

Enrolled Senate Bill 922

Sponsored by Senator THOMSEN

CHAPTER

AN ACT

Relating to legal expense organizations; amending ORS 750.505 and 750.525.

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

SECTION 1. ORS 750.505 is amended to read:

750.505. As used in ORS 750.505 to 750.715:

(1)(a) **“Administration fee” means a nominal fee that:**

(A) **A legal access provider pays to an attorney;**

(B) **Is not more than \$6 per month for each of the legal access provider’s customers, or a greater amount that the Director of the Department of Consumer and Business Services specifies by rule; and**

(C) **Covers overhead and administrative expenses that the attorney incurs in providing legal consultations or other legal services to a legal access provider’s customers.**

(b) **“Administration fee” does not include fees, charges or other compensation that an attorney charges to the attorney’s client for legal services or a reimbursement that a legal expense organization provides under a legal expense plan.**

(2) **“Legal access provider” means a person that charges a fee to a customer for the purpose of providing the customer with access to legal consultations and other legal services and that pays an administration fee to an attorney.**

[(1)] (3)(a) **“Legal expense organization” or “organization” means [any] a person or group of persons [who] that provide or offer to provide a legal expense plan, including [any] a person [who] that acts as [its] the legal expense plan’s administrator.**

(b) **“Legal expense organization” or “organization” does not include a legal access provider.**

[(2)] (4) **“Legal expense plan” or “plan” means [the] an agreement between an organization and a person or a group of persons [whereby] under which the organization, in return for a specified payment as consideration, reimburses the person or group of persons as members of the plan for charges the person or group of persons incurs for legal services [are to be provided to the person or group of persons as members, or whereby the persons as members are to be reimbursed for charges incurred for legal services, in consideration of a specified payment].**

[(3)] (5) **“Member” means a person who is eligible to receive legal services under a legal expense plan.**

[(4)] (6) **“Membership agreement” means [the] written evidence of coverage of a member under a plan between an organization and members.**

[(5)] (7) **“Provider agreement” means a written contract or agreement between an organization and a providing attorney for [the] rendering [of] legal services to a member or group of persons.**

[6] (8) "Providing attorney" means any attorney licensed and in good standing in this state who provides legal services [pursuant to the] **in accordance with a membership agreement or a provider agreement.**

[7] (9) "Sales or marketing representative" means [any] a person who markets or solicits members for or on behalf of a plan.

SECTION 2. ORS 750.525 is amended to read:

750.525. ORS 750.505 to 750.715 do not apply to the following arrangements:

(1) A retainer [contracts made by] **contract that** an attorney or firm of attorneys **makes** with a specific individual, [pursuant to] **under the terms of which the attorney or firm bases fees [are based] on reasonable estimates of the nature and amount of services [to be provided,] the attorney or firm will provide,** and similar contracts [made by] **that** an attorney or firm of attorneys **makes** with a group of clients involved in the same or closely related legal matters.

(2) Any two-party agreement [providing for the delivery of] **for delivering** specified legal services in return for a specified payment, including [an administrative] **a fee for administering the agreement or services related to the agreement,** [whereby an arrangement is made between] **under the terms of which** an attorney or firm of attorneys [and] **arranges to provide legal services to a group of individuals who are all members of the same bona fide nonprofit membership organization, such as a church, trade group, credit union or association, or a group of individuals who are all employed by the same employer[, the primary purpose of which is] and the primary purpose of the nonprofit membership organization or the employer is other than [the provision of legal services] providing legal services.** [Such groups of individuals may be but are not limited to churches, trade groups, credit unions or associations. Under such an arrangement no] **An agreement is exempt from the application of ORS 750.505 to 750.715 under this subsection only if the agreement does not involve a third party such as a legal expense organization or sales or marketing representative [may be involved] in receiving any of the specified payments or in overseeing the delivery of the specified legal services.**

(3) A referral of [individual clients] **a client** to an attorney, to the extent that [such referral is provided by] a nonprofit lawyer referral service or public corporation such as a state or local bar association[, so long as there is no] **provides the referral and does not** charge for [such] **the** referral.

(4) Employee welfare benefit plans to the extent that [state regulation is preempted by] Section 514 of the federal Employee Retirement Income Security Act of 1974, or successor legislation, **preempts state regulation.**

(5) Legal assistance plans financed primarily by public funds, interest on lawyers trust accounts funds under the regulation of the Oregon State Bar or other public service funds.

(6) Authorized insurers [offering] **that offer** legal expense insurance in this state.

(7) **A legal access provider that pays only an administration fee to an attorney and does not pay for or reimburse a customer of the legal access provider for legal services that the attorney provides to the customer.**

Passed by Senate April 29, 2015

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House June 8, 2015

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2015

Approved:

.....M,....., 2015

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2015

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Jeanne P. Atkins, Secretary of State