

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

SENATE BILL 421

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Gerald P. Ortiz y Pino

AN ACT

RELATING TO MOTOR VEHICLE INSURANCE; PROVIDING THAT MOTOR  
VEHICLE INSURERS MAY OFFER MILE-BASED RATING PLANS; PROVIDING  
ADDITIONAL DUTIES FOR THE SUPERINTENDENT OF INSURANCE.

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

Section 1. A new section of the New Mexico Insurance Code  
is enacted to read:

"[NEW MATERIAL] MOTOR VEHICLE INSURANCE--MILE-BASED  
RATING PLANS AUTHORIZED--ADDITIONAL DUTIES FOR  
SUPERINTENDENT.--

A. As used in this section, "mile-based rating  
plan" means a rating plan for which a unit of exposure in a  
policy is a specific number of miles traveled by the insured  
motor vehicle within a specified unit of time.

B. An authorized insurer that delivers, issues or

underscoring material = new  
[bracketed material] = delete

1 renews a policy of motor vehicle insurance may offer each  
2 person who purchases motor vehicle insurance from that insurer  
3 a mile-based rating plan policy.

4 C. A mile-based rating plan policy may be offered  
5 in blocks of miles, which may be prepaid by the insured. A  
6 vehicle that is covered by a mile-based rating plan policy that  
7 provides a block of at least one thousand miles shall be deemed  
8 an insured vehicle under the Motor Vehicle Code or the  
9 Insurance Code.

10 D. An insurer is not liable for a claim made under  
11 a mile-based rating plan policy if the insured:

12 (1) knowingly makes a material  
13 misrepresentation to the insurer regarding the mileage of a  
14 covered motor vehicle;

15 (2) fails to make the covered motor vehicle  
16 available for inspection by the insurer within forty-eight  
17 hours of the insurer's request for inspection after a claim is  
18 made;

19 (3) fails to maintain the covered vehicle's  
20 odometer in working order; or

21 (4) makes a misrepresentation to the insurer  
22 regarding the operability of the covered vehicle's odometer.

23 E. An insurer is not liable for a claim made under  
24 a mile-based rating plan policy if, on the date of loss, the  
25 covered motor vehicle has exceeded the number of miles provided

.174266.3

underscoring material = new  
[bracketed material] = delete

1 for in the policy or if the date of loss is after the date the  
2 policy expires.

3 F. A mile-based rating plan policy will expire when  
4 the number of miles specified in the policy have elapsed, even  
5 if notice of policy expiration is not provided to the motor  
6 vehicle division of the taxation and revenue department, the  
7 insured or any other entity.

8 G. The superintendent shall adopt such rules as are  
9 necessary to implement and effectively administer mile-based  
10 rating plans."