

# ATLAS HOMEOWNERS INSURANCE 1

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**SECTIONS I AND II. DAMAGE TO BUILDING AND CONTENTS**

**SECTION I. FIRE AND EXTENDED COVERAGE FOR THE BUILDING.**

**1.- INSURED PROPERTY AND HAZARDS (SEC.I)**

The building described in the policy is covered without exceeding the specified Insured Amount for this Section, according to the conditions stipulated below, against loses or damages caused by the following hazards:

- A. FIRE AND/OR LIGHTNING
- B. EXPLOSION
- C. STRIKES, RIOTS, CIVIL UPRISING, VANDALISM OR DAMAGES CAUSED BY MALICIOUS MISCHIEF
- D. AIRCRAFTS COLLISIONS OR OBJECTS FALLEN THEREOF
- E. VEHICLES COLLISIONS
- F. DAMAGES OR LOSES CAUSED BY AIRCRAFT OR VEHICLES OWNED BY THE INSURED OR IN HIS SERVICE OR OWNED BY RENTERS OR AT THEIR SERVICE.
- G. SMOKE AND SOOT
- H. SUDDEN AND ACCIDENTAL BREAKAGE AND/OR FILTRATIONS OF PIPELINES, OR WATER OR STEAM SYSTEMS, WITHIN THE LIMITS OF THE PROPERTY MENTIONED IN THE POLICY, EXCEPT FOR DAMAGES TO THE FOUNDATIONS OR WALLS CAUSED BY SUBTERRANEAN WATER AND ANY AND ALL KINDS OF DAMAGES CAUSED BY SEWAGE SYSTEMS OR LACK THEREOF.
- I. DISCHARGE OR SPILLAGE OF WATER OR STEAM FROM APPLIANCES OR INDUSTRIAL EQUIPMENTS, INCLUDING REFRIGERATION AIR CONDITIONING AND/OR HEATING SYSTEMS.
- J. FALLING OF TREES
- K. FALLING OF TV OR PARABOLIC ANTENNAE, AS LONG AS THEY ARE NOT INTENDED FOR COMMERCIAL USE

**SECTION II. FIRE AND EXTENDED COVERAGE FOR THE CONTENTS.**

**2.- INSURED PROPERTY AND HAZARDS(SEC. II)**

The contents of the building described in the policy are covered without exceeding the specified Insured Amount for this Section, according to the conditions that are mentioned in this document, against loses or damages caused by the hazards mentioned in Section

I.

**3.- EXCLUDED PROPERTY AND HAZARDS FOR SECTIONS 1 AND II, THAT CAN BE COVERED BY SPECIAL AGREEMENT.**

Unless there is a special agreement, this policy does not cover losses or damages caused by:

- A. Property inside refrigerators, due to temperature changes.
- B. Injuries or death of animals due to heat, fire or lightning.
- C. Gold or silver ingots, jewelry or loose gems.
- D. Art or rare objects with a unit or set value higher than the equivalent of more than 600 days of the Minimum Daily Salary paid in Mexico City at the moment the policy was bought.
- E. Manuscripts, blue prints, drawings, models, dice and software.
- F. Any damaged property, concerning retrieval of debris expenses.

**4.- EXCLUDED PROPERTY AND HAZARDS FOR SECTIONS I AND II.**

This company will not be responsible, under any circumstance for losses or damages to:

- i. foundations or basements below ground level, but sanitary installations for sewage and water systems, artificial climate, and any and all other fixtures of the building are covered. The value of the land is also excluded.
- ii. fermentation or inherent vices caused by drying or heating processes to which the property has been submitted, unless losses or damages are covered by HAZARDS covered by Sections I and II.
- iii. Damages to machines, appliances or accessories used to produce or use electric currents, when said normal currents cause damages or surges in the system, whatever their cause.
- iv. Losses, theft or disappearance of property during them occurrence of a covered hazard.
- v. losses or damages to any and all kind of documents, post or fiscal stamps, bank notes, checks, debt notes, accounting or any other kind of commercial books, whatever the

cause. Cash will be covered up to the equivalent of 30 days of the Minimum Daily Salary paid in Mexico City at the Moment of the loss.

- vi. to any and all boats, airplanes or motor vehicles on any kind that require a license to be operated

**Additionally, the Company will not be responsible for the following losses or damages:**

- i. explosions in boilers, tanks or any and all other kind of devices that are normally operated with pressure.
- ii. explosions caused by vandalism or ill malicious mischief.

**For aircraft, motor vehicles or smoke hazards.**

- i. smoke or soot damage to chimneys or household or industrial appliances.
- ii. smoke or soot from household or industrial appliances inside the Insured Property, when said devices do not have a duct for smoke or a chimney.

**For the coverage of strikes and riots, civil commotion, vandalism and damages caused by malicious mischief.**

- i. theft, robbery or plundering done by the Insured's personnel or any other persons during the occurrence of any covered hazard.
- ii. consequential losses resulting from any covered hazard.

**In case of vandalism or damages caused by malicious mischief.**

- i. damages to glass (except for structural glass blocks) part of the building.

**In case of falling of trees**

- i. Damages caused when trimming or cutting down a tree or its branches by the Insured or at his request.

**5.- DEDUCTIBLES FOR SECTIONS I AND II.**

For each claim by losses or damages caused by the covered hazards, the Insured will always pay a deductible amount, as follows:

- A. Fire, lightning and explosion: no deductible, or the one specified in the policy.
- B. Other hazards: 1% of the Insured amount of the damaged property, with a maximum of an amount equal to 750 days of the minimum daily salary paid in Mexico City at the time of the loss.

This deductible will apply separately to each building or structure and their contents, even if they are Insured in one or more items of the policy, or in one or more policies.

In case the proportional Indemnity mentioned in the 2<sup>nd</sup> paragraph of the 4<sup>th</sup> Clause, the proportion of the deductible will also be proportional in the same way.

**EARTHQUAKE AND /OR VOLCANIC ERUPTION ENDORSEMENT**

If the policy covers this HAZARD and it is specified in the policy, the property covered under Sections I and II, will be protected against Earthquake and/or Volcanic Eruption.

If said property is damaged or destroyed during the life of the policy by the occurrence of any of this hazards, the Company will compensate the Insured for these damages, according to the stipulations of the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> Clauses, excluding any improvements imposed by the authorities to strengthen the damaged building or buildings, or any other improvements in excess of the necessary repairs to put the property back in its original condition.

Damages covered under this section will be considered as separate and will originate separate claims for each event, unless they all happen within a period of 72 hours, in which case all damages will be considered in a single claim.

**2<sup>ND</sup>. CLAUSE: EXCLUDED DAMAGES AND HAZARDS THAN CAN BE COVERED BY SPECIAL AGREEMENT.**

Unless there is a special agreement, the Company will not be responsible damages covered in this endorsement.

- A. Damages to foundations, swimming pools, exterior walls and staircases, and any and all construction separated from the Insured building.
- B. Contention walls below floor level or independent contention walls.
- C. Any and all decorating paintings or murals on the walls of the Insured building.
- D. Consequential losses.

Consequential loss is understood as a loss of income or profit due to the stoppage or difficulty of operations because of damage caused by the Insured hazards.

**3<sup>RD</sup>. CLAUSE: EXCLUDED PROPERTY AND HAZARDS.**

The company will not be responsible under any circumstance, for damage to and/or by:

- A. The land
- B. Unfinished buildings or their contents.
- C. Nuclear explosions or reactions, radioactive contamination, directly or indirectly, near or far, even if related to Earthquake and/or Volcanic Eruption.
- D. Tidal wave or flood, even if caused by one of the Insured hazards.
- E. Natural vibration or movement of the land such as sinking or normal and not sudden movements.

**4<sup>TH</sup>. Clause: INSURED AMOUNT**

It is the amount set by the Insured to stipulate in a given moment, the Company's maximum liability in case of a claim, and it must correspond to the real or Replacement value of the Insured property.

**REAL VALUE**

- A. Buildings: The amount needed to rebuild or replace the damaged or destroyed property, minus physical depreciation.
- B. Machinery, equipment, furnishings and household items: The amount needed to rebuild or replace the damaged or destroyed property by another one of

the same class, quality or capacity, minus physical depreciation.

- C. Merchandise or inventories: market value.

**REPLACEMENT VALUE**

- A. The amount needed to rebuild or replace the damaged or destroyed property, without considering physical depreciation.
- B. Machinery, equipment, furnishings and household items: The amount needed to rebuild or replace the damaged or destroyed property by another one of the same class, quality or capacity, without considering physical depreciation.
- C. Merchandise or inventories: market value.

**5<sup>TH</sup> CLAUSE: DEDUCTIBLE**

In each claim for damages or losses to the buildings and their contents covered under this policy, the deductible stipulated in the policy will apply. The deductible is a set percentage and will be calculated on the amount resulting from discounting from the Insured amount the percentage indicated in the policy as co - insurance.

If the policy has two or more items, or in any item it covers more two or more buildings and their contents, the deductible will apply separately to each item and or each building and its contents.

For consequential losses, the deductible is stipulated in waiting of time.

This deductible will apply to the amount of the claim, before discounting under - insurance if any, according to 6<sup>TH</sup> Clause, or before any applicable coinsurance.

**6<sup>TH</sup>. CLAUSE. PROPORTIONAL INDEMNITY**

The Insured amount set in this policy is not a proof of the value or even the existence of the Insured property. It is only an amount set by the Insured to determine in a given moment, the Company's maximum liability in case of a claim covered by this policy. If at the time of a claim the value of the Insured property is higher than that of the Insured amount, the Company will pay in the same proportion as between these two amounts. If the policy has several items, this stipulation will apply to each one of the separately.

**7<sup>TH</sup> CLAUSE. COINSURANCE**

In order to issue this policy, the Insured will always be responsible for a coinsurance, according to the seismic area where the Insured property is located, applicable to the Earthquake and/or Volcanic Eruption coverage.

The premium will also be calculated taking the coinsurance into consideration.

Coinsurance will apply on the claim after the corresponding deductible and after the proportional indemnity, if applicable.

## OPTIONAL HYDRO-METEOROLOGICAL PHENOMENA ENDORSEMENT

### 1<sup>st</sup> Clause.- INSURED PROPERTY AND HAZARDS.

According to the General Conditions of the Policy to which this endorsement is attached, and also according to the specified Insured Amount, the Insured Property is covered against direct physical damages caused by: hurricane, stormy winds, hail, freezing temperatures, snow, flood, including floods caused by rains, tidal wave, mudslides and tsunamis.

**The following definitions will apply for this coverage:**

- a.- **MUDSLIDE:** Mud sliding because of rains or flood.
- b.- **HAIL:** Frozen rain in the form of ice granules. This section also covers damages caused by obstructions in the flow of rainwater flows.
- c.- **FREEZING TEMPERATURES:** Climatic phenomena caused by temperatures below freezing point in the place where the insured property is located.
- d.- **HURRICANE.-** Air and water flow in great quantities with a circular movement over land or water, at speed equal or larger than 118 kilometers per hour, identified as a hurricane by those officially authorized to do so.
- e.- **FLOOD:** Accidental and temporary coverage of the land by the deviation, overflowing or breakage of contention walls in rivers, canals, lakes, dams, ponds and any and all other running water or water deposits, whether enclosed or open, natural or manmade.
- f.- **FLOOD CAUSED BY RAINWATER:** Accidental and temporary coverage of the land due to the unusual and rapid accumulation or movement of water caused by extraordinary rainfall which can be described as follows:
  - \* that rainfall is equal to a least 85% of the historic maximum levels of the last ten years for the area, as measured by the nearest meteorological station, according to the procedures published by AMIS, and certified by the National Meteorological Service, or,
  - \* that the flood that damaged the insured property covered at least one hectare.
- g.- **TIDAL WAVE:** Alteration caused by a meteorological phenomena causing a sudden elevation of the sea level combining a diminution of the atmospheric pressure and a pushing force of the water due to strong winds.
- h.- **TSUNAMI:** Violent movement of the sea water caused by a sudden shaking of the sea bottom reaching the coastal area and causing floods.
- i.- **SNOW:** Precipitation of ice crystals.
- j.- **STORMY WINDS:** Winds reaching at least 50 kilometers an hour, or classified as a tropical depression according to the Beaufort scale.

**The applicable coverage will be the one directly originated by the damages to the Insured Property, regardless of the phenomena causing it.**

### 2<sup>ND</sup>. CLAUSE: EXCLUDED PROPERTY AND HAZARDS THAT CAN BE COVERED BY SPECIAL AGREEMENT.

The property described below is excluded from any coverage, and can only be covered if there is an expressed agreement between the Insured and the Company, stipulating separate Insured Amounts as sub-limits, with the payment of the corresponding additional premium. In such cases, the Company would issue a written proof.

1.- Fixed installations on the open air, or open buildings such as:

- a.- Metal Chimneys
- b.- Windmills and air-driven pumps
- c.- Cooling towers
- d.- Steel towers and transmission antennae.
- e.- Receiving antennae
- f.- Holding tanks, cisterns and liquid deposits and their contents.
- g.- Electric substations
- h.- Signs
- i.- Sports installations
- j.- Metereological stations
- k.- Swimming pools
- l.- Awnings and curtains
- m.-Palapas
- n.- Gardens and decorative constructions
- o.- Roads, paved streets, sidewalks or patios belonging to the insured.
- p.- Fixed garden furniture
- q.- Docks and piers

2.- Any buildings that because of their nature they have no windows, doors or complete solid walls, when said building have been designed and built to withstand these circumstances, and /or buildings under construction.

### 3<sup>RD</sup>. GENERAL EXCLUSIONS:

The Company will not cover under any circumstance for damages or losses to and/or caused by:

- a.- Any of the property described in the 2<sup>nd</sup> Clause, when they were not covered by expressed agreement.
- b.- Contents of the property described in the 2<sup>nd</sup> Clause.
- c.- Crops or vegetable gardens, forests and parcels.
- d.- Animals
- e.- Ponds, running waters and rivers and any kind of natural water deposits.
- f.- Any land, including area, land fills, drainage and sewage systems.
- g.- Dams, levies, natural water deposits, canals, wells, tunnels, bridges and floating equipment and installations.
- h.- Personal property on the open air.
- i.- Foundations and underground installations.
- k.- Loss or damages to the beach.
- l.- Golf courses
- m.- Any buildings that because of their nature they have no windows, doors or complete solid walls, when said building have been designed and built to withstand these circumstances. This exclusion also applies to the contents of said buildings.

### 2. EXCLUDED HAZARDS-

The Company will never responsible for losses or damages caused by:

- a.- Damages caused by wetting or humidity due to seepage or filtration from:
  - \* Underground water o any kind
  - \* Deficiencies in the construction of roofs, walls or floors
  - \* Fissures or fractures of foundations and containing walls
  - \* Improper allocation of waterproofing materials

- \* Lack of maintenance
- \* Lack of walls, windows or doors, or faulty construction of the same.
- b.- Damage caused by wetting, wind or rain to the interior of the buildings and their contents, unless said buildings are destroyed or suffer damages on heir roofs, exterior doors or windows, directly caused by the wind, rainwater or hail or accumulation thereof, causing permanent openings allowing the entrance of water or wind.
- c.- Corrosion, rust, erosion, mould, any kind of plagues and any other normal and slow deterioration due to environmental and natural conditions.
- d.- Damages or losses preexisting before this policy was issued, whether the Insured knew about them or didn't.
- e.- Losses or damages of any kind caused by faulty construction or design or because of lack of maintenance of the property subject of this Policy.
- f.- Overflow of sewage waters or insufficiency of sewage systems, within the Insured's property.
- g.- Natural action of the tides.
- h.- Damages or losses caused by contamination, unless said damages to the Insured Property are directly caused by one of the covered hazards. Consequential losses caused by cleaning or decontaminating the environment are not covered (soil, subsoil or water).

**4<sup>TH</sup>. CLAUSE: SPECIFIC EXCLUSIONS:**

**a.- FOR TIDAL WAVE**

- 1.- Damages to the building or properties subject of this Policy caused by undermining if situated in the waterfront and not protected by contention walls with foundations of reinforced concrete or protected by break waters mad with tetrapods of reinforced concrete. This exclusion will not apply to buildings situated more than 50 meters away from the breakwaters during high tide, or more than 10 meters above sea level.
- 2.- All properties located between the contention wall and the breakwater, or any property inside the Federal Maritime Zone, whichever is smaller.
- 3.- Contention walls not built with reinforced concrete, and in general any construction without reinforced concrete foundations or without foundations.
- 4.- Fixed or personal property in basements or similar areas such as: any area where the surrounding walls are completely or partially under ground level.

**b.- FOR FLOOD, FLOOD CAUSED BY RAINWATER AND MUDSLIDE**

- 1.- Losses caused by flood or flood by rainwater or mudslide, if said hazards are confined to the area where the Insured Property is located.
- 2.- Properties in areas considered by competent authorities as "high HAZARD" floods and/or mudslides, irregular developments and those in the bottom of ravines or natural depressions.
- 3.- Fixed or personal property in basements or similar areas such as: any area where the surrounding walls are completely or partially under ground level.
- 4.- Direct contamination from rainwater, unless it occurred because of a physical damage to the insured buildings.

**5<sup>th</sup>. CLAUSE: DEDUCTIBLE**

For each claim for damages caused by the hazards covered by this endorsement, the Insured will always be responsible for an amount equal to the percentage indicated below, of the real, or replacement value of the Insured Property, according to this policy's conditions.

AREA	DEDUCTIBLE
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ALFA 1 YUCATAN PENINSULA	2%
ALFA 1 SOUTHERN PACIFIC	2%
ALFA 1 GULF OF MEXICO	2%
ALFA 1 INSIDE THE REPUBLIC	2%
ALFA 2	1%
ALFA 3	1%

If this policy covers two or more buildings, constructions or their contents, the deductible will apply separately for each building, construction or their contents.

When dealing with property mentioned in the 2<sup>nd</sup> Clause of this endorsement, the deductible will be equal to 5% of the replacement of real value of the Insured Properties, according to the stipulations of this Policy.

**6<sup>TH</sup> CLAUSE: COINSURANCE**

It is an indispensable precondition of the coverage granted by this endorsement, that the Insured always pays a coinsurance equal to 10% of all covered damages or losses, applicable after the deductibles have operated.

For the properties mentioned by the 2<sup>nd</sup> Clause of this endorsement, the coinsurance will be equal to 20% the covered losses or damages.

**7<sup>TH</sup> CLAUSE: CLAIMS DUE TO HYDRO-METEOROLOGICAL PHENOMENA**

All losses or damages caused to the Insured properties by the covered hazards will be considered as one loss for an event happening during 72 continuous hours counted from the moment the damage or loss was caused by the hazards covered by the 1<sup>st</sup> Clause, except in the case of flooding for which the period of time mentioned above will extend to 168 hours. Any event exceeding 72 hours for the hazards stipulated in the 1<sup>st</sup> Clause, or 168 hours for flooding, will be considered as two or more events.

**8<sup>TH</sup>. CLAUSE: ANTICIPATED TERMINATION OF THIS POLICY**

Regardless of this policy's term, the parties agree that it can be terminated at any time by means of a written notice. If the Insured terminates this Policy the Company can keep a part of the premium corresponding to short term policies, according to the following chart:

UP TO 1 MONTH	35%
UP TO 2 MONTHS	50%
UP TO 3 MONTHS	65%
UP TO 4 MONTHS	80%
UP TO 5 MONTHS	95%
MORE THAN 6 MONTHS	100%

If the Company terminates this Policy, it must also be with a written note delivered at least 15 days prior to the termination date, and the Company must return the unused premium on a prorata basis.

**6<sup>TH</sup> CLAUSE: GENERAL DEFINITIONS**

**a.- Rainwater drain**

Conduct installed o a building to drain rainwater from its top to the floor.

**b. - Foundations**

Part of a building below the ground level, made with reinforced concrete, steel or concrete, used to transfer the loads from structure to the ground.

**c. - Artificial running water or deposits**

Dams, wells, artificial lakes, or water contained in lakes and lagoons

**d. - Natural running water or deposits**

Those originating in rivers, creeks or brooks, or water contained in lakes and lagoons.

**e. - Topographical depression**

Area below the normal level of a larger area

**f. - Finished building**

A building ready to be occupied, complete with all of its windows and doors, and finished floors and walls.

**g. - Lack of drainage in the Insured's property**

No capacity or insufficient capacity of the rainwater drainage and sewage systems of the insured property resulting in the saturation and spillage of said systems

**h. - Solid walls and roofs**

Those built with cinder blocks, stone, reinforced concrete, bricks or any other similar materials, with the possibility of glass blocks sections.

**i. - Retaining walls**

Those confining and retaining the soil. They can be located below the floor level serving also as foundations, or can be independent outside the main structure of a building without bearing any loads.

**OPTIONAL DEBRIS RETRIEVAL ENDORSEMENT**

**1. - INSURED PROPERTY AND HAZARDS**

If the Insured bought this endorsement, the policy must so stipulate, specifying the Insured amount for I Buildings, and Contents II, indicating the maximum liability for the Company in case of a loss covered by this endorsement. The company will pay to retrieve any debris from the damaged property, such as: dismantling, demolition, cleaning and conveyance of materials, or any other necessary work to leave the damaged property in repairable conditions.

The Insured amounts for this endorsement will be independent and separate from the Insured amounts stipulated for I Buildings, and II contents, and the Proportional Indemnity Clause mentioned in the 4<sup>TH</sup>. Clause of this policy will not apply to this coverage, so the Company will

pay up to the full - Insured amount, after receiving proof of expenses.

**2. - EXCLUDED PROPERTY AND HAZARDS**

**This endorsement will not cover:**

- i. when the retrieval of debris is caused by reasons other than those covered by the policy.
- ii. when the retrieval of debris is due to an order from the authorities or by decision of the Insured, and the property has not been damaged by any of the covered HAZARDS.
- iii. when damages are caused by any of the reasons specifically excluded by the policy.

**OPTIONAL ENDORSEMENT FOR EXTRAORDINARY EXPENSES.**

**1. - INSURED PROPERTY AND HAZARDS**

If the Insured bought this endorsement, the policy must say so, and the Company will pay for any extraordinary expenses made by the Insured, necessary to continue with the same life - style the Insured had before the Loss, if the property Insured policy is damaged by any of the covered HAZARDS.

Expenses will be reimbursed after the company has received proof of them, and they will be limited to the amount stipulated in the policy, with a maximum of 15% of the Insured amount for fire of the building. Also, the period for indemnity will be limited to the time specified by the policy, with a maximum of 6 months, regardless of the policy's expiration date.

Protection by this endorsement will cease at the moment the Insured is reinstalled back in the Insured property, other property or when the period of indemnity expires.

This coverage will also apply according to its stipulations and conditions, the expenses incurred by the Insured, for a maximum of 4 consecutive weeks, when as a consequence of a loss caused by a covered HAZARD, the authorities impede access to the Insured property.

The Proportional Indemnity Clause mentioned in the 4<sup>TH</sup> Clause of this policy will not apply to this coverage.

## 2.- EXCLUDED PROPERTY AND HAZARDS

This endorsement will not cover:

- i. any expense outside Mexico
- ii. when damages are caused by a hazard excluded or not covered by the policy.

It is understood that any salvage value of any temporary use property still used after the Insured's normal operations are continued, will be considered for the adjustment of any loss covered by this endorsement.

If the Insured has the property on lease, indemnity for renting a house, apartment, guest - house or hotel, will be an amount equal to the difference between the new rent, including the deposit if any, and the previous rent he paid before the loss, if any. The new location must be similar in conditions and location, to the one affected by the loss.

For this endorsement to operate, it is indispensable for the Insured to keep in force the fire coverage for the building and contents, with an Insured amount equal to no less than 80% of the replacement value of said property. The Insured also has the obligation to, if necessary, increase the Insured amount to maintain the above -mentioned percentage. If these stipulations are not complied with, this endorsement will not operate.

## SECTION III ACCIDENTAL GLASS BREAKAGE

### 1.- COVERED PROPERTY AND HAZARDS

Any and all glasses correctly installed in the Insured building, and the cost of their installation, will be covered against accidental breakage, without exceeding the Insured amount specified by the policy. Other glasses that are part of the

contents such as mirrors, table covers etc., will also be covered.

### 2.- EXCLUDED PROPERTY AND HAZARDS THAT CAN BE COVERED BY SPECIAL AGREEMENT.

Unless there is a special agreement, the Company will not cover:

- a - retrieval of the glass if not properly installed
- b - any decoration on the glass such as silver, gold, tinting, writing, or sunscreens.
- c - repairs, modifications, improvement or painting of the Insured building and/or glasses.
- d - crystal, dining sets or any other such items
- e - light bulbs, lamps, crystals in sound or image equipment, optical crystals, ornamental crystals or domes.

### 3.- EXCLUDED PROPERTY AND HAZARDS

This endorsement will not cover:

- i. glasses less than 4mm thick
- ii. scratches or chipping of glasses

### 4.- DEDUCTIBLE FOR SECTION III

For each claim payable under this section, the Insured will always pay 5% of the value of the broken glass, with a minimum of an amount equal to 5 days of the Minimum Daily Salary Paid in Mexico City at the moment of the loss.

## SECTION IV. THEFT AND/OR BREAKING AND ENTERING.

### 1 - INSURED PROPERTY AND HAZARDS.

This section covers the contents of the property covered under Section II of this policy, as long as they are inside the property, against damages or losses caused by theft by any person who gained forced entry into the property, leaving visible evidence of such entry.

Additionally, this section will cover:

A.- Losses or damages caused by braking and entry, or attempt thereof, as long as physical or moral violence was used against people in the Insured property.

B.- Any and all damages caused to the Insured property by the theft or break in and entry, or attempt thereof.

Contents of the property are classified in three groups as follows:

### **Item 1. - Household Items**

a).- Household items such as furniture, appliances, clothing and personal effects (except for those specified in Items 2 or 3, below).

b).- Electric, electronic, photographic, sporting, equipment, rare or art objects difficult to replace such as the ones mentioned in Item 2 below, with a value equal to 400 days of the Minimum Daily Salary paid in Mexico City at the moment of the loss.

c).- Cash up to an amount equal to 150 days of the Minimum Daily Salary paid in Mexico City at the moment of the loss.

d).- Jewelry or valuable objects such as the ones mentioned in Item 3 below, with a unit value equivalent to 100 days of the Minimum Daily Salary Paid in Mexico City at the moment of the loss, with a maximum total value of 500 days of said salary.

### **ITEM 2.- Electric, electronic or sport equipment, rare and art objects difficult to replace,**

With a unit or total value equivalent to 400 days of the Minimum Daily Salary Paid in Mexico City at the moment of the loss, such as paintings, dining sets, tapestry, sculptures, crystal, musical or precision instruments, antiques, etc.

### **ITEM 3.- Jewelry or valuable items**

With a unit or total value equivalent to 100 days of the Minimum Daily Salary Paid in Mexico City at the moment of the loss, such as jewelry, gold or silver items, weapons, any kind of collectibles, watches, furs and precious stones.

## **2 - INDEMNITY**

For each loss covered under this section, the maximum liability for the company will be limited to the Insured amount stipulated for each Item, without exceeding in any case the

real value of the lost or damaged property at the moment of the loss.

The Insured amount will operate on a first risk basis, unless the Insured amount for Item 1, Household Items, is lower than the equivalent of 750 days of the Minimum Daily Salary Paid in Mexico City at the moment of the loss, in which case the 4<sup>TH</sup>. Clause, Proportional Indemnity will apply.

## **3.- REQUIREMENTS FOR THE PAYMENT OF CLAIMS.**

### **Item 1.- Household items**

In case of loss covered by this Item, the Insured will have to produce documents that prove he owns the damaged or lost property, such as invoices, photos, appraisals, guarantees, preexistence letters, etc.

### **Items 2 and 3.- Electric, electronic, photographic, sporting, equipment, rare or art objects difficult to replace, and jewelry or valuable items.**

If there is no detailed list of these items, attached to this policy, in case of loss covered under these Items, the Insured must produce an appraisal or an invoice of the lost or damaged property.

If there are no such documents or an appraiser not authorized by the Company made the appraisal, the Company will pay as follows:

\* In case of electric, electronic, photographic, sporting, equipment, rare or art objects difficult to replace, as if they were under Item 1.b, Household Items, with the limit stipulated by said Item.

\* In case of jewelry and valuable items, as if they were under Item 1.b, Household Items, considering the limit stipulated by said Item.

The maximum compensation for both Items will be the equivalent of 750 days of the Minimum Daily Salary paid at the moment of the loss in Mexico City.

#### 4.- DEDUCTIBLE

For each claim payable under this section, the Insured will always be responsible for an amount equal to 10% of the loss or damage to the Insured property, in reference to Item 1, and 20% of the loss or damage to the Insured property, in reference to Items 2 and 3.

This deductible can be reduced up to 50%, if the Insured can prove that at the moment of the loss, the property in question had dead bolt locks, monitored alarm and/or bars in the windows and domes, and adjacent properties to the Insured building are not vacant or empty.

#### 5.- EXCLUDED PROPERTY AND HAZARDS.

The company will not cover:

- i. Theft with the participation of persons under the Insured's care or responsibility.
- ii. Theft with the participation of the Insured's beneficiaries or their proxies.
- iii. Theft of gold or silver ingots or loose precious gems, any kind of non - negotiable documents, postal or fiscal stamps, checks, promissory notes, accounting or any other kind of commercial books.
- iv. Loss or damage to property in patios, sheds, roofs, vehicles, gardens, or in the open air.
- v. Actions by persons who participate in strikes or riots, vandalism or malicious mischief.
- vi. Mysterious disappearances or theft without forced entry.

- vii. Damages or losses caused directly by ransacking or thefts during or after natural , such as Storms, earthquakes, or war, nuclear reactions radiation or contamination, or any other catastrophic event that causes said actions against the Insured.

#### SECTION V. FAMILY PUBLIC LIABILITY

##### 1.- INSURED HAZARDS

Under this Section, the Company is obligated to pay any damage or loss whether material, moral or consequential, caused to third parties by the Insured who must be declared legally responsible for the same, according to Mexican legislation, for non - intentional actions or omissions which happened during the term of this policy, resulting in injury, death or losses as described above, of third parties.

**Any and all public liability incurred by the Insured during private or family activities will be covered in nay of the following cases:**

- A. As owner of one or more houses (including weekend houses), their garages, gardens, swimming - pools, antennae, security and any other installations.
- B. As renter of one or more houses (including weekend houses), their garages, gardens, swimming - pools, antennae, security and any other installations.  
  
In order to insure Renters' Liability to cover damages to the rented property, the specific coverage must be purchased by the Insured.
- C. As condominium owner of apartments or houses, including weekend houses.

Public liability of the Insured for any and all damages for which he is legally responsible in communal areas of the condominium where he

has his house. The company will discount from the payment for such damages, a percentage equivalent to the monthly fees the Insured has to pay for such communal areas.

In any of the above situations, the following liabilities will be covered;

- a.- As head of the household.
- b.- For damages caused by fire or explosion of his dwelling.
- c.- For damages caused by a sudden and accidental water spillage.
- d.- While practicing a non - professional sport.
- e.- While using bicycles, skates, sail and pedal watercrafts or any non - motorized vehicle.
- f.- While using any air or fire - arm or knives while hunting or target shooting, as long as the weapons are legally registered.
  
- g.- As owner of domestic. Hunting or guardian animals.
  
- h.- During vacation, study or pleasure trips inside Mexico.

## 2.- INSURED PERSONS

a.- The Insured is the person mentioned in the policy, in reference to his public liability because of:

- \* Actions of his own
- \* Actions of his children under his custody and for whom he is responsible
- \* Actions of incapacitated persons under his care and custody and for whom he is responsible
- \* Actions of domestic employees who work for the Insured and from whom he is responsible.

b.- This section, within its specifications and limitations, also covers:

- \* **The Insured's spouse**

\* Children, wards and incapacitated persons under his custody for whom he is legally responsible.

\* The Insured's parents or his spouse's, if they live permanently with him and under his economic dependency.

\* The Insured's adult daughters who live permanently with the Insured and under his economic dependency.

\* Domestic employees of the Insured while they perform their normal household duties in the Insured's house.

The persons listed above cannot under any circumstance be considered as third parties for the effects of this policy.

## 3.- BENEFICIARY OF THE INSURANCE

This policy will pay directly to the damaged or injured third party who will be considered as beneficiary from the moment of the loss.

## 4.- EXCLUDED HAZARDS THAT CAN BE COVERED BY SPECIAL AGREEMENT.

Unless there is a special agreement, this Company will not cover:

a.- Public and legal liability for damages to a property that the Insured leased partially or totally, to be used as a dwelling, because of fire and/or explosion, as long as these damages are his responsibility.

b.- Liability derived from losses during study, vacation or pleasure trips outside Mexico. If this coverage is purchased, the Insured will always be responsible for 20% of each claim.

c.- Liability caused by constructions, enlargements or demolitions.

d.- Damages caused to someone else's property, when under the custody and control of the Insured, by agreement or by legal mandate.

e.- Workers compensation for accidents while at work of the Insured's domestic employees.

If this coverage is purchased, this policy will cover the legal responsibility of the Insured as an employer of his domestic employees (excluding illnesses), for any accident suffered by these employees while at work in Mexico for the Insured.

Employer's liability will be covered according to the stipulations of the Federal Labor Law, and for each claim under this coverage, the insurance will pay a deductible amount equal to 30 days of the Minimum Daily Salary paid in Mexico City at the time of the loss.

## 5 - COVERAGE

**The Company will be obligated to:**

A.- Pay for damages and consequential losses, whether material or moral, for which the Insured is responsible according to the stipulations of this section.

B.- Payment of the Insured's legal defense expenses, according to the stipulations of this section. This coverage includes, but is not limited to:

a. Payment for any judicial bonds the authorities demand from the Insured to guarantee the amount demanded for any public liability covered by this policy. The Company will not be responsible for the payment of bonds to free the Insured during a criminal process.

b. Payment of legal expenses and fees decreed by a Court.

c.- Payment of expenses incurred by the Insured in the process of liquidating any claim.

## 6 .- LIMITATIONS OF COVERAGE

a.- The maximum responsibility for the Company for one or more claims covered under this Section, is the Insured amount stipulated in the policy.

b.- If several claims caused by the same circumstances happen during the life of the policy, they will be considered as one loss, and it will start at the moment of the first occurrence.

c.- Payments mentioned in Item "B" of point "5", "COVERAGE", will be covered for up to an additional 50% over and above the Insured amount.

## 7.- EXCLUSIONS.-

**Besides the general exclusions that apply to all the policy, it is agreed and understood that this policy will not cover:**

i.- Any and all liabilities derived from non-compliance of contracts or agreements.

ii.- Any and all liabilities derived from substitution of benefits or non-compliance of contracts or agreements.

iii.- Any and all liabilities derived from the use of, ownership, or possession or any and all kinds of watercrafts, aircrafts or land motor-vehicles, unless they are destined to the exclusive use of the Insured inside his property and they do not require a license.

iv.- Any and all liabilities derived loss or damage caused purposely by the Insured or with his complicity.

v.- Any and all liabilities derived from damages or losses suffered by the Insured's spouse, parents, children, brothers, in-laws, or any other relatives living with him.

vi.- Any and all liabilities derived from losses or damages caused by the Insured while participating in any kind races or any other speed related competition.

vii.- Any and all liabilities derived from damages or losses caused by the operation of an industry or a business of any kind, the practice of a profession or trade of any kind, whether they are compensated or not.

viii.- Any and all liabilities derived from the Federal Labor Law, the Social security Law or any other related ones, except for coverage stipulated in Item "4" - "e", "Excluded hazards that can Be Covered by Special Agreement".

ix.- Any and all liabilities directly derived from losses or damages directly caused by the sinking or settling of the soil or subsoil.

#### **SECTION VI.- ELECTRONIC EQUIPMENT AND HOUSEHOLD APPLIANCES.**

**Is this coverage was purchased by the Insured, and it is so stipulated, this policy will cover:**

##### **1.- INSURED PROPERTY**

The property listed in the attached specification that is a part of this coverage, such as parabolic antennae, filming and projection equipment, recording and sound equipment, electric typewriters, personal computers, video machines, microwave ovens, carpet washing machines, electric sewing or weaving machines, floor polishers, fans, washing machines, dish - washing machines, cloth dryers, air compressors and air conditioners.

##### **2 - EXCLUDED PROPERTY THAT CAN BE COVERED BY SPECIAL AGREEMENT.**

This policy will not cover when the Insured property is not within the Insured's domicile stipulated in the policy.

##### **3.- COVERED HAZARDS**

This policy will cover the Insured property for damages or losses caused by:

a.- Ignorance, carelessness or sabotage caused by strangers or the Insured's domestic personnel.

b.- Direct action of electric currents such as short - circuits, voltaic arches and other similar effects, as well as indirect damage caused by atmospheric electricity.

c.- Inherent defects during construction, or use of defective materials.

d.- Inherent defects in labor or mounting.

e.- Breaking due to centrifuge forces.

f.- Strange objects introduced in the Insured property.

g.- Explosion of the Insured property, understanding by explosion the breaking or cracking of the property, or expansion of the fluids contained by the same that cause a sudden balance between the internal and external pressures.

h.- Other damages caused to the Insured property, except for those described in Clause 1 of the Policy and applicable to all Sections, "Excluded hazards", and "Excluded Property and hazards" of this Coverage.

#### **3.- EXCLUDED PROPERTY AND HAZARDS**

**This coverage does no cover losses or damages caused by:**

A.- Equipment or devices that were soldered, patched or provisionally repaired by any person.

B.- Parts that become obsolete such as filters, refractories, any and all glasses that are not attached, lenses, etc.

C.- Combustible, lubricant, refrigerant or similar materials.

D.- Parts not covered by the manufacturers' original guarantee.

**It is also understood and agreed that this policy will not cover losses or damages caused by:**

E.- Conditions existing prior to the policy.

F.- Fire, fire fighting, destruction or debris retrieval after a fire, direct hit by lightning, chemical or nuclear explosions and radioactive contamination.

G.- Theft, assault or mysterious disappearance.

H.- Natural phenomena such as earthquakes, volcanic eruption, hurricane, cyclone, hail, flood, raising of water level, landslide, filtration or subterranean waters, etc.

I.- Natural wear as consequence of normal use, erosion, corrosion, or other similar condition.

J.- Caused by the interruption or sudden fluctuation of electricity, water or gas.

K.- Covered by the manufacturer's original guarantee

##### **4.- INSURED AMOUNT**

The Insured must cover this property with a value equal to their replacement cost.

The Insured property must be in a list that specifies, make, model and serial number and replacement cost of each equipment. The Insured will also produce invoices for each Insured item.

Maximum liability for the company under this coverage for losses or damages during the life of this policy, will be the value stipulated for each covered item, less deductible.

#### **5. - PARTIAL OR TOTAL LOSSES.**

In case of a partial loss or damage to the Insured equipment, the amount of the indemnity will include necessary expenses to return the property to normal operating conditions, similar to those before the damage.

These expenses will be repair cost as per invoices submitted by the Insured, including removal and reinstalling, any mail or courier and customs costs, if any. If the Insured property has to be transported, the Company will not pay transportation costs, but it will pay the cost of the insurance during transportation that will cover the property from and to the Insured's domicile. Aerial transportation costs are excluded.

Any provisional repairs are excluded, unless they are part of the definitive repair, or they have been authorized by the Company in writing.

Any modification or reconditioning not necessary for the repair of any damage, will not be covered by the Company.

Unless there is a special agreement to the contrary, the Company can keep any salvaged property and pay the Insured their real value.

For the purposes of this coverage, the Company will consider there has been a total loss when the cost of repairs is equal or larger than the real value of the Insured property. In this case, the indemnity will be equal to the real value of the property calculated deducting from replacement value, the actual value of the property.

#### **6. - REPAIRS MADE BY THE INSURED**

If the damaged property is repaired by the Insured in a provisional way and they keep on working, the Company will not be responsible in any case for any posterior damages until they have been completely repaired by qualified persons., except in the case the Company authorizes said repairs in writing.

If the Insured repairs definitively the damaged property without the Company's consent, it will be considered as an aggravation of the hazard, and the stipulations of Clause 3 "Aggravation of hazard", will apply.

#### **7. - DEDUCTIBLE**

For each claim payable under this coverage, the Insured will always be responsible for an amount equal to 5% of the Insured amount, with a minimum of 20 days of the Minimum Daily Salary paid at the moment of the loss in Mexico City. When more than one item is lost or damaged, the Insured will only pay the highest deductible applicable to the damaged items.

### **LEGAL ASSISTANCE COVERAGE**

#### **1 - COVERED SERVICES**

If the Insured purchases this coverage and it is so stipulated in the Policy, the Company will render all necessary legal services to the Insured, in case of damages or losses covered by any of the sections of the Policy.

These services will be through the lawyer or lawyers appointed by the Company, who will assist the Insured before the authorities who participated in the loss or damage, to help him file the necessary legal documents, whether claims, complaints, depositions, or any other similar documents, and to obtain all necessary certified copies of these documents.

This service will be provided whether the Insured is an active or passive participant of the loss, and the Insured must immediately notify the Company personally or by phone, unless it is impossible for him to do so, in which case he must notify as soon as the impossibility disappears.

#### **2. - EXCLUSIONS**

The company will not have any responsibility in the following instances:

i.- When the loss or damage is caused by a hazard different than those covered by the policy.

ii.- When the Insured does not follow the instructions given by the lawyers appointed by the Company, or takes any action concerning the claim, without consulting first with said lawyers.

iii.- When the Insured hides from the Company's lawyers any information related to the claim.

iv.- When the Insured does not appear before the authorities that summoned him.

#### **GENERAL CONDITIONS OF THE POLICY**

The following General Conditions will be applicable to all sections of the Policy:

##### **1<sup>st</sup>. - Clause EXCLUDED HAZARDS**

The company will not be responsible for loss or damages in the following cases:

i.- Loss or damages caused by action of legally established authorities.

ii.- War whether declared or not, foreign invasion, internal war, rebellion, revolution, insurrection, or any other similar action that causes these situations.

- iii.- Expropriation, confiscation, requisition or any other similar action by legally established authorities while performing their duties.
- iv.- Nuclear reaction or explosion or radioactive contamination.
- v.- Consequential losses of any kind, except for those specifically covered by this policy.
- vi.- Loss of obsolete or worthless items.
- vii.- Caused by pollution or contamination of any kind.
- viii.- Direct or indirect losses or damages caused by terrorist actions of any kind.

**Terrorist actions will be defined as follows:**

- i.- Use of force, violence and/or threats by any person or persons acting alone by own initiative, or as a part of any kind of organization for political, religious, ideological or similar reasons, with the purpose of pressuring the government or terrorizing the general population.
- ii.- Use of explosive or toxic substances, firearms, or by fire, flooding or any other violent way against persons, things, public services, that could produce terror in the general population, to perturb public order or diminish the State's authority or pressure the government into a decision.

Any and all damages and losses caused by the actions of the authorities while contravening these terrorist actions, are also excluded

**2<sup>nd</sup>. CLAUSE - TERRITORIAL LIMITS**

This policy will only cover for losses or damages occurred within the territorial limits of the Mexican republic. This Clause will be applicable to all Sections of the Policy, except for Section "V", Item "4.b", where coverage applies anywhere in the world.

**3r.d CLAUSE - AGGRAVATION OF THE HAZARD**

Considering that the premium for this policy has been calculated according to the specific characteristics of the insured property, as indicated by the Insured, any circumstance that aggravates the hazard during the term of this policy, must be communicated to the Company no more than 24 hours after the fact. If the Insured himself is responsible for said aggravation, or if he fails to inform the Company about it, the Company will be liberated from any and all responsibility derived from this policy.

**4<sup>TH</sup>. CLAUSE - PROPORTIONAL INDEMNITY**

**This Clause applies only to Sections I, II, III and IV.**

The insured amount has been stipulated by the Insured and it does not represent the real value or even the existence of the insured property, it is only an amount set to determine the maximum liability for the Company, in case of a claim.

If at the moment of a loss or damage covered under this policy, the value of the insured property is lower than its real value, according to the stipulations of the following 7<sup>TH</sup>. Clause, the Company will pay in direct proportion to the damage or loss.

If the policy has several Items, this Clause will apply individually to each Item.

The above notwithstanding, the Company agrees that if the insured amount for Sections I and II, is not lower than 80% of the real value, it will not apply the above proportional indemnity clause, with the exception of losses or damages covered by the Endorsement of Earthquake and/or Volcanic Eruption which will function according to its own stipulations.

**5<sup>TH</sup>. CLAUSE - REDUCTION AND REINSTALLATION OF THE INSURED AMOUNT IN CASE OF LOSS OR DAMAGE**

Any and all claims affecting any of the Sections of the policy will directly reduce the insured amount in the same proportion as the payment, but this amount can be reinstated at request of the Insured who will pay the corresponding premium.

**6<sup>TH</sup> CLAUSE - OTHER INSURANCE.**

The Insured or his representatives will have the obligation to notify the Company in writing of any and all other insurance policies covering the same property as this policy, against the same hazards, indicating the name of the Insurance Company and the insured amount.

If the Company is not notified or if several policies are purchased to obtain an illicit gain, the Company will be liberated from any liability under this policy.

**7<sup>TH</sup>. CLAUSE - INDEMNITY VALUE**

The value to be indemnified for each claim will be calculated as follows:

**SECTIONS I AND II:**

The Insured can purchase these Sections at Real Value or at Replacement Value, as defined below, which must be indicated in the policy. If there is no specification, it will be understood and agreed that the policy will operate on the basis of real value.

**Section III**

This Section will always operate on the basis of replacement value.

**Section IV**

This Section will always operate on the basis of real value.

**Definitions:**

**Replacement Value:**

Replacement value is the amount necessary for the construction and/or repair when dealing with structures, or for the acquisition, installation or repair when dealing with other kind of properties contents, for other items of equal or similar class, quality, size, and or capacity as the insured items, without considering any depreciation for natural wear and tear.

**Real Value:**

Real value is the amount necessary for the construction and/or repair when dealing with structures, or for the acquisition, installation or repair when dealing with other kind of properties (contentes0, for other items of equal or similar class, quality, size, and or capacity as the insured items, considering their depreciation for natural wear and tear.

**According to the above, the 4<sup>TH</sup>. Clause ""Proportional Indemnity", will apply both in Real or Replacement Value. Maximum liability for the Company will not exceed at any time, the insured amount for each Item or Section.**

In case of a loss or damage, the Company has the option to replace, repair or pay in cash for the loss or damage.

The Insured expressly accepts that in case of a claim, the Company can pay the loss or damage for their real value, and he will be indemnified when he can prove expenses for at least 50% of the reconstruction or repairs in the case of buildings, and 50% of the acquisition, construction or repair of other properties (contents).

**The company will not be responsible in any case for any and all additional expenses derived from the Insured's desire or need to build or replace the lost or damaged property in a location other than the place they were when the damage occurred.**

**8<sup>TH</sup>. CLAUSE - WHAT THE COMPANY CAN DO IN CASE OF A LOSS**

In case of a claim due to loss or damage to the insured property, and as long as the final amount of the loss has not been yet determined, the Company can:

a.- Enter the damaged building to determine cause and extension of the damage.

b.- Examine, classify and appraise the damaged property, but the company shall not be responsible under any circumstance, to auction off the damaged property or any salvage, nor will the Insured have the right to abandon the same in favor of the Company.

**9<sup>TH</sup>. CLAUSE - EXPERT OPINION**

If there is a disagreement between the Insured and the Company concerning the amount of any loss or damage, the matter will be submitted to an expert appointed by both parties in writing, but if there is also disagreement concerning the expert, each party can appoint an expert in no longer than 10 days after the other party requested it in writing. Before starting work, both experts will appoint a third one in case of disagreement between them.

If one of the parties does not appoint an expert, of the experts do not reach an agreement between them to appoint a third one, a judicial authority will make the appointment, if so requested by one of the parties, but the National Insurance Commission can also appoint the third expert I so requested by both parties.

The death of a person or dissolution of a Corporation while the expert opinion is being prepared, will not void or nullify the experts' attributions; or if one the experts died before issuing an opinion, another one will be appointed as described above.

Any and all expenses originated by the expert opinion will be equally divided between the Insured and the Company, but each party will pay his own expert.

The expert opinion above described does not necessarily mean that the Company will accept the claim, it will only determine the eventual maximum liability for the Company, and both parties are at liberty to take any legal action they deem necessary or convenient.

**10<sup>TH</sup>. CLAUSE - FRAUD OR DECEPTION**

The company's obligations will cease if:

1.- If the Insured, the Beneficiary or their legal representatives with the purpose of forcing the Company to make a mistake, declare inexactly concerning facts that would limit or cease the Company's obligations

2.- If with the same purpose mentioned above, they do not deliver on time the documents stipulated in the 23<sup>RD</sup>. Clause of these General Conditions.

3.- If in the loss or the claim, there was any fraud or deception from the Insured, the Beneficiary or their legal representatives.

**11<sup>TH</sup>. CLAUSE - SUBROGATION OF RIGHTS.**

As stipulated by Law, the Company can subrogate up to the amount paid for any claim, in the Insured's rights and actions, against the party or parties responsible for the loss.

If necessary, the Insured will certify this subrogation in a Public Deed. Is the insured by his actions and/or omissions impedes this subrogation, the Company will be liberated from any responsibility/

If the damage was only partially paid, the Insured and the Company will demand their rights in their corresponding proportions.

**12<sup>TH</sup>. CLAUSE - PLACE AND DATE OF INDEMNITY**

The Company will pay any indemnity in their offices, in no longer than 30 days after receiving the full documentation of the claim, according to the 23<sup>RD</sup>. Clause of these General Conditions.

**13<sup>TH</sup>. CLAUSE - COMPETENCE**

In case of controversy, the plaintiff can request the intervention of the National Insurance Commission, in their main offices or any of their delegations, according to the stipulations of Article 135 of the General Law for Mutual Insurance Institutions and Societies, and if said authority is not appointed as arbiter, the can recur to the courts in the Company's address.

**14<sup>TH</sup>. CLAUSE - LATE CHARGES**

**When dealing with Mexican Currency**

If the Company, after receiving the complete documentation of a claim does not pay according to the stipulations of Article 71 of the Law on the Insurance Contract, instead of paying the Insured, Beneficiary or their legal representatives the legal interest, the Company will pay Late Charges calculated on an annual rate equal to the average monthly percentage of the monthly retention cost published by Banco de Mexico, during the time the claim is not paid. This interest will start on the day after the 30 days mentioned above, expire.

**In case of trials or arbitrages according to Article 135, Fraction IV Bis, and 136 Fraction II of the General Law for Mutual and Insurance Institutions, the late charges will be calculated with basis on the same.**

**When dealing with a Foreign Currency**

If the Company, after receiving the complete documentation of a claim does not pay according to the

stipulations of Article 71 of the Law on the Insurance Contract, instead of paying the Insured, Beneficiary or their legal representatives the legal interest, the Company will pay Late Charges calculated on the highest rate paid by Nacional Financiera for their negotiable documents. ion cost published by Banco de Mexico, during the time the claim is not paid. This interest will start on the day after the 30 days mentioned above, expire. Interest will be paid in the Foreign Currency in which the Policy was purchased, or in it equivalent in US Dollars.

In case of trials or arbitrages according to Article 135, Fraction IV Bis, and 136 Fraction II of the General Law for Mutual and Insurance Institutions, the late charges will be calculated with basis on the same.

**15<sup>TH</sup> CLAUSE - COMMUNICATIONS**

Any communication for the Company must be in writing and delivered to the address mentioned in this policy.

**16<sup>TH</sup> CLAUSE - PREMIUM**

The premium for this policy is payable on the date the policy is purchased, and unless there is an special agreement, the duration of the policy will be one calendar year.

If the insured chooses to make payments for the policy, payment must be for equal periods and no shorter than a month, payable at the beginning of each period and the Company will apply the surcharges authorized by the National Insurance Commission for these cases, informing the Insured about them.

The Insured will have a grace period of 30 days for the payment of the full premium or the fractions thereof.

The policy will automatically expire at twelve hours noon of the date the grace period for payment of the full premium of fractions thereof expires, if the Insured does not meet the payment.

In case of a claim, the Company can deduct from the indemnity any amount of premium owed by the Insured.

Premiums must be paid at the Company's offices and a proper receipt must be issued for every payment.

**17<sup>TH</sup> CLAUSE - REHABILITATION**

Despite the stipulations of Clause 16A of these general Conditions, the Insured can, within the next thirty days after the last day of payment for the premium of the grace period has expired, can pay the premium or the fraction thereof in case of fractioned payments, and this policy will be automatically rehabilitated as of the day of payment, and its term will be extended for an equal amount of time as that between the expiration and payment dates.

However, if the Insured requests in writing that the policy keeps its original term, it will remain so, and the remaining premium will be returned to the Insured on a pro - rata basis, for the time the policy was cancelled because of lack of payment.

In case the receipt for the reinstatement payment does not show the time of payment, it will be considered that the policy was reinstated at 12 noon of the payment date.

The Company will for administrative reasons, and without affecting the rehabilitation above - mentioned, shown in the corresponding receipt and any other document related to this policy, said reinstatement.

**18<sup>TH</sup> CLAUSE - ANTICIPATED TERMINATION OF THE POLICY**

Both parties agree and accept that this policy can be terminated prior to its natural expiration date, by means of a written notification. If the Insured is the one to terminate the policy, the Company will only return the premium according to the following short - term chart authorized by the National Insurance Commission:

Term	Annual Premium %	Term	Annual Premium %
Up to 10 days	10%	Up to 6 months	70%
1 months	20%	7 months	75%
1 1/2 month	25%	8 months	80%
2 months	30%	9 months	85%
3 months	40%	10 months	90%
4 months	50%	11 months	95%
5 months	60%		

If for any reason the Company decides to cancel this Policy, it will notify the Insured in writing and the cancellation will only take place fifteen days after said notification, and the Company will refund the Insured the non - used portion of the premium on a pro - rata basis, within the next fifteen days after the cancellation of the policy.

**19<sup>TH</sup> CLAUSE - CURRENCY**

Payment of the premium for this policy and or any claim covered by it will be made according to the Monetary Law applicable at the time of the claim.

**20<sup>TH</sup> CLAUSE. PRESCRIPTION**

Any and all actions derived from this policy will prescribe, according to the stipulations of Article 81 of the General Law of the Insurance Contract, in two years after the event that originated them, except for those cases mentioned in Article 82 of the same Law.

Prescription will be interrupted not only by ordinary causes, but also by the appointment of an expert or by the beginning of the procedure stipulated by Article 135 of the General Law for Mutual and Insurance Institutions and Societies.

**21<sup>ST</sup> CLAUSE - DISCOUNT**

Since this policy operates on the basis of several coverages, the Company has granted the Company has granted the Insured a 15% discount on the premium of each one of them, except for Earthquake and/or Volcanic Eruption.

**Refund in case of no claim**

When this policy is renewed, if the Insured presented no claim related to it, the Company will grant a 10% discount on the renewal net premium, except for Earthquake and/or Volcanic Eruption.

**22<sup>ND</sup> CLAUSE - LOWERING OF APPROVED RATES**

If the approved rates for this policy are lowered during the term of the same, the Company will refund the Insured for the difference between the paid premium and the modified premium, from the date of the lowering until the expiration date of the policy.

**23<sup>RD</sup> CLAUSE - LOSSES**

**1 - What to do in case of a loss**

**1.1 - Salvage and recovery actions**

If the Insured learns about a loss or damage covered by this policy, he will have the obligation to take any and all actions to avoid further damages. If there is no **danger in the**

situation, he will ask for instructions from the Company and follow them carefully. Not doing so, and according to the Law, can affect the Insured's rights.

#### **1.2 - Notification.**

In case of a loss or damage covered by this policy, the Insured must notify the Company in writing in no more than 24 hours after the occurrence, unless the circumstances prevent him from doing so.

Non-compliance with this notification can cause that the indemnity payable under any claim covered by the policy will be reduced to the amount caused by the Company not learning on time about the loss or damage.

#### **1.3 - Company's rights**

In case of loss or damage covered by this policy, the Company has the option to repair or replace the damaged property to the complete satisfaction of the Insured, or pay in cash for said loss or damage for the real value of the same, without exceeding the insured amount.

### **2 - Documents, information and reports that the Insured or the Beneficiary must give the Company in case of loss.**

#### **2.1 - For Sections I and II, Building and Contents.**

The Insured must prove to the Company the exactitude of the claim and the Company can request all pertinent information about the same in order to determine its cause and consequences. The Insured will deliver this information in no more than 15 consecutive natural days after the loss, or after if the Company allows it. This information must be in writing and must contain the following:

- a - Detail of the damaged or lost property, mentioning its value at the moment of the loss.
- b - Invoices, purchase notes, appraisal or any other document that will support the claim.
- c - A detailed list of all insurance policies on the property.
- d - Detailed information on the cause of the claim and certified copies of the report to the District Attorney or any other authorities that intervened in the investigation because of the complaint filed by the Insured.
- e - The Company will consider the claim as proved when the Insured files and ratifies a criminal complaint before the authorities and proves the existence of the lost or damaged property. According to Article 71 of the General for Insurance Contracts, the Company cannot demand by a lawsuit that the Insured proves the existence of a claim.

#### **2.2 - For claims covered under Section V (Family Public Liability):**

- a - The Insured must notify the Company of any claim as soon as he learns about it, in writing, and must send copy of any and all documents related to the claim, and the Company is obligated to inform him in writing that they will not assume the direction of the process, if so they decide.

If there is not such notification, it will be understood that the Company will assume the direction of the process against the Insured, and he is obligated to cooperate with the Company according to the stipulations below.

If the company does not assume the direction of the process, it must so immediately notify the insured, telling him the amount they will pay for this concept, and he is obligated to defend himself with all due diligence.

- b - Cooperation and assistance by the Insured concerning the Company:

**The Insured has the obligation, concerning any and all lawsuits against him for losses covered by this policy, to:**

- Give the Company all information and evidence they requested for his defense, if it were necessary.
- To execute any and all legal actions and defense.
- To appear in any and all legal proceedings.
- To grant any and all necessary Powers of Attorney to the Company's lawyers so they will represent him in any proceedings, in case he cannot appear personally.

The Company will pay any and all legal expenses so incurred by the Insured up to the insured amount set for such a case. Should the Company act with negligence while determining or directing the Insured's defense, there will be no limit to the above-mentioned expenses.

**c - Claim and lawsuits:** The Company can pay any claim inside or outside the Court, and it has the power to file lawsuits or celebrate agreements. The Company will not be responsible for any agreements or any other kind of legal action taken by the Insured without the Company's consent. The admission by the Insured of any action does not mean a responsibility for the Company.

**d - Reimbursement -** If a third party is indemnified totally or partially by the Insured, the Company will reimburse him proportionally.

**e - Subrogation -** The Company will subrogate on any and all of the Insured's rights against third parties, up to the amount of any loss here covered. If persons who are legally dependent from the Insured cause the loss, there will be no such subrogation. If the loss is only partially indemnified, the Insured and the Company will concur to make his rights valid in the corresponding proportion. The Company can be liberated from any and all obligations if the Insured does not allow the subrogation.

### **24<sup>TH</sup>. CLAUSE - ARTICLE 25 OF THE INSURANCE CONTRACT.**

"If the contents of the policy or its modifications do not agree with the offer, the Insured can request the corresponding rectification, in no more than thirty consecutive calendar days after receiving the policy. After this term has expired, the policy, its stipulations and/or modifications, will be considered to be accepted.

### **OPTIONAL ENDORSEMENT FOR AUTOMATIC INCREASE OF THE INSURED AMOUNT.**

\* If the Insured purchases this endorsement and it is so stipulated in the policy, the insured amounts for Sections I, II and IV of this policy will automatically increase according to the Consumer Price Index published by Banco de Mexico.

The maximum increase percentage will be the one stipulated in the policy, but the Insured can ask the Company for an additional increase, paying the corresponding premium.

The premium for this endorsement is the equivalent of 35% of the corresponding annual premium for the maximum increase here stipulated, will be considered as a deposit premium.

This deposit premium will be adjusted when the policy expires, and the payable premium will be 35% of the premium corresponding to the amount increased during the life of the policy, and the difference if any, will be collected refunded to the Insured within the next thirty days after the policy expired. In the Company does not make this refund on time, they will pay late charges calculated on the monthly percentage published by Banco de Mexico, starting after the 30 day period has expired.

According to the above, any indemnity will be paid taking into consideration the original insured amount plus the increase according to the Consumer's Index for the period of time during the starting date of the policy and the date of the loss. If there is no such index, the insured amount will be increased according to the value of the UDI Published daily by the Bank of Mexico.

The insured amount thus calculated will be the basis for the effects of the 4<sup>th</sup>. Clause of the General Conditions of the Policy: "Proportional Indemnity".

#### **HOME ASSISTANCE COVERAGE**

If this coverage has been purchased, and so says in the policy, the Insured will have the right to the following benefits:

##### **1.- PARTICULAR CONDITIONS**

This coverage will operate according to the stipulations of the General Conditions of the Policy.

##### **2.- ASSISTANCE BENEFITS**

Assistance benefits under this coverage are classified in two:

- 2.1 - Technical assistance
- 2.2 - Personal Assistance

##### **2.1 - TECHNICAL ASSISTANCE**

###### **2.1.1 - PLUMBING**

In case of breakage of water pipes, faucets or other installations, the Company will send as soon as possible, a

person who will do any and all necessary emergency repairs to fix the damage, as long as there is no indication to the contrary by any authority, and the existing conditions allow it.

#### **EXCLUSIONS:**

- repair of any and all damages of any element different from the water pipes, sewage system or faucets of the property, as well as other similar installations
- repair of any water or humidity filtrations, even if caused by any of the above - mentioned damages
- repair or replacement of sanitary installations, water heaters, boilers, radiators, air conditioners, and in general, any and all other house hold appliance connected to a water pipe.

#### **2.1.2 - ELECTRICITY**

In case of lack of electricity in the insured property because of any damage of the electric system of the same, the Company will send as soon as possible a person who will do any and all necessary emergency repairs to fix the damage, as long as there is no indication to the contrary by any authority, and the existing conditions allow it.

#### **EXCLUSIONS**

- repair or replacement of any and all illumination devices such as lamps, light bulbs, neon lamps, switches, plugs, etc.
- repair or replacement of any and all household appliances that work with electricity, such as washing machines, refrigerators, air conditioners, etc.

#### **2.1.3 - LOCKS**

In case of theft or loss of keys or damage to locks caused by other accidental reason not covered under other section of this policy, that impedes the Insured to access his house or any room thereof, or his vehicle, even if said vehicle is in the street, the Company will send as soon as possible, a person to repair the damage or replace the lost keys.

#### **2.1.4 - GLASSES**

In case of breakage of the glasses in doors or windows part of the insured property, not covered by other sections of this policy, the Company will send as soon as possible, a person to repair the damage or replace the broken glasses.

#### **2.2 - PERSONAL ASSISTANCE**

##### **2.2.1 - DOMESTIC HELP IN CASE OF ACCIDENT OR ILLNESS**

If because of an accident or illness of the Insured or his spouse, hospitalization or home rest become necessary for more than 7 consecutive days, the Company, after verifying the facts, will pay the honoraria of a person appointed by the Insured to assist him at home, as long as the Insured has minor children under 14 years of age, persons over 65 years of age, or there are disabled persons in the household.

The indemnity payable under this section will be for a maximum period of 7 calendar days and the equivalent of 3.5 days of the Minimum Daily Salary paid in Mexico City at the time of the loss.

#### **2.2.2 - CUSTODY AND CARE OF MINOR CHILDREN AND/OR DISABLED PERSONS**

If because of an accident or illness of the Insured or his spouse, hospitalization or home rest become necessary for more than 7 consecutive days, the Company, after verifying the facts, and the insured cannot take care of minor children under school age, disabled or elderly persons over 65 years of age, who cannot help themselves, will be paid an economy ticket, along with an accompanying adult, to go to a designated person's house who will take care of the. The ticket will be round trip anywhere within the Mexican Republic. At request of the Insured, the Company will buy and deliver the tickets with anticipation.

#### **2.2.3 - TRANSPORT FOR CHILDREN OF SCHOOL AGE**

If because of an accident or illness of the Insured or his spouse, hospitalization or home rest become necessary for more than 7 consecutive days, the Company, after verifying the facts, and the insured cannot take care of minor children of school age, the Company will pay for transportation expenses for said children to and from their school places, for up to 15 consecutive days. The insured must ask for this service with anticipation, so the Company can properly plan and provide it.

#### **2.2.4 - TUTORING OF CHILDREN OF SCHOOL AGE**

If as consequence of an accident, any of the minor children of the Insured below 16 years of age cannot go to school for more than 15 consecutive calendar days, and after the Company verifies the fact, the Company will pay the honoraria of a private tutor to keep him up to date with his studies. This coverage will only be for two hours a day from Monday to Friday and for a maximum period of one month, and for a maximum of 3.5 days of the Minimum Daily Salary paid in Mexico City at the time of the occurrence.

#### **2.2.5 - DOCTOR'S HOUSE CALLS**

At the Insured's request, the Company can send a doctor to see him in his domicile. The cost of the visit will be predetermined and if the Insured accepts, he must pay the doctor in full for his services. The Company assumes no responsibility for the quality or the consequences of the doctor's services. This benefit is limited to Mexico City, Guadalajara and Monterrey.

#### **2.2.6 - AMBULANCE FOR PREPROGRAMMED MEDICAL SERVICES.**

At the Insured's request, the Company can send an ambulance to his domicile, if there is no counter indication for it. The cost of the ambulance will be predetermined and if the Insured accepts, he must pay in full for this service. This benefit will only apply for ambulance services inside the city where the insured resides.

#### **2.2.7 - MEDICAL REFERENCE IN MEXICO**

At the insured's request, the Company can provide via telephone, names and addresses of medical services providers all over Mexico, without assuming any responsibility whatsoever for the quality or consequences of said services.

#### **2.2.8 - VETERINARY'S HOUSE CALLS**

At the Insured's request, the Company can send a veterinary to his domicile. The cost of the visit will be predetermined and paid full by the insured. The Company accepts no responsibility for these services. This service is limited to the cities of Mexico, Guadalajara and Monterrey.

#### **3.- MAXIMUM LIABILITY FOR THE COMPANY**

When technical services are provided, transportation, labor and material costs will be paid by the Company, for any work covered under this policy, WITH A MAXIMUM LIMIT PER

EVENT OF 10 DAYS OF THE MINIMUM DAILY SALARY PAID IN MEXICO CITY AT THE TIME OF THE LOSS.

When personal services are provided, the maximum liability for the company will be the one stipulated for each case.

**The maximum number of events per year under this coverage, will be two, whatever their nature might be.**

#### **4.- DEFINITIONS FOR THIS COVERAGE**

For the purpose of this coverage, dwelling will be the place where the insured lives permanently, and the Insured must show evidence to this point. This definition includes the buildings and attached installations.

Urgent or urgency is understood as the immediate need to repair something according to the following criteria:

a - Plumbing: Any and all damage to the insured's dwelling's installations that could further damage the Insured's or someone else's properties.

b.- Electricity: Total lack of electricity in the insured's property, as long as it originates due to internal damage.

c - Locks: Any contingency that impedes the Insured's access to his property or automobile, and requires the assistance of a locksmith, as long as there are no other alternatives.

d - Glasses: Glass breakage on windows or any other area of the Insured's property, if this breakage means lack of protection against the elements or third parties.

Communal properties or third party properties (such as adjacent, or properties below or above the Insured's property), will not be considered as part of the Insured property, even if located in the same building.

#### **5.- GENERAL EXCLUSION FOR THIS COVERAGE**

**5.1 - Services under this coverage will be given exclusively in the Insured's property specified in the policy where the Insured normally resides, unless special agreement to the contrary and any commercial or professional offices or establishments are specifically excluded.**

**5.2 - Any and all losses or damages intentionally caused by the Insured are specifically excluded from this coverage, as well as war, insurrection, civil rebellion, strikes, riots and civil commotion, and/or other similar actions that alter public order. Damages or losses caused by earthquake and/or volcanic**

eruption or other natural phenomena, are also excluded.

**5.3** - Any and all services hired by the Insured without previous knowledge and authorization of the Company, are also excluded.

**5.4** - Services under this coverage will be provided in cases of "force majeure", extreme contingencies or natural disaster.

**6. - SERVICE PROVIDERS**

Professional persons will provide any and all services here covered or corporations appointed by the Company, and must be performed in the presence of the Insured or a person authorized by him.

Technical Assistance Services will be supervised by the Company and will be guaranteed for ninety consecutive calendar days counted from the date they were finished.

**7.- OTHER SERVICES**

When dealing with professional technical assistance for non - urgent cases, the Company can send to the Insured's domicile, person who can perform these services in the fields of plumbing, electricity, locksmith, glass, etc.

In these cases, the Insured will always be responsible for the total payment of said services.

**8.- HOW TO REQUEST ASSISTANCE**

Any and all services here covered must be requested directly to the Company at the following phone numbers, 24 hours a day:

In Mexico City:	54 -80-38-38
Elsewhere in Mexico:	01-800-00-18900

Be sure you have the following information ready:

- A - Full name
- B - Policy number
- C - Exact address of the insured property
- D - Phone number

In all cases, this notification will be considered as an occurrence notice, to be registered by the Company and process it.

If the Insured requests services in a location where the Company has no contacts, the Insured can hire the services by himself and the Company will reimburse him for the expenses, according to the following rules:

\* The Insured must report to the Company the fact that he is hiring the services and obtain from the Company an authorization number.

\* The Insured must send to the Company a formal claim letter including his name, policy number, number of authorization, proof of expenses and bank account if he desires to be reimbursed by direct deposit. The letter must be sent to:

SEGUROS ATLAS, S.A.  
PASEO DE LOS TAMARINDOS # 60  
COLONIA BOSQUES DE LAS LOMAS  
MÉXICO, D.F., 05120

NOTE:

ALL INVOICES FOR EXPENSES MUST BE IN THE NAME AND ADDRESS OF THE COMPANY, AS DESCRIBED ABOVE, AND MUST INCLUDE THEIR TAX NUMBER:

SAT - 841024-5V8

**SEGUROS ATLAS, S. A.**