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**HOUSE BILL 528**

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

**INTRODUCED BY**

**Larry A. Larrañaga**

**AN ACT**

**RELATING TO MOTOR VEHICLE INSURANCE; 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. --**

**A. "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**

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1 vehicle of a type subject to registration under the laws of New  
2 Mexico, in the following amounts:

3 (1) for owners with incomes of greater than  
4 one hundred fifty percent of the federal poverty guidelines:

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

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

14 [~~D.-~~] (d) 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 (2) for owners with incomes less than or equal  
18 to one hundred fifty percent of the federal poverty guidelines:

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

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

25 (c) five thousand dollars (\$5,000)

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1 because of injury to or destruction of property of others in  
2 any one accident; and

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

6 B. An insurance agent, insurance broker or insurer  
7 who accepts as part of the application for insurance coverage a  
8 form attesting to the eligibility of an insured to receive  
9 insurance pursuant to Paragraph (2) of Subsection A of this  
10 section shall not be liable for any claim regarding the  
11 adequacy of the reduced or limited insurance coverage.

12 C. As used in this section, "federal poverty  
13 guidelines" means the level of income defining poverty by  
14 family size developed annually by the United States department  
15 of health and human services and published in the federal  
16 register. "

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

19 "[NEW MATERIAL] COVERAGES IN OTHER JURISDICTIONS. -- A  
20 policy issued pursuant to the provisions of Subsection A of  
21 Section 66-5-208 NMSA 1978 shall provide the coverage required  
22 by the law of the jurisdiction if an insured becomes subject to  
23 a compulsory financial responsibility or similar law of another  
24 jurisdiction of the United States on its territories or  
25 possessions or Canada. "

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Section 3. A new section of the Mandatory Financial Responsibility Act is enacted to read:

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

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