

CHAPTER 86

CHAPTER 86, LAWS 2002

AN ACT

RELATING TO INSURANCE; ASSIGNING PRIMARY LIABILITY AMONG
MOTOR VEHICLE INSURERS AND SELF-INSURERS FOR USE OF VEHICLES
OWNED BY A LICENSED AUTOMOBILE DEALER.

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

Section 1. Section 59A-32-23 NMSA 1978 (being Laws
2001, Chapter 88, Section 1) is amended to read:

"59A-32-23. VEHICLE INSURANCE--PRIMARY LIABILITY--
ASSIGNMENT--NOTICE.--

A. When a vehicle owned by a licensed automobile
dealer is loaned without a fee to a person for demonstration
purposes, as a temporary substitute for that person's
vehicle while it is being serviced or repaired, as a
promotional courtesy vehicle or as a courtesy vehicle,
primary insurance or self-insurance coverage shall be
provided by the motor vehicle insurer providing coverage to
the person using the demonstration vehicle, temporary
substitute vehicle, promotional courtesy vehicle or a
courtesy vehicle, and coverage provided by the dealer or the
dealer's insurer applies only as excess coverage.

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

"PRIMARY LIABILITY ASSIGNMENT

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

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