

AN ACT
RELATING TO INSURANCE; ASSIGNING PRIMARY LIABILITY AMONG
MOTOR VEHICLE INSURERS AND SELF-INSUREDS; PROVIDING FOR
AGREEMENTS AND NOTICE.

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

Section 1. A new section of Chapter 59A, Article 32
NMSA 1978 is enacted to read:

"VEHICLE INSURANCE-- PRIMARY LIABILITY-- ASSIGNMENT--
NOTICE. --

A. Except as provided in Subsection B or C of
this section, a motor vehicle insurance policy or self-
insurance agreement of the owner or long-term lessee of a
motor vehicle shall provide primary coverage for bodily
injury or property damage claims, subject to the terms,
conditions, limits and types of coverage included in the
policy or agreement.

B. 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.

C. A person proposing to operate a motor vehicle for the purposes identified in Subsection B 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. "

D. The agreement set forth in Subsection C 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. "
