



Deschutes County Board of Commissioners
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AGENDA REQUEST & STAFF REPORT

For Board Business Meeting of May 25, 2016

DATE: 05/17/16

FROM: Laurie Smith Department Risk Phone # 541-385-1749

TITLE OF AGENDA ITEM:

Consideration of Board Signature of Resolution 2016-024, A Resolution Adopting Uninsured/Underinsured Motorists Coverage Limits of Liability for Deschutes County.

PUBLIC HEARING ON THIS DATE? No.

BACKGROUND AND POLICY IMPLICATIONS:

It is a recommendation of the board signature of Resolution No. 2016-024. This is based off the State of Oregon Appeals Court decision in the case of :
Ali Ajir (Plaintiff-Appellant) vs Evan Buell (Defendant) and Clackamas County (Governmental Entity Defendant-Respondent)

A Clackamas County deputy was injured in a collision between a county vehicle and private party that had the Oregon state required limits of \$25,000 for UM/UIM. Clackamas County was self-insured for \$500,000. The County Deputy sued the private party's carrier for the \$25,000 and received it. He then sued Clackamas County seeking countys UM/UIM of \$500,000 coverage available to compensate for damages in excess of those covered by at fault parties' policy. Clackamas County Risk Manager had a UM policy on his computer identifying that they elected lower limits of 25k/50k, effective prior to the accident. It was not signed or recorded.

The judge ruled that Clackamas County failed to make a valid election of UM/UIM coverage of less than their \$500,000 policy retention and therefore were liable to provide the \$500,000 UM/UIM coverage to the plaintiff.

Deschutes County is a self-insured public entity, ORS742.502 indicates that a motor vehicle bodily injury liability policy shall have the same limits for uninsured motorist coverage as for bodily injury liability coverage, unless a named insured elects in writing to lower their limits.

ORS 30.271 defines the state required amounts of coverage for uninsured motorist. As of 05/01/16, uninsured motorist coverage for Deschutes County would be at \$682,800/1M per our self-insured retention (SIR).

However, we are recommending to elect to lower out uninsured motorist coverage per ORS 806.070 to state requirement of \$25,000/\$50,000 as long as it is in writing, until rescinded, or until the

1/12/16

Oregon Financial Responsibility laws change. This would reduce the County's exposure as well. If elected, this will require signing of Exhibit 1, Election of Lower Limits for Bodily Injury Uninsured/Underinsured Motorist Coverage (approved by Oregon State Department of Consumer Business Services).

FISCAL IMPLICATIONS:

None

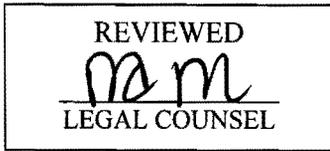
RECOMMENDATION & ACTION REQUESTED:

Board approval of Resolution 2016-024.

ATTENDANCE: Laurie Smith

DISTRIBUTION OF DOCUMENTS:

Erik Kropp and Laurie Smith, Risk Management.



For Recording Stamp Only

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON

AN ORDER IN THE MATTER OF ELECTION *
OF LOWER LIMITS FOR BODILY INJURY * ORDER NO. 2016-024
UNINSURED/UNDERINSURED MOTORIST *
COVERAGE *

WHEREAS, the Oregon Court of Appeals decision in Ajir v. Buell, 270 Or. App. 575 (2015) requiring public bodies to comply with ORS 272.502(2)(b) to elect lower limits for bodily injury, uninsured motorist and underinsured motorist coverage; and

WHEREAS, ORS and the Ajir decision require for a public body to elect the lower limits for bodily injury, uninsured motorist and underinsured motorist coverage to file the election on a form approved by the Oregon Department of Consumer Services; and

WHEREAS, the Oregon Department of Business and Consumer Services has approved the form attached to this order as Exhibit "A" and by this reference incorporated herein; and

WHEREAS, as Deschutes County self-insures for bodily injury, uninsured motorists coverage and underinsured motorist coverage there is no insurance policy, and thus no premium payment or premium comparison; and

WHEREAS, the Deschutes County Risk Manager has authority to make the election for lower limits for bodily injury, uninsured motorist and underinsured motorist coverage on behalf of Deschutes County; and

WHEREAS, Deschutes County wishes to elect lower limits for bodily injury, uninsured motorist and underinsured motorist coverage in the manner required by Oregon law; now therefore

THE BOARD OF COUNTY COMMISSIONERS OF DESCHUTES COUNTY, OREGON, HEREBY ORDERS as follows:

Section 1. To elect the lower limits for bodily injury, uninsured motorist and underinsured motorist coverage as authorized by ORS 742.500 et. seq. and Exhibit "A".

Section 2. The election is effective May 25, 2016.

Dated this _____ of _____, 2016

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON

ALAN UNGER, Chair

TAMMY BANEY, Vice Chair

ATTEST:

Recording Secretary

ANTHONY DeBONE, Commissioner

ELECTION OF LOWER LIMITS FOR BODILY INJURY UNINSURED/UNDERINSURED MOTORIST COVERAGE

Oregon law permits you to make certain decisions regarding the limits of your Uninsured and Underinsured Motorist Coverage. The coverage you are purchasing will provide a benefit to you if the person that caused the accident does not have insurance, or if they do not have enough insurance to pay your damages. This document, required by Oregon law, briefly describes this coverage and the options available.

COVERAGE DESCRIPTION

Bodily Injury Uninsured Motorist Coverage provides you and your passengers money for damages you are legally entitled to be paid from the owner or operator of an uninsured motor vehicle because of bodily injury or death caused by an automobile accident.

Bodily Injury Underinsured Motorist Coverage provides you and your passengers with additional money for your damages when the at-fault party's Bodily Injury Liability insurance policy limit is not high enough to pay you and your passengers for all your losses. The total amount available cannot be more than the policy limit you choose for your Underinsured Motorist policy limit added to the Bodily Injury Liability policy limit of the at-fault party.

Your automobile liability policy must include Uninsured Motorist Coverage with limits equal to those for Bodily Injury Liability Coverage unless you elect lower limits. You may not, however, elect Uninsured Motorist Coverage limits that are less than \$25,000 for each person and \$50,000 for each accident.

ELECTION OF LOWER LIMITS FOR BODILY INJURY UNINSURED MOTORISTS COVERAGE

Comparison of prices for Coverage:

\$ N/A is the premium for Bodily Injury Uninsured Motorists Coverage per insured private passenger type vehicle with limits equal to your Bodily Injury Liability Coverage limits as established by the Oregon Tort Claims Act in ORS 30.272. {Note: if there is more than one vehicle on the policy, and the premium will vary by vehicle, the insurer can consider this to be a variable field and complete the comparison by showing each vehicle with its corresponding premium charge. Or, if the insurer charges a flat amount for UM/UIM for the entire policy, they would show the price comparison between UM/UIM at the BI limits and UM/UIM at the lower limit chosen.}

\$ N/A is the premium for Bodily Injury Uninsured Motorists Coverage per insured vehicle as established by the Oregon in Tort Claims Act ORS 30.272, other than private passenger type vehicles with limits equal to your Bodily Injury Liability Coverage limits. {See note above}

\$ N/A is the premium for Bodily Injury Uninsured Motorists Coverage per insured private passenger type vehicle with the limits you selected, that are lower than your Bodily Injury Liability Coverage limits, \$25,000 for each person and \$50,000 for each accident. {See note above}

\$ N/A is the premium for Bodily Injury Uninsured Motorists Coverage per insured vehicle other than private passenger type vehicles with the limits you selected that are lower than your Bodily Injury Liability Coverage limits of \$25,000 for each person and \$50,000 for each accident. {See note above}

By signing below, I acknowledge that I had the opportunity to provide Uninsured Motorist coverage with limits equal to my Bodily Injury Liability coverage and I am electing to provide Bodily Injury Uninsured Motorists Coverage at limits lower than the Bodily Injury Liability Coverage limits of my policy.

I understand that the coverage selection I have indicated above shall remain in force until a named insured or the authorized representative of the named insured rescinds it in writing or until the motor vehicle bodily injury liability limits of my policy are changed.

Deschutes County, Oregon

By: _____
Signature of Applicant/Named Insured/Authorized Representative

Date