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HOUSE BILL 197

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Lorenzo A. Larranaga

AN ACT

RELATING TO MOTOR VEHICLES; AMENDING THE MANDATORY FINANCIAL RESPONSIBILITY ACT TO PROVIDE FOR REDUCED LIMITS OF INSURANCE FOR LOW-INCOME DRIVERS; AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 66-5-208 NMSA 1978 (being Laws 1978, Chapter 35, Section 282, as amended) is amended to read:

"66-5-208. EVIDENCE OF FINANCIAL RESPONSIBILITY--AMOUNTS AND CONDITIONS. -- "Evidence of financial responsibility", as used in the Mandatory Financial Responsibility Act, means evidence of the ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of the evidence, arising out of the ownership, maintenance or use of a vehicle of a type subject to

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1 registration under the laws of New Mexico, in the following
2 amounts:

3 A. for owners with incomes greater than one
4 hundred fifty percent of the federal poverty rate:

5 [~~A.-~~] (1) twenty-five thousand dollars
6 (\$25,000) because of bodily injury to or death of one person
7 in any one accident;

8 [~~B.-~~] (2) subject to this limit for one
9 person, fifty thousand dollars (\$50,000) because of bodily
10 injury to or death of two or more persons in any one accident;

11 [~~C.-~~] (3) ten thousand dollars (\$10,000)
12 because of injury to or destruction of property of others in
13 any one accident; and

14 [~~D.-~~] (4) if evidence is in the form of a
15 surety bond or a cash deposit, the total amount shall be sixty
16 thousand dollars (\$60,000); or

17 B. for owners with incomes less than or equal to
18 one hundred fifty percent of the federal poverty rate:

19 (1) ten thousand dollars (\$10,000) because of
20 bodily injury to or death of one person in any one accident;

21 (2) subject to this limit for one person,
22 twenty thousand dollars (\$20,000) because of bodily injury to
23 or death of two or more persons in any one accident;

24 (3) five thousand dollars (\$5,000) because of
25 injury to or destruction of property of others in any one

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1 accident; and

2 (4) if evidence is in the form of a surety
3 bond or a cash deposit, the total amount shall be sixty
4 thousand dollars (\$60,000).

5 C. Policies issued pursuant to Subsection B of
6 this section may restrict coverage to persons designated as
7 drivers on the application for insurance. "

8 Section 2. A new section of the Mandatory Financial
9 Responsibility Act is enacted to read:

10 "[NEW MATERIAL] COVERAGES IN OTHER JURISDICTIONS. -- A
11 policy issued pursuant to the provisions of Subsection B of
12 Section 66-5-208 NMSA 1978 shall provide the coverage required
13 by the law of the jurisdiction if an insured becomes subject
14 to a compulsory financial responsibility or similar law of
15 another jurisdiction of the United States, its territories or
16 possessions or Canada. "

17 Section 3. A new section of the New Mexico Insurance
18 Code is enacted to read:

19 "[NEW MATERIAL] SUPERINTENDENT-- SUPPLEMENTAL DUTIES
20 PURSUANT TO THE MANDATORY FINANCIAL RESPONSIBILITY ACT. --The
21 superintendent shall adopt rules governing the forms insurers
22 require from owners of motor vehicles attesting to eligibility
23 for reduced or limited coverage pursuant to the Mandatory
24 Financial Responsibility Act. "