



## Mexican Automobile Insurance Policy

### Special **Tourist** Mexican Auto Insurance

### Specifications of Coverage and General Conditions

**SECTION 1. a) COLLISION, OVERTURNING, AND GLASS BREAKAGE.** Material damages to the insured vehicle as a result of collision, overturning, and/or glass breakage are covered as described in this paragraph (a) wherein the Company will only pay for damages exceeding the deductible amount specified on the face of this policy. The deductible shall be borne by the insured and will be separately applicable to each covered occurrence according to the terms of this section. b) TRANSPORTATION. Material damages to the insured vehicle caused by: Stranding, Sinking, Burning, Explosion, Collision, Overturning or Derailing of the transportation vehicle on/in/by which the insured vehicle is being moved by land, air, or sea and any responsibility of the insured for salvage charges are covered as described in this paragraph (b) wherein the Company will only pay for damages exceeding the deductible amount specified on the face of this policy. The deductible shall be borne by the insured and will be separately applicable to each covered occurrence according to the terms of this section. c) TOWING EXPENSES. For occurrences covered under the terms of this policy, the Company will pay reasonable necessary towing costs to move the insured vehicle within the limits of the Mexican Republic to the place designated by the Company for repairs, as well as the expenses necessary to put the insured vehicle into towable condition. c) Expenses payable under this policy provision shall be subject to a limit of \$500 USD.

**DEDUCTIBLE.** The coverage available under Section 1 (a) and Section 1 (b) are subject to a deductible. The Fixed Deductible amount is \$500 USD on all private passenger vehicles (i.e. Cars, Pick-ups, Vans, Sport Utility Vehicles, etc.) plus Motorcycles, Utility/Cargo Trailers, Watercraft, Outboard Motors and Watercraft Trailers. For Motorhomes, Travel Trailers, 5<sup>th</sup> Wheels, Cab-Over Campers and/or other vehicles that have conversions of any type (i.e. modified to be a Motorhome, Travel Trailer, 5<sup>th</sup> Wheel, Cab-Over Camper) the Fixed Deductible is \$1,000. The deductible shall be borne by the insured and will be separately applicable to each covered occurrence according to the terms of this section.

**SECTION 2. (a) TOTAL THEFT OF THE INSURED VEHICLE.** The total theft of the insured vehicle is covered as described in this paragraph. (b) FIRE, LIGHTNING, AND/OR EXPLOSION. Material damage suffered by the insured vehicle arising out of fire, lightning, and/or explosion are covered as described in this paragraph. (c) STRIKES AND RIOTS are covered as described in this paragraph: Material damage to the insured vehicle caused by the actions of persons taking part in work stoppages, strikes, labor disturbances, meetings, riots or popular uprisings or by malicious mischief in the course of such actions by the legally recognized authorities in the performance of their duties. Damages caused by vandalism are expressly excluded. (d) NATURAL DISASTERS are covered as described in this paragraph: Material damage to the insured vehicle arising out of cyclones, hurricanes, hail, earthquakes, volcanic eruptions, avalanches, flooding (defined as the overflowing of rivers, lakes, or inlets with the exception of sea water), land or rock slides, the fall or collapse of constructions, buildings, structures, or other similar objects, and falling trees or branches.

**DEDUCTIBLE.** The coverage available under Sections 2(a), 2(b), 2(c), and Section 2(d) are subject to a deductible. The Fixed Deductible amount is \$500 USD on all private passenger vehicles (i.e. Cars, Pick-ups, Vans, Sport Utility Vehicles, etc.) plus Motorcycles, Utility/Cargo Trailers, Watercraft, Outboard Motors and Watercraft Trailers. For Motorhomes, Travel Trailers, 5<sup>th</sup> Wheels, Cab-Over Campers and/or other vehicles that have conversions of any type (i.e. modified to be a Motorhome, Travel Trailer, 5<sup>th</sup> Wheel, Cab-Over Camper) the Fixed Deductible is \$1,000. The deductible shall be borne by the insured and will be separately applicable to each covered occurrence according to the terms of this section.

**Under Sections 1 and 2.** All special equipment permanently attached to the insured vehicle is covered by adding the reasonable value of said special equipment to the value of the insured vehicle, thus resulting in the total limit of liability as specified on the face page of this policy. Special equipment shall be construed to include after-market, non-standard accessories of the insured vehicle including lettering, signs, radios, clocks, fog and spot lights, outside mirrors, visors, and the like.

#### **SECTION 3. CIVIL LIABILITY FOR PROPERTY DAMAGE TO THIRD PARTIES**

Subject to applicable laws pertaining to civil liability in force in the Republic of Mexico, the insured's civil liability, not to exceed the limit indicated on the face of this policy, arising out of the use of the insured vehicle whether being operated by the insured or the person legally operating it with the insured's consent, for material damage to property not owned by the insured, the driver, their relatives, or members of their households. For purposes of this section, property in the care, custody, and control of the insured or his/her employees or agents, or property which is in the insured vehicle, shall be considered property owned by the insured. CONSEQUENTIAL DAMAGE AND LOSS ARE EXPRESSLY EXCLUDED UNDER THIS SECTION.

#### **SECTION 4. CIVIL LIABILITY FOR BODILY INJURY TO THIRD PARTIES EXCLUDING THE OCCUPANTS OF THE INSURED VEHICLE**

Subject to applicable laws pertaining to civil liability in force in the Republic of Mexico, the insured's civil liability, not to exceed the limit indicated on the face of this policy, arising out of the use of the insured vehicle whether being operated by the insured or the person

legally operating it with the insured's consent, for bodily injury damage to or death of third parties. DAMAGES ARISING OUT OF BODILY INJURIES TO OR DEATH OF OCCUPANTS OF THE INSURED VEHICLE ARE EXPRESSLY EXCLUDED UNDER THIS SECTION.

Without exceeding the limits of the insured amount specified on the face of the policy for this section, the Company shall pay the insured's civil liability for the following: (a) Medical expenses incurred for first aid for third parties injured by the insured vehicle. (b) Medical treatment and/or burial expenses, if any, for third parties injured by the insured vehicle. (c) The civil liability of the insured for death, total or partial disability, or temporary or permanent disability of third parties injured by the insured vehicle pursuant to applicable laws in force in the Republic of Mexico. (d) The civil liability of the insured for cost and expenses incurred by third parties. CONSEQUENTIAL DAMAGES INCLUDING DAMAGES FOR PAIN AND SUFFERING AND LOSS OF INCOME ARE EXPRESSLY EXCLUDED UNDER THIS SECTION.

#### **SECTION 5. MEDICAL EXPENSES FOR OCCUPANTS**

The payment of medical expenses incurred for Hospitalization, Medical treatment, Nursing care, Ambulance services and Burial expenses resulting from bodily injury to or death of the insured or any other occupant of the insured vehicle while riding therein. Medical Payments coverage is excluded if the insured vehicle is a Motorcycle or type of Motorcycle (i.e. ATC, ATV, etc.). Medical expenses covered under this policy are as follows: (a) Hospitalization: Reasonable Room and Board at the hospital, Physical Therapy, related hospital expenses and, in general, Drugs and Medicines prescribed by a physician. (b) Medical Treatment: Required medical services provided by professionals legally authorized to practice their respective professions. (c) Nursing Care: The cost of the services for nurses with a nursing degree or a license to practice. (d) Ambulance Service: Reasonable expenses incurred for the use of an ambulance when required. (e) Funeral Expenses. Funeral expenses incurred to a maximum of 25% of the amount insured per occupant as specified on the face of this policy, which expenses shall be paid upon submission of proof of such. Irrespective of the number of injured occupants, the maximum liability of the Company under this section shall be the amount specified on the face of this policy under the provision "all occupants" and/or "per accident". In the event that the number of injured occupants exceeds the quotient of the limit of liability for "all occupants" and/or "per accident" divided by the limit of liability for "each occupant" and/or "per person", then the limit of liability for each occupant shall be reduced proportionately. The Company will pay the above-mentioned expenses until the limit of liability for each occupant has been reached. The obligation of the company shall automatically cease when the effects of the injury have disappeared, either through the recovery of the patient or the death of the same, or after a maximum one year period from the date of the occurrence.

## **General Conditions**

- EXCLUSIONS. In no event shall this insurance cover:** A) CIVIL LIABILITY FOR THE DEATH OF OR BODILY INJURY SUSTAINED BY THE DRIVER OF THE INSURED VEHICLE OR ANY OTHER OCCUPANT THEREOF, EXCEPT FOR MEDICAL EXPENSES COVERED IN SECTION 5 OF THIS POLICY. Moreover, this insurance shall not cover liability resulting from intentional conduct attributable to the insured or the driver of the insured vehicle. B) Civil liability for death of or bodily injury sustained by relatives or members of the household of the insured or persons who are in his employ. C) Unless legal service is shown on the face of this policy, legal fees, including attorney's fees, and expenses for the defense of the insured vehicle arising from civil or criminal proceedings resulting from any occurrence or the cost of bail, fines, or assessments of any kind, as well as sanctions and any other obligations other than the repair of damages. D) Loss or damage sustained or caused in the operation of the insured vehicle off conventional roads or on conventional roads that are not in good driving condition. E) Loss or damage sustained or caused in the course of participation by the insured vehicle in a race or any other contest of speed or resistance. F) Damages sustained or caused by the insured vehicle when it is being used for the purpose of driving/operating instruction or teaching. G) Damages sustained or caused by the insured vehicle when it is being used to tow vehicles, trailers or vessels, unless expressly set forth on the face of this policy or if the vehicle, vessel or trailer is insured hereunder. H) Damages sustained or caused by the insured vehicle while being driven by a person lacking a driver's license issued by the proper legal authorities, OR WHILE BEING DRIVEN BY A PERSON UNDER THE INFLUENCE OF ALCOHOL OR DRUGS, PROVIDED SUCH CIRCUMSTANCE IS A CONTRIBUTING CAUSE TO THE ACCIDENT FROM WHICH THE PROPERTY DAMAGE, BODILY INJURY, AND/OR DEATH RESULTS. I) Unless the VIP endorsement is shown on the face of this policy, Theft of Parts or Accessories, unless as the direct result of Total Theft of the insured vehicle. J) Any indirect or consequential loss incurred by the insured or any occupant of the insured vehicle, plus any expenses resulting from said loss, including, but not limited to, lodging, meals, transportation, telephone calls, automobile rental, or the loss of use of the insured vehicle or other similar expenses. K) Damage suffered by the insured vehicle on account of lack or loss of oil in any component, lack or loss of water or as a result of improper maintenance. L) Mechanical breakdown or failure of any part of the insured vehicle unless directly caused by any of the perils/risks insured herein. M) Loss or damage due to natural wear or tear of the insured vehicle and the components thereof, including depreciation in value as a result of same. N) Loss or damage to the insured vehicle as a consequence of war-like operations whether arising out of foreign or civil war, insurrection, rebellion, expropriation, requisition, confiscation, seizure, or detention by the legally recognized authorities in the performance of their duties or for any other similar reason. Likewise, this insurance does not cover loss or damage caused to the insured vehicle when being used by or for any military service, with or without the consent of the insured. O) Any loss or damage caused by the normal action of tide, even when flooding occurs, as a consequence of the insured vehicle being exposed to the tide. P) Any damage suffered or caused by the insured vehicle due to overloading or subjecting it to excessive strain for its strength and/or capacity. Similarly, the Company shall not be liable for any damages caused to any viaducts, bridges, scales, or any other public thoroughfare and underground objects and installations due to vibrations or to the weight of the insured vehicle and its load.

**2. TRAILERS AND WATERCRAFT.** Trailers and watercraft shall be insured only if they are expressly stated on the face of this policy, designating the description of each, their respective value insured, and a corresponding premium paid.

For the purposes hereof: "Trailer" shall be construed to mean a house trailer or mobile home, which includes the fixed equipment attached thereto, excluding household articles and personal belongings. "Watercraft" shall be construed to mean the watercraft specified on the face of the policy, the power source or motor of the watercraft, and the platform or trailer on which the watercraft is transported, as a single unit. A trailer is covered under the same risks and duration contracted in the policy for the insured vehicle pulling it, even though the trailer may be unhitched from the insured vehicle and/or parked. Coverage for the insured watercraft is limited to when it is on the platform or trailer on which it is mounted AND ATTACHED to the insured vehicle for the same risks and duration contracted in the policy for the insured vehicle pulling it. The Company's responsibility ceases at the moment the watercraft, motor, and watercraft trailer are separated from the insured vehicle. This insurance shall not cover damages suffered or caused by the watercraft during the loading or unloading of it from its trailer or platform. Watercraft, Motors, and Trailers are subject to a separate deductible under Sections 1 and 2 of this policy. This insurance shall not cover expenses or damages resulting from injuries or death sustained within the watercraft, on the motor, or on the trailer stated on the face of this policy. The limits of liability under Sections 3 and 4 of this policy shall not be increased by virtue of the inclusion under this policy of watercraft, trailers, or units in tow.

**3. PRECAUTIONS IN THE EVENT OF ANY LOSS.** Upon the occurrence of an accident or loss, the insured shall take all proper precautions under the circumstances to prevent further damage. The insured shall not abandon the insured vehicle unless required to do so or by events beyond his/her reasonable control. Noncompliance with the foregoing shall result in the reduction of the amount payable under this policy to a lesser amount than what would have been payable had the insured complied with such obligation.

**4. DUTIES IN CASE OF THE OCCURRENCE OF AN ACCIDENT OR LOSS.** a) Upon the occurrence of an accident or loss the insured is obligated to immediately notify the Company as soon as he/she is made aware of the same except in the case where such notification is rendered impossible by events beyond his reasonable control. In any event, the insured must still notify the Company as soon as circumstances allow, and prior to leaving the Republic of Mexico. Noncompliance with the foregoing shall result in the reduction of the amount payable under this policy to a lesser amount than what would have been payable had the Company been promptly advised of the occurrence. b) Once the insured has given the Company notice of the occurrence, the Company shall make an appraisal and commence adjustment of damages within 3 business days from the time the insured placed the insured vehicle at the disposal of the Company or the insured vehicle is made available by release from the authorities. c) In the event the Company does not commence adjustment of damages within 3 business days as provided above, the insured shall have the right to proceed with reasonable repairs to the insured vehicle and shall have the right to demand payment for said repairs from the Company pursuant to the terms of this policy. d) Upon obtaining the estimate for repair, making the adjustment, and accepting its vicarious responsibility for the loss, the Company shall pay the insured the amount of the damages less applicable deductibles. e) Unless the Company has not commenced the adjustment within the period of 3 business days as provided in paragraph b) of this clause, the Company shall not be liable for the damages suffered or caused by the insured vehicle if the repairs to such were initiated without the previous written consent of the Company, as such would prevent the Company from knowing the extent of the loss and the facts and circumstances which caused or influenced the occurrence. f) In the event of theft or any other criminal act which may give rise to coverage under the provisions of this policy, the insured shall immediately advise proper Mexican authorities and shall cooperate with the Company in order to recover the insured vehicle or the amount of damages suffered. In the event of theft or other criminal act which may be covered under this policy, the Company shall be liable, or shall reject liability, within 30 days following the date on which all necessary documentation regarding such event has been received. g) If requested, the insured shall provide to the Company a power of attorney in favor of the Company or its appointee, who on behalf of the insured, shall conduct all proceedings for the settlement of any claim, or shall conduct for the Company or for the insured any action on any claim against a third party. The Company shall have the right to conduct the proceedings and to make any settlement of any claim, with or without the consent of the insured, and the insured shall furnish all necessary documents, information, and/or assistance. h) Any assistance rendered to the insured or to third parties by the Company or by its representatives shall not be constructed as an acceptance of fault or liability by the Company.

**5. LIMIT OF LIABILITY UNDER SECTIONS 1 AND 2.** The liability of the Company under Sections 1 and 2 of this policy shall not exceed the actual amount of the damage caused on the date of the occurrence to the components of the insured vehicle including the reasonable cost of repair thereof. Under no circumstances shall the liability exceed the insured amount as provided on the face page of this policy. In the event of **TOTAL LOSS OR TOTAL THEFT** of the insured vehicle, the Company shall have the option of replacing it to the satisfaction of the insured or effecting a cash settlement for the actual cash value of the insured vehicle, on the date of the loss, not exceeding the insured amount in force. In any total loss settlement, the vehicle must be delivered to the company in Mexico as well as all the documental formalities for the transfer of ownership. Upon payment of the claim, as provided, the Company shall have no other obligation. The insurance shall be automatically terminated and the insured shall surrender the policy to the Company unless the insured buys back the coverage by insuring a replacement vehicle or towed unit for an additional premium OR retains the salvage and the policy becomes Liability Only. In the event the insured vehicle suffers damage, the repair of which requires replacement of parts not readily available in the market, the obligation of the Company shall be to pay to the insured the reasonable current list price of such parts as published by automobile dealerships, plus reasonable labor costs for the installation of such parts, as mutually agreed upon by the Company and the insured, or, lacking such an agreement, to be determined by a recognized specialist.

**6. LOSS OF RIGHT TO COVERAGE.** Without prejudice to each and every other exclusion as stated herein, if a claim presented by the insured is determined by the Company to be erroneous, fraudulent, deceptive, in bad faith, or intended to make the Company make payment in error or under pretense, the insured shall lose all rights to coverage under all specifications of this policy.

**7. OBLIGATION TO NOTIFY COMPANY OF THE EXISTENCE OF OTHER INSURANCE.** The insured has the obligation to immediately notify to the Company, in writing, of the existence of other insurance contracted with any other Company on the insured vehicle, indicating the name of the insured, the name of the insurer, the policy number, and the amount of such insurance. In the event of the existence of one or more other insurance policies covering the same loss, the Company shall pay that proportion of the loss that its limit of liability bears to the total of all applicable policy limits.

**8. SUBROGATION.** In the event of any settlement payment under this policy to the insured or lienholder of the insured's property, the Company shall subrogate and assume the insured's rights of recovery against any parties responsible for the loss. If the Company so requires, the insured shall confirm such subrogation rights in writing. If subrogation is hindered due to any act or omission on the part of the insured, the Company shall have no obligations to make settlement payment for the amount claimed hereunder. If the damage suffered by the insured was only partially indemnified by the Company, the insured and the Company agree to exercise their rights against any parties responsible for the damage and seek restitution for their respective corresponding proportions.

**9. SALVAGE.** It is expressly agreed that in the event the Company pays a total loss for the insured vehicle and/or insured towed unit(s), any salvage or recovery of the insured vehicle and/or insured towed unit(s) shall be the property of the Company and the insured shall transfer ownership of the insured vehicle and/or insured towed unit(s) to the Company in Mexico by execution and transfer of the necessary documents of title and registration.

**10. REDUCTION OF THE INSURED SECTION 1 and SECTION 2 AMOUNTS.** After any claim payment or settlement that is equal or greater to half of the insured unit commercial value, the material damage and theft coverage will be consumed as the unit value will be considered salvage by the Company. If the owner preserves the salvage rights of the respective insured unit, only liability coverage will be applicable for the remainder of the insurance contract and future contracts. An endorsement stating \$0 insured unit value liability only may be issued for the rest of the validity period of the insurance contract.

**11. PREMIUM PAYMENT.** The premium is due and payable upon the issuance of the policy and shall be paid against a premium receipt issued or the policy which is the contract of insurance. The minimum cost for the issuance of this contract of insurance shall be the \$40 or \$15 policy fee. If this contract of insurance is cancelled within the first 30 days of the policy term, there is a minimum cancellation charge of 10% of the total premium plus the \$40 or \$15 policy fee and the insurance industry daily rates are used to determine a cancellation credit. THE POLICY PREMIUM IS TOTALLY EARNED AFTER 30 DAYS. There is no refund due after the first 30 days of the effective date of the policy.

**12. PRIOR TERMINATION OF THE CONTRACT.** Notwithstanding the term of this policy as specified on the face page, the parties agree that either party may terminate it before the expiration date. If the Company terminates the insurance contract, it shall refund the unearned premium.

**13. JURISDICTION.** In the event of a dispute between the Company and the Insured, the complaining party shall appear before the National Banking and Insurance Commission at its main office or at a branch office under the terms of Article 135 of the General Law of Insurance Institutions. If said organization is not designated as the arbitrator, the complaining party may appear before the proper court within the Republic of Mexico.

**14. STATUTE OF LIMITATIONS.** All claims under this policy must be submitted within two years from the date of the occurrence giving rise thereto pursuant to the terms of Article 81 of the Law for Insurance Contracts, with the exception of the cases stipulated in Article 82 of the same Law. The statute of limitations shall be interrupted not only by ordinary cause, but also by the appointment of an expert or through the commencement of the process set forth in Article 135 of the General Law of Insurance Institutions.

**15. LANGUAGE.** The English text of the policy and all supporting documents is a courtesy translation. The Spanish text contains the official conditions of this contract and, in the event of any conflict or discrepancy, the Spanish policy wording (text) shall control and/or prevail. LA PRESENTE ES UNA TRADUCCION LIBRE DE CORTESIA, LA POLIZA EN CASTELLANO (ESPAÑOL) PARA CUALQUIER ASUNTO LEGAL O INTERPRETACION, TIENE PRELACION SOBRE EL TEXTO ANTES REFERIDO.

**16. ARTICLE 25 OF LAW GOVERNING INSURANCE CONTRACTS.** If the content of this policy or its modifications does not agree with the offer, the insured may request a correction thereto within thirty days following the day on which the policy was received. After this thirty day period has elapsed, the stipulations of the policy or its modifications shall be considered as accepted.

Use **Master Policy number 0910017137**  
when reporting a claim to the Quálitas  
claim hotline



**Immediately after the occurrence of an accident, The Insured must contact the Quálitas claim hotline and the AUSA claim hotline.** Do not enter into agreements or arrangements with the other party until the Quálitas or GRUPO AUSA adjustor is present. **HOTLINE NUMBERS MUST BE CALLED FROM EITHER A MEXICAN LAND LINE or CELLULAR PHONE WITH INTERNATIONAL SERVICE** and may be called 24 hours a day, 7 days a week. If calling from a **Mexican Land Line – PLEASE CALL THE QUALITAS CLAIM HOTLINE** by dialing: **01 (800) 800-2880 or 01 (800) 288-6700 or 01 (800) 004-9600. PLEASE CALL THE AUSA HOTLINE** by dialing: **01 (800) 262-6911.** If calling from a **CELLULAR PHONE WITH INTERNATIONAL SERVICE – PLEASE CALL THE QUALITAS CLAIM HOTLINE** by dialing: **(55) 5258-2880,** and **PLEASE CALL THE AUSA HOTLINE** by dialing: **(55) 5061-6255.**

After reporting your claim, contact the Tijuana Quálitas Mexican Tourist Auto Insurance for status

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Tijuana Quálitas Telephone **011 52 (664) 634-2781 or 011 52 (664) 634-1446** FAX **011 52 (664) 634-6872**