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SENATE BILL 237

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

INTRODUCED BY

Joseph A. Fidel

AN ACT

RELATING TO INSURANCE; ASSIGNING PRIMARY LIABILITY AMONG MOTOR
VEHICLE INSURERS; PROVIDING FOR AGREEMENTS AND NOTICE.

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

Section 1. A new section of Chapter 59A, Article 32 NMSA
1978 is enacted to read:

" [NEW MATERIAL] VEHICLE INSURANCE CONTRACTS-- PRIMARY
LIABILITY-- ASSIGNMENT. --

A. Except as provided in Subsection B of this
section, the insurer issuing vehicle insurance to the owner or
lessee of a motor vehicle is primarily responsible for loss or
damage caused by or to that motor vehicle, subject to the
limits and types of coverage in the policy.

B. A person proposing to operate a motor vehicle
owned by another may assume primary responsibility for the

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1 operator's vehicle insurance by signing or initialing the
2 following agreement:

3 "PRIMARY LIABILITY ASSIGNMENT

4 In consideration of the vehicle owner entrusting the
5 motor vehicle elsewhere described to me, I agree that my
6 vehicle insurance shall be primarily responsible for any
7 loss or damage caused by or to the motor vehicle."

8 C. The agreement set forth in Subsection B of this
9 section:

10 (1) may be included in the text of another
11 agreement and, if included, shall not require a separate
12 signature or initial; and

13 (2) shall be binding on all insurers
14 transacting insurance in the state as a condition of doing the
15 business of transacting insurance."