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HOUSE BILL 848

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

W. Ken Martinez

AN ACT

RELATING TO MOTOR VEHICLES; ENACTING A NEW SECTION OF THE MANDATORY FINANCIAL RESPONSIBILITY ACT TO MANDATE COVERAGE FOR PERMISSIVE DRIVERS WITH THE EXPRESS OR IMPLIED PERMISSION OF THE OWNER OR NAMED INSURED.

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

Section 1. A new section of the Mandatory Financial Responsibility Act is enacted to read:

" NEW MATERIAL CERTIFIED MOTOR VEHICLE LIABILITY POLICY-- PROCEDURES. --

A. The owner's certified motor vehicle liability policy shall:

(1) designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is to be granted; and

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1 (2) insure the person named in the policy and
2 any other person, as insured, using any such motor vehicle
3 with the express or implied permission of the named insured,
4 against loss from the liability imposed by law for damages
5 arising out of the ownership, maintenance or use of the motor
6 vehicle within any jurisdiction specified in Section 66-5-202
7 NMSA 1978, subject to limits exclusive of interest and costs,
8 with respect to each such motor vehicle, as follows: twenty-
9 five thousand dollars (\$25,000) because of bodily injury to or
10 death of one person in any one accident; and, subject to this
11 limit for one person, fifty thousand dollars (\$50,000) because
12 of bodily injury to or death of two or more persons in any one
13 accident and ten thousand dollars (\$10,000) because of injury
14 to or destruction of property of others in any one accident.

15 B. The driver's certified motor vehicle liability
16 policy shall insure the person named as insured against loss
17 from the liability imposed upon him by law for damages arising
18 out of the use by him of any motor vehicle not owned by him,
19 within the same territorial limits and subject to the same
20 limits of liability as are set forth in Subsection A of this
21 section with respect to a certified motor vehicle liability
22 policy.

23 C. The certified motor vehicle liability policy
24 shall state the name and address of the insured, the coverage
25 afforded by the policy, the premium charged, the policy period

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1 and the limits of liability and shall contain an agreement, or
2 be endorsed, that insurance is provided in accordance with
3 this coverage defined in the Mandatory Financial
4 Responsibility Act as respects bodily injury and death or
5 property damage or both and is subject to all the provisions
6 of that act.

7 D. The certified motor vehicle liability policy
8 need not insure any liability under any workers' compensation
9 law nor any liability on account of bodily injury to or death
10 of an employee of the insured while engaged in the employment,
11 other than domestic, of the insured or while engaged in the
12 operation, maintenance or repair of any such motor vehicle nor
13 any liability for damage to property owned by, rented to, in
14 charge of or transported by the insured.

15 E. Every certified motor vehicle liability policy
16 shall be subject to the following provisions, which need not
17 be contained in the policy:

18 (1) the liability of the insurance carrier
19 with respect to the insurance required by the Mandatory
20 Financial Responsibility Act becomes absolute whenever injury
21 or damage covered by the certified motor vehicle liability
22 policy occurs. The policy may not be canceled or annulled as
23 to such liability by any agreement between the insurance
24 carrier and the insured after the occurrence of the injury or
25 damage. No statement made by the insured or on his behalf and

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1 no violation of the policy shall defeat or void the policy;

2 (2) the satisfaction by the insured of a
3 judgment for injury or damage shall not be a condition
4 precedent to the right or duty of the insurance carrier to
5 make payment on account of injury or damage;

6 (3) the insurance carrier has the right to
7 settle any claim covered by the policy, and, if such
8 settlement is made in good faith, the amount of the settlement
9 is deductible from the limits of liability specified in
10 Paragraph (2) of Subsection A of this section; and

11 (4) the policy, the written application
12 therefor, if any, and any rider or endorsement that does not
13 conflict with the provisions of the Mandatory Financial
14 Responsibility Act constitute the entire contract between the
15 parties.

16 F. Any policy that grants the coverage required
17 for a certified motor vehicle liability policy may also grant
18 any lawful coverage in excess of or in addition to the
19 coverage specified for a certified motor vehicle liability
20 policy, and excess or additional coverage is not subject to
21 the provisions of the Mandatory Financial Responsibility Act.
22 With respect to a policy that grants such excess or additional
23 coverage, the term "certified motor vehicle liability policy"
24 applies only to that part of the coverage that is required by
25 this section.

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G. Any certified motor vehicle liability policy may provide that the insured reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of the Mandatory Financial Responsibility Act.

H. Any certified motor vehicle liability policy may provide for the prorating of the insurance under the policy with other valid and collectible insurance.

I. The requirements for a certified motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers whose policies together meet those requirements.

J. Any binder issued pending the issuance of a certified motor vehicle liability policy is deemed to fulfill the requirements for such a policy.

K. The certified motor vehicle liability policy may be endorsed to eliminate a named driver. Such endorsement must bear the signatures of the named insured. Forms for such named drivers' exclusion must be substantially similar to the form provided in Section 66-5-222 NMSA 1978. Such endorsement applies only to private passenger motor vehicles. "

1 FORTY-FOURTH LEGISLATURE
2 FIRST SESSION, 1999
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6 March 9, 1999
7

8 Mr. Speaker:
9

10 Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
11 been referred
12

13 HOUSE BILL 848
14

15 has had it under consideration and reports same with
16 recommendation that it DO PASS, and thence referred to the
17 JUDICIARY COMMITTEE.

18 Respectfully submitted,
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22 _____
23 Fred Luna, Chairman
24
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

3 HBIC/HB 848

Page 7

4 Adopted _____ Not Adopted _____

6 (Chief Clerk)

(Chief Clerk)

8 Date _____

10 The roll call vote was 10 For 0 Against

11 Yes: 10

12 Excused: None

13 Absent: Mohorovic, T. Taylor

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1 FORTY- FOURTH LEGISLATURE
2 FIRST SESSION, 1999

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4 March 15, 1999

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7 Mr. Speaker:

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9 Your JUDICIARY COMMITTEE, to whom has been referred

10 HOUSE BILL 848

11
12 has had it under consideration and reports same with
13 recommendation that it DO NOT PASS, but that

14
15 HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
16 HOUSE BILL 848

17 DO PASS.

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19 Respectfully submitted,

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23 _____
24 R. David Pederson, Chairman
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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

HJC/CS/HB848

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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 9 For 0 Against

Yes: 9

Excused: Garcia, Luna, Sanchez

Absent: None

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HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 848

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

AN ACT

RELATING TO MOTOR VEHICLES; ENACTING A NEW SECTION OF THE
MANDATORY FINANCIAL RESPONSIBILITY ACT TO MANDATE COVERAGE FOR
PERMISSIVE DRIVERS WITH THE EXPRESS OR IMPLIED PERMISSION OF
THE OWNER OR NAMED INSURED.

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

Section 1. A new section of the Mandatory Financial
Responsibility Act is enacted to read:

"NEW MATERIAL] MOTOR VEHICLE LIABILITY POLICY--
COVERAGE. --Every motor vehicle liability policy shall insure
the person named in the policy and any other person, as
insured, operating any such motor vehicle with the express or
implied permission of the named insured, against loss from the
liability imposed by law for damages arising out of the
ownership, maintenance or use of the motor vehicle, subject to
limits exclusive of interest and costs, with respect to each
such motor vehicle, as follows: twenty-five thousand dollars
(\$25,000) because of bodily injury to or death of one person

in any one accident; and, subject to this limit for one person, fifty thousand dollars (\$50,000) because of bodily injury to or death of two or more persons in any one accident and ten thousand dollars (\$10,000) because of injury to or destruction of property of others in any one accident. "

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HJC/HB 848

FORTY- FOURTH LEGISLATURE
FIRST SESSION

March 18, 1999

HOUSE FLOOR AMENDMENT number _____ to HOUSE JUDICIARY COMMITTEE
SUBSTITUTE FOR HOUSE BILL 848,
as amended

Amendment sponsored by Representative W. Ken Martinez

- 1. Strike House Judiciary Committee Amendment 1.
- 2. On page 1, strike lines 19 through 25 and on page 2, strike lines 1 through 8 and insert in lieu thereof:

"" [NEW MATERIAL] CERTIFIED MOTOR VEHICLE LIABILITY POLICY--
PROCEDURES. --

A. The owner's certified motor vehicle liability policy shall:

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FORTY-FOURTH LEGISLATURE
FIRST SESSION

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HFL/HJC/HB 848, aa

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(1) designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is to be granted; and

(2) insure the person named in the policy and any other person, as insured, using any such motor vehicle with the express or implied permission of the named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of the motor vehicle within any jurisdiction specified in Section 66-5-202 NMSA 1978, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: twenty-five thousand dollars (\$25,000) because of bodily injury to or death of one person in any one accident; and, subject to this limit for one person, fifty thousand dollars (\$50,000) because of bodily injury to or death of two or more persons in any one accident and ten thousand dollars (\$10,000) because of injury to or destruction of property of others in any one accident.

B. The driver's certified motor vehicle liability policy shall insure the person named as insured against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth in Subsection A of this section with respect to a certified

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

HJC/HB 848

HFL/HJC/HB 848, aa

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motor vehicle liability policy.

C. The certified motor vehicle liability policy shall state the name and address of the insured, the coverage afforded by the policy, the premium charged, the policy period and the limits of liability and shall contain an agreement, or be endorsed, that insurance is provided in accordance with this coverage defined in the Mandatory Financial Responsibility Act as respects bodily injury and death or property damage or both and is subject to all the provisions of that act.

D. The certified motor vehicle liability policy need not insure any liability under any workers' compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured or while engaged in the operation, maintenance or repair of any such motor vehicle nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

E. Every certified motor vehicle liability policy shall be subject to the following provisions, which need not be contained in the policy:

(1) the liability of the insurance carrier with respect

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

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HF1/HJC/HB 848, aa

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to the insurance required by the Mandatory Financial Responsibility Act becomes absolute whenever injury or damage covered by the certified motor vehicle liability policy occurs. The policy may not be canceled or annulled as to such liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage. No statement made by the insured or on his behalf and no violation of the policy shall defeat or void the policy;

(2) the satisfaction by the insured of a judgment for injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of injury or damage;

(3) the insurance carrier has the right to settle any claim covered by the policy, and, if such settlement is made in good faith, the amount of the settlement is deductible from the limits of liability specified in Paragraph (2) of Subsection A of this section; and

(4) the policy, the written application therefor, if any, and any rider or endorsement that does not conflict with the provisions of the Mandatory Financial Responsibility Act constitute the entire contract between the parties.

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

HJC/HB 848

HFL/HJC/HB 848, aa

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F. Any policy that grants the coverage required for a certified motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a certified motor vehicle liability policy, and excess or additional coverage is not subject to the provisions of the Mandatory Financial Responsibility Act. With respect to a policy that grants such excess or additional coverage, the term "certified motor vehicle liability policy" applies only to that part of the coverage that is required by this section.

G. Any certified motor vehicle liability policy may provide that the insured reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of the Mandatory Financial Responsibility Act.

H. Any certified motor vehicle liability policy may provide for the prorating of the insurance under the policy with other valid and collectible insurance.

I. The requirements for a certified motor vehicle liability policy may be fulfilled by the policies of one or more insurance carriers whose policies together meet those requirements.

FORTY- FOURTH LEGISLATURE
FIRST SESSION

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HFL/HJC/HB 848, aa

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J. Any binder issued pending the issuance of a certified motor vehicle liability policy is deemed to fulfill the requirements for such a policy.

K. The certified motor vehicle liability policy may be endorsed to eliminate a named driver. Such endorsement must bear the signatures of the named insured. Forms for such named drivers' exclusion must be substantially similar to the form provided in Section 66-5-222 NMSA 1978. Such endorsement applies only to private passenger motor vehicles. "".

W. Ken Martinez

Adopted _____
(Chief Clerk)

Not Adopted _____
(Chief Clerk)

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FORTY- FOURTH LEGISLATURE
FIRST SESSION

1 HJC/HB 848

2 ~~HF1~~/HJC/HB 848, aa

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FORTY-FOURTH LEGISLATURE
FIRST SESSION

HF1/HJC/HB 848, aa

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FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

March 19, 1999

Mr. President:

Your CORPORATIONS & TRANSPORTATION COMMITTEE, to whom
has been referred

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 848, as amended

has had it under consideration and reports same with recommendation
that it DO PASS.

Respectfully submitted,

Roman M. Maes, Chairman

FORTY- FOURTH LEGISLATURE
FIRST SESSION

HJC/HB 848

1 HFL/HJC/HB 848, aa

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2 Adopted _____ Not Adopted _____

3 (Chief Clerk)

(Chief Clerk)

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Date _____

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9 The roll call vote was 6 For 2 Against

10 Yes: 6

11 No: Kysar, Rawson

12 Excused: Aragon, Robinson

13 Absent: None

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