

HOUSE COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE SUBSTITUTE FOR  
HOUSE TRANSPORTATION, PUBLIC WORKS AND CAPITAL IMPROVEMENTS  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 97

**57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

AN ACT

RELATING TO MOTOR VEHICLES; PROVIDING THAT NO OFFSET OF  
UNDERINSURED MOTORIST COVERAGE SHALL BE TAKEN ON THE LIABILITY  
COVERAGE LIMITS PAID BY AN UNDERINSURED TORTFEASOR; PROVIDING  
FOR SEPARATE SELECTION OF UNINSURED MOTORIST COVERAGE AND THAT  
IT SHALL BE MADE ON A PER VEHICLE BASIS.

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

SECTION 1. Section 66-5-301 NMSA 1978 (being Laws 1978,  
Chapter 35, Section 325, as amended) is amended to read:

"66-5-301. INSURANCE AGAINST UNINSURED AND UNKNOWN  
MOTORISTS--REJECTION OF COVERAGE BY THE INSURED.--

A. No motor vehicle or automobile liability policy  
insuring against loss resulting from liability imposed by law  
for bodily injury or death suffered by any person and for  
injury to or destruction of property of others arising out of

.231905.1

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1 the ownership, maintenance or use of a motor vehicle shall be  
 2 delivered or issued for delivery in New Mexico with respect to  
 3 any motor vehicle registered or principally garaged in New  
 4 Mexico unless coverage is provided therein or supplemental  
 5 thereto in minimum limits for bodily injury or death and for  
 6 injury to or destruction of property as set forth in Section  
 7 66-5-215 NMSA 1978 and such higher limits as may be desired by  
 8 the insured, but up to the limits of liability specified in  
 9 bodily injury and property damage liability provisions of the  
 10 insured's policy, for the protection of persons insured  
 11 thereunder who are legally entitled to recover damages from  
 12 owners or operators of uninsured motor vehicles because of  
 13 bodily injury, sickness or disease, including death, and for  
 14 injury to or destruction of property resulting therefrom,  
 15 according to the rules and regulations promulgated by, and  
 16 under provisions filed with and approved by, the superintendent  
 17 of insurance. No offset of underinsured motorist coverage  
 18 shall be taken based on the liability coverage limits paid by  
 19 an underinsured tortfeasor.

20 B. The uninsured motorist coverage described in  
 21 Subsection A of this section shall include underinsured  
 22 motorist coverage for persons protected by an insured's policy.  
 23 ~~[For the purposes of this subsection, "underinsured motorist"~~  
 24 ~~means an operator of a motor vehicle with respect to the~~  
 25 ~~ownership, maintenance or use of which the sum of the limits of~~

~~liability under all bodily injury liability insurance applicable at the time of the accident is less than the limits of liability under the insured's uninsured motorist coverage.]~~

No motor vehicle or automobile liability policy sold in New Mexico shall be required to include underinsured motorist coverage until January 1, 1980.

C. The uninsured motorist coverage shall provide an exclusion of not more than the first two hundred fifty dollars (\$250) of loss resulting from injury to or destruction of property of the insured in any one accident. The named insured shall have the right to reject uninsured motorist coverage as described in Subsections A and B of this section; provided that unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured has rejected the coverage in connection with a policy previously issued to [him] the named insured by the same insurer.

D. Selection of uninsured motorist coverage pursuant to Subsection A of this section shall be made on a per vehicle basis. A separate selection form with available levels of coverage and corresponding premiums for individual vehicles covered shall be provided to and signed by the insured.

E. As used in this section, "underinsured" means that the sum of the available limits of liability under all bodily injury or property damage liability insurance applicable

at the time of an accident is insufficient to pay the damages  
caused to an insured motorist."

SECTION 2. EFFECTIVE DATE.--The effective date of the  
provisions of this act is January 1, 2026.

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