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HOUSE BILL 348

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

INTRODUCED BY

James G. Taylor

AN ACT

RELATING TO THE MANDATORY FINANCIAL RESPONSIBILITY ACT;
PROVIDING FOR THE TAXATION AND REVENUE DEPARTMENT TO CONTRACT
WITH INSURANCE CARRIERS TO ISSUE MINIMUM LIABILITY POLICIES TO
BE SOLD BY THE DEPARTMENT; PROVIDING A PENALTY FOR FALSE
INFORMATION.

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 MINIMUM LIABILITY POLICIES-- SELECTION OF
INSURANCE CARRIER-- SALES BY DEPARTMENT-- PENALTY FOR FALSE
INFORMATION. --

A. In consultation with the superintendent of
insurance and pursuant to the provisions of the Procurement
Code, the secretary shall request proposals from insurance

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1 carriers to issue minimum liability policies to be sold by the
2 department. Proposals submitted pursuant to the request shall
3 state the cost of a minimum liability policy for different
4 classes of drivers and automobiles, as specified in the
5 request for proposals. After consulting with the
6 superintendent of insurance, the secretary shall contract with
7 the insurance carrier that, in the opinion of the secretary,
8 will provide reliable minimum liability policies for the most
9 vehicles that would otherwise be uninsured.

10 B. Pursuant to the contract entered into pursuant
11 to Subsection A of this section, the department, by mail and
12 at each location where motor vehicles may be registered, shall
13 offer minimum liability policies for sale. Department
14 employees or agents shall accept each application and, as
15 specified in the contract, determine the eligibility of the
16 applicant and the cost of the minimum liability policy for the
17 classes of motor vehicle and driver to be insured. Upon
18 payment of the cost plus a ten-dollar (\$10.00) processing fee
19 to be retained by the department and deposited in the motor
20 vehicle suspense fund, the applicant shall be issued a minimum
21 liability policy. Pursuant to the terms of the contract, the
22 secretary shall remit all money collected for the costs of
23 minimum liability policies to the insurance carrier.

24 C. As used in the Mandatory Financial
25 Responsibility Act, "minimum liability policy" means a motor

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1 vehicle insurance policy issued for a term of one year and
2 including only the minimum motor vehicle bodily injury and
3 property damage liability coverages required by the Mandatory
4 Financial Responsibility Act. Even though a minimum liability
5 policy does not include uninsured motorist coverage or other
6 coverage, any requirement in the Mandatory Financial
7 Responsibility Act for coverage under a motor vehicle
8 insurance policy or for evidence of financial responsibility
9 is satisfied by coverage under a minimum liability policy or
10 evidence of a minimum liability policy.

11 D. The maximum term for a contract entered into
12 pursuant to Subsection A of this section is four years.

13 E. No civil liability shall accrue to the
14 department or any of its employees or agents for making a
15 determination or a sale in good faith pursuant to the
16 provisions of this section.

17 F. The secretary shall adopt rules necessary for
18 the implementation of this section.

19 G. In addition to other civil or criminal
20 penalties that may be applicable, a person who provides false
21 information in order to acquire a minimum liability policy is
22 guilty of a misdemeanor and shall be sentenced pursuant to the
23 provisions of Subsection A of Section 31-19-1 NMSA 1978. ”

1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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6 February 16, 1999

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8 Mr. Speaker:

9
10 Your BUSINESS AND INDUSTRY COMMITTEE, to whom has
11 been referred

12 HOUSE BILL 348

13
14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 CONSUMER AND PUBLIC AFFAIRS COMMITTEE.

17 Respectfully submitted,

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21 _____
22 Debbie A. Rodella, Chairwoman

FORTY-FOURTH LEGISLATURE
FIRST SESSION, 1999

3 HBIC/HB 348

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4 Adopted _____ Not Adopted _____

6 (Chief Clerk)

(Chief Clerk)

8 Date _____

10 The roll call vote was 7 For 3 Against

11 Yes: 7

12 No: Hobbs, Mohorovic, Taylor, T.

13 Excused: Sanchez

14 Absent: Kissner

16 J:\99BillsWP\H0348

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