

SENATE PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
SENATE BILL 237

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

AN ACT

RELATING TO INSURANCE; ASSIGNING PRIMARY LIABILITY AMONG MOTOR  
VEHICLE INSURERS AND SELF-INSUREDS; 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-- PRIMARY LIABILITY--  
ASSIGNMENT-- NOTICE. --

A. Except as provided in Subsection B or C of this  
section, a motor vehicle insurance policy or self-insurance  
agreement of the owner or long-term lessee of a motor vehicle  
shall provide primary coverage for bodily injury or property  
damage claims, subject to the terms, conditions, limits and

1 types of coverage included in the policy or agreement.

2 B. When a vehicle owned by a licensed automobile  
3 dealer is loaned without a fee to a person for demonstration  
4 purposes, as a temporary substitute for that person's vehicle  
5 while it is being serviced or repaired, as a promotional  
6 courtesy vehicle or as a courtesy vehicle, primary insurance  
7 coverage shall be provided by the motor vehicle insurer  
8 providing coverage to the person using the demonstration or  
9 courtesy vehicle, and coverage provided by the dealer or the  
10 dealer's insurer applies only as excess coverage.

11 C. A person proposing to operate a motor vehicle  
12 for the purposes identified in Subsection B of this section may  
13 assume primary responsibility for the operator's vehicle  
14 insurance by signing the following statement:

15 "PRIMARY LIABILITY ASSIGNMENT

16 In consideration of the vehicle owner entrusting the motor  
17 vehicle elsewhere described to me, I agree that my vehicle  
18 insurance shall be primarily responsible for any loss or damage  
19 caused by or to the motor vehicle."

20 D. The agreement set forth in Subsection C of this  
21 section shall be binding on all insurers transacting insurance  
22 in the state as a condition of doing the business of  
23 transacting insurance. "

underscored material = new  
[bracketed material] = delete

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