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SENATE BILL 145

45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002

INTRODUCED BY

Mary Kay Papen

AN ACT

RELATING TO MOTOR VEHICLE INSURANCE; ASSIGNING PRIMARY LIABILITY FOR THE USE OF MOTOR VEHICLES OWNED BY RENTAL CAR COMPANIES; PROVIDING NOTICE; AMENDING A SECTION OF THE NMSA 1978.

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

Section 1. Section 59A-32-20 NMSA 1978 (being Laws 1987, Chapter 303, Section 1) is amended to read:

"59A-32-20. RENTAL CAR COMPANIES--INSURANCE COVERAGE PRIMARY LIABILITY ASSIGNMENT--NOTICE. --

A. Any rental car company offering for sale insurance coverage or collision damage waivers shall state clearly on the front page of the rental contract that the purchaser of the insurance coverage or collision damage waiver offered may be covered for such claims on his personal motor

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1 vehicle insurance policy and that if such insurance coverage
2 exists under the renter's personal insurance policy, and the
3 coverage is confirmed, the renter may require that the rental
4 car company [~~must~~] submit any claims to the renter's personal
5 insurance carrier as the renter's agent. The rental car
6 company shall not make any written or oral representations
7 that it will not present claims or negotiate with the renter's
8 insurance carrier. For purposes of this section, confirmation
9 of coverage includes telephone confirmation from an insurance
10 company representative.

11 B. When a motor vehicle owned by a rental car
12 company is rented or leased to a person pursuant to a written
13 rental agreement for a period of ninety consecutive days or
14 less, primary insurance or self-insurance coverage may be
15 provided by the motor vehicle insurer providing coverage to
16 the person using the motor vehicle.

17 C. A person proposing to rent or lease a motor
18 vehicle from a rental car company, as provided in Subsection B
19 of this section, may assume primary responsibility for the
20 operator's motor vehicle insurance by signing the following
21 statement:

22 "PRIMARY LIABILITY ASSIGNMENT:
23 In consideration of the rental car company entrusting the
24 motor vehicle elsewhere described to me, I agree that my motor
25 vehicle insurance or self-insurance coverage shall extend to

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1 and afford primary coverage for all claims and damages that
2 arise out of the use or operation of the motor vehicle by any
3 authorized person. "

4 D. The agreement set forth in Subsection C of this
5 section shall be binding on all insurers and self-insurers
6 transacting insurance in the state as a condition of doing the
7 business of transacting insurance.

8 E. As used in this section, "rental car company"
9 means a person or entity in the business of renting rental
10 cars to the public, including a franchise. "

11 Section 2. EFFECTIVE DATE. --The effective date of the
12 provisions of this act is July 1, 2002.

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