entitled to reimbursement for personal injury protection payments made on behalf of any person only to the extent that the **total amount of benefits** paid exceeds the economic damages as defined in ORS 18.560 suffered by that person.
3. The **injured person** shall hold in trust for the benefit of **us** all such rights of recovery which the **injured person** has, but only to the extent of such benefits furnished.
4. The **injured person** shall do whatever is proper to secure, and shall do nothing after loss to prejudice, such rights.
5. If requested in writing by **us**, the **injured person** shall take, through any representative not in conflict in interest with the **injured person** designated by **us**, such action as may be necessary or appropriate to recover such benefits furnished as damages from such responsible person, such action to be taken in

the name of the **injured person**, but only to the extent of the benefits furnished by **us**. In the event of a recovery, **we** shall also be reimbursed out of such recovery for the injured person's share of expenses, costs and attorney fees incurred by **us** in connection with the recovery.

6. In calculating respective shares of expenses, costs and attorney fees under this section, the basis of allocation shall be the respective proportions borne to the total recovery by:
 - a. such benefits furnished by **us**; and
 - b. the total recovery less 6.a.
7. The **injured person** shall execute and deliver to **us** such instruments and papers as may be appropriate to secure the rights and obligations of **us** and the **injured person** as established in this section.

MEDICAL REPORTS: PROOF OF CLAIM

As soon as practicable the **injured person** or someone on his behalf shall give to **us** written proof of claim, under oath if required, including full particulars of the nature and extent of the injuries and treatment received and contemplated, and such other information as may assist **us** in determining the amount due and payable. The **injured person** shall submit to physical examinations by physicians selected by **us** when and as often as **we** may reasonably require.

The **injured person** or in the event of his incapacity or death, his legal representative, shall upon each request from **us** execute authorization to enable **us** to obtain medical reports, copies of records and information with respect to loss of **income**. **We** may require that the **injured person**, as a condition for receiving **income continuation expenses**, cooperate in furnishing **us** reasonable medical proof of his inability to work.

PAYMENT OF CLAIMS

We will pay any amount due:

1. To the **injured person**;
2. If the **injured person** is a minor or an incompetent person, to the parent or legal guardian;
3. If the **injured person** is deceased, to the surviving spouse if a resident of the same household at the time of the **auto accident**; or
4. At **our** option, to a person authorized by law to receive such payment.

ARBITRATION

If **we** and the **insured** do not agree as to whether the **insured** is entitled to recover personal injury protection benefits; or the amount of benefits which are recoverable by the **insured**; then the matter may be arbitrated.

Both parties must agree to the arbitration. If so agreed, each party will select a competent and disinterested arbitrator. The two arbitrators so named shall select a third arbitrator, or if unable to agree thereon within

30 days then, upon the request of such person or **us**, such third arbitrator shall be selected by a judge of a court of record in the county and state in which such arbitration is pending.

The arbitrators shall then hear and determine the question or questions so in dispute, and the decision in writing of any two arbitrators are:

1. binding on the parties to the arbitration proceedings;
2. not binding on any other party; and
3. may not be used for the purpose of **collateral estoppel**.

Collateral estoppel as used in this section means the issue of law or fact arbitrated can not be used to prevent the same issues from being re-litigated in another cause of action.

Each arbitration party shall pay his or its chosen arbitrator and shall bear equally the expense of the third arbitrator and all other expenses of the arbitration, provided that attorney's fees and fees paid to medical or other witnesses are not deemed to be expenses of arbitration, but are to be borne by the party incurring them. Unless the parties otherwise agree the arbitration proceedings shall be conducted under local court rules in the county where the arbitration is held.

Oregon Special Arbitration Provisions

We will reimburse the insured for any arbitration costs in excess of \$100. Costs do not include attorney's fees or expenses incurred in the production of evidence or witnesses or making transcripts of the arbitration proceedings.

OTHER INSURANCE

The insurance afforded under this endorsement shall be excess for:

1. **Bodily injury** sustained by any **pedestrian**, other than **you** or any **family member**, over any other collateral benefits to which the **injured person** is entitled, including but not limited to insurance benefits, governmental benefits or gratuitous benefits by another insurer, governmental benefits (except Medicare benefits), gratuitous benefits or Oregon Personal Injury Protection Benefits.
2. **Bodily injury** sustained by **you** or any **family member** while occupying any **motor vehicle**, other than the **covered motor vehicle**, with respect to which Oregon Personal Injury Protection Benefits are in effect.

Notwithstanding the above, if this policy insures two or more autos or if any other auto insurance policy issued to **you** by **us** applies to the same **auto accident**, the maximum limit of **our** liability shall not exceed the highest limit applicable to any one auto.

It is further agreed that any Personal Injury Protection Insurance afforded under this policy shall be excess insurance over any medical expense benefits paid or payable under this or any other automobile insurance policy because of **bodily injury** to an **injured person**.



OREGON MUTUAL INSURANCE GROUP
IMPORTANT NOTICE TO POLICYHOLDERS

G8672AO (1-10)

Dear Policyholder,

Effective January 1, 2010, the following endorsements have been revised to comply with statutes passed by the Oregon Legislature during 2009.

AMENDATORY ENDORSEMENT G0093A (1-10) House Bill 2190

Enhances the policy Appraisal Provision as follows: If the final appraisal decision pursuant to this policy is greater than the amount of our last offer prior to the appraisal costs being incurred, we will reimburse you for the reasonable appraisal costs.

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PROPERTY DAMAGE LIABILITY AND UNINSURED MOTORIST PROPERTY DAMAGE

House Bill 2326 also changes the minimum Property Damage Liability and Uninsured Motorist Property Damage from \$10,000 to \$20,000. If you previously purchased \$10,000 of Property Damage and Uninsured Motorist Property Damage coverage, that amount has been increased to the new state minimum limit of \$20,000 with your renewal and is shown on the declaration page.

Please read the enclosed endorsements and attach them to your automobile policy.

If you have any questions regarding the change in your endorsements or any other insurance matter, please contact your agent.

We appreciate your business. Thank you for insuring with the Oregon Mutual Insurance Group.

Eric Cutler, CPCU, CIC
Northwest Personal Lines
Business Unit Manager