

# Multiple Coverage Policy General Conditions

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**HDI SEGUROS, S.A. DE C.V.**, herein called “The Company”, according to the Particular Conditions, the Special Conditions and the General Conditions of the Insurance **PROTEGEN EMPRESA**, as well as the declarations made by the party requesting this insurance (herein called the Insured) and that constitute the base of this Contract, grants the physical or moral person indicated in the cover of this Policy, cover of the properties and against the risks mentioned below, as long as they appear as covered in this Policy Cover.

The Particular Conditions of the Policy prevail over the General Conditions and the Special Conditions of the Policy

## **FIRST PART. COVERED PROPERTIES AND RISKS**

### **SECTIONS I FIRE OF BUILDING AND/OR FIRE OF CONTENTS**

#### **COVERED PROPERTIES**

Without exceeding the Sum Insured contracted for the Section, the properties mentioned below are considered covered, only when specified in the Policy and/or in the Specification and/or in the Items Certificate and a Sum Insured is assigned.

#### **SECTION I. FIRE BUILDING**

Without exceeding the Sum Insured contracted for this Section, all the material constructions, main and accessories, including their fixed installations for the supply of water, gas, electricity, sanitation, heat and refrigeration, satellite or radio antennas of particular use, towers, chimneys, sunshades, canvas and other fixed installations necessary for the business activities of the Insured, as long as they are not specifically excluded.

#### **PROPERTIES EXCLUDED BUT THAT CAN BE COVERED UNDER EXPRESS AGREEMENT IN SECTION I:**

**Through payment of an additional premium, the following properties can be covered:**

- a) Foundation and base of the construction that are under the ground level.**
- b) Buildings that by their own nature, do not require walls, doors and Windows.**
- c) Fence, contention wall, streets, sidewalks, gardens, pools, outdoor patios, outdoor stairs, posts and any other construction separated of the buildings covered by the Policy**

#### **SECTION II. FIRE CONTENTS**

Without exceeding the Sum Insured contracted for this Section, the furniture, materials, product and equipment related to the insured business is covered, as well as all the properties of the Insured or those that are under his care property of third parties and for those that he is legally responsible, that are Located in the address indicated in the Policy specification, as long as they are not indicated as excluded.

#### **EXCLUDED PROPERTIES WHICH CAN BE INSURED UNDER AN EXPRESS AGREEMENT:**

Under payment of additional Premium the following properties can be insured:

- a) Art pieces, objects that are difficult or impossible to replace, which unit or set value be higher than the equivalent to 500 days of minimum Salary in force in the D. F.
- b) Gold and Silver Ingots, precious jewels and stones.
- c) Written documents, plans, sketches, drawings, patrons, models or molds.
- d) Properties contained in refrigerating plants or refrigerating devices, due to change of temperature.
- e) Properties contained in incubating plants due to change of temperature.
- f) Animals

## **BASIC COVER**

Damage caused directly to the insured properties with limit in the Sum Insured and that occur within the policy period for:

Fire and/or direct lightning impact, as well as the expenses to extinguish the fire.

## **SECTION II EXCLUDED RISKS WHICH CAN BE INSURED UNDER AN EXPRESS AGREEMENT**

The following risks will be insured only when specified in the Policy cover and/or in the Specification and /or in the Items Certificate up to the same Sum Insured for the Sections I and/or II against the following risks:

### **1.-COVER EXTENSION**

#### **COVERED RISKS:**

- Explosion if it occurs within or outside the insured premises and that it may damage the insured properties
- Strikers, persons that participate in shutdowns, labor disturbances, riots or popular rampage, or by persons with bad intention during the performance of such actions, or caused by the repression measurements conducted by the Authorities.
- Vandalism and damage for actions conducted by persons with bad intentions (actions conducted by persons out of the cases of strike, popular rampage or civil commotion that intentionally cause physical damage to the insured properties).
- Collision of aircrafts or objects that fall from aircrafts.
- Collision of motorized vehicles.
- Damage or losses caused by collision of aircrafts and vehicles property of the Insured at their service or at the service of tenants.
- Smoke smut.
- Accidental rupture or filtrations of pipelines or water or steam supplying systems, located within the limits of the premises mentioned in the policy specifications or cover page.
- Accidental discharges or water or steam spillage, coming from domestic devices or equipment, including refrigeration, air conditioning, or heat systems.
- Fall of trees or parts of the tree.
- Fall of satellite antennas, radio antennas or ads.

#### **EXCLUDED RISKS THAT CANNOT BE COVERED IN THE COVER EXTENSION FOR THE EXPLOSION COVER.**

- a) Damage or losses that for their own explosion suffer boilers, tanks, devices or any other container that is normally subject to pressure or vacuum.



b) Damage or losses caused by strikers or persons that participate in street disturbances, popular rampage, civil commotion and vandalism.

FOR THE COVER OF AIR CRAFTS, VEHICLES AND SMOKE.

a) Smoke or Soot generated within the building, unless it is originated as consequence of fire.

FOR THE COVER OF STRIKES, POPULAR RAMPAGE, CIVIL COMMOTION, VANDALISM AND DAMAGE CAUSED BY PERSONS WITH BAD INTENTIONS.

a) Robbery or damage caused by the Insured's personnel by third parties, during the performance of such actions.

b) Depreciation, delay or loss of market.

c) Lack, shortage, work, fuel or energy reduction or any type or nature.

d) Change of temperature or humidity

e) Consequential damage resulting from the actions referred in this cover.

f) Explosion, rupture or burst of boilers, machines and steam pipelines.

g) Rotation parts of machinery or machinery property of the Insured or operated or controlled by the Insured.

## **2.-SPILLAGE OF FIRE FIGHTING EQUIPMENT COVERED RISKS**

The properties covered are also insured against material damage or losses caused directly by the accidental spillage of:

- Automatic sprinklers.

- Tanks, water pipelines, hydrants, extinguishers and any other equipment that is part of the firefighting equipment.

The Insured is obliged to keep in perfect condition all the firefighting installations and equipment, and will notify in case of making any modification whether in the own firefighting system or in the risk in general.

## **3.-SPONTANEOUS COMBUSTION COVERED RISKS**

The insured properties are also covered against the direct physical damage or losses caused by such combustion produced by a natural phenomenon biochemical order, that originate carbon residues, without the previous application of an inflamed body.

## **EXCLUDED RISKS THAT CANNOT BE COVERED UNDER THE SPONTANEOUS COMBUSTION COVER.**

The Insurance Company shall not under any circumstances be liable for losses or damage caused by:

a) Perish nature of the properties

b) Own vice.

## **4.-SPILLAGE OF MELTED MATERIALS COVERED RISKS**

The properties insured are also covered against the direct physical damage or losses caused by the combustion produced by the spillage of melted materials, for the loss of the same, due to their solidification due to the cooling of the containers.

## EXCLUDED RISKS THAT CANNOT BE INSURED UNDER THE MELTED MATERIAL SPILLAGE COVER

The Insurance Company shall not under any circumstance be liable for the losses or damage caused by:

- a) Solidification of the materials in melting furnaces or melting pots.

## 5.-HYDRO METEOROLOGICAL PHENOMENON COVERED RISKS:

Based on the general and special conditions of the policy to which this endorsement is attached and with limit in the contracted sum insured, the material properties of the insurance are covered, against material losses or damage caused directly by mud avalanche, hail, frost, hurricane, flood, rain flood, sea impact, high tide, snow and stormy winds.

For the effects of the present policy, the following terms are defined as follows:

- a) **Mud avalanche:** Mud movement caused by rain or flood.
- b) **Hail:** Atmospheric precipitation of water falling with force with the shape of hard and compact ice crystals. Under this concept the damage caused by the obstruction of the hydro sanitary network and in the drain system located within the insured premises and in the rain downspouts due to the accumulation of hail, is also covered.
- c) **Frost-Weather:** phenomenon consisting on the unexpected decline of the temperature to levels equal or below freezing point of the water in the occurrence location.
- d) **Hurricane:** Flow of great magnitude of water and air, moving in circle trajectory around a low pressure center, over the sea or ground surface with peripheral speed of direct impact winds equal or faster than 118 km per hour that was identified as such by the National Meteorological Service.
- e) **Flood:** The temporary accidental covering of the ground by water, as a consequence of deviation, overflow or rupture of the contention walls of rivers, Canals, lakes, dams, ponds and other deposits or water currents, natural or artificial.
- f) **Rain Flood:** The temporary accidental covering of the ground by rain water as a consequence of the unusual and fast accumulation or flow of water originated by extraordinary rain that fulfill the following characteristics:
- that the rain reach at least 85% of the average indicated by the maximum of the zone of occurrence, in the last ten years, according to the procedure published by the Asociación Mexicana de Instituciones de Seguros (A.M.I.S.), measured in the closest meteorological season, certified by the National Meteorological Service of the Water National Commission or that the insured properties are within a flooded zone that it had covered at least one hectare.
- g) **High Tide:** Alteration of the sea that occurs with an elevation of its level due to a meteorological depression or perturbation which combines a reduction of the atmospheric depression and a cutting force over the sea surface produced by the wind.
- h) **Sea impact or tsunami:** Water Damage caused by the violent agitation of the sea water due to a movement in the bottom, that raises the sea level and reaches the coast originating floods.
- i) **Snow:** Precipitation of ice crystals with flakes form.
- j) **Stormy winds:** Winds that reach at least the category of tropical depression, tornado, degree 8 according to the Beaufort scale (62 km per hour) according to the National Meteorological Service or the records acknowledged by this.

The applicable coverage will be the one that originates immediately the direct damage to the insured properties, independently of the meteorological phenomenon that originates it

## EXCLUDED PROPERTIES THAT CAN BE INSURED UNDER AN EXPRESS AGREEMENT.

The properties indicated below are excluded from the cover and can only be insured under an express agreement between the Insured and the Company, establishing separated sums insured as sub-limit and through the charge of a corresponding additional Premium. The Company will provide a written document for this.

1. Finished buildings that lack roofs, walls, doors or windows totally or partially, as long as such buildings were designed and/or constructed to operate under those circumstances, according to the construction rules of the zone in force on the construction date.
2. Fixed machinery and/or equipment and their installations that are totally or partially outdoors or that are within the buildings that lack roofs, walls, doors or windows totally or partially, as long as such buildings were designed and/or constructed to operate under those conditions and that are properly anchored.
3. Fixed properties different to machinery that due to their own nature are outdoors, understanding as those that are outside buildings or inside buildings that lack roofs, walls, doors or windows totally or partially, such as:
  - a) Pools.
  - b) Ads and inscriptions.
  - c) Roads, promenades, streets, patios inside the insured premises.
  - d) Decorative elements of the outdoor areas.
  - e) Installations and/or sport courts.
  - f) Luminaires.
  - g) Armed concrete contention walls fences, gates and/or perimeter mesh and their doors.
  - h) Huts and pergolas.
  - i) Irrigation systems, including their pipeline networks.
  - j) Towers and transmission and/or reception antennas.
  - k) Tanks or metallic silos of plastic materials.
4. Mobile properties or the portion of the non-mobile in basements or semi basements, considering as such: any place where the total walls or perimeter walls are under the total or partial natural ground level.

## **GENERAL EXCLUSIONS.**

**All the items of the Hydro meteorological Risks Cover are applicable**

### **1. Excluded Properties.**

**This Company will not be liable under any circumstance for loss or damage to:**

- a) **Outdoor mobile properties.**
- b) **Finished buildings that due to the nature of their occupation lack roofs, walls, doors or windows totally or partially, as long as such buildings were designed and/or constructed to operate under those circumstances, according to the construction rules of the zone in force by the construction date. This exclusion also applies to the contents of this building.**
- c) **Contents and stock of the properties mentioned in the 2nd Clause, item 1, as long as the buildings are destroyed or damaged in their roofs, walls, doors or Windows due to the direct action of the risks covered by this Endorsement, that may cause openings or cracks through which the water, hail, mud, wind or snow penetrate. This exclusion applies for damage that was caused for the flood or rain flood risks.**
- d) **Stand cultivation plots, plants, trees, Woods grass, and gardens.**
- e) **Buildings constructions with walls, and/or roofs with plastic and/or textile canvas.**
- f) **Animals.**
- g) **Stagnant water, current water, rivers, ground water.**
- h) **Lands, including surface, fillings, drain, sewers.**
- i) **Dykes, breakwaters, rock fill, natural deposits, Canals, Wells, tunnels, bridges, floating equipment, floating installations.**
- j) **Underground installations and foundations.**

- k) Docks and/or any type of property that is totally or partially over or under water.
- l) Damage to the beach and/or loss of beach
- m) Golf course.
- n) Transmission and/or distribution lines
- o) Buildings in demolition process
- p) Buildings under construction by the time the policy was contracted.
- q) Buildings under repair or reconstruction process, when the roofs, walls, doors and Windows are not complete.
- r) All property located between the contention wall closest to the beach or coast and the waves limit, or the properties located within the federal zone whatever is lower.
- s) Contention walls made with materials different to the armed concrete.
- t) Properties located in zones considered by the Civil Protection General Direction or their Regional Direction as having high risk of flood or mud avalanche.

## **2. Excluded Risks.**

**This Company will not be liable under any circumstance for loss or damage to:**

- a) **Wetness or humidity or consequences due to leakage:**
  - From groundwater or phreatic waters.
  - For deficiencies in the design or construction of ceilings, walls or floors.
  - For cracks or fractures foundations or retaining walls.
  - By misapplication or deficiencies of waterproofing materials.
  - Due to lack of maintenance.
  - For lack of ceilings, doors, windows or walls or openings therein, or construction deficiencies of them.
- b) **Wettings, wind, hail, snow or rain inside buildings or their contents unless they are caused by the fact that the buildings have been destroyed or damaged ceilings, walls, exterior doors or windows by the direct action of wind or water or snow or hail or the accumulation of these, causing cracks or openings through which they entered the water, hail, snow or wind. This exclusion does not apply to cases of flood or flooding rain.**
- c) **Corrosion, rust, erosion, mold, pests of all kinds and any other gradually as a result of environmental degradation and natural conditions.**
- d) **The receding water sewer and / or missing or insufficient drainage on the premises of the Insured.**
- e) **The natural course of the tide.**
- f) **Flood, rain or mud flows that are confined only to the locations where the client property are insured.**
- g) **Direct contamination by rainwater, unless physical harm occurred covered under this endorsement to the insured premises.**
- h) **Scour to buildings that are located in the first line of construction to the sea, unless they are protected by retaining walls with reinforced concrete foundations or protected by breakwaters with reinforced concrete tetrapods. An exception to this exclusion to buildings and their contents that are more than 50 meters from the line of breaking waves at high tide or more than 15 meters above sea level at high tide.**
- i) **Damage or predate the inception date of this insurance, whether or not that knowledge of the Insured losses.**
- j) **Loss or damage of any kind caused by faulty construction or design, or lack of maintenance of the subject property insurance.**

- k) **Damage caused by pollution, unless the goods covered suffer direct damage caused by covered perils, causing pollution to the goods covered. Neither will not cover losses or expenses caused by cleaning or decontamination of the environment (soil, groundwater, air or water).**
- l) **Any material or consequential damage resulting from the lack of water supply, electricity, gas or any raw materials or supplies even if the lack of supply is the result of a hydrometeorological event.**
- m) **Rapine, theft, disappearance, looting or theft that occur during or after a hydrometeorological event.**

## **HYDROMETEOROLOGICAL RISK DEDUCTIBLE**

Each claim for property damage caused by perils covered by this risk, or debris removal, if this coverage was hired, there will always be the responsibility of the insured equivalent to the percentage amount shown in the table below the value actual or replacement cost of the insured property as it has contracted in this policy.

<b>Zone</b>	<b>Deductible</b>	<b>Deductible for locations on the shore of an ocean, lake or lagoon or with glass walls or walls made of light materials or closed buildings with palm roofs */</b>
Alpha 1, Yucatan Peninsula	2%	5%
Alpha 2, South Pacific	2%	5%
Alpha 1 Gulf of Mexico	2%	5%
Alpha 1 Rest of Mexico	2%	2%
Alpha 2	1%	1%
Alpha 3	1%	1%

\*/also considers buildings closed with hard walls and palm, guano, shingle, Straw or grass roofs.

The deductible will be applied separately regarding each building and its contents. If the insurance includes two or more buildings or its contents, the deductible will apply separately to each of them.

When it consists on the properties insured under an express agreement, the applicable deductible will be 15% of the sum insured contracted for these properties in the affected location.

If by the time of contracting the insurance the Insured declared on time the properties insured under the express agreement, indicating the details of their value, the applicable deductible will be 15% over the declared value that the outdoor properties have all together.

In case they contracted consequential loss covers, the deductible indicated in the policy cover and/or cover specification will be applicable.

In case of having contracted the earthquake and hydro meteorological risks for the same location and if an event occurred that may cause direct damage that could be indemnified by the earthquake and sea impact, only one deductible will be applicable, the one of the risk whose stipulated deductible results higher.

## COINSURANCE OF HYDRO METEOROLOGICAL RISKS.

It is an indispensable condition to grant the present cover, that the Insured absorbs 10% of all compensable loss or damage that may occur to the properties Insured, and to the consequential losses and debris removal, if these covers were contracted.

For properties insured under an express agreement, the applicable coinsurance will be 20% of the loss amount compensable damage.

For the Sea impact cover, the Co-insurance will be the one indicated in the earthquake cover, according to the fee from the Asociación Mexicana de Instituciones de Seguros (A.M.I.S.).

These coinsurance are applicable after discounting the applicable deductibles.

## INTEGRATION OF CLAIM CAUSED FROM HYDRO METEOROLOGICAL EVENT

All losses originated by the risks covered and the properties covered are considered as only one loss, if they occur during one event that continues for a period up to 72 hours, starting when the damage begins to the insured properties for all risks indicated in Clause 1, except for flood, for which the period extends up to 168 hours. Any event that exceeds 72 consecutive hours for all the risks mentioned in Clause 1, or of 168 hours for flood, it will be considered as two or more events, taken in multiples of the limits indicated.

## ANTICIPATED TERMINATION OF CONTRACT

Notwithstanding the termination period of the contract, the parties agree that it can be terminated in advance with a written notification. When the Insured decides to terminate the contract, the Company will have the right to keep the premium that corresponds to the time of the insurance cover period that had been established, according to the insurance fee at short period (In percentage of the annual premium):

Period of time	Percentage of the annual premium
Up to 1 month	35%
Up to 2 month	50%
Up to 3 month	65%
Up to 4 month	80%
Up to 5 month	95%
More than 5 months	100%

When the Company may consider it terminated, they will present a notification to the Insured, and the termination of the insurance will become effective 15 days after receiving the corresponding notification.

The Company should refund the unearned Premium, when presenting such notification, without such request it will be considered not made.

## 6. EARTHQUAKE AND/OR VOLCANIC ERUPTION

### INSURED RISKS AND PROPERTY

The property insured under the terms of section I (fire-building) of this policy is also covered, for up to the limit of the sum insured, against direct material loss or damage caused by earthquake and/or volcanic eruption.

The damage covered under the terms of this endorsement which is caused by earthquake and/or volcanic eruption shall give rise to a separate claim for each such phenomenon. However, if more than one earthquake and/or volcanic eruption occurs during any consecutive period of 72 hours, encompassed within the policy period, this will be deemed to be a single loss and the damage caused will be included in a single claim.

Excluding the value of any improvements (whether required by the authorities or not) so as to provide for the greater stability of the affected building(s) or for any other purpose, beyond the repairs required to return the property to the same conditions as those which existed at the time of the loss.

### **EXCLUDED PROPERTY WHICH CAN BE INSURED UNDER AN EXPRESS AGREEMENT**

Unless there is an express agreement to the contrary, the company will not be liable for damage of the type insured under the terms of this endorsement, caused to:

- a) Foundations, swimming pools, fences, exterior patios, exterior stairways and any other constructions which are separate from the buildings or buildings or constructions which are expressly insured under the terms of the policy.
- b) Containment walls below the lowest floor level or independent containment walls.
- c) Consequential loss, in accordance with the terms of the corresponding endorsement.

### **EXCLUDED PROPERTY AND RISKS THAT CANNOT BE COVERED WITHIN THE EARTHQUAKE AND/OR VOLCANIC ERUPTION COVER**

The company will not, under any circumstances, be liable for damage of the type insured under the terms of this endorsement, caused:

- a) To land and soil.
- b) Any type of frescos or mural which for decorative or ornamental purposes are part of the insured building or constructions.
- c) Directly or indirectly, proximately or remotely by nuclear reaction, radiation or radioactive contamination, whether controlled or not, and whether or not as a consequence of earthquake and/or volcanic eruption.
- d) By tidal wave or flooding, even though caused by any of the risks covered under the terms of this insurance.
- e) By vibrations, natural movements of the subsoil which are unrelated to earthquake, such as sinkholes, displacement and normal settling which does not occur suddenly.

### **EXCLUSIONS FOR SECTIONS I AND/OR II CONTENTS FIRE AND ADDITIONAL RISKS**

**The Company will, under no circumstances, be liable for the loss of or damage to:**

- a) Machines, devices, accessories that are used to generate, transform or use normal electric current, or current variation of the system, regardless of the cause (internal or external)**
- b) Fermentation, own vice for any heating or drying procedure, change of temperature or humidity that the properties could have been submitted to.**
- c) Any types of titles, obligations or documents, postal or fiscal stamps, checks, letters, promissory notes, accounting books or other commerce books**
- d) Tapes, films, discs or any other magnetic registry.**
- e) Loss of information of programs contained in Electronic Equipment as well as the expenses incurred by the Insured for the search and/or reconstruction of the information.**
- f) Gradual damage, corresponding to the damage that occurs slowly as: Contamination, putrefaction, own vice, change of environmental temperature, humidity, dryness, corrosion,**

materials fatigue, deterioration, erosion, evaporation, visible defects, leaks, weight loss, waste, scratches, oxidation, shrinking and use wear.

- g) Damage caused by plagues and/or predators.
- h) Damage caused by groundwater, underground currents, or damage caused by siltation and /or lack of drain.
- i) Damage caused by design errors, or by process and/or manufacture errors, damage caused by defective materials, damage caused by tests and/or repair and/or maintenance and/or clean-up and/or restoration and/or alterations and/or modifications and/or service, unless that in any case a fire or explosion occurs.
- j) Damage caused for the settlement of the building and/or sinking of the building and/or collapse of the building and/or damage caused by contraction and/or expansion of: foundation and/or walls and/or floors and /or roofs, unless such loss or damage may result for the basic cover and/or the risks that were hired by express agreement.
- k) Damage caused for the solidification of the contents in melting containers, furnaces, Canals and pipelines.
- l) Damage caused for loss of market.
- m) Damage caused for the business interruption of the Insured and/or the loss of their profits, unless they had hired Section III Consequential Losses in any of their variations.
- n) Damage caused for lack of water, gas, electricity, fuel or energy supply.
- o) Mechanic, electric, electronic or electromechanic damage in machinery and equipment, as well as damage in machines, devices or accessories that are used to produce, transform or use electric currents, when such damage is caused directly to such machines for the same currents, whether natural or artificial.
- p) Natural illness or death of animals

## **FORMS OF INSURANCE FOR THE SECTIONS I AND/OR II**

Based on the General and Particular Conditions of the Policy, the Company grants the following Insurance Forms, as long as they are indicated in the Policy Specifications.

### **1.-DEDUCTIBLE AGREED FOR THE COVERS OF FIRE, LIGHTNING AND EXPLOSION**

When insured by express agreement and written in the Policy Specifications, it will be subject to the following: When requested by the Insured and according to this Clause, Section I and/or II of the Policy can be contracted with deductible, understanding as such, the amount that in case of compensable loss or damage, will be absorbed by the Insured.

The deductible will be applied according to the Sum Insured in force by the time of the loss occurrence, which appears in the policy cover, according to the Insured's request.

Also the insurance can be contracted by fire areas, which will be specified in an attachment for such effect.

The fire areas, are those installations that belonging to the same Insured premises, are separated among them for a distance of more than 15 meters, being of hard construction, of non-flammable materials, or of 30 meters distance in case it is not a hard construction and with combustible materials, or that they have, handle or process combustible materials, or that they have, handle, process or store flammable materials.



In each claim for material damage caused to the properties insured by this Policy to which this cover is added as consequence of fire and/or explosion, the deductible established will be applied over the Sum Insured of the Fire Area where the loss occurred.

However, to avoid that the Insured supports two or more deductibles, as consequence of only one loss, two or more fire areas are affected, the total deductible that the Insured will absorb, cannot exceed in absolute terms the highest deductible for a fire area within the same premises, even if such area was not affected by the loss.

The deductibles will be applied for every loss that occurs during the Policy Cover Period.

For outdoor properties, as consequence of only one loss, affecting two or more areas of fire the total deductible that the Insured will absorb, cannot exceed in absolute terms the highest deductible for a fire area within the same premises, even if such area was not affected by the loss.

The Insured is committed not to take additional insurances, covering properties quoted under the deductibles system, unless they are issued under the same base and conditions.

The infraction for the Insured, regarding what is stipulated in the previous paragraphs, could limit or terminate the liability of the Company, as a consequence being subject to what is stipulated in Item 52 of the Insurance Contract Law.

## 2.-AGREED COINSURANCE OF FIRE, LIGHTNING AND EXPLOSION

When insured by an express agreement and written in the Policy Specifications, it will be subject to the following:

1. The coinsurance system agreed, operates for all material properties and is applicable to the fire cover and additional risks contracted by the Insured, except hydro meteorological, earthquake and/or volcanic eruption risks, as well as to the consequential loss insurance, in any of their variations, cotton and oil risks and allows to cover the properties in a lower amount to their actual replacement value, as contracted.

The total Sum Insured results from multiplying the value at 100% of the properties for the coinsurance percentage selected by the Insured or determine the total maximum liability of the Company during the Policy Cover Period, in case the loss amount exceeds such Sum Insured, the difference will be absorbed by the Insured.

For the effects of this cover, the Insured is obliged to provide:

- a) The value at 100% of the properties at the beginning of the Policy cover period, as well as to inform the Company of any change in such value during the cover period, and establish it in the Policy.
- b) The coinsurance percentage selected and agreed.

For the effects of this cover, there will be no application of what was indicated in the Clauses: Errors or omissions, automatic cover for new items unknown, automatic cover for known items, properties subject to declaration (Guarantee Clause), resignation of inventories and compensation between items.

The value at 100% of the properties or insurable interests was fixed by the Insured and is not proof of the existence, nor of the value of the properties, therefore in case of a compensable loss, the 4th Clause "Indemnity Proportion" from the Sixth Part of these conditions will be applicable.

All indemnity that the Company pays will reduce in same amount the Sum Insured and could be re-installed upon the Insured's request, who will pay the corresponding Premium.

If the Policy comprehends various items, what is indicated here, will be applied for each one separately.

### 3.-ENDORSEMENT OF REPLACEMENT VALUE FOR FIXED ASSETS

When insured under express agreement and written in the Policy Specifications, it will be subject to the following:

**a) Cover Extent.**

Based on the general conditions of this policy and the particular additional covers, as well as the special covers of this endorsement, having more importance the last ones over the two previous ones, if opposed, the Company agrees in case of loss to cover the properties subject to this endorsement, which should be the same to the Replacement Value or as established further on.

In partial losses, consisting on machinery with various parts, the indemnity will be limited to the proportion that the part that suffered the damage has, related to the total replacement value of the property.

**b) Replacement Value Definition.**

The term Replacement Value means the sum that is required for the construction and/or replacement when it consists on non-mobile properties and/or purchase, installation or repair when it consists on machinery and/or equipment of the same class, quality, size and/or production capacity as the insured properties, without considering any deduction for physical depreciation, but including the cost of freights, custom rights, and assembly costs if any.

**c) Valuation of Properties.**

The requisition to contract this endorsement, the elaboration of an appraisal by an expert, made within the last year.

**d) Sum Insured.**

In any part where the term Sum Insured appears printed in the policy to which this endorsement is attached, it will be replaced for the Replacement Value, as defined in number 12 of this endorsement.

**e) Indemnifiable Proportion.**

In partial losses, if the sum insured of the indicated policy were lower than the replacement value at the time of the loss, Clause 4 of the General Conditions of the Policy will be applied.

**f) Procedure in case of Loss**

The Insured accepts that in case of loss and once the indemnity is agreed, the Company pays the amount of the properties based on their actual value, and regarding the difference of this value and the replacement value, it will be indemnified when the Insured proves that they incurred at least 50% of the cost of the construction, reconstruction and/or repair work, when referred to machinery.

**g) Exclusions.**

**The Company shall not be liable in any case under these Clauses:**

**I.I. For any additional expense derived from the need or desire of the Insured, of building or replacing the damaged properties in a different place they occupied when the loss occurred.**

**I.II. For any additional expense in excess of the replacement value motivated by laws or rules of construction, repair or replacement of the damaged properties.**

**I.III. For the damage or losses suffered by rare or art objects.**

**I.IV. For the difference between the Actual Value and the Replacement**

**Value in case of loss or damage, that affect properties that are permanently out of use or useless, or those that are not built or re-built, replaced or repaired whether of buildings or machinery and equipment.**

**I.V. For any amount higher than the Replacement Value of the damaged parts when the loss or damage affects one of those parts of the covered property.**

#### **4.-STOCK FOR DECLARATION**

When covered by express agreement and written in the Policy specifications, it will be subject to the following:

- A. Coverage granted exclusively to merchandise stock deposited in warehouses and /or wholesale storages, merchandise in outlay, as well as raw material stock, merchandise under elaboration process, elaborated and in general stock related to the Insured business, located in the locations described in the Policy.
- B. The declaration of the insurance amount will be monthly, and according to the case, over:
  - The average of daily balance, or
  - The stock in one pre-determined date.
  - If the Policy has several items, the declaration will be separated for each item.
- C. In case the monthly declaration is not made within the 60 days following the corresponding month, the Company will consider for the Premium adjustment, the maximum liability of the Policy of any of its items as declaration for that month.
- D. By the end of the contracted period, the declarations presented by the Insured, an average will be obtained and the result will be applied to the fee or fees established in the Policy in order to determine the earned Premium. Any difference between the paid Premium and the earned Premium, will result in favor of the Insured. If the Policy has various items, the estimate of the Premium will be over each item separately.
- E. The minimum Premium that will be earned by the Company under this insurance will be 37.5% of the annual Premium calculated over the maximum covered liability. If the Policy has various items, the minimum Premium will be retained by each item separately.
- F. When issuing this insurance, the Premium, will be the resulting Premium calculated over the maximum covered liability, or the corresponding premium for the contracted period when it consists on short term insurance; however if the Insured decides to pay the Premium in fractions, it will be subject to the specification in Clause 6 "Premiums" from the Sixth Part of these Conditions.
- G. The present cover can be terminated by any of the two parties at any moment, according to what is written in Clause 18, Anticipated termination of Contract" from the Sixth Part of these Conditions.
- H. If the Insured asks for the early termination of the Policy of any of its items, the return of the Premium will be subject to whether the Company retains the minimum Premium established in item "E". If the Company determines the termination of the cover, they will return all the earned Premium overlooking what is stipulated in such item.
- I. It is specifically agreed and understood that the Company will not be liable for a higher proportion of any loss, than the amount of the maximum liability established, regarding the actual value of the insured property, by the time the loss took place.

- J. The Company will not respond for a higher proportion of the loss than the one that exists between the value declared in the last periodical report received by the Company, before the occurrence of the loss, and the actual value that the insured property had by the date of the corresponding report, when the declared value results below the actual value.
- K. Notwithstanding indicated in contrary in Clause 10 “Reduction and Re-installation of Sum Insured” from the Sixth Part of these Conditions, the Company assumes the obligation to maintain his liability in force all the time up to the maximum sum specified in the Policy or in any of its items, and on the other hand, the Insured is obliged, in case of the occurrence of a loss that deserves indemnity under this cover, to pay the Company the Premium that corresponds for the remaining term of the Policy since the date of the loss up to the expiration of the insurance over the indemnified sum over the annual fee.
- L. This Premium will be considered earned, therefore it will not be considered in the final adjustment of the premiums.

## 5.-FLOATING INSURANCE

When insured by an express agreement and written in the Policy specifications, it will be subject to the following: It is understood as Floating insurance one who's Sum Insured covers merchandise contained in endorsement plus separated locations.

In case of a loss in any of the locations insured by this cover, the value of the merchandise contained in all the locations indicated in the Policy will be considered, for the effects of the application of Clause 4 “Indemnity Proportion” from the Sixth Part of the General Conditions of this Policy

## 6.-DIFFICULT OR IMPOSSIBLE OBJECTS REPLENISHMENT

When insured by an express agreement and written in the Policy specifications, it will be subject to the following: Through this Clause, it covers: Work of arts, antiques, collections or other objects difficult or impossible to replace, as long as it is based on a previous appraisal, pre-written made by an expert contracted by the Insured, and his appraisal should be incorporated to the policy.

For the effects of this cover, one of the following clauses should be included in the policy:

- A. For all type of insured except establishments dedicated to the purchase / sale of items:  
“It is understood and agreed, notwithstanding what is established in the general conditions of the policy, that the valuation of the objects difficult or impossible to replace covered by the policy, the inventory annexed to the policy has been taken as base, with a copy of the appraisal of each object conducted previously by the expert contracted by the Insured”.
- B. Regarding the insurance for establishments dedicated to the purchase / sale of items:  
“It is understood and agreed, notwithstanding what is established in the general conditions of the policy, that the valuation of the objects difficult or impossible to replace covered by the policy, the purchase value incurred by the Insured has been taken as base for each object, same that will be used as base for the payment of each covered claim, therefore the Insured is obliged to have a stock record that show the purchase value of each object and which inventory should be kept in a fire proof safe, as long as they don't make use of it.”

## 7.-PROPERTIES IN REFRIGERATING ROOMS OR DEVICES

When insured by an express agreement and it is written in the Policy specification, it will be subject to the following:

The insurance regarding properties in refrigerating rooms or devices could be extended to cover the damage that occurs from the change of temperature, as long as such change is produced by any of the risks covered by the policy that avoid the operation of the refrigerating devices.

The policies issued under this condition should include the following:

**CLAUSE.**

“This policy covers the damage suffered by the insured properties that occurs from the change of temperature, as long as such change is produced by any of the risks covered by the policy”.

## **8.-PROPERTIES IN INCUBATORS**

When insured by an express agreement and written in the Policy specification, it will be subject to the following:

The insurance regarding properties in incubators could extend to cover damage that occur from the breakdown of incubators, as long as such breakdown is produced by any of the risks covered by the policy.

The policies issued under this condition should have the following:

**CLAUSE.**

“The policy is extended to cover the damage that occurs from the breakdown of incubators, as long as such breakdown is produced by any of the risks covered by the policy.

## **9.-AUTOMATIC COVER FOR CONTRACTED ITEMS**

When insured by an express agreement and written in the Policy specification, it will be subject to the following:

Through this cover the Company covers automatically any increase of Sum Insured under the Policy, without exceeding the contracted amount and that is established in the cover page of this Policy, for one and more locations, whether such Sum Insured increase is produced for acquisition of other properties, purchased or acquired in lease by the Insured, for which he is legally responsible, as long as such properties are contained in the location mentioned in the Policy cover page.

In consideration of the obligation assumed by the Company to maintain his liability at all time as mentioned above, on the other hand, the Insured is committed to notify the Company within the 30 days following the date when the increase of the Sum Insured is produced, as well as to pay the corresponding Premium.

It is understood and agreed between the parties that this automatic cover will not be effective, when between the dates of the occurrence of a loss and the moment when the increase of the Sum Insured is produced, there is a period of more than 30 days that the Insured did not declare them.

This cover is not applicable to those properties subject to the cover “Stock in declaration”.

## **10.-AUTOMATIC COVER NEW ITEMS OR NOT CONTRACTED ITEMS**

When insured by an express agreement and written in the Policy specification, it will be subject to the following:

Through this coverage, all the purchase of properties incurred by the Insured are covered automatically, related to the operation of his business and located in locations not described in this Policy, without exceeding the Sum Insured contracted and established in this Policy, for one or more locations not mentioned in the same.

In consideration of the obligation assumed by the Company to maintain his liability at all time as mentioned above, on the other hand, the Insured is committed to notify the Company within the 30 days following the date when the increase of the Sum Insured is produced, as well as to pay the corresponding Premium.

It is understood and agreed between the parties that this automatic cover will not be effective, when between the dates of the occurrence of a loss and the moment when the increase of the Sum Insured is produced, there is a period of more than 30 days that the Insured did not declare them.

## 11.-COMPENSATION BETWEEN ITEMS

When insured by an express agreement and written in the Policy specification, it will be subject to the following:

The Company accepts, that in case of a compensable loss under the Sections I and/or II the Sums Insured for one location are compensated between them, therefore the base for the application of Clause 4 "Indemnifiable Proportion" from the Sixth Part of these conditions, will be the total of the Sum Insured contracted for such Sections.

## 12.-INSURANCE AT FIRST RISK

When insured by an express agreement and written in the Policy specification, it will be subject to the following: It is understood and agreed that the Policy will operate at first risk based on the following:

1. The system at first risk operates for all the material properties and is applicable to the covers of fire and additional risks contracted by the Insured, except earthquake and volcanic eruption, as well as to the insurance of consequential loss in any of its variations, cotton and oil risks and allows to cover the properties in an amount below its actual or replacement value.

For this cover to become effective the Insured is obliged to provide:

- a) The value at 100% of the properties at the beginning of the policy, as well as to inform the Company of any change on such value during the cover period and establish it in the Policy.
- b) The total Sum Insured at first risk, and in case
- c) The sub-limits at first risk, whether by type of property, location and/or maximum probable loss.

2. The Sum Insured at first risk determines the maximum liability of the Company during the Policy cover period: also, if the first risk is granted for two or more locations, the maximum liability of the Company will be limited by the declared value of each location.

3. As a consequence, the 4th Clause "Indemnifiable Proportion" from the Sixth Part of these General Conditions is modified, as follows:

The total replacement value of the properties covered and the Sum Insured Contracted at first risk, have been declared and fixed by the Insured, and they are not proof of the existence nor the value of the properties, they only represent the base to determine the maximum liability of the Company.

Therefore if by the occurrence of a loss, the properties have altogether a total replacement value higher than the value declared by the Insured, the Company will only respond proportionally to the damage caused.

For the effects of this cover, it will not be applicable what is indicated in the Clauses of: errors or omissions, automatic cover for known items, automatic cover for new items and not known, properties subject to declaration (Guarantee Clauses) resignation of inventories and compensation between items. Every indemnity that the Company pays will be the same as the Sum Insured and could be re-installed upon the Insured's request, who will pay the corresponding Premium.

If the Policy comprehends various items, what is indicated here, will be applicable for each of them separately.

### **13.-AUTOMATIC ADJUSTMENT OF SUM INSURED**

When insured by an express agreement and written in the Policy specification, it will be subject to the following: Considering that during the Policy cover period, the monetary value of the insured properties, could have increased due to a general increase of prices, the Company agrees to increase automatically every month the Sum Insured in the same proportion of the of the monthly percentage increase indicated by the Consumer Price National Index, published by Banco de Mexico in their concept "General Index", up to a maximum percentage determined by the Insured through all the cover period, indicated in the Policy Cover period.

#### **Premium**

The Premium of this cover is a deposit and is equivalent to 35% of the annual Premium, originated from the maximum increase stipulated by the Insured.

The adjustment of the deposit Premium will be conducted at the end of the insurance cover period, considering as earned Premium 35% of what corresponds to the actual percentage of the accumulated increase by the expiration date of the Policy or its cancellation and the difference, if any, what results between the deposit Premium and the earned Premium, will be returned or charged to the Insured, no later than 30 days after the date when the corresponding adjustment should be done.

If the payment is not made within the period indicated, the Company will be obliged to pay moratorium interests according to the Clause "Moratorium Interest" from the Sixth Part of these Conditions.

#### **Procedure in case of a loss.**

For the effects of an indemnity in case of a loss, the original amount contracted will be considered, plus the corresponding amount of the increase suffered by the actual value of the properties from the beginning of the policy period up to the occurrence of the loss.

The determined amount, will be the base for the effects of the 4th Clause "Indemnifiable Proportion" from the Sixth Part of these General Conditions.

### **SPECIAL CLAUSES APPLICABLE TO SECTIONS I AND II**

Based on the General and Particular Conditions of the Policy, the Company agrees to grant the following Special Clauses, as long as they are indicated in the Policy Specifications.

### **INVENTORIES RESIGNATION**

In order to accelerate the indemnity in case of a loss, the Company will not require the Insured any appraisal of the property, if the total covered claim under the risks specified in the Policy, does not exceed 10% of the Sum Insured for each Section covered by the Policy.

## **ERRORS AND OMISSIONS**

It is understood and agreed that any accidental error or omission

In the description of the insured properties, will not affect the Insured's interest, as it is the intention of this document to give protection at all time, without exceeding the limits established in the Policy, without considering any additional location or cover, therefore any error or accidental omission will be corrected when discovered and in case the error or omission deserve it, the corresponding adjustment of Premium will be conducted.

## **ASSESSMENTS**

This insurance will not lose validity if the insured properties are assessed by mortgage, garment or trust agreement or if a trial has been started or the sale has started or a sale contract conducted of all or any of the parts of the same or if the insured properties are built in lands that are not property of the Insured, or if the insured interest is conditioned or of no exclusive property. In case of loss, the Company will pay according to the insurable interest that the Insured supports, without payment prejudice that should be made to third parties that credit having some insurable interest according to the Law.

## **PERMIT**

A permit is granted to the Insured without time limit and without previous notice, of making additions, alteration and repairs to work at any time, interrupt work, to leave any location empty or vacant, in order to conduct any or to have stock or use all those items, materials, provisions and devices that could be needed for the normal operation of the business.

The Insured is obliged to proceed with the proper diligence to attenuate the risk or avoid its aggravation.

## **BOOKS AND RECORDS**

This insurance extends to cover the loss or damage to accounting books, drawings and other records, under the risks covered in the Policy Sections, but in no case it will exceed the cost of the books or any other blank material, plus the actual cost of the necessary work to write or copy such records, legal costs corresponding to plans, specifications and services related to the replacement or reconstruction of the properties insured by this Policy, as long as that together with the amount of the paid loss, it does not exceed the Sum Insured of the damaged property.

## **FEES FOR ARCHITECTS**

This insurance includes the fees for architects, engineers, surveyors and legal costs corresponding to plans, specifications and services related with the replacement or reconstruction of the insured properties under the risks covered in the Policy Sections, as long as together with the amount of the paid loss, it does not exceed the Sum Insured of the damaged property.

No expense related to the preparation of the Insured's claim is covered by this insurance.



## **AUTHORIZATION TO REPLACE, REBUILD OR REPAIR**

In case of a loss that deserves indemnity under the risks covered by the Sections of this Policy, the Insured could, with previous written notice to the Company, select from the replacement of the damaged properties or take possession of them to start immediately with the repair or reconstruction, whether in the same location where they are or somewhere else, in order to use them for other thing, understanding that they will use materials with the same quality, class, size and characteristics they had when the occurrence of the loss, without exceeding in any case the Sum Insured.

## **SALVAGE SALE**

In case of a loss that deserves indemnity under the risks covered by the Sections of this Policy, if the Company decides to take control of any merchandise that may result as salvage, they will not be able to take possession with the name and brand registered by the Insured, without the Insured's previous approval.

## **FIFTY METERS**

The properties insured are covered while being temporarily in loading and unloading operations on platforms, railroad carts, trucks or any other place, within the limits of the premises mentioned in the present Policy or at a 50 m distance from the same.

## **TRANSLATION**

For the legal interpretation of the conditions printed or written in this policy, the text in Spanish will prevail.

## **AUTOMATIC REINSTALLATION**

Every indemnity paid by the Company will reduce the Sum Insured automatically in any of the Sections of the Policy that are affected by the loss. However, the Company agrees to reinstall automatically the Sums Insured that were affected by the loss, through payment of the corresponding Premium.

## **PREFERRED PAYMENT**

In case of the occurrence of a loss covered by any Section of this Policy, the corresponding indemnity will be payable preferably in favor of the person assigned by the Insured and up to the corresponding interest.

## **SUBROGATION**

The Company will not make use of the subrogation right established in the 13th Clause of the General Conditions of the Policy, against any affiliated, subsidiary or dependent business of the Insured.

## **AUTHORITY ACTIONS**

In case of a loss occurring from any of the risks covered by the Policy, the direct damage caused to the insured properties for destructive actions conducted by orders of legal authorities, in order to avoid a conflagration or by fulfilling a humanitarian right.

## **CLAUSE FOR CINEMATOGRAPHIC FILMS**

When within the insured premises, there are cinematographic films, the liability of this Company, regarding the insured films, it is limited to the intrinsic value of the materials, and the expenses incurred in the confection, without considering the value that the Insured could estimate for the films, in case of by any means, the films were submitted to censure by the authorities and whose exhibition was forbidden, they will only be covered by this Policy during 20 counted days, from the date of the prohibition, unless if during that term they obtain the necessary permission to exhibit the film definitively.

## **CLAUSE FOR PROPERTIES LOCATED IN WOODS AND PRAIRIES**

When the Insured premises is adjacent with woods and/or prairies, the Insured is obliged to keep it at all time clean from forests, jungles, low hill and weeds, with a minimum space of 50 meters around the insured properties, diligence and readiness to the part of the insured properties that had been damaged or destroyed.

## **CLAUSE FOR THE USE OF FLAMMABLE PAINT AND VARNISH WITH AIR BRUSH**

When the Insured has in his process flammable varnish and/or paint, and considering that the fixed fees to cover the insured properties in this Policy have not been recharged, even when in their process they use flammable paint and varnish with air brush, the Insured is committed to fulfill his obligations, being understood that any change should be informed to the Company within the next 24 hours, in order to conduct the corresponding modifications.

## **CLAUSE FOR LAUNDRY, DRY CLEANING, TAILOR, AND HOTELS WITH LAUNDRY AND IRONING SERVICE**

When the main business of the Insured is laundry, dry cleaning, tailor and/or hotel with laundry and ironing service, in case of loss that affects the insured properties for the Section II of this Policy, the Company will only be liable for \$1,000.00 MxPs per garment, with a limit of \$10,000.00MxPs.per event and in the annual aggregate.

## **SUM INSURED SECTIONS I AND/OR II**

The Sum Insured is not a proof of the value of the properties, nor of the pre-existence of those, only limits the maximum liability of the Company in case of loss. Due to the above, it is the Insured's obligation to provide the Sum Insured for each Section according to the following parameters:

Except if agreed in opposite, the covered properties in this Policy could be insured according to the following:

### **1.-FOR FIXED ASSETS (BUILDING, MACHINERY AND OFFICE EQUIPMENT).**

#### **Actual Value**

The amount required at the moment of the loss for the construction, repair, installation or purchase of mobile or non-mobile properties for others of the same class, quality, size or capacity as the insured ones, deducting the

physical depreciation for use or obsolescence, but including the cost of freight, assembly expenses or installation and customs rights if any.

## **2.-FOR INVENTORIES (RAW MATERIAL, PRODUCT IN PROCESS, FINISHED PRODUCT, MERCHANDISE)**

Cost Price

- a) Raw Materials and Packing Material.- it is the cost in which the Insured purchases the raw material
- b) Products in Process and Finished Products.-It is the cost in which the Insured purchases the raw material plus the corresponding expenses for labor and inherent expenses for the elaboration and packing of the products, without including the expected profit for the sale of those.

## **SECTION III CONSEQUENTIAL LOSS**

Under this Section and upon the Insured's election, the following consequential losses resulting from the breakdown or interruption of operations of the Insured's Company, for the occurrence of any of the risks that are covered in Sections I and/or II as long as the following covers are indicated in the cover page and/or in the Policy specification:

### **A. - DEBRIS REMOVAL**

#### **DEBRIS RISKS**

Without exceeding the Sum Insured contracted for this Section, the Company will indemnify the necessary expenses incurred to remove the debris of the properties affected by a loss covered by this Policy, like demolition, clean-up or dragging, and the ones they have to be conducted to leave the insured properties in repair or reconstruction conditions.

#### **EXCLUSIONS FOR THE SECTION III DEBRIS REMOVAL**

- a) **When the debris removal is as consequence of the damage suffered by the insured properties due to risks different to the ones contracted in Sections I and/or II.**
- b) **When by authority order or Insured's decision and if the insured properties were not affected by any of the risks covered by the Policy.**
- c) **When the damage is conducted by any of the Risks excluded mentioned in the Second Part of the General Conditions of this Policy and the endorsements attached to it.**

#### **SUM INSURED. DEBRIS REMOVAL.**

The Sum Insured in this section operates at first risk, therefore the Insured is free to select the maximum amount to be contracted.

### **B. - EXTRAORDINARY EXPENSES**

#### **RISKS COVERED**

The Company will indemnify the Insured when they incur extra expenses in order to accelerate the repairs they have to conduct as a consequence of a loss covered by Sections I and/or II of this Policy, in order to continue with the normal operations of the insured company.

However, the indemnity will not exceed the reimbursement of the expenses effectively conducted, properly supported, without exceeding the sum insured specified for this cover in the policy cover page, up to a maximum restoration period of six months.

For the effects of this cover, the extraordinary expenses correspond to the difference between the total costs incurred by the Insured to maintain his business in operation after the loss, less the operation cost of his business in normal conditions.

## **PARTICULAR CONDITIONS FOR THIS SECTION**

This cover extends to cover the extraordinary expenses incurred by the Insured, without exceeding four consecutive weeks, when as direct result of the insured risks, the access to the premises is prohibited by order of the authorities.

It is a condition of this policy, that as soon as possible, after the occurrence of the loss, the Insured resumes totally or partially his business operations and reduces or avoids to the maximum, any extraordinary expense.

## **MAXIMUM LIABILITY**

The liability of the Company is terminated when any of the following events occur:

- a) After having indemnified the Insured for the total Sum Insured contracted for this Section.
- b) After passing a 6 month period, counting from the date of the occurrence of the loss or the destruction of the insured properties.
- c) After finishing the restoration period.

## **C. - MERCHANDISE INSURANCE AND/OR FINISHED PRODUCTS AT NET SALE PRICE**

### **COVERED RISKS**

The Company agrees that if the insured merchandise and/or finished products were destroyed or damaged by Fire or Lightning or the contracted Additional Risks that may occur during the policy cover period, they will indemnify the Insured the damaged properties at Net Sale Price, as indicated below:

For the effects of the damage repair, the present cover, covers the merchandise and/or finished products at Net Sale Price, defined below, in case the insured properties are destroyed due to the Risk of Fire or Lightning and Additional Risks contracted.

The declared Sum Insured represents the Net Sale Price, defined below, of the merchandise and/or finished products insured, in the contrary the 4th Clause of the General Conditions of the Policy will be applicable.

For indemnity effects regarding the present cover, the Insured grants the Company authorization to revise the accounting books.

## **DEFINITIONS:**

1. - NET SALE PRICE:

a) For the Manufacturer: The net sale Price for the wholesale dealer, which comprehends the profit for the product's sale.

b) For the Wholesale Distributor: The net sale Price to the retailer which comprehends the profit of the product's sale.

c) For the Retailer: The sale Price for the consumer, which is the profit expected from the product's sale.

In the three cases, we should discount taxes (I.V.A.), freights, dragging discounts, commissions and all expense not incurred by the Insured for not conducting the sale of the merchandise and/or finished product due to the loss.

2.-MERCHANDISE: Stock of properties not manufactured by the insured which they conserve for the sale.

3.-FINISHED PRODUCTS: Stock of products manufactured by the Insured, in the condition they must be to be packed, shipped or sold.

4.-VALUATION: It is understood that the Insured should fix the net sale Price for all merchandise covered by this policy, through the same valuation method.

## D.-LOSS OF RENTS

### COVERED RISKS

The Company will indemnify the damage suffered by the Insured, occurring from the rents they will not receive of the leased premises with contracts properly supported by the corresponding authorities, for being useless due to the occurrence of any of the risks covered in Section I, except the Hydro meteorological phenomenon and/or Earthquake and/or Volcanic Eruption.

It is understood that the indemnity period will be limited to the time required to repair properly, the premises described in the Policy.

The payment of the rents will cease when the tenant is reinstalled definitively in the address described in the Policy, or on the contrary, until he exhausts the contracted Sum Insured, without being limited by the termination of the Policy cover Period.

When the authorities prohibit access to the premises of which the rents insured, due to the damage caused to nearby buildings as a consequence of any of the risks covered by this Policy, the Company will grant the corresponding indemnity of a period of no more than 30 days of rent.

## E. - INCOMES REDUCTION DUE TO BUSINESS INTERRUPTION ACTIVITIES

### COVERED RISKS

The actual loss suffered by the Insured due to a business interruption as direct consequence of the destruction or damage caused by fire and/or lightning or the additional risks contracted in Sections I and/or II which support the direct material damage, except the Hydro Meteorological Phenomenon and/or Volcanic Eruption of the properties that constitute the insured business, up to the Sum Insured indicated in the cover page of this Policy.

However, the indemnity will not exceed from their "Incomes Reduction", less expenses and charges, which do not necessarily continue during the business interruption.

It also covers the expenses that need to be incurred in order to reduce the loss, but without exceeding the amount that had been reduced in effect.

Considering the fee applied to this Policy, the indemnity period covered by the same, in no case will exceed the number of contracted months.

The indemnity that the Company should pay for this insurance will be the incomes reduction that directly result from the business interruption, and only for that period which without exceeding from the contracted period, will be needed to rebuild, repair or replace with the proper diligence and promptness, the part of the insured properties that could have been damaged or destroyed.

Such period will start counting from the date of the loss and will not be limited by the expiration date of this cover. However, it is agreed and understood that the maximum indemnity of the Company will not exceed 100% of the actual loss suffered by the Insured. The indemnity will comprehend the normal expenses that should be incurred to resume the business activities, including the salaries that have to be paid for the business to operate normally again, with the same service quality they had before the occurrence of the loss.

The Insured should have insurances that cover the direct material damage that the property mentioned here could suffer by fire and/or lightning, whose total Sum Insured represents not less than 80% of the replacement value of the insured properties. Obliging to maintain such insurances in force without cancelling nor reducing them, while the cover period of this coverage lasts, and if necessary he will present the increase of the sum insured that will be required to maintain the amount within the minimum indicated; in case of the contrary, the Company could terminate the cover.

## **F. - LOSS OF PROFITS, SALARIES AND FIXED EXPENSES**

### **COVERED RISKS**

The loss of net profits, salaries and fixed expenses of the insured business, occurring from the operation of the buildings, structures, machinery, equipment and raw materials contained in them, as a consequence of the risks of fire and/or lightning or additional risks contracted in the Sections I and/or II, except the Hydro meteorological phenomenon and/or Earthquake and/or Volcanic Eruption, up to the Sum Insured indicated in the cover page of this Policy.

It also covers the expenses necessary to incur in order to reduce the loss, but without exceeding the amount that was reduced in effect.

Considering the fee applied to this Policy, the indemnity period covered by the same, in no case will exceed the number of contracted months.

If the business operations were interrupted due to the risks covered, the Company will be liable as mentioned below for the effective loss that the Insured may suffer during the indemnity contracted period, but without exceeding the amounts contracted for:

1. The loss or reduction of net profits of the business as a consequence of the business interruption, or the operations breakdown, caused by the loss.
2. The expenses that need to be incurred during a total or partial interruption of operations, but only in the measure that the business had produced to cover such expenses, if the loss had not occurred.
3. The salaries of the Insured's employees of the business covered by this Policy, as long as such salaries need to be paid during the total or partial business interruption, but only in the measure that the business had produced to cover such expenses, if the loss had not occurred

The Company will not be liable for any amount that had not been produced by the business, if the loss had not occurred. For that purpose, they should take into account the experience of the same business during the last financial year previous to the loss and the probable experience they could have, if it had not occurred.

The Insured should have insurances that cover the direct material damage that the property mentioned here could suffer by fire and/or lightning, whose total Sum Insured represents not less than 80% of the replacement value of the insured properties. Obliging to maintain such insurances in force without cancelling nor reducing them, while the cover period of this coverage lasts, and if necessary he will present the increase of the sum insured that will be required to maintain the amount within the minimum indicated; in case of the contrary, the Company could terminate the cover.

## **PARTICULAR CONDITIONS OF THIS COVER**

- a. Raw materials. - If the business interruption of the Insured was due to the destruction or damage of the raw materials due to fire and/or lightning, the Company's liability would be limited to the period during which the destroyed or damaged raw materials would have made possible the business operation.
- b. Products under elaboration process.-This cover, subject to all limits and conditions within the Sum Insured, will include, if necessary, the time required, using the proper diligence and activity but without exceeding of thirty consecutive work days, to replace, any product in elaboration process that could have been damaged or destroyed while being in the premises occupied by the Insured's business, to the same manufacture condition it had when the loss occurred.
- c. Supplementary equipment and materials.-In case of a loss, all supplementary machinery, parts, equipment, materials, accessories, raw materials and products in process of elaboration exceeding the reserve that are property of the Insured or that could be controlled and used by him, should be used to return the insured business, in proper conditions to continue or resume operations.
- d. Liability limit.-If the Policy has various items, the Company's liability will not exceed the Sum Insured of the affected item, without being able to compensate the Sum Insured of this, with the rest of the items, even though they cover the insured loss.

## **G. - GROSS PROFITS NOT CONDUCTED IN COMMERCIAL OR INDUSTRIAL BUSINESSES.**

### **COVERED RISKS**

The actual suffered loss, resulting from the business interruption, as a consequence of the performance of the Fire and/or Lightning Risks or the Additional Risks contracted in the Sections I and/or II that cover the direct damage, except the Hydro meteorological phenomenon and/or Earthquake and/or Volcanic Eruption, up to the Sum Insured indicated in the cover page of this Policy.

However, the indemnity will not exceed from the reduction in their "Gross Profits", less expenses and charges that do not necessarily continue during the business interruption.

It also covers the expenses that are necessary to incur, in order to reduce the loss, but without exceeding the amount that had been reduced in effect.

The Company will only be liable during the time that is necessary, from the date of the damage or destruction to reconstruct, repair, or replace the part of the property that was damaged or destroyed, until it resumes the normal operations of the business, with the same service quality that existed immediately before the loss, without being limited by the expiration date of this cover.

To determine the indemnity, the previous experience to the date of the loss will be considered and the probable experience that could have been obtained if the loss had not occurred.

If the business operations were interrupted due to the risks covered, the Company will be liable up to the maximum limit indicated the Policy cover page which has been established by the Insured and represents the percentage contracted of the Gross Profits of his business, for the twelve months following initial date of the cover period. In case of indemnity, the Company will reimburse the Insured 100% of the indemnifiable losses under this cover, with limit of the contracted Sum Insured.

The Company will only be liable for a proportion not higher than the Insured percentage of 100% of the Gross Profits that would have been obtained during the 12 months following the initial date of the covered period, if the loss had not occurred.

The Sum Insured should represent the percentage that is contracted over the annual amount of the "Gross Profits", and in case it is lower, the 4th Clause will be applied "Indemnifiable Proportion" of the General Conditions.

The Insured should have insurances that cover the direct material damage that the property mentioned here could suffer by fire and/or lightning, whose total Sum Insured represents not less than 80% of the replacement value of the insured properties. Obliging to maintain such insurances in force without cancelling nor reducing them, while the cover period of this coverage lasts, and if necessary he will present the increase of the sum insured that will be required to maintain the amount within the minimum indicated; in case of the contrary, the Company could terminate the cover.

## **H. - SALARIES, WAGES AND FIXED EXPENSES FOR EARTHQUAKE AND/OR VOLCANIC ERUPTION**

### **COVERED RISKS**

Covers the actual and effective loss of the salaries and/or fixed expenses in the business located in the address indicated in Sections I and /or II, originated from the interruption of operations for damage to the insured properties in such Sections for earthquake and volcanic eruption, up to the Sum Insured indicated in the Policy cover page.

This cover is issued with the understanding that the Sum Insured represents 100% of the annual amount of the salaries and/or fixed expenses, for which in the contrary the 4th Clause of the General Conditions of the Policy will be applicable.

In consideration of the applicable cover, the indemnity period covered by the same, in no case will exceed the number of months contracted.

If the business operations were interrupted due to the risks covered, the Company will be liable as indicated in the annexed specifications, for the effective loss suffered by the Insured during the contracted indemnity period, but without exceeding:



1. The expenses that need to be incurred during a total or partial interruption of operations, but only in the measure that the business had produced to cover such expenses, if the loss had not occurred.
2. The salaries of the Insured's employees of the business covered by this Policy, as long as such salaries need to be paid during the total or partial business interruption, but only in the measure that the business had produced to cover such expenses, if the loss had not occurred

The Company will not be liable for any amount that had not been produced by the business, if the loss had not occurred. For that purpose, they should take into consideration the experience of the same business during the last financial year previous to the loss and the probable experience there could be, if it had not occurred.

The Insured should have insurances that cover the direct material damage that the property mentioned here could suffer by fire and/or lightning, whose total Sum Insured represents 100% of the replacement value of the insured properties. Obliging to maintain such insurances in force without cancelling nor reducing them, while the cover period of this coverage lasts, and if necessary he will present the increase of the sum insured that will be required to maintain the amount within the minimum indicated; in case of the contrary, the Company could terminate the cover.

## **I. - SALARIES, WAGES AND FIXED EXPENSES FOR HYDRO METEOROLOGICAL RISKS**

### **COVERED RISKS**

Covers the actual and effective loss of the salaries and/or fixed expenses in the insured business, that necessarily continue being incurred, resulting directly from the business interruption as a consequence of the direct physical damage or the destruction of the insured properties due to risks covered under the Hydro meteorological phenomenon endorsement.

It also covers the expenses that are necessary to incur, in order to reduce the loss, but without exceeding the amount that had been reduced in effect.

The Insured has declared the annual amounts estimated for their concepts of salaries and fixed expenses, same that are indicated in the face cover and/or in the specifications cover, being understood and agreed that in case these are below those they had during the last 12 immediate months previous to the date of the loss, the 4th Clause will be applied "Indemnifiable Proportion" stipulated in the General Condition of the Policy.

Considering the fee applied to this Policy, the indemnity period covered by the same, in no case will exceed the number of contracted months.

Without exceeding the indemnity period stipulated, nor the maximum liability limits established in numbers 1 and 2 mentioned below, the Company will be liable only during the necessary time, from the date of the damage or destruction, to rebuild, repair or replace the part of the property that had been damaged or destroyed and that is insured by this Policy, until the normal operations of the business are resumed immediately after the loss.

Based on the General Conditions printed in this policy, to which this cover is attached, the Company agrees, if the property described in the policy were destroyed or damaged by any of the risks contracted in the direct damage policy under the endorsement Hydro meteorological Phenomenon, that may occur during the cover period of this policy and the business operations were interrupted due to a covered risk, this Company will be liable as mentioned below, for the effective loss that the Insured suffers during the indemnity period contracted for:

First. The fixed expenses that have to be incurred during a total or partial interruption of operations, but only in the measure that the business had produced to cover such expenses if the loss had not occurred, up to a maximum liability limit indicated in the cover or specifications of this Policy.

Second. The salaries or wages of the workers that provide service to the Insured, In his business covered by this policy, as long as such salaries or wages have to be paid during the total or partial interruption of the business, but only in the measure that the business had produced to cover such salaries if the loss had not occurred, up to a maximum liability limit indicated in the cover or specifications of this Policy.

As the objective of this cover is to indemnify the Insured for the damage that occurs from the interruption of their business, the Company will not be liable for any amount that had not been produced by the business if the loss had not occurred. For the determination of the indemnity, the previous experience from the date of the loss and the probable experience after the loss, will be considered, if this had not occurred.

## DEFINITIONS

The terms mentioned below have the following meanings:

1. Fixed Expenses.-The expenses that need to be incurred during a total or partial interruption of operations but only in the measure that the business had produced to cover such expenses if the loss had not occurred.

2. Maximum Liability Limits. - In singular or plural, the maximum sum(s) insured to be indemnified in case of a loss for the concepts of salaries, wages and fixed expenses, depending on the selected cover scheme, can be considered as independent values for a)expenses and b) salaries, or else be considered

as an only and combined limit in one value for these two concepts. The maximum liability limits in no case could be higher to the annual amount estimated for the concepts of salaries and fixed expenses.

3. Indemnity Period.-Is the period that starts from the date of the loss and within the cover period, and ends after the number of months stipulated in the cover period have passed, and within that same period when the business operations of the insured could be affected as a consequence of the referred loss and without being limited to the expiration of the cover term of this policy.

4. Salaries and Wages.-Economic remuneration for the work conducted by a person, established by a labor or service contract between the Insured and the worker(s), as well as the pre-established benefits whether by law related to the salaries or wages, as the social security fees, of the INFONAVIT, the SAR, etc. or also the one pre-established in the work collective contract.

5. Annual amount for the concepts of salaries, wages and fixed expenses. –The amount that the Insured has declared in the policy contract as reference value over the amounts that represent annually the salaries, wages and fixed expenses. Depending on the scheme of the contracted cover, they can be indicated as independent values for a) expenses and b) salaries and wages, or else as only one value for these two concepts.

## ADDITIONAL CONDITIONS

1. Interruption by Civil Authority: Within the contracted indemnity period, this cover insures the actual consequential loss without exceeding two consecutive weeks, when as direct result of the damage for the covered risks to the insured properties or in adjacent premises, the access to the premises had been prohibited by orders of Civil Authorities.

2. **Resume of Operations and Use of other Properties:** As soon as possible, after the occurrence of any loss, it is obligation of the Insured to resume totally or partially their business operation insured by this cover and use if necessary and possible, other premises or properties if by these means the loss covered by this policy could be reduced, and such reduction will be taken into consideration when determining the losses that would have to be paid according to this contract.
3. **Supplementary Materials and Equipment:** All supplementary machinery, parts, equipment, materials, accessories, raw material and products in elaboration process, exceeding the reserve, that are property of the Insured or that could be controlled and used by him, in case of a loss should be used to set his insured business by this cover in conditions to continue or resume operations.
4. **Additional Exclusions:** This Company will not be liable for any loss resulting by damage or destruction of finished products, nor for the necessary time to reproduce any finished product that could have been damaged or destroyed, nor for any loss that could be caused by any order or law that rules the construction or repair of buildings, nor for the suspension, expiration or cancellation of any lease contract or concession, contract, request or order, nor for any other consequential loss.
5. **Reduction of Insured Expenses:** The Insured has the obligation of reducing as much as possible the insured expenses during the indemnity period, in order to reduce the loss.
6. **Accounting Registry or Books:** For indemnity effects of the present cover, the Insured authorizes the company to revise the accounting registries or books, as well as the official documentation.
7. **Causes for Cover Cessation:** The obligation of Insurers regarding this cover of consequential losses will cease in the occurrence of any of the following situations:
  - If after a loss, the Insured will suspend voluntarily his business and will not resume it, this cover will be cancelled and the Company will return the undue premium from the Date of the Loss.
  - If the business is closed during a consecutive period of twenty or more days.
  - If the business is given to a liquidator or trustee, whether by judicial order, by creditors agreement or by the Insured's will.

## **DEDUCTIBLE**

In every claim caused by the risks insured by this cover, the Insured will always absorb an amount equivalent to the percentage or waiting days indicated in the cover page or cover specifications of the present policy.

## **COINSURANCE**

It is an indispensable condition that the Insured supports, by his own account, 10% of all the indemnifiable loss or damage that may occur from the consequential losses. This coinsurance is applied after discounting the applicable deductibles.

## **INSURED'S OBLIGATIONS**

It is stipulated that the Insured will have the following obligations for the effects of the present cover of consequential losses:

1. Have the insurance of physical damage due to hydro meteorological phenomenon that may allow him to repair and/or replace the direct material damage that the property described here could suffer to leave them in the

conditions they had before the occurrence of the loss obliging that during the cover period, they will keep such insurance in force, without cancelling nor reducing it, trying to make in every case, the increases required to keep it within the minimum indicated. In case of not fulfilling the above, the indemnity will be limited to the period in which the properties were repaired, in case the direct damage insurance existed.

2. Maintain in the regular course of their business from the initial date of this cover and ahead, a set of registries or books that show clearly and simple, a complete record of the operations conducted including all the purchases, sales and shipments, in cash as well as credit.

The term “complete record of the operations conducted” in the form used in the previous paragraph, has the intention of including in the mentioned set of books or registries, a complete list of all properties that are removed of such stock, whether by the Insured or by others even when they do not constitute technically purchases nor sales.

If the Insured’s business under this cover, were a touristic business, this “complete registry of operations conducted” should show all the reservations and operations conducted or use of services, including the costs generated by the loan of such services.

If the Insured’s business under this cover, were a manufacture type, this “complete registry of operations conducted” should show all the raw materials received and al the product manufactured with those, including the manufacture cost, and show the waste from the manufacture process and all the raw materials and manufactured products that are removed or taken from the described buildings.

3. Conserve and take care of all the books or records that at that moment his operated business is showing during the year on course and the immediate previous year.

The books and registries will be conserved by the Insured in a fire proof locked safe, during the night and at all time, while the building or buildings mentioned in the Policy are not opened effectively for businesses, or in case he does not have the above, the Insured will keep such books and registries in a safe place, not exposed to a hydro meteorological event that may destroy the mentioned building and in case a loss or a damage occurs to the properties insured by this policy, such books and registries should be handed by the Insured to the Company for their revision.

It is also agreed that the fact that the Company requests or receives such books or registries to examine them, will not constitute any liability, nor renounce of any stipulation or condition of the Policy.

## J. - CONTINGENT INSURANCE

### COVERED RISKS

Covers the actual loss resulting from the interruption of the business operations as a consequence of the lack of materials delivery to the Insured, from his suppliers due risks of fire and/or lightning or the additional risks contracted in Section I and/or II which cover the direct damage **except the Hydro meteorological phenomenon and/or Earthquake and/or Volcanic Eruption**, that damage the “contributing businesses” specified in this Policy, that are not operated nor controlled by the Insured up to the Sum Insured indicated in the cover page of this Policy.

However, the indemnity will not exceed from the reduction in their “Gross Profits” commercial and/or industrial”, less expenses and charges that do not necessarily continue during the business interruption.

It also covers the expenses that are necessary to incur, in order to reduce the loss, but without exceeding the amount that had been reduced in effect.

To determine the indemnity, the previous experience from the date of the loss and the probable experience after the occurrence of the loss if it had not occurred, will be considered.

The Company will only be liable for the actual loss suffered by the Insured, as a result of the interruption of their operations, but without exceeding from the actual reduction of the Gross Profits, less charges and expenses that do not necessary continue during the interruption and only within the necessary time, so that with the proper diligence and promptness, they conduct the repair, reconstruction or replacement of the properties of the “contributing businesses”

The indemnity period will start counting from the date when the interruption of the operations start and will not be limited by the expiration date of this cover. The expenses will be taken into considerations, including the salaries that have to be paid for the business to operate normally again, with the same service quality they had before the occurrence of the loss.

The Maximum Liability Limit that the Company assumes, will be the one indicated in the Policy cover page and represents the percentage established of the Gross Profits expected of the Insured business for the following twelve months from the initial date of the cover period of this coverage.

In case of a covered indemnity, the Company will reimburse the Insured 100% of the recoverable amounts under this cover, with a limit of the Sum Insured, as long as the Sum Insured represents, at least the same percentage indicated in the list with the Gross Profits that would have been obtained, if the loss had not occurred. In the contrary, the Company will only be liable for a proportion not higher than the loss of the Insured limit compared against the same percentage indicated in the cover.

The Insured should have an insurance in force for the Gross Profits expected from the business at least for the insured percentage, covering the fire risks and/or lightning and additional risks contracted in the direct materials damage insurance except earthquake and/or volcanic eruption, obliging to maintain such insurances in force, and if necessary he will present the increase of the sum insured that will be required to maintain the amount within the contracted percentage; in case of the contrary, the Company could terminate the cover.

Description of contributing businesses.-The Company will not be liable for losses suffered by the Insured and that are caused for damage or destruction of the properties “contributing businesses”, that are not described in the list included in this Policy.

Resume operations.-It is a condition of this insurance that the Insured reduces, as much as possible, the resulting loss of the interruption of operations through the following measures:

- a. Partial or total resume of operations.
- b. Making use of supplying source or materials.
- c. Making use of the stock of raw material, material in process or finished product in the premises occupied by the Insured.
- d. Using his influence to introduce the “contributing businesses”, to use any other available machinery, provisions, or locations, in order to resume the operations and deliver the materials to the Insured, who has to cooperate with the affected business for that effect, but without appealing financing, except if such expense is authorized by this Company.

## **K. - PARTICULAR CONDITIONS FOR THE CONSEQUENTIAL LOSSES INSURANCES STIPULATED IN THIS SECTION III**

1. Interruption by Civil Authority: This cover insures the actual consequential loss without exceeding two consecutive weeks, when as direct result of the damage for the covered risks to the insured properties or to adjacent premises, the access to the premises are prohibited by orders of Civil Authorities.
2. Resume of Operations and Use of other Properties: If the Insured can resume totally or partially their business indicated in these special conditions, by making use of other premises or properties, if by these means the loss covered by this policy could be reduced, such reduction will be taken into consideration when determining the losses that would have to be paid according to this contract.
3. Insured risk occupation changes.-Due to the fact that the fee of this insurance is based on the one that corresponds to apply to the physical damage insurance, the Insured is obliged to communicate the Company any occupation change or alteration of the insured business, so that the Company can adjust the difference in the corresponding Premium. If the change implicates an essential aggravation of the risk and the Insured does not communicate it to the Company within a 24 hour period, the Company will be released of his obligations.
4. Reduction of Insured Expenses: The Insured has the obligation of reducing as much as possible the insured expenses during the indemnity period, in order to reduce the loss.
5. Accounting Registry or Books: For indemnity effects of the present cover, the Insured authorizes the company to revise the accounting registries or books, as well as the official documentation.

## **COVER CESSATION CAUSES**

- a. If after a loss, the Insured will suspend voluntarily his business and will not resume it, this cover will be cancelled and the Company will return the undue premium from the Date of the Loss.
- b. If the business is closed during a consecutive period of twenty or more days.
- c. If there were notorious discrepancies not justified, for the normal operation of the insured business, between the amounts declared to the Company and the ones obtained from an accounting analysis.

## **EXCLUSIONS FOR SECTION III CONSEQUENTIAL LOSSES.**

### **FOR THE EXTRAORDINARY EXPENSES COVER**

- A. Application of any municipal, state or federal law that rules the use, construction, repair or demolition of buildings or structures.**
- B. Suspension, expiration or cancellation of any permit, license, leasing or concession contract.**
- C. Investigation cost or any other necessary expense to replace or restore accounting books, plans, maps and files (including, tapes, films, discs or any other magnetic registry for electronic processing) that had been damaged or destroyed for any of the insured risks.**
- D. Interference in the described premises of strikers or other persons that interrupt or delay the reconstruction, repair or replacement of the insured company.**

### **FOR THE COVER OF RENT LOSSES.**

**The Company will not be liable for any increase of the amounts that normally and based on this cover, corresponds to indemnify, as a consequence of:**

- A. The economic impossibility of the Insured to face the reconstruction or repair expenses of the building of which the rents are covered.**
- B. Suspension, expiration or cancellation of any contract or authorization for the application of any law or disposition of the authorities that rule the construction or repair of buildings.**
- C. Strikers or other persons that participate in breakdowns, disturbances, or riots who interrupt the reconstruction or repair of the building of which the rents are covered, or that interrupt the occupation of the building.**
- D. The failures that result from the reconstruction or repair of the building, even though if such reconstruction or repair originated the damage suffered by any of the risks covered by this Policy.**

**It is stipulated that the Insured should have lease contracts for each leased premises, which should be properly manifested by the corresponding authorities.**

### **FOR THE REST OF THE CONSEQUENTIAL LOSSES COVERS**

**The Company will not be liable for any increase of the amounts that normally and based on this cover, corresponds to indemnify, as a consequence of:**

- a) The economic impossibility of the Insured to face the reconstruction or repair expenses of the building of which the rents are covered.**
- b) Suspension, expiration or cancellation of any contract or authorization for the application of any law or disposition of the authorities that rule the construction or repair of buildings.**
- c) Strikers or other persons that participate in breakdowns, disturbances, or riots who interrupt the reconstruction or repair of the insured properties, or that interrupt the resume or continuation of the normal operation of the business.**
- d) The failures that result from the reconstruction or repair of the building, even though if such reconstruction or repair originated the damage suffered by any of the risks covered by this Policy.**
- e) In industrial negotiation, the damage or destruction of finished products, nor for the time it was necessary to reproduce any finished product that could have been damaged or destroyed.**
- f) The suspension, expiration or cancellation of leasing contracts, licenses, contracts, orders or requests, except if such suspension, expiration or cancellation results directly from the interruption of the business in which case the Company will be liable only for such loss, when it affects the Insured's incomes during and limited to the indemnity period covered by the present Policy.**
- g) The construction, repair or replacement cost of the insured properties in Sections I and/or II.**
- h) Investigation cost or any other necessary expense to replace or restore accounting books, plans, maps and files (including, tapes, films, discs or any other magnetic registry for electronic processing) that had been damaged or destroyed for any of the insured risks.**
- i) Market Loss.**

### **CAUSES FOR CONTRACT CESSATION OF THE CONSEQUENTIAL LOSS INSURANCES.**

- a) If after a loss, the Insured will suspend voluntarily his business and will not resume it, this cover will be cancelled and the Company will return the undue premium from the Date of the Loss**

- b) If the business is closed during a consecutive period of twenty or more days.
- c) If the contributing business was presented to a liquidator or union, whether by judicial order, by creditors agreement or by the will of the contributing business shareholders.

## **ACCOUNTING BOOKS**

For indemnity effects of the present cover, the Insured authorizes the company to revise the accounting registries or books.

## **SUM INSURED. CONSEQUENTIAL LOSSES.**

### **EXTRAORDINARY EXPENSES**

The Sum Insured in this Section operates at first risk, therefore the maximum amount to be contracted is free election of the Insured, and therefore the following concepts have to be considered for the determination of such amount:

Extraordinary Expenses: It means the difference between the total costs incurred by the Insured to maintain his business in operation, less the total cost that would have been normally incurred to operate the business during the same period, if the loss had not occurred.

These extraordinary expenses will include in each case, those that are incurred for the obtaining concept or use of properties, or installation of other companies or other emergency expenses.

### **LOSS OF RENTS**

The Sum Insured for the cover of Loss of Rents should correspond to the annual amount of the Rent that the Insured charges to his renters, which will determine the liability limit of the Company.

The Rent concepts are the amounts that the Insured receives for the rent of the insured business but without including:

- Salaries of the landlord, or administrator, if their services are unnecessary after the loss
- Commissions for collecting rents or the building's administration fee.
- Cancelled Taxes
- Heating, water and lighting Cost
- Any other expense ceased as a consequence of the damage, if those were included in the rent.

### **REDUCTION OF INCOMES FROM COMMERCIAL ACTIVITIES.**

The Sum Insured represents the annual amount of incomes, and in case of being lower, the 4th Clause "Indemnifiable Proportion" from the General Conditions will be applicable. It is understood as annual amount of incomes, the amount obtained during the twelve immediate months previous to the date of the loss.

For the determination of the annual amount of incomes, the following will be considered:

- a) The net total sales, plus any other perception derived from the normal operation of the commerce, less
- b) The cost of the sold merchandise, including the packing cost.
- c) The cost of the materials and supplies used in services provided for customers and;

The cost of the services contracted with third parties (except Insured's employees).



No other costs will be deducted.

## **LOSS OF PROFITS, SALARIES AND FIXED EXPENSES**

The Sum Insured represents the annual amount of the concepts of profits, salaries, and fixed expenses insured, and in case it is lower the 4th Clause “Indemnifiable Proportion” of the General Conditions will be applicable.

The Sum Insured for this insurance should be broken down as follows:

- Net annual Profits of the business.
- Annual fixed Expenses that still need to be incurred.
- Annual Salaries of the workers that still need to be paid.

## **GROSS PROFITS NOT CONDUCTED IN INDUSTRIAL OR COMMERCIAL BUSINESSES AND/OR CONTINGENT.**

The Sum Insured should represent the percentage amount contracted by the Insured of the Gross Profits of his business for the twelve months following the initial date of the Policy cover period, and in case it is lower the 4th Clause “Indemnifiable Proportion” of the General Conditions will be applicable.

To determine the annual amount of the Gross Profits, it will be determined from the resulting amount from considering the incomes less the expenses, as follows:

### **Incomes**

- a) Total value of the production at net sale price.
- b) Total value of the merchandise at net sale price.
- c) Value of services provided by the Insured to third parties.
- d) Other incomes derived from the Insured’s operations.

### **Expenses**

- a) Cost of raw material and materials used in the manufacture of the products referred in the incomes item a)
- b) Cost of merchandise including the corresponding packing material.
- c) Cost of raw material and materials used in the services provided by the Insured to third parties.
- d) Value of services provided by the Insured to third parties, who continue under contract.
- e) Value of services provided by the Insured to third parties, who do not continue under contract.

No other cost could be deducted when determining the Gross Profits.

## **FIXED EXPENSES AND SALARIES FOR EARTHQUAKE AND/OR VOLCANIC ERUPTION**

The Sum Insured represents the annual amount of the concepts of salaries and/or fixed expenses, and in case of being lower, the 4th Clause “Indemnifiable Proportion” from the 6th Part of the General Conditions of the Policy will be applicable.

The Sum Insured for this insurance should be broken down as follows:

- Annual fixed Expenses that still need to be incurred.
- Annual Salaries of the workers that still need to be paid.

## **SECTION IV. LEGAL LIABILITY**

## A. GENERAL LEGAL LIABILITY COMMERCE AND INDUSTRY

### INSURANCE MATTER

The Company is obliged to pay the damage, as well as the prejudice and consequential moral damage that the Insured may cause to third parties and for those that the Insured had to respond, according to the applicable laws for Legal Liability Matter in force in the United States of Mexico (or external legislation in case a cover had been agreed based on the additional cover for the legal liability cover for damage abroad), for happenings or omissions without bad intention occurred during the term of this Policy, and that may cause death or health impairment of such third parties, or damage or destruction of the properties of the same, according to the Clauses and specifications agreed under the Particular Conditions for each cover.

### INSURANCE EXTENT

The obligation of the Company comprehends:

1. Payment of the damage, prejudice and consequential moral damage, for which the Insured is liable, according to this Section and the Particular Conditions, additional covers or liabilities and damage that could be covered by an express agreement.
2. Payment of the Insured's defense expenses, which within the conditions of this Section include, among others:
  - a) Payment of the premiums amount for judicial bonds that the Insured grants, as guarantee for the payment of the sums that are claimed for the legal liability covered by this Section. "As consequence they are not considered within the obligations that the Company assumes under this Policy, the bond premiums, which should be granted as bail for the Insured to reach his preparatory, temporary or conditional freedom during a criminal process".
  - b) Payment of legal interests, expenses or costs that the Insured should pay for judicial or executed arbitration resolutions.
  - c) Payment of the expenses incurred by the Insured for the negotiation and settlement of claims

### DELIMITATION OF THE INSURANCE EXTENT

1. The maximum liability limit for the Company for one or all the losses that may occur during one year of insurance, is the Sum Insured indicated in the cover page and/or specification of the Policy.
2. The occurrence of various damage during the Policy cover period, occurring from the same or equal cause, will be considered as only one loss, which at the same time will be considered as occurred at the moment when the first damage of the series is produced.
3. Payment of the defense expenses are covered, but without exceeding the sum insured equal to 50% of the liability limit insured in this Section.

### BASIC COVER AND ACTIVITIES

Applicable to the main business of the Insured, as indicated in the specification of this Policy, according to the following:

#### I. - PARTICULAR CONDITIONS OF THE LEGAL LIABILITY INSURANCE FOR COMMERCE

The legal civil liability that the Insured may incur for the damage to third parties, derived from the activities of the business indicated in the cover page of this Policy, is insured within the conditions of this Section, being his liability insured as follows:

1. As owner or lessee of lands, buildings or premises that are used for the indicated business. It does not cover the legal liability of the lessee for damage to a leased estate, therefore the additional cover of legal civil liability of the lessee is required.
2. Derived from the possession and use of the loading and unloading installations, as well as work machines.
3. Derived from the possession and maintenance of parking places at his service. Does not cover the civil liability for damage to somebody else's vehicle, or his contents in possession of the Insured, therefore the additional civil liability cover for garage or parking of automobiles is required.
4. Derived from the possession and maintenance of the sanitary installations and devices acknowledged by the medical science, in case the company has a doctor's office.
5. Derived from the possession and maintenance of security installations at their service (fire fighting service, guards, guardian dogs, alarm systems and similar).
6. Derived from the possession and maintenance of social installation at their service (dining rooms, commerce stores, home houses, day cares, schools, libraries and similar).
7. Derived from the use permit and assignation of places and devices for the practice of sports by their Company's personnel.
8. Derived from trips and festivity actions organized by their personnel.
9. Derived from the property or maintenance of advertisements (announcements, publicity billboards or others) inside or outside their buildings.
10. Derived from their participation in fairs and expositions.
11. Derived from the use of elevators, electric stairs and hoists.
12. According to the conditions of this Section it also insures, the legal civil liability of their employees and workers, with third parties, derived from the material activity of this insurance.

## **II.-PARTICULAR CONDITIONS OF THE INSURANCE OF LEGAL LIABILITY FOR HOTEL BUSINESS**

It insures, within the conditions of this Section, the legal civil liability which the Insured incurs for third party damage, derived from the own activity of Hotel business mentioned in the Policy cover page, being insured his liability:

### **1.-Estate**

As owner, lessee or usufruct of lands, buildings or premises that are used for the mentioned activity. Does not cover the legal liability of the lessee for damage to the leased estate, for which it requires the additional legal civil liability of the lessee.

### **2.-Installations**

As owner, lessee, or usufruct of installations within the mentioned lands, building or premises, as:

- a) Furniture and decoration objects.
- b) Kitchen, cafeterias, restaurants, bar, nightclub, recreation rooms, games and similar.
- c) Sanitary, electric, TV and radio antennas installations, elevators and hoists.
- d) Security installations (fire fighting service, guards, guardian dogs, alarm systems and similar).
- e) Pools, bathrooms, sporting installations, parks and gardens.
- f) Fuel deposits, installations for artificial climate.
- g) Garage and parking lot. Does not cover the civil liability for damage to somebody else's vehicle, or his contents in possession of the Insured, therefore the additional civil liability cover for garage or parking of automobiles is required.
- h) Advertisement installations (announcements, publicity billboards or others) inside or outside their buildings.
- i) Sanitary installations and devices acknowledged by the medical science, in case the company has a doctor's office for guests.

### **3. Food Service**

For the supply of food and beverages inside and outside (banquets or other home services) of the Insured's premises.

### **4. Supplementary services**

For the supplementary service loan to guests or clients, like:

- a) Bar.
- b) Restaurant.
- c) Nightclub
- d) Hairdressing
- e) Valet.
- f) Sauna, steam rooms, Jacuzzis.
- g) Boutique.
- h) Games room.
- i) Vehicles that do not need license plates to drive inside the installations.
- j) Domestic Animals.
- k) Wardrobe:

Lack of delivery due to confusion, robbery or damage of the garments for guests or clients which they hand to a wardrobe protected by the personnel in charge.

The liability limits, per garment and insurance cover period, is indicated in the Policy specification.

- l) Laundry and ironing:

Lack of delivery due to confusion, robbery or damage of the garments for guests or clients which they handed to a wardrobe supported with a written receipt for the service of laundry and ironing.

The liability limits, per garment and insurance cover period, is indicated in the Policy specification.

- m) Luggage and guest effects:

Legal civil liability derived from damage or disappearance of the luggage and effects introduced to the lodging place by the guests, his families and companions (except animals and motorized vehicles), his accessories and contents.

They are also part of this coverage, the luggage and effects received for custody in the reception or concierge.

The liability limits per claim and insurance cover period, will be indicated in the Policy specifications.

- n) Reception of Money and values:

Legal civil liability for reception or custody services of Money, values, jewels or expensive objects, handed by the guests, when kept in safe places and only as consequence of robbery with violence or by hold-up, trust abuse, fire and explosion.

The liability limits per claim and insurance cover period are indicated in the Policy specification.

All the above will be covered , as long as these benefits are conducted without passing the responsibility to third parties.

### **5.-Liability of personnel**

It also insures, according to the conditions of this Section, the legal civil liability with third parties, from his employees and workers, derived from the activity matter of this insurance.

## **III.-PARTICULAR CONDITIONS OF THE LEGAL LIABILITY INSURANCE FOR INDUSTRY**

The legal civil liability that the Insured may incur for the damage to third parties, derived from the activities of the industry indicated in the cover page of this Policy, is insured within the conditions of this Section, being his liability insured as follows:

1. As owner or lessee of lands, buildings or premises that are used for the indicated industry. It does not cover the legal liability of the lessee for damage to a leased Estate, therefore the additional cover of legal civil liability of the lessee is required.

2. Derived from the possession and use of the loading and unloading installations, as well as work machines.
3. Derived from the possession and maintenance of parking places and gas stations at his service. Does not cover the civil liability for damage to somebody else's vehicle, or his contents in possession of the Insured, therefore the additional civil liability cover for garage or parking of automobiles is required.
4. Derived from the possession and maintenance of the sanitary installations and devices acknowledged by the medical science, in case the company has a doctor's office.
5. Derived from the possession and maintenance of security installations at their service (firefighting service, guards, guardian dogs, alarm systems and similar).
6. Derived from the possession and maintenance of social installation at their service (dining rooms, commerce stores, home houses, day cares, schools, libraries and similar).
7. Derived from the use permit and assignation of places and devices for the practice of sports by their Company's personnel.
8. Derived from trips and festivity actions organized by their personnel.
9. Derived from the property or maintenance of advertisements (announcements, publicity billboards or others) inside or outside their buildings.
10. Derived from their participation in fairs and expositions.
11. Derived from the use of elevators, electric stairs and hoists.
12. Derived from the possession, maintenance and use of loading, fixed or rolling railroad material, within his estate.
13. According to the conditions of this Section it also insures, the legal civil liability of their employees and workers.

#### **IV. - PARTICULAR CONDITIONS OF LEGAL LIABILITY INSURANCE FOR REPAIR WORKSHOP, PARKING LOT, PENSION OR VEHICLES GARAGE.**

The legal civil liability that the Insured may incur for the damage to third parties, derived from the activities of the insured business indicated in the cover page of this Policy:

1. As owner or lessee of lands, buildings or premises that are used for the indicated activities of the business. It does not cover the legal liability of the lessee for damage to a leased Estate, therefore the additional cover of legal civil liability of the lessee is required.
2. Derived from the possession and use of work machines and equipment.
3. Derived from the possession and use of sanitary installations at the service of the business.
4. Derived from the possession and maintenance of security installations at their service (fire fighting service, guards, guardian dogs, alarm systems and similar).
5. Derived from the property or maintenance of advertisements (announcements, publicity billboards or others) inside or outside their buildings.
6. Derived from the use of elevators, electric stairs and hoists.
7. Derived from the damage suffered by automobiles property of third parties, which are under the Insured's custody, control or liability that had been received exclusively for their repair parking or pension and that are within the premises indicated in the Policy cover page.
- 8.-ExpressCondition  
For the application of this cover, it is a condition that the Insured provides the services (motive of this insurance) in closed premises, with controlled access and with registry and identification of each vehicle, and during the time it is not opened for business it should remain closed. This cover will not be effective if the service does not operate as indicated above.
- 9.-Material Damage to the vehicles property of third parties that are under the Insured's custody for parking or repair, which comprehend:
  - a) Collisions and overturns. - The damage that the vehicles suffer as a consequence of overturn within the specified premises, when the damage is caused by employees of the Insured.
  - b) Fire and explosion. - That the vehicles may suffer while being under the Insured's custody.
  - c) Rupture of the vehicles glasses.

10. - Total robbery

Covers the total robbery of the vehicles property of third parties that are under the custody of the Insured for parking and/or repair, as well as the material damage or losses they may suffer as a consequence of total robbery.

The limits and sub-limits contracted for the previous items 9 and 10 are indicated in the Policy specifications.

11.-Deductible

In every loss covered by this policy, the Insured will participate in each claim with the deductibles indicated in the Policy specifications and the Company will respond for the exceeding amounts, registering each loss separately and per affected unit. The Company will pay for the damage suffered taking into consideration the market values at the moment of the loss, considering the corresponding depreciation.

12. Operation radio and workshop

In addition, it covers the damage suffered or caused by the vehicles to third parties' properties or persons as a consequence of collision or overturn, originated accidentally or directly by the Insured's activities, whether within the specified premises or while being tested by the Insured, whether outside the premises or while delivering or receiving a vehicle at the client's address, with the knowledge and consent of any of the employees, when their activities demand such operations, but only within an operation radio specified in kms. in the policy's certificate, which will be counted from the location of the premises occupied by the Insured.

13. Valuation Basis and damage indemnity

a) If the Insured has fulfilled the obligations indicated in the Sixth Part of the General Conditions of this Policy called "Losses" and the vehicle is free of any detention, confiscation or similar situation produced by order of authorities, the Company will have the obligation to start without delay, the valuation of the damage.

b) The fact that the Company does not conduct the valuation of the damage suffered by the vehicle, within the 72 following hours, from the loss advice moment, and as long it fulfills the specification of the previous item a), the Insured will be able to proceed with the repair and demand the corresponding amount to the Company, in the terms of this Section, except that, for attributable causes to the Insured, the valuation could not be conducted.

With exception from the previous paragraph, the Company will not recognize the damage suffered by the vehicle, if they had proceeded with the repair before conducting the damage valuation.

c) When the cost of the repair of the damage suffered by a vehicle exceeds 40% of its commercial value, immediate cost before the loss, upon the Insured's request, it should be considered a total loss. Except an agreement in the contrary, if the mentioned cost exceeded 75% of such value, it will always be considered total loss.

d) The participation of the Company in the valuation or any help that the Company or his representatives provide to the Insured or to third parties, it will not implicate that the Company accepts liability regarding the loss.

14. Vehicles transfer Expenses

In case of an indemnifiable loss under this cover, the necessary expenses to transfer damaged vehicles from their location, to the place authorized by the Company to conduct the repair.

15. Salvage

The Company will have the right to take possession of the vehicles they indemnify as total loss, except the special equipment that had not been insured.

16. Proportionality

The maximum occupancy of automobiles allowed to keep in the premises, is indicated in the Policy specifications, same that will be taken into consideration for the Premium charge.

If a loss occurs, and the actual occupancy of the premises is determined higher than the one declared by the Insured and established in the Policy specifications, the Company will only cover the indemnity in the same proportion that results from the actual occupancy and the one established in the Policy specifications.

**LIABILITIES AND DAMAGE NOT COVERED BY SECTION IV GENERAL CIVIL LIABILITY, BUT THAT CAN BE INSURED BY AN EXPRESS AGREEMENT**

Excluded by the insurance, but could be insured by an express agreement, and only when indicated in the Policy specifications:

#### **A. ASSUMED CIVIL LIABILITY**

Someone else's liabilities, in which the Insured by agreement or contract is committed to the replacement of the original obligated for the repair or indemnify eventual or future damage to third parties in their properties or persons.

This cover is subject to:

1. It insures, within the conditions of this Section, the civil liability that the Insured incurs, when assuming liability of someone else's liabilities, in which the Insured by agreement or contract is committed to the replacement of the original obligated for the repair or indemnify eventual or future damage to third parties in their properties or persons.
2. It is a basic condition that for the effect of the cover, the Company should present a written document indicating the insured contracts or agreements, for which the Insured should provide original copy of such agreements or contracts, so that the Company determines if they accept the risk and extend the corresponding constancy.
3. The present cover, does not have the nature of a guarantee for the original obliged, and as a consequence cannot be assimilated to a bond, garment, endorsement or any guarantee, personal or actual, due to the breach of contracts or agreements made by the obliged original.
4. The list of contracts or agreements, matter of this insurance are indicated in the Policy specification.

#### **B. CIVIL LIABILITY FOR DAMAGE ABROAD**

Liabilities for losses occurred abroad, according to the applicable foreign legislation.

Such cover is subject to:

1. Trips abroad  
It insures, within the conditions of this Section, the civil liability that the Insured incurs, as a consequence of losses occurred abroad originated by trips or participation in fairs or expositions.
2. Work abroad  
It insures, within the conditions of this Section, the civil liability that the Insured incurs, as a consequence of losses occurred abroad originated by construction or assembly work.
3. Products Export  
It insures, within the conditions of this Section, the civil liability that the Insured incurs, as a consequence of losses occurred abroad originated by their exported products.
4. The list of foreign countries, matter of this insurance, are indicated in the policy specifications.
5. In every loss occurred abroad, the Insured will participate with the deductible indicated in the Policy specifications.

#### **C. CIVIL LIABILITY FOR FINISHED PRODUCTS AND WORK IN THE MEXICAN REPUBLIC**

Liability for damage caused to third parties for the products manufactured, delivered or supplied by the Insured, or by the executed work.

This cover is subject to:

1. It insures, within the conditions of this Section, the civil liability that the Insured incurs, as a consequence of damage to third parties, for the products sold, delivered, supplied or for the work performed, during the insurance cover period, as long as the damage occurs within the policy cover period.
2. In case of terminating the insurance, for any cause, the cover for the damage that occurs afterwards will cease, even when they are caused by products or work delivered or conducted during the Policy cover period.
3. It insures only by express agreement and by fixing the corresponding additional Premium, as indicated in the Policy specification, the risks originated from deliveries, supplies or executions that had been conducted before the initial date of the cover period, for which a conventional retroactive limit date should be settled.

4. This insurance also covers, without the need of an additional Premium or agreement, the civil liability (including prejudice) derived from the damage caused by products sold, delivered or supplied by the Insured, to third parties' products, by being mixed with them or elaborated with the intervention of their products. The Insured will participate in each claim by this concept, with the deductible indicated in the Policy specification.

**D. - CIVIL LIABILITY FOR CONTAMINATION OF THE ENVIRONMENT OR OTHER DETRIMENTAL VARIATIONS OF WATER, ATMOSPHERE, SOILS, SUBSOILS OR BY NOISE.**

This cover is subject to:

It insures, within the conditions of this Section, the civil liability that the Insured incurs, as a consequence of damage to third parties originated by detrimental variations of water, atmosphere, soils, sub-soils or by noise, as long as they are consequence of an event that occurs within their estates in a sudden, accidental or unexpected manner.

The Insured will participate, in every claim for this concept, with the deductible indicated in the Policy specifications

**E. - CIVIL LIABILITY CROSSED BY CLAIMS PRESENTED BY THE PHYSICAL OR MORAL PERSONS MENTIONED AS INSURED IN THIS POLICY.**

This cover is subject to:

It insures, within the conditions of this Section, the contractual extra civil liability that one of the Insured named in the Policy incurs, towards other Insured for the damage caused exclusively to the properties of this, for actions or omission without intention, that are consequence of the activities subject of this Policy.

Therefore, for the effects of the insurance, the referred insured will be considered third parties between them, as if there was a Policy for each of them.

The Insured will participate in each claim for this concept, with the deductible indicated in the Policy specification:

**F.-CIVIL LIABILITY FOR DAMAGE CAUSED DUE TO WORKS, CONSTRUCTIONS, EXTENSION WORK OR DEMOLITIONS.**

When insured by express agreement it will be subject to the conditions stipulated in the constructors cover.

**G. - CIVIL LIABILITY FOR DAMAGE CAUSED BY EXPLOSIVES.**

It insures, within the conditions of this Section, the civil liability derived from the use, manufacture and storage of explosive materials.

**H. - CIVIL LIABILITY FOR DAMAGE DURING LOADING AND UNLOADING OPERATIONS.**

It insures, within the conditions of this Section, the civil liability derived from the damage to someone else's ground vehicles, during the loading and unloading operations caused by cranes or hoists.

Also covers damage to tanks, cisterns or containers during the unloading operation as a consequence of implosion.

**I.-CIVIL LIABILITY FOR DAMAGE TO UNDERGROUND INSTALLATION**

It insures, within the conditions of this Section, the civil liability for the damage caused to pipelines, cables, canals or other underground installations, only when the Insured had been informed in the corresponding offices about the situation and characteristics of the installations.

**J.-CIVIL LIABILITY DERIVED FROM WELDING WORK**



It insures, within the conditions of this Section, the civil liability derived from welding work caused by fire or explosion when this work had been conducted in a proved form by experimented and trained personnel in welding techniques.

#### **K.-CIVIL LIABILITY DERIVED FROM DEMOLITION WORK**

It insures, within the conditions of this Section, the civil liability derived from buildings demolition work.

#### **L.-CIVIL LIABILITY FOR LEASING WORK MACHINES**

It insures, within the conditions of this Section, the civil liability derived from providing work machinery and supplying electric or pneumatic power to third parties.

#### **M.-CIVIL LIABILITY FOR SHORING**

It insures, within the conditions of this Section, the civil liability derived from the damage caused by shoring, propping up and reinforcing.

#### **N.-CIVIL LIABILITY IN SPECIAL WORKS.**

It insures, within the conditions of this Section, the civil liability derived from damage caused during works of foundation, construction of galleries, tunnels, metropolitan tunnels, bridges, dykes, contention walls and cranes.

#### **O.-CIVIL LIABILITY FOR WORK CONSORTIUM**

1. It insures, within the conditions of this Section, the civil liability of the Insured, when he participates in a consortium where the duties of the members are divided according to specialties, partial services or construction sections, and the Company will be liable within the conditions of such Section only of the damage that the Insured could have caused.
2. When the Insured participates in a consortium, where the duties of the members are divided according to specialties, partial services or construction sections, the Company will be liable within the conditions of such Section only of the part of the damage that corresponds to the percentage or numeric participation of the Insured in the consortium.
3. When the consortium will have to respond to a damage and will not be possible to discover the causative, the Company will be liable within the conditions of such Section only of the part of the damage that corresponds to the percentage or numeric participation of the Insured in the consortium.

#### **P. CIVIL LIABILITY FOR INDEPENDENT CONTRACTORS.**

1. It insures, within the conditions of this Section, the civil liability for the damage caused to third parties incurred by the Insured, when as owner of construction works conducted by independent contractors, they conduct inspection work, advance control or reception of such works.
2. It also covers the legal liability incurred by the Insured, for agreement or contract where it stipulates replacement of the original obliged contractor, for civil liability concept to repair eventual and future damage without intention, to third parties in their properties or persons, of which the contractor will be liable as original obliged.
3. For the effect of the cover, it is a basic condition that the Company should present a written document indicating the insured contracts or agreements, for which the Insured should provide original copy of such agreements or contracts, so that the Company determines if they accept the risk and extend the corresponding constancy.
4. The present cover, does not have the nature of a guarantee for the original obliged, and as a consequence cannot be assimilated to a bond, garment, endorsement or any guarantee, personal or actual, due to the breach of contracts or agreements made by the independent contractor.
5. The list of contracts or agreements, matter of this insurance are indicated in the Policy specification.

## **EXCLUSIONS FOR IV GENERAL CIVIL LIABILITY**

It is understood and agreed that this Section in no case covers, nor refers to:

- a) Liabilities originated from the breach of contracts or agreements, when such breach had not produced death or detriment of third parties health, or the destruction or damage to the properties of the same.
- b) Liabilities for replacement loans of the breach of contracts or agreements.
- c) Liabilities derived from the use, property or possession of ships, aircrafts and motor ground vehicles, except if these last ones are destined for exclusive use within the Insured's estate and do not require license for their use in public places.
- d) Liabilities derived from damage caused with bad intention.
- e) In case the Insured is a physical person, liabilities derived from damage suffered by spouse, parents, children, siblings, in laws or other relatives of the Insured that live permanently with him.

In case the Insured is a moral person, liabilities derived from damage suffered by counselors, directors, partners, administrators, managers or other persons with direction function, as well as by his spouse or relatives that live permanently with him, as indicated in the previous paragraph.

- f) Personal civil liability of the employees and participants in sports activities.
- g) Liabilities of the persons that are not in a work relation with the Insured.
- h) Liabilities for damage caused by:  
Inconsistency, sinking, settling of soil or subsoil, lack or insufficiency of consolidation Works to avoid the loss of necessary support of the soil or subsoil of neighbor properties.
- i) Liabilities for damage caused by war or other warlike actions, revolution, rebellion, riots, strikes or damage that are originated by disposition of authorities.
- j) Liabilities attributed to the Insured, according to the Work Federal Law, Social Security Law, or other complementary disposition of such Laws.
- k) Professional liabilities
- l) Liabilities for damage caused by nuclear reaction or radioactive contamination.
- m) Fortuitous Case and/or force majeure.
- n) Serious and unexcused guilt of the victim.

**FOR THE CIVIL LIABILITY COVERS FOR DAMAGE ABROAD AND CIVIL LIABILITY FOR PRODUCTS IN THE MEXICAN REPUBLIC, THE FOLLOWING ARE EXCLUDED IN ADDITION:**

- a) Indemnities that have or represent a fine, fee or punishment, as those called "for punitive damage", "for revenge damage", "for exemplary damage", "aggravated damage" or others with similar terminology.
- b) Claims as a consequence of accidents, or work illness of the Insured's employees or other persons that work for the Insured.
- c) The liability of the Insured derived from production centers, deposits, branches, affiliates or similar, addressed abroad.
- d) Damage suffered by the sold product, delivered or supplied, as well as the performed work.
- e) Expenses or indemnity caused by market removal, inspection, repair, replacement or loss of use of the products or the Insured work.
- f) Damage caused by products or work conducted by experiment or by products or work that do not have the permits of the corresponding authorities.

- g) Damage produced for not observing the consume instructions or use of products or work.**
- h) Damage derived from the supply or work to aircrafts or its parts.**
- i) Genetic damage to persons or animals**

**FOR THE CIVIL LIABILITY COVER FOR CONTAMINATION, THE FOLLOWING IS ADDITIONALLY EXCLUDED:**

- a) Damage for not observing instructions or written recommendations for the inspection, control or maintenance of the manufacturers of artifacts or installations related to the prevention or control of the contamination of the environment.**
- b) Damage for the omission of the necessary immediate repairs of the artifacts or installations mentioned above.**
- c) Genetic damage to persons or animals.**
- d) Damage caused by black waters, garbage or residual substances.**
- e) Gradual and slow contamination.**

**FOR THE CIVIL LIABILITY COVER OF REPAIR WORKSHOPS, VEHICLES PARKING, PENSION OR GARAGE. THE FOLLOWING IS ADDITIONALLY EXCLUDED:**

- a) Damage caused or suffered by automobiles out of the premises described in the Policy, except if there is an express agreement that insures operation radio.**
- b) Damage that suffer or cause the vehicles when driven by persons that do not have driver's license to drive the corresponding vehicle, issued by a competent authority. The permits in force to drive, are considered as license, for the effects of this Policy.**
- c) Loss or damage that the vehicles suffer or cause as a consequence of warlike operations whether originated by foreign or civil war, insurrection, rebellion, expropriation, requisition, confiscation, seizure or detention by the authorities due to their operations motive.**
- d) It does not cover damage or losses that the vehicles suffer or cause when used for any military service, with or without the Insured's consent.**
- e) Damage for any repair or service supplied to the vehicles, as well as the products used for the performance of such work.**
- f) Damage suffered or caused by the vehicles that are driven by persons under the influence of alcohol or drugs.**
- g) Insured's civil Liability or of any of his employees or dependents, for material damage caused to properties that:
  - Are under his custody or liability but not the vehicles taken for repair or parking.**
  - Are property of persons that depend legally of the Insured or his employees or dependents.**
  - Are property of employees, agents or representative of the Insured, while being in the premises of the Insured.****
- h) The liability for damage to third parties, to their persons, when they depend legally on the Insured, or when they are at their service at the moment of the loss.**
- i) Damage caused or suffered by vehicles property to the Insured or property of any of their workers.**
- j) Loss or damage to merchandise, Money, clothes, personal items, tools, parts, or any other item inside the vehicle, even when they are consequence of a total robbery or when they had been delivered to the Insured or his workers.**
- k) Damage caused to tires or cameras due to an overturn or puncture.**

- l) Liability as a consequence of the penetration of rain water, flood, filtrations, spillage, leaks or water, steam, gas or fuel leaks from any system of ventilation, refrigeration, heating, plumbing or drain sedimentation.**
- m) Abuse of trust or robbery in which an employee or dependent of the Insured participates.**
- n) Accidents that occur due to the alteration of structures, new constructions or demolitions conducted by the Insured or by contractors at his service described in the Policy.**
- o) All liability assumed by the Insured, under any formal contract for liabilities different than the ones insured by this cover.**
- p) For damage suffered by the vehicles that the Insured has in custody, in sale consignment or parked.**
- q) For any expense derived from not being able to use the vehicles that resulted damaged or stolen.**
- r) For the damage or robbery of motorcycles, scooters or similar.**

**FOR THE COVER OF CIVIL LIABILITY FOR HOTEL BUSINESS, THE FOLLOWING IS ADDITIONALLY EXCLUDED:**

- a) Money, valuable objects or other properties that are inside the garments that are handed over for laundry.**
- b) Damage or losses resulting from the loss of the wardrobe receipt and if it was not possible to prove the delivery by other means.**
- c) Liability for lack of delivery of Money, valuable objects or other properties that are inside the garments that were handed over for laundry.**
- d) Liability for the damage or disappearance of Money, values, jewels and valuable objects that were not deposited in the safety box of the hotel or handed to the management for their custody.**
- e) Liability for damage or disappearance of letters, plans, designs, documents, promissory notes, or objects with estimative value.**

## **SUM INSURED**

The Sum Insured for this Section is granted at first risk and as only and combined limit for third party damage to their properties and/or persons and should correspond to the maximum probability of loss or damage that the Insured could cause in only one event and one place.

Likewise, upon the Insured's request, and as long as it is written in the Policy specification the Sum Insured, could cover as only and combined limit two or more locations described in the Policy.

## **B. CIVIL LIABILITY OF LESSEE.**

### **INSURANCE MATTER**

1. It insures, within the conditions of this Section, the civil liability for damage caused by fire or explosion to the mobile or non- mobile properties mentioned in the Policy, taken partially or totally in lease by the Insured for the use indicated, as long as such damage is attributable.
2. The insurance is granted with the limit contracted by the claim, which is indicated in the cover page and/or Policy specification.

## **EXCLUSIONS SECTION IV CIVIL LIABILITY OF THE LESSEE**

**It excludes liabilities for damage caused to mobile properties, property of third parties.**

**a) Of which the Insured has possession by lease, bailment, and deposit or by authorities' disposition.**

**b) That had been caused by the normal activities of the Insured in these properties (elaboration, manipulation, transformation, repair, exam and other analogous).**

**In the case of non-mobile properties, this exclusion applies when such properties or part of them, had been direct object of the activities indicated in the previous items, except for lease.**

**The liabilities are not covered either, if the supposed mentioned in the above items 1 and 2 occur to an employee or a person that works for the Insured while conducting his job.**

## **SUM INSURED**

The Sum Insured for this Section is granted at first risk and as only and combined limit for damage to leased property and must correspond to the maximum probability of loss or damage that Insured may cause, in a single event and a single place.

Likewise, at the request of the Insured and, as long as it is noted on the specification of the Policy Sum Insured, may cover as a combined single limit for two or more locations which the Insured is on lease and that are described in the Policy.

## **SECTION V.-RUPTURE OF GLASSES**

### **COVERED PROPERTIES**

Without exceeding the Sum Insured contracted for this Section, it covers the glasses installed in the building described in the cover page of this Policy, including the glass decoration (silver, gold, tainted, painted, engraved, cuts, sign, enhancements and analogous) or their frames, stained glasses, leaded, as well as plate glasses, fixed covered, glass domes and/or acrylic, showcases, and mirrors properly installed. As long as they have a minimum thickness of 4 mm.

### **COVERED RISKS**

The properties are covered against damage or material losses that they suffer in a sudden or unexpected way, being necessary their repair or replacement so as to leave them in similar conditions as they were immediately before the occurrence of the loss, as a consequence of:

Accidental rupture or by acts of vandalism, including the debris removal and glass installation cost.

### **EXCLUSIONS FOR SECTION V RUPTURE OF GLASSES.**

**a) Loss or material damage to glasses with a thickness less than 4mm.**

**b) Loss or material damage to glasses as a consequence of removal.**

**c) Damage to glasses with any thickness, due to scratches or other superficial defects.**

- d) **Civil Liability to third parties in their properties or persons for losses or damage caused by the insured properties.**
- e) **Losses or material damage to glasses to legally recognized authority actions, due to their functions.**

## **SUM INSURED**

The Sum Insured for this Section is granted at first risk and as only and combined limit for third party damage to their properties and/or persons and should correspond to the maximum probability of loss or damage that the Insured could cause in only one event and one place.

Likewise, upon the Insured's request, and as long as it is written in the Policy specification the Sum Insured, could cover as only and combined limit two or more locations described in the Policy.

## **SECTION VI. - LUMINOUS ANNOUNCEMENTS**

### **COVERED PROPERTIES**

Without exceeding the Sum Insured contracted for this Section, it covers the luminous announcements, electronic, signs installed in the building described in the cover page of this Policy, including its structure, while being properly installed and fixed.

### **EXCLUDED PROPERTIES WHICH CAN BE INSURED AN EXPRESS AGREEMENT**

- a) Luminous announcements or signs in premises not described in the Policy.

### **COVERED RISKS**

The properties are covered against damage or material losses that they suffer in a sudden or unexpected way, being necessary their repair or replacement so as to leave them in similar conditions as they had immediately before the occurrence of the loss, as a consequence of:

All risk of physical damage, except the risks excluded in part 3 Exclusions.

### **EXCLUSIONS FOR SECTION VI LUMINOUS ANNOUNCEMENTS**

- a) **Failures or defects of the insured properties, that existed at the beginning of the cover period of this insurance.**
- b) **Damage for Use, wear, normal depreciation, own vice or discoloration.**
- c) **Damage to announcements during their repair, maintenance or remodeling, modification, alteration or improvements.**
- d) **Loss or damage resulting from scratches or other superficial defects.**
- e) **Damage for, or as a consequence of errors of design, construction, failures or deficiency in the assembly, material defects and labor.**

## SUM INSURED

The Sum Insured for this Section grants the replacement value for each of the insured announcements or signs.

## SECTION VII.-ROBBERY WITH VIOLENCE AND HOLD-UP

### COVERED PROPERTIES

Without exceeding the Sum Insured contracted for this Section, it covers:

- a) The merchandise, raw materials, products in process, finished products, machinery, furniture, accessories and other own equipment and necessary of the insured business; it also covers items mentioned in item b) of this Clause, whose unit or set value, is up to the equivalent of 500 Days of Minimum Salary in force in the D.F., at the time when the Policy was contracted.
- b) Rare or art items and in general , those that are not necessary for the insured's business and that are listed and indicated in the present policy, whose unit or set value is higher to the equivalent of 500 days of Minimum Salary in force in the D.F. by the time when the policy was contracted.

The properties mentioned in the previous items will only be covered while located in the address indicated in the Policy specifications.

### EXCLUDED PROPERTIES WHICH CAN BE INSURED UNDER AN EXPRESS AGREEMENT

- a) **Art Works, objects difficult or impossible to replace, whose unit or set value is higher to the equivalent of 500 days of Minimum Salary in force in the D.F.**
- b) **Gold and silver ingots, jewels and precious stones.**
- c) **Letters, plants, sketches, drawings, patterns, models or molds.**

### COVERED RISKS

The Company will indemnify the Insured, in case a loss occurs as a consequence of:

- a) Robbery of contents conducted by any person or persons who with the use of violence from the outside to the inside, they leave visible tracks in the building or contents.
- b) Robbery of contents due to hold-up, understanding as such, the one conducted inside the insured building, with the use of force or violence, whether physical or moral on the persons inside.
- c) Material damage to the building or contents, due to the robbery referred in the previous Items or intent of the same.

### EXCLUSIONS FOR SECTION VII OF ROBBERY OF CONTENTS.

- a. **Lottery notes, sports betting, instant lottery, and in general those properties that are related to betting games.**
- b. **Titles, obligations or documents of any type, postal or fiscal stamps, coins, bank notes, checks, letters, promissory notes, accounting books and other commerce books.**
- c. **Contents from cash registers.**
- d. **Automobiles, trucks, motorcycles and in general all types of automotive vehicles.**
- e. **Robbery in which the following persons participate:**

- **Persons for who the Insured is legally responsible.-**
  - **The beneficiaries or successors of the Insured.**
  - **The employees of the Insured.**
  - **The legal representatives of the referred persons.**
- f. Outdoor properties or under construction, which have openings on the roof and walls different to the ones used as doors, windows or domes, as well as contents in those constructions that are not protected by doors, windows or domes with the proper measures (knobs, locks, etc.)**
- g. Losses as a consequence of robbery with violence, loss or disappearance.**
- h. Losses caused directly by strikers, or persons that participate in labor disturbances, riots, popular uproars, vandalism, during the performance of such actions.**
- i. Robbery of goods that are not property of the Insured.**
- j. Robbery from sideboards and showcases that do not have direct communication to the premises, hall, aisles, entrance, stairs and other public service areas inside the building.**
- k. Robbery in patios, or any type of construction that does not have at least one of their walls or roofs.**
- l. Loss or damage of properties that are outside the Insured building.**

## **SUM INSURED**

The Sum Insured for this Section is granted at first risk and as only and combined limit for third party damage to their properties and/or persons and should correspond to the maximum probability of loss or damage that the Insured could cause in only one event and one place.

Likewise, upon the Insured's request, and as long as it is written in the Policy specification the Sum Insured, could cover as only and combined limit two or more locations described in the Policy.

In the case of jewels, and art objects difficult to be replaced, such as: paintings, sculptures, ghibellines, antiques, silver items, any type of collection and furs, with a value of more than 500Days of Minimum Salary in force in the DF, per item or set, that are specifically insured, they should be assigned as insurable value, the commercial or replacement value according to a professional appraisal.

## **SECTION VIII. - MONEY AND VALUES**

### **COVERED PROPERTIES**

Covers money in cash, coins or bank notes, values and other negotiable and no negotiable documents such as, but not limited to, bills of exchange, promissory notes, checks, stock shares, financial mortgage or saving bonus, and mortgage certificates, all property of the Insured, as long as such properties are used to conduct exclusive activities related to the Insured business, without exceeding the Sum Insured that is established for each of the mentioned items in "Covered Risks" for this Section, without exceeding the insurable interest that the Insured has on those properties.

### **COVERED RISKS**

The Company will indemnify the Insured in case a loss occurred as a consequence of:



## **WITHIN PREMISES**

### **A) Robbery with Violence in Safes or Vaults**

Covers the loss and/or damage of the insured properties in the insured business, as a consequence of robbery conducted by any person or persons, who with the use of violence from the outside to the inside, they leave visible tracks in the place through which they entered, as long as the doors from the safes or vaults remain locked or with combination lock, and for their opening or removal of their contents, they use violence, leaving visible tracks.

### **B) Hold-up Robbery**

Covers the losses or damage of the insured properties as a consequence of hold-up robbery, conducted within the premises, with the use of force or violence, whether physical or moral on the persons.

### **C) Material Damage**

Covers the material damage or losses to the building or part of the building, to the safes, vaults, cash or collecting registers caused by robbery or intent of robbery or hold-up, as long as such actions are conducted as described in items A) and B) respectively.

### **D) Fire and Explosion**

Covers the losses or damage to the insured properties mentioned in the Clause "Covered Properties" of this Section, as long as they are contained in safes, vaults, cash or collecting registers, or in any place inside the insured premises, caused directly by fire or explosion.

## **OUTSIDE PREMISES**

In transit, physically in possession of cashiers, payers, collectors or any other employee, with the purpose of conducting any operation related to the business, as a consequence of:

### **A) Robbery with Violence and Hold-up**

Covers the loss and/or damage of the insured properties, as a consequence of robbery or hold-up conducted over the person or persons in charge of handling the properties, with the use of violence, whether physical or moral, while such properties are in their possession.

### **B) Physical Incapacity of the Person in charge of the properties**

Covers the losses, damage or robbery of the insured properties attributed directly to the physical incapacity of the person in charge of transferring such properties, caused by sudden illness or by an accident that could cause loss of consciousness, injuries or death.

### **C) Accidents of the Carrier Vehicle**

Covers the losses, damage or robbery that the insured properties suffer as a consequence of accidents that the vehicle used by the person transferring the values may suffer, whether by fire, lightning, explosion, collision, overturn, fall, derailment, also by sinking or rupture of bridges.

## **EXCLUDED PROPERTIES WHICH CAN BE INSURED UNDER AN EXPRESS AGREEMENT**

- a) Money and values in drawers locked with key.
- b) Money and values in possession of deliverers.

## **EXCLUSIONS FOR SECTION VIII MONEY AND VALUES.**

- a) Vehicle verification stamps,
- b) Lottery notes, sports betting, instant lottery, and in general those properties that are related to betting games.
- c) Money and values that are outside safes or vaults, when the premises remain closed for business.
- d) Outdoor properties or under construction, which have openings on the roof and walls different to the ones used as doors, windows or domes, as well as contents in those constructions that are not protected by doors, windows or domes with the proper measures (knobs, locks, etc.)
- e) Checks, exchange letters, promissory notes, funds withdrawal order when such documents are charged with a forged signature.
- f) Losses as a consequence of robbery without violence, loss or disappearance.
- g) Robbery in which the following persons participate:
  - Persons for who the Insured is legally responsible.-
  - The beneficiaries or successors of the Insured.
  - The employees of the Insured.
  - The legal representatives of the referred persons.
- h) Losses or damage caused to the insured properties, when located in the particular address of the Insured or any of his employees, or in transit to or from such particular addresses.
- i) Losses or damage caused to the covered properties, when the Insured or his employees are in hotels or lodging houses of any type, as well as in locations not described in the policy.
- j) Fraud or trust abuse by employees, partners or employees of the Insured, whether conducted by themselves or in agreement with other persons.
- k) Loss or damage caused directly by looting conducted during or after the occurrence of a meteorological phenomenon or earthquake.
- l) Losses caused directly by strikers or persons that take part of labor disturbances, riots, popular uproars or vandalism, during the performance of such actions.

## **SUM INSURED**

The Sum Insured for this Section is granted at first risk and as only and combined limit for third party damage to their properties and/or persons and should correspond to the maximum probability of loss or damage that the Insured could cause in only one event and one place.

Likewise, upon the Insured's request, and as long as it is written in the Policy specification the Sum Insured, could cover as only and combined limit two or more locations described in the Policy.

## **SECTION IX.-ELECTRONIC EQUIPMENT**

### **COVERED PROPERTIES**

Without exceeding the Sum Insured contracted for this Section, the machinery and electronic equipment property of the Insured that are properly installed, that operate normally and related to the location business and while being located in the address indicated in the Policy specifications.

## COVERED RISKS

The properties are covered against damage or material losses that they suffer in a sudden or unexpected way, being necessary their repair or replacement so as to leave them in similar conditions as they were immediately before the occurrence of the loss, as a consequence of:

- A) Fire, direct impact of Lightning, Implosion, Explosion, Fire Fighting.
- B) Smoke, soot, gases, corrosive powder or liquid, water or humidity action that have nothing to do with the common atmospheric conditions in the region.
- C) Short circuit, voltaic arc, disturbances due to magnetic fields, over tensions caused by lightning, isolation toasting.
- D) Material manufacture, design or installation defects.
- E) Handling errors, negligence, malpractice or bad intention of the Insured's personnel.
- F) Bad intention actions from third parties.
- G) Material damage or loss caused by robbery with violence. It is understood as robbery with violence, that conducted by any person or persons who by using violence from the outside to the inside of the premises where the insured properties are located, leave visible signs of violence in the place through which they penetrated. It is understood as hold-up, that conducted with the use of force or violence (whether moral or physical) over the persons.
- H) Sinking of land, earth sliding, fall of rocks or avalanche that are not caused by earthquake or volcanic eruption, hail and frost.
- I) Strange bodies introduced in the insured properties.
- J) Other damage not excluded in this Section.

Risk, expenses and properties excluded which can be insured under express agreement.

- a) Earthquake and/or volcanic eruption.
- b) Hail, cyclone, hurricane or stormy winds
- c) Flood.
- d) Strikes, popular uproars, civil commotion, vandalism and damage by bad intention actions.
- e) Theft and/or robbery without violence.
- f) Additional expenses for express freight (not air freight) concept, work in holidays and overtime, as long as such expenses are incurred due to the repair of a covered damage.
- g) Air freight expenses, incurred due to the repair of a covered damage.
- h) Damage that may overcome in the electronic equipment of the Insured as a consequence of a material damage in the climate control equipment.
- i) Mobile and portable equipment inside or outside the premises indicated in the policy cover page.
- j) Masonry, scaffolds and ladder Expenses

## EXCLUSIONS FOR THE SECTION IX OF THE ELECTRONIC EQUIPMENT.

- a) Failures or defects of the insured properties at the initial date of this policy cover period**
- b) Damage of losses occurred to the insured properties when they are mistreated or do not have the proper maintenance.**
- c) Damage or losses for any cause, while the insured properties are installed or transported by an aircraft, air artifacts or ships.**
- d) Damage to the electronic data processing electronic equipment insured as consequence of the material damage caused to the climate control equipments, if this last one is not insured against material damage and has not been designed, installed or assembled according to the electric installations recommendations of the manufacturer.**

- e) Wearing parts, such as bulbs, valves, pipes, bands, fuses, seals, tapes, docks, springs, chains, changing tools, printed rollers, glass objects, porcelain or ceramic.
- f) Lubricants, fuel, chemical agents, except the mercury used in current rectifiers.
- g) Loss or damage caused to equipment that operate underground, in the water, air, air or spacecrafts.
- h) Technologically obsolete equipment, or equipment that does not have patent.
- i) Machines, devices or equipment which value of the mechanic part is higher than 50% of the electronic part.
- j) Loss or damage caused directly from the long term operation or gradual deterioration due to atmospheric or environmental conditions at the premises, such as wear, erosion, corrosion, incrustation, cracking, and cavitation.
- k) Any expense incurred to correct capacity or operation deficiencies of the insured equipment.
- l) Any expense incurred for maintenance made by third parties, through a contract.
- m) Loss or damage caused to the insured properties of which the manufacturer or supplier are legally responsible.
- n) Loss or damage to leased equipment, when the liability falls upon the lessee, whether, legally or by a lease or maintenance agreement.
- o) Damage and liability for reduction of incomes or any other consequential loss.
- p) Sound crash or vibration, caused by airplanes or other mechanisms.
- q) Robbery conducted during or after the occurrence of a fire, explosion or any meteorological or earthquake phenomenon.
- r) Interruption or failure of the electric current, gas or water supply from the public network.
- s) Interference of strikers and other persons in the damage repair or restore, or in the resume of the business operation.

## SUM INSURED

The Sum Insured for this Section corresponds to the Replacement Value of each of the insured properties.

## SECTION X. - MACHINERY BREAKDOWN

### COVERED PROPERTIES

Without exceeding the Sum Insured contracted for this Section, the machinery and equipment subject to a mechanic or electric action, or both that are necessary for the Insured's business, described in the Policy specifications, which are properly installed, that operate normally and located in the address indicated in the Policy specifications.

### COVERED RISKS

The properties are covered against damage or material losses which they suffer in a sudden or unexpected way, being necessary their repair or replacement so as to leave them in similar conditions as they were immediately before the occurrence of the loss, as a consequence of:

- a) Negligence or sabotage of the Insured's personnel or strangers.
- b) Direct action of the electric energy as a result of short circuits, voltaic arcs, isolation failures, as well as transitory over tensions due to electric perturbations.

- c) Design errors, machinery construction defects, melting defects, and use of defective materials (after the manufacturer's guarantee period)
- d) Labor defects and incorrect assembly.
- e) Rupture due to the centrifuge force.
- f) Strange bodies introduced in the insured properties.
- g) Physical explosion
- h) Other damage not excluded in this Section.

### **ADDITIONAL RISKS WHICH CAN BE INSURED UNDER EXPRESS AGREEMENT. DAMAGE TO OTHER PROPERTIES OF THE INSURED (D.O.P.A.)**

Caused by the explosion of internal combustion motors, or by the detachment of metals due to the centrifugal force, excluding machines that can be insured under this Section, as well as the damage caused by fire. This cover is effective with the limit contracted per claim, which is indicated in the Policy specifications.

### **EXTRA EXPENSES**

This cover insures the expenses for the concepts for over time, extraordinary salaries of workers and employees, transportation expenses for parts that are necessary to accelerate the repair of the insured properties that may result damaged for some of the covered risks.

The extra expenses will never exceed 15% of the material damage amount suffered by the machinery or equipment, nor the 10% of the Sum Insured of each of them.

### **EXCLUSIONS FOR THE SECTION X MACHINERY BREAKDOWN AND EQUIPMENT**

- a) Failures or defects of the insured properties at the initial date of this policy cover period**
- b) Fire, firefighting, collapse or debris removal after a fire, direct impact of lightning, explosions originated in a property different to the affected one and all types of robbery.**
- c) Nature phenomenon such as earthquake, tremor, volcanic eruption, hurricane, cyclone, storms, winds, frost, hail, flood, overboard and increase of water level, silting, sinking and detachment of earth or rocks.**
- d) Strikes, crowds, and civil commotion.**
- e) Loss or damage caused directly from the long term operation or gradual deterioration due to normal use or inadequate operation of the equipment as a consequence of erosion, corrosion, incrustation, rusts and cavitation.**
- f) Fuel, lubricants, refrigerating means and other operation means, except the oil used in transformers and electric switches as well as the mercury used in current rectifiers.**
- g) Transmission bands of all types, transporters bands, matrix, die, molds, dice, dies, stamping rollers, rubber tires, mobile equipment docks, changing and cutting tools, blades, fuses, felts, fabrics, sieves, foundation, supports or structures, coatings, refractory, enameled, as well as any type of glass and pewter, except for the porcelain used in electric isolators**
- h) Loss or damage caused to the insured properties of which the manufacturer, supplier or the maintenance service supplier are legally responsible.**
- i) Change of structure or design, extensions, reductions, change of operation accessories (auxiliary equipment), as well as the installation of parts or use of different operation means to the ones specified by the manufacturer of the machines or insured equipment.**

- j) Temporary repairs conducted to the equipment, except the ones that are part of the definitive repair.
- k) Exceed deliberately the maximum capacity of work of the equipment, established by the manufacturer or submit them to any type of test not related to their normal operation.
- l) Consequential losses such as reduction of incomes, market loss and loss of use.
- m) Additional expenses derived from the need or desire of the Insured of building or replacing the damaged properties in a place different to the one occupied during the occurrence of the loss.
- n) Additional expenses in excess of the replacement value motivated by construction laws or rules, repair or replacement of the damaged properties.

## **SECTION XI. - BOILERS AND DEVICES SUBJECT TO PRESSURE**

### **COVERED PROPERTIES**

Without exceeding the Sum Insured contracted for this Section, the boilers and containers subject to pressure with or without chimney, described in the Policy specifications, which are properly installed, that operate normally and located in the address indicated in the Policy specifications.

### **EXCLUDED PROPERTIES WHICH CAN BE INSURED UNDER EXPRESS AGREEMENT**

#### **a) Pipe lines**

This cover insures the pipelines against the risks of rupture or sudden and violent deformation, caused by the steam pressure, air, gas or liquid in such pipelines.

#### **b) Contents of the Insured container.**

This cover insures the escape of the fluids or substances contained in any of the insured containers or the damage caused by them, that result from an indemnifiable cover specified in the Policy.

In this cover, as well as the deductible stipulated in the details of the coverage, the Insured will have a 25% participation in the loss.

### **COVERED RISKS**

The properties are covered against damage or material losses which they suffer in a sudden or unexpected way, being necessary their repair or replacement so as to leave them in similar conditions as they had immediately before the occurrence of the loss, as a consequence of:

### **BOILERS AND CONTAINERS SUBJECT TO PRESSURE WITH CHIMNEY.**

- a) Sudden or violent rupture of any part of the boiler or container, caused by the pressure of steam, water or other liquid inside them.

- b) Sudden and violent explosion of gas coming from the unburned fuel inside the furnace of the boiler or container or of the gas conduits, which go from the furnace to its discharge in the chimney and always while using the fuel mentioned in the Policy.
- c) Sudden and violent deformation of any part of the boiler or container, caused by the water pressure or vacuum, steam or other fluid inside them and avoid making its use unsafe.
- d) Cracking of any part of the iron, copper, bronze or any other melted material, in low pressure boilers. (Up to 1.05Kg./cm<sup>2</sup> in steam and 2.10Kg./cm<sup>2</sup> in water) as long as such cracking causes a leak of the fluid from the content.
- e) Burn due to lack of water, steam or other fluid inside the boiler or container, which immediately avoids or makes its use unsafe.

## **CONTAINERS SUBJECT TO PRESSURE WITHOUT CHIMNEY**

- a) Rupture caused in a sudden or violent manner, due to the pressure of steam, air, gas or liquid inside the container.
- b) Sudden and violent deformation of the container or any of its parts, caused by the pressure of steam, air, gas or liquid in the container or by vacuum inside the container.
- c) Sudden cracking of any part of the container made of iron, copper, bronze or any other melted metal, in low pressure boilers, as long as such cracking causes a leak of the steam, air, gas or liquid.

## **ADDITIONAL RISKS WHICH CAN BE INSURED UNDER EXPRESS AGREEMENT**

### **EXTRA EXPENSES**

This cover insures the expenses for the concepts for over time, extraordinary salaries of workers and employees, transportation expenses for parts that are necessary to accelerate the repair of the insured properties, which may result damaged for some of the covered risks.

The extra expenses will never exceed 15% of the material damage amount suffered by the machinery or equipment, nor the 10% of the Sum Insured of each of them.

## **EXCLUSIONS SECTION XI BOILERS AND CONTAINERS SUBJECT TO PRESSURE**

- a) Failures or defects of the insured properties at the initial date of this policy cover period.
- b) Fire, whether it occurs before, during or after the occurrence of any of the covered risks.
- c) Explosion that occurs outside the boilers or containers subject to pressure whether it occurs before, during or after the occurrence of any of the covered risks.
- d) Nature phenomenon such as earthquake, tremor, volcanic eruption, hurricane, cyclone, storms, winds, frost, hail, flood, overboard and increase of water level, silting, sinking and detachment of earth or rocks.
- e) Rupture, wear or gradual deterioration due to normal use, erosion, corrosion, incrustation, rusts and cavitation.
- f) Change of structure or design, extensions, reductions, change of operation auxiliary equipment, or use of different fuel from the one indicated in the Policy, unless the Insured notifies the Company 10 days in advance, and the Company had responded in agreement.
- g) Leaks, gradual deformations, evolution of blisters and other imperfections of the construction material of the insured equipment.

- h) Temporary repairs conducted to the equipment, except the ones that are part of the definitive repair.**
- i) Chimneys that are not directly supported by the boiler's structure.**
- j) Normally submit the equipment to higher pressure than the maximum authorized or to any type of test not related to the normal operation of such equipment.**
- k) Electro mechanic failures in equipment that get damaged due to their own operation or by external influence.**

**Losses resulting directly or indirectly from:**

- l) Business or manufacture process interruption or shutdown.**
- m) Lack of motive power, electricity, heat, steam or refrigeration.**
- n) Claim for loss or damage which third parties may suffer.**
- o) Legal or contract liabilities attributed to manufacturer or seller of the insured properties.**
- p) Expenses incurred by the Insured, as a consequence of the occurrence of a covered risk, for the concept of gratifications or extraordinary loans granted to his employees or workers or fees to technicians whose services had not been authorized by the Company.**
- q) Escape or damage caused to the contents, unless they had contracted the additional cover of contents, in which case the following special exclusions will be applied:**
  - Incorrect operation of the equipment, valves and connections.**
  - Opening of security devices due to over pressure**
  - Fissure and cracking of boilers, containers or pipelines, except the ones indicated in the Policy covered risks.**
- r) Damage to coatings that are not caused by the risks covered by the Policy.**

## **SUM INSURED**

The Sum Insured for this Section corresponds to the Replacement Value of each of the insured properties.

## **SECOND PART. GENERAL EXCLUSION**

### **EXCLUSIONS FOR ALL COVERS**

Under no circumstances will the Company be liable for loss or damage as a consequence of:

#### **PROPERTIES AND RISKS THAT CANNOT BE COVERED.**

- a) Soils and lands.**
- b) Frescos or murals that are painted or are part of the insured building.**
- c) Building and contents when under repair or reconstruction process.**
- d) Destruction of the properties due to authority actions legally acknowledged, except they tend to avoid a conflagration, or in fulfillment of a human right, in accordance to their functions.**
- e) Expropriation, requisition, confiscation, seizure or detention of the properties by legal authorities, in accordance to their functions.**
- f) Nuclear reaction, nuclear radiation or radioactive contamination.**



g) Hostility, declared or undeclared war operations or activities, invasion of the foreign enemy, intestine war, rebellion, insurrection, suspension of guarantees or actions that originate these situations.

h) For terrorism

For terrorism it is understood, for effects of this policy:

The actions of a person or persons that by themselves or in representation of somebody else or in connection with any organization or government, conduct activities with force, violence or by the use of any means with political, religious, ideological, ethnic or any nature purposes, destined to topple, influence or pressure the government of fact or right, to take a determination or alter and/or influence and/or produce alarm, fear, terror or anxiety in the population, in a group or section of the economy sector.

Based on the above, the losses or material damage for such direct or indirect actions, which with a mediate or immediate origin, are the result of the use of explosives, toxic substances, fire arms or by any other means, against the persons, the things or the public services and that due to the threats or possibility of repetition they produce alarm, fear, terror or anxiety in the population or in a group or sector. It also excludes the losses, damage, costs or expenses of any nature, caused directly or indirectly by or as a result of in connection with any action taken for control, prevention or suspension of any terrorism action.

i) Loss of contents, caused by looting or robbery during or after a damage covered by the Policy.

j) Consequential losses, unless they are specifically insured by the Policy.

## THIRD PART. SUM INSURED AND INDEMNITIES

The Sum Insured for these Sections should correspond to the Replacement Value of each of the insured properties.

Every indemnity covered by the insured Sections, will be conducted based on the following:

### INDEMNITIES FOR THE INSURANCE OF FIRE AND ADDITIONAL RISKS

Building	Except pact in Contrary Actual Value
Machinery and Equipment	Except pact in Contrary Actual Value
Machinery and Equipment	Except pact in Contrary Actual Value
Raw Materials	Cost Price
Finished Products	Except pact in Cost Price
Debris Removal	Up to Contracted Limit

### INDEMNITIES FOR THE COVERS OF ROBBERY OF MERCHANDISE, MONEY AND VALUES, RUPTURE OF GLASSES, LUMINOUS ANNOUNCEMENTS AND CIVIL LIABILITY:

The indemnity will correspond to the actual suffered loss or the obligations per damage, prejudice or moral damage in which the Insured may incur with limit in the contracted Sum Insured.

## **FOR ROBBERY OF ART WORKS AND ITEMS THAT ARE DIFFICULT OR IMPOSSIBLE TO REPLACE:**

In case of partial damage, the Company will be liable only for the repair or restore cost of the insured properties. In case of the total loss, for the commercial or replacement value of the insured objects, or the Sum Insured if it resulted lower.

## **FOR THE INSURED PROPERTIES IN THE INSURANCE OF ELECTRONIC EQUIPMENT, BOILERS AND CONTAINERS SUBJECT TO PRESSURE AND MACHINERY BREAKDOWN.**

### **TOTAL LOSS**

In case of total loss of the insured properties in the different covers corresponding to this Policy, the Company will respond up to the actual value of the damaged property, or up to the Sum Insured specified, if this resulted below such sum insured.

### **PARTIAL LOSS**

In the cases of partial loss, for the covers of damage to machinery and equipment, the claim should contain the expenses that need to be incurred to leave the properties in similar operation conditions as they were immediately before the occurrence of the loss, such expenses could be:

- a) The repair cost, according to invoice presented by the Insured, including the cost of dismantling, re-assembly, uninstall, reinstall, ordinary freight and customs expenses if any. The air transportation expenses will not be an object for the insurance.
- b) The expenses of any temporary repair will be absorbed by the Insured, unless they are part of the definitive repair expenses or if the Company authorized them.
- c) The cost of reconditioning, modifications or improvements conducted which are not necessary for the repair of the damage, will be absorbed by the Insured.
- d) When the repair cost of one or more of the insured properties is higher than its actual value, the loss will be considered total.

### **PARTS OR SPARE PARTS OUT FROM MARKET OR DISCONTINUED**

When the necessary parts for the repair of the machines and equipment cannot be obtained, the liability of the Company will be limited to indemnify based on the value of such parts at the moment of the loss, according to the price list of the manufacturers, plus the expenses that proceed according to the Clause "Partial Loss" from this Section.

## **FOURTH PART. INSURED'S OBLIGATIONS**

### **INSURED'S OBLIGATIONS FOR THE USE OF FLAMMABLE PAINT AND VARNISH WITH AIR BRUSH**

The Insured will have the following obligations:

- a) The work will be conducted outdoors or under a roofed area which has at least a complete open side, without a wall; or else, it will be necessary to have a special department built with solid material or with walls, roof and floors free from fuel, to paint, strip paint or conduct any other process with air brush paint.
- b) It is understood and agreed that the liquid paint, solvents, diluents and essences that exist in such department, will only be the necessary for a working day.
- c) An efficient ventilation system to expel gases to the outside should operate in such department; the system should have openings in the walls at the floor level.
- d) All the paints, lacquers, solvents, diluents, essences and other materials necessary for the industry, should be stored in a building or department dedicated exclusively to such object, being the construction of this completely solid.
- e) It is not permitted to smoke, no open flame should be used, nor fire or free light inside every room or booth where cellulose solutions are handled, and it is not permitted that the motor of any vehicle be in movement with its own motive power in any of such rooms or booths.  
Any self-propelled vehicle in strip paint or paint process should have its gasoline tank completely empty.
- f) In every room or booth where they will handle cellulose solutions, the following requirements will be observed:
  - Inside the premises there will be no generating plant, electric panel, transformer, motor, generator, converter, fuses panel, portable resistances, lamps or portable heaters.
  - Inside the premises there should be no motor, startup device for motor, regulator, lever switch, unless it is hermetically closed and could be considered as explosion proof.
  - All the electric lighting will be protected by "conduit" pipes, and the unions should be screwed among them.

## **INSURED'S OBLIGATIONS FOR THE CONSEQUENTIAL LOSS INSURANCE**

The Insured will have the following obligations:

- a. Within the following thirty days from the initial date of this insurance, the Insured will conduct a complete, general and detailed inventory of his business, and at least once a year, during the following twelve months from the date of the immediate previous inventory, unless if by the issue date of the insurance of this cover the Insured has an inventory of this nature, as well as a set of books that show a complete list of operations conducted since the elaboration of that inventory.
- b. The Insured will keep in the regular course of his business, from the initial date of this cover, a set of books that clearly show and present in a simple way, a complete record of the operations conducted, including all purchases, sales and shipments, the ones made in cash as well as credit.

The term "Complete record of Operations Conducted", the way used in these paragraphs, includes, in the mentioned set of books, a complete list of all the properties, that are received in the premises and that increase the stock, whether by the Insured or others, even when they do not legally constitute purchases nor sales.

- c. He will conserve and take care of all the inventories taken during the year in course, as well as all the ones taken during the previous immediate year when issuing this cover, as well as all the books that include the records of their business operated during the running year and the immediate previous.

The Insured will also conserve and take care of all the inventories taken and all books used after the expedition of this cover that have a record of the operations conducted.

The books and inventories and each of them as they are mentioned, will be conserved by the Insured in a locked place in a fire proof safe, during the night at all time, while the building or buildings indicated in the Policy are not effectively open for business. If the above is not possible, the Insured will keep such books and inventories and each of them in a safe place, not exposed to a risk that could destroy the buildings mentioned, and in case a loss or damage occurred to the mentioned property covered by the Policy, such books and inventories and each of them, should be presented by the Insured to the Company for examination.

It is understood that the fact that the Company requests, or receives the books, inventories or other documents referred in the previous Clause, will not constitute any liability admission, nor resignation to any right conferred by the cover.

## **OBLIGATIONS OF THE INSURED FOR THE ROBBERY OF MERCHANDISE**

### **A) SECURITY MEASURES.**

The Premium has been calculated according to the security measures in the covered premise or premises, which are mentioned in the Policy specifications, for which the Insured is committed to maintain during the Policy cover period, the security measures in similar conditions to the ones presented when contracting the Policy, on the contrary, it will be considered an essential aggravation of the risk, and the 3rd Clause "Risk Aggravation" from the Sixth Part of these Conditions will be applied.

### **B) DOCUMENTATION REQUIREMENT.**

The Insured is obliged to maintain an accounting properly requested and updated, with its corresponding vouchers of each and every of the operations conducted in the insured business.

In case the vouchers presented by the Insured, to support a claim, do not fulfill what is established in the previous paragraph, the Company will be released from any liability.

## **OBLIGATIONS FOR THE INSURED FOR MONEY AND VALUES**

### **C) SECURITY MEASURES.**

The Premium has been calculated according to the security measures in the covered premise or premises, which are mentioned in the Policy specifications, for which the Insured is committed to maintain during the Policy cover period, the security measures in similar conditions to the ones presented when contracting the Policy, on the contrary, it will be considered an essential aggravation of the risk, and the 3rd Clause "Risk Aggravation" from the Sixth Part of these Conditions will be applied.

### **D) SAFE BOX OR VAULT.**

The Insured is obliged to keep the insured properties inside a safe or vault and keep it properly closed with combination lock during the non-working days and hours in the insured premise or premises and specified in the present Policy, if this requirement is not fulfilled, the Company will be released from his obligations.

### **E) PROMISSORY NOTES OR CREDIT CARD VOUCHERS.**

The Insured is obliged to keep separate from the Money in cash, the credit card vouchers, which he may have for the payment of properties or services granted by the insured business.

### **F) DOCUMENTATION REQUIREMENT.**

The Insured is obliged to maintain an accounting properly requested and updated, with its corresponding vouchers of each and every of the operations conducted in the insured business.

In case the vouchers presented by the Insured, to support a claim, do not fulfill what is established in the previous paragraph, the Company will be released from any liability.

## **G) VALUATION**

Under no circumstance, the Company will be liable, for money and values, for a sum higher to the actual value in cash that these have when concluding the business operations from the date of the loss, and if it was not possible to determine in the moment when the loss had occurred, the liability of the Company will not be higher to the actual value in cash, than the value which the mentioned money and values had the immediate previous day in which the loss was discovered.

In the case of nominative titles to order, as well as credit card payment vouchers, of which it was possible, a legal cancellation or replacement, the liability of the Company will be limited to the costs of the reprinting and judicial expenses, as well as the experts and lawyers' fees, who were necessary for the annulment of the affected titles, as long as the expenses do not exceed the value of such titles, in which case their value will be paid.

## **OBLIGATIONS OF THE INSURED FOR ELECTRONIC EQUIPMENT**

- a) Maintain the insured properties in good operation condition
- b) Do not normally or intentionally overcharge them, nor use them for work for which they were not built for.
- c) Follow the technical and administrative rules related to the installation and operation of the equipment.
- d) Maintain effective the maintenance contracts with the manufacturers or suppliers of the equipment insured as required by the Policy, to guarantee a periodical revision and maintenance.
- e) Have an air conditioning installation to control the environment of the insured equipment as required, according to the manufacturer's specifications.
- f) Have proper and exclusive earth lines, according to the specifications of the manufacturer of the insured equipment.  
Regarding computing centers, they should have a current relay auxiliary equipment (no break, u.p.s.).
- g) If the Insured does not follow these obligations, the Company will be released from any liability, as long as such breach caused directly the loss.

## **OBLIGATIONS OF THE INSURED FOR MACHINERY BREAKDOWN**

- a) Maintain the insured properties in good operation condition, and follow the manufacturer's instructions regarding installation, operation and maintenance.
- b) Do not normally or intentionally, overcharge them, nor use them for work for which they were not built for.
- c) Follow the technical and administrative rules related to the installation and operation of the equipment.
- d) Communicate the Company within the 24 hours following the moment when the changes occur that may cause an essential aggravation in the risk, such as:
  - Substantial modifications in the machines and equipment that alter their design, capacity, performance or utility.
  - Change of location of the machines and equipment.
  - New installations of the insured machines and equipment.
  - Change of raw materials or processes.
  - Operations interruption for a continuous period of more than 3 months.
  - Modifications in the foundation.

- e) The Insured will revise, and if necessary will recondition completely the machines and equipment in the time intervals indicated by the manufacturers the date when they will start the revision, allowing the presence of a representative of the Company.
- g) The expenses incurred by the representative of the Company will be absorbed by the Company.
- h) Every time a revision or reconditioning is conducted, the Insured will provide the Company a copy of the report of the revision or reconditioning conducted.
- i) If the Insured does not follow the rights indicated in this Clause and this contributes to the occurrence of the loss, the Company will be released from any liability.

## **OBLIGATIONS OF THE INSURED FOR BOILERS OR CONTAINERS SUBJECT TO PRESSURE**

- a) Maintain the insured properties in good operation condition, and follow the manufacturer's instructions regarding installation, operation and maintenance.
- b) Do not normally or intentionally overcharge them, nor use them or work for which they were not built for.
- c) Follow the technical and administrative rules related to the installation and operation of the equipment.
- d) Communicate the Company within the 24 hours following the moment when the changes occur that may cause an essential aggravation in the risk, such as:
  - Substantial modifications in the machines and equipment that alter their design, capacity, performance or utility.
  - Change of location of the machines and equipment.
  - New installations of the insured machines and equipment.
  - Operations interruption for a continuous period of more than 3 months.
  - Modifications in the foundation.
- e) The Insured will revise, and if necessary will recondition completely the machines and equipment in the time intervals indicated by the manufacturers
- f) The Insured will communicate at least 7 days in advance, the date when they will start the revision, allowing the presence of a representative of the Company.
- g) The expenses incurred by the representative of the Company will be absorbed by the Company.
- h) Every time a revision or reconditioning is conducted, the Insured will provide the Company a copy of the report of the revision or reconditioning conducted.
- i) If the Insured does not follow the rights indicated in this Clause and this contributes to the occurrence of the loss, the Company will be released from any liability.
- f) The Insured will communicate at least 7 days in advance,

## **FIFTH PART. LOSSES**

### **PROCEDURE IN CASE OF A LOSS.**

#### **I. SAFE OR RECOVERY MEASURES**

When a loss occurs, produced by any of the risks covered by this Policy, the Insured will have the obligation of performing all the actions that could avoid or reduce the damage. If there is no danger in the delay, the Insured will ask for instructions to the Company and will attend their instructions.

The expenses made by the Insured that are not indicated as excluded, will be covered by the Company, and if they give instructions, they will anticipate such expenses.

Without approval of the Company, the Insured will not be allowed to modify the condition of things, except for public interest reasons or to avoid or reduce the damage.

If the Insured violates the obligation to avoid or reduce the damage or of conserving the invariability of things, the Company will have the right to reduce the indemnity up to the value it reached, if such obligation had been fulfilled. If such obligation is violated by the Insured with a fraud intention, he will lose his rights before the Company.

## II. LOSS ADVISE

When a loss occurs that could originate an indemnity according to this insurance, the Insured will have the obligation to present a written communication to the Company, as soon as they have knowledge of the occurrence. The Insured will have a maximum period of 5 (five) days for the notification, which should be written, except in a fortuitous or force majeure case, presenting it as soon as one or the other cease.

If the advice is not presented on time, it could originate that the indemnity be reduced to the amount that the loss could have caused, if the Company had obtained a prompt advice of the loss.

## III. COMPANY RIGHTS

In case an indemnifiable loss occurs, which affects the insured properties, the Company could decide to substitute or repair the properties with the Insured's satisfaction, or else pay in cash the amount that corresponds, according to his liability, in the terms of the Policy.

In case of a robbery, or criminal action that could originate a claim covered by this Policy, the Insured will immediately notify the corresponding Authorities as well as the Company, in order to recover the properties or repair the damage caused.

If requested, the Insured will grant as soon as possible, power to the Company or to whoever the Company assigns, to take defense on his behalf and negotiate for the Insured his defense or arrangement of any claim, or if it continues under the Insured's name, for his interest, the indemnity claim or damage or prejudice or any other against third parties, and the Insured will provide all the necessary information for support.

Any help that the Company or his representatives provide to the Insured or third parties, should not be interpreted as liability acceptance.

## IV. DOCUMENTS, FACTS AND REPORTS THAT THE INSURED SHOULD PROVIDE THE COMPANY.

The Insured should prove his exact claim and how many parts constitute the claim. The Company will have the right to demand the Insured or his beneficiaries, all type of information about the happenings related to the loss, in order to determine the loss circumstances and consequences.

The Insured will present the Company, the following documentation and facts:

- a) The status of the damage caused by the loss, indicating in the most detailed and exact mode, which were the destroyed or damaged properties, as well as the corresponding damage amount, having in consideration the replacement value of such properties, at the moment of the loss.
- b) A detailed list of all the insurances they have of the properties.

- c) All the plans, projects, books, receipts, invoices, copies or duplicates of invoices, justifying documents, certificates and any document that can support the claim.
- d) All the information related with the origin and cause of the damage, as well as the circumstances in which it was produced, and upon the Company's request, certified copies of the actions conducted by the Public Ministry or by any other authority that could have participated in the investigation of the loss or the happenings related to the loss.
- e) Without prejudice of the documentation and information mentioned above, the occurrence of the loss will be considered proved for the effects of this insurance, only by presenting the criminal complaint, its ratification and proof of property and pre-existence.

Regarding civil liability, in case of litigation, the Insured should provide all the necessary information and proof for the defense of all civil or criminal procedures that could initiate as a consequence of the demand or claim that could have caused directly or indirectly any accident related to the risks covered by the Policy.

The Insured should send the Company, as soon as he receives, all the mail, complaint, claim, judicial order, subpoena, or requirement related with any claim covered by this Policy.

The Company will not be obliged for recognition of debts, transactions or any other juridical action of similar nature, arranged without its knowledge.

## **V. MEASURES THAT THE COMPANY COULD TAKE IN CASE OF A LOSS**

In every case of loss that destroys or damages the properties and as long as the amount of the corresponding indemnity has not been definitively fixed, the Company could:

- a) Enter the buildings or premises where the loss occurred to determine its cause and extension
- b) Examine, classify and valuate the properties wherever they are. The Company is not obliged under no circumstance to control the sale or settlement of the properties or remains, and the Insured will not have the right to abandon those for the Company.

## **FOR SECTION IV GENERAL CIVIL LIABILITY. CLAIM ADVICE.**

The Insured is obliged to communicate the Company, as soon as they have knowledge, about the claims or complaints received by him or his representatives, for which he will present the documents or copies of those, which had been provided for that motive, and the Company is obliged to indicate it immediately in writing, that they do not assume the direction of the process, if that was his decision.

If they do not make such manifestation as expected, it will be understood that the Company has assumed direction of the process against the Insured and he should cooperate with the Company in the terms of the following Clause items.

In case the Company does not assume the direction of the process, they will provide an advance payment to the Insured, up to the amount they were obliged to pay for this concept, in order to pay for the defense expenses, which should be conducted with the proper diligence.

## **COOPERATION AND ASSISTANCE OF THE INSURED REGARDING THE COMPANY**



The Insured is obliged, in every procedure that could initiate against him, based on the liability covered by the insurance to:

- Provide the necessary facts and proofs that had been required by the Company for his defense, in case it is necessary or when the Insured does not appear.
- Exercise and make valid the actions and defense to which he has the right.
- Appear in all procedures
- Grant power to the lawyers assigned by the Company to represent him in the mentioned procedures, in case he cannot participate directly in all negotiations of such procedures.

All the expenses conducted by the Insured, to comply with those obligations, will be absorbed by the Sum Insured related to the defense expenses.

If the Company acts negligent with the determination or direction of the defense, the liability regarding the expenses amount of such defense will not be subject to any limit.

## **CLAIMS AND COMPLAINTS.**

The Company is capable of conducting settlement of the extra judicial or judicial claims, to direct the trials or promotions before the authorities and make agreements.

It will not be opposed to the Company any recognition of debt, transaction, agreement, or other juridical action that implicates recognition of the Insured's liability, arranged without approval of the own Company, with the purpose of pretending a liability, which in other way will be non-existent or lower to the actual one. The confession of a happening from the Insured cannot be assimilated to the recognition of a liability.

## **INSURANCE BENEFICIARY.**

The present insurance contract, attributes the right to the indemnity directly to the third party damaged, that will be considered as his beneficiary, since the moment of the loss.

## **REIMBURSEMENT.**

If the third party is indemnified, in all, or part by the Insured, he will be reimbursed proportionally by the Company.

## **SUBROGATION.**

In the terms of the Law, once the corresponding indemnity is paid, the Company will subrogate, up to the amount paid in all rights against third parties, who for the cause of the indemnified damage correspond to the Insured, however, when it consists on actions committed by persons for who the Insured was legally responsible, to be considered for these effects, also as insured, there will be no subrogation.

If the damage was indemnified only in part, the Insured and the Company will concur to make their rights valid in the corresponding proportion.

## **SIXTH PART. APPLICABLE CONDITIONS TO ALL SECTIONS OF THIS POLICY**

### **1st CLAUSE. COVER PERIOD**

The insurance cover period starts and concludes at 12:00 hrs. of the dates specified in the Policy cover page.

### **2nd CLAUSE. GEOGRAPHIC LIMIT**

This Policy only provides coverage against loss and/or damage which occurs or expenses incurred within the territory limits of Mexico, except the damage caused abroad to Mexican properties and/or interests that are specified in the Policy.

Applicable to the Civil Liability, when the coverage corresponding to “Civil Liability for Damage Abroad” is contracted.

### **3rd CLAUSE. RISK AGGRAVATION**

The insured should communicate the Company any circumstance which during the insurance cover period, may cause an essential aggravation in the covered risks, within the 24 hours following the moment when they have knowledge of the loss.

Should the Insured fail to comply with the Company’s requirements, the Company will not be liable for loss or damage arising as a consequence of the aggravation of the risk.

### **4th CLAUSE. INDEMNITY PROPORTION**

**APPLICABLE TO SECTIONS I FIRE BUILDING AND/OR II FIRE CONTENTS, SECTION III CONSEQUENTIAL LOSSES, SECTION VI LUMINOUS ANNOUNCEMENTS, SECTION IX ELECTRONIC EQUIPMENT, SECTION X MACHINERY BREAKDOWN AND SECTION XI BOILERS AND DEVICES SUBJECT TO PRESSURE**

The Sum Insured has been fixed by the Insured, and is no proof of the existence nor the value of the insured properties, it only represents the base to delimit the maximum liability of the Company.

If by the occurrence of the loss, the insured properties, have altogether a value below their actual or replacement value, according to insuring option selected by the Insured, the Company will only respond proportionally to the suffered damage.

If the Policy has various items, this condition will be applicable to each of them separately.

For the Consequential Loss insurance, the Sum Insured should represent:

- A. Reduction of Incomes due to Commercial Business Interruption:** The period in months that he wishes to insure of 100% of the annual incomes.
- B. Loss of Profits, Salaries and Fixed Expenses:** The period in months that he wishes to insured of 100% of the sum of profits, salaries, and annual fixed expenses.
- C. Gross Profits not conducted in commercial and/or industrial businesses:** The percentage that he wishes to insure of 100% of the annual Gross Profits.

- D. Contingent Insurance:** The percentage that he wishes to insured of 100% of the annual Gross Profits.
- E. Insurance of salaries and/or fixed expenses for earthquake and/or volcanic eruption:** The period that he wishes to insure of 100% of the sum of salaries and annual fixed expenses.
- F. Insurance of salaries and/or fixed expenses for hydro meteorological phenomenon:** The period he wishes to insure of 100% of the sum of salaries and annual fixed expenses.

If by the occurrence of the loss, the Sums Insured do not agree with the insuring option selected by the Insured, the Company will only respond for the percentage that the contracted sum represents.

## **5th CLAUSE. INDEMNITY IN CASE OF LOSS FOR OBJECTS THAT CONSTITUTE A PAIR OR A SET**

When one of the insured objects forms a pair or a set, the Company will only pay for the value of the lost or damaged part or parts, and under no circumstance will they be liable for the value of the complete pair or set.

## **6th CLAUSE. PREMIUMS**

Article 40. If the Premium or the first fraction of the Premium had not been paid, in the case of partial payments, within the agreed term, which could not be lower than three days, nor higher than 30 natural days following their expiration date, the effects of the contract will cease automatically at 12 hrs. of the last day of that period. If the term has not been agreed, a period of 30 calendar days shall apply from the date of its expiry.

Unless otherwise agreed, the term referred to in the preceding paragraph shall not apply to compulsory insurance as referred to in Article 150 Bis of this Law.

The agreed Premium should be paid at the offices of the Company, by receiving the corresponding receipt.

## **7th CLAUSE. REHABILITATION**

Notwithstanding the indication in Clause 6 "Premiums", this Sixth Part, the Insured could, within the thirty days following the last day of the grace period indicated in such Clause, pay the Premium of this insurance or the corresponding part, if a fractioned payment has been agreed; in this case, for the only fact of the mentioned payment, the effects of this insurance will be rehabilitated starting on the hour and date indicated in the payment voucher and the original term will be extended automatically for an equal period to the one between the date when the grace period concluded and the hour and day when the rehabilitation becomes effective.

However, if when the referred payment is conducted, the Insured requests through a written document that this insurance conserves its original term, the Company will adjust, and if necessary will reimburse the undue Premium corresponding to the period during which the effects ceased, according to Article 40 of the Insurance Contract Law, of which their initial and terminal moments are indicated at the end of the preceding paragraph.

In case the hour is not indicated in the payment voucher, the insurance will be considered rehabilitated since zero hours from the payment date.

Without prejudice of its automatic effects, the rehabilitation to which this Clause refers to, should be approved by the Company for administrative purposes, in the issued receipt, for the corresponding payment and in any other document that may be issued after such payment.

## **8th CLAUSE. INSURED'S PARTICIPATION**

When indicated in the Policy specifications, the Insured will absorb the Deductible and/or Coinsurance and/or Waiting Period for each contracted Section and Coverage, as indicated below:

### **DEDUCTIBLE**

Deductible will be understood to mean the amount that the Insured will support on his account when a loss occurs, due to a risk covered by the Policy, if the loss amount is higher to the amounts indicated in the policy cover page, the Company will indemnify the loss in excess of the deductible, or up to the limit established for the affected cover.

For Sections I and/or II the deductible will be applied to each building or structure separately, including its contents, independently if the properties are insured in one or various items, or in one or various Policies.

For Sections VI, IX, X and XI the deductible will be applied to each equipment, machinery or device separately.

### **COINSURANCE**

Coinsurance will be understood to mean the percentage of the loss or damage that the Insured will support on his account when a loss occurs, due to a risk covered by the Policy, if the loss amount is higher to the amounts indicated in the policy cover page, the Company will indemnify the loss, less the percentage of the Insured's participation, or up to the limit established for the affected cover.

### **WAITING PERIOD**

The waiting period will be understood to mean the days in which the Insured will support on his account the consequential loss generated for the occurrence of the risks insured in the physical damage coverage, in such virtue, the cover of this Policy starts after the waiting period has passed.

## **9th CLAUSE. OTHER INSURANCE**

If the insured or anyone representing the insured's interests, takes out during the term of this Policy, other insurance covering the same risks to the goods or persons covered by this Policy, he shall immediately notify the Company, by written notice, indicating the name of the insurers and the Insured Sums contracted.

Should the insured intentionally fail to inform the company or if the insured takes out more than one policy in an effort to obtain an illicit gain, the company will be released from his obligations.

## **10th CLAUSE. REDUCTION AND REINSTATEMENT OF THE SUM INSURED**

All indemnities paid by the company will reduce the sum insured by the same amount in connection with any of the covers in this Policy affected by the claim. However, this sum may be reinstated at the insured's request and subject to approval on the part of the company, subject to the payment of the corresponding additional premium.

## **11th CLAUSE. ARBITRATION (EXPERT APPRAISAL)**

In the event of any dispute between the insured and the company with respect to the amount of any loss or damage, the question will be submitted to an arbiter, named in writing by mutual agreement between the parties. However, should the parties be unable to reach an agreement with respect to the naming of a single arbiter, two will be named; one by each party. Said arbiters will be named within a period of ten days, as of the date on which

one of the parties requests, in writing, that the other do so. Prior to beginning their work, the two arbiters will appoint an umpire to settle any unresolved matters.

If one of the parties refuses or fails to appoint an arbiter, after having been requested to do so by the other party, or if the arbiters fail to reach an agreement with respect to the naming of the umpire, then, at the request of either one of the parties, the judicial authorities will be responsible for appointing the arbiter, the umpire, or both, should such be necessary.

The decease of one of the parties when being a physical person or its dissolution if it was a moral person, occurred while conducting the arbitration, the power and attributes of the arbiter or arbiters, or the third party will not be affected or canceled, or if one of the arbiters or the third party died before the judgment, another one will be assigned by whoever corresponds (the parties, the arbiters or the Judicial Authority) to be substituted.

The costs and expenses arising as a consequence of the arbitration will be shared equally by the insured and the company. Each party, however, will be responsible for the fees charged by its arbiter.

The arbitration referred to in this clause shall not be interpreted as an acceptance of the claim on the part of the company, but rather will be carried out simply to determine the circumstances and the amount of the claim which the company may eventually be under the obligation to pay. The parties will remain free to exercise their corresponding rights and defenses.

## **12th CLAUSE. FRAUD, BAD INTENTIONS, BAD FAITH OF INSURED**

The company will be released from its obligations:

- a) If the insured, the beneficiary or their representatives-with the intention of causing the company to make an error-misrepresent or present false declarations with respect to any fact which could exclude or limit the company's obligations.
- b) If, with the same intention, the insured, the beneficiary or their representatives fail to provide the company in a timely manner with the documentation and information related to the loss, with which the circumstances and consequences could be determined.
- c) If in connection with the loss or the claim there is fraud or bad faith on the part of the insured, the beneficiary or their representatives.

## **13th CLAUSE. RIGHTS SUBROGATION**

In the terms of the Law, the company will be subrogated in the rights of the insured, for up to the amount paid, as well as in the insured's actions against those responsible for a loss. At the company's request, the insured will ratify the company's subrogation rights before a public notary. If, by any act or omission on the part of the insured, the company's subrogation rights are impeded, the company will be released from its obligations.

The subrogation right will not proceed in case the Insured has a marital relation or blood relation with the person that had caused the damage, or if he is legally responsible of the same. If the loss is only partially indemnified, the insured and the company will exercise their rights in the proportion corresponding to each.

## **14th CLAUSE. PLACE AND PAYMENT OF INDEMNITIES**

The company will pay all claims at its offices within a period of 30 days, as of the date on which the company has received all the documentation and information required to understand the basis of the claim, in the terms of the Claims Section of the Policy..

## 15th CLAUSE. CURRENCY

Both the premium and any claims arising under the terms of this policy will be paid in the currency indicated in the policy schedule and in Mexico City, subject to the terms of the currency law in effect on the date of payment.

## 16th CLAUSE. JURISDICTION

In the event of controversy, the plaintiff must first present a complaint before the Financial Services Law, and upon election determine the jurisdiction for territory regarding the address of any of the delegations from the National Commission for the Protection and Defense of the Financial Services Users. Should the commission not be designated to serve as the arbiter in the dispute, the judge from such delegation will be competent.

## 17th CLAUSE. COMMUNICATIONS / NOTIFICATIONS

Any declaration or communication related to the present contract, should be sent to the Company, in writing, directed to the Company's address as indicated in the Policy cover page.

In the event that the address of the Company's office were different to the one indicated in the Policy cover page, the Company should inform and notify the Insured, for any communication that the Insured should send and for any other legal effect.

The requirements and communications that the Company should have with the Insured, will be valid if they are made in the last address known by the Company.

## 18th CLAUSE. ANTICIPATED END OF CONTRACT

Despite the policy period for which this insurance has been granted, the parties hereto agree that the contract may be canceled prior to its expiration date, by means of written notification. If the insured cancels the policy, the company will have the right to that part of the premium corresponding to the time during which the policy was in effect, in accordance with the following short term insurance rate table registered by the National Commission of Insurance and Bonds.

### FEE FOR INSURANCE AT SHORT TERM (Except for Hydro meteorological risks)

Period	Percentage of Annual Premium
Up to 10 days	10%
Up to 1 month	20%
Up to 1 ½ months	25%
Up to 2 months	30%
Up to 3 months	40%
Up to 4 months	50%

Up to 5 months	60%
Up to 6 months	70%
Up to 7 months	75%
Up to 8 months	80%
Up to 9 months	85%
Up to 10 months	90%
Up to 11 months	95%

**FEE FOR INSURANCE AT SHORT TERM  
(For Hydro meteorological risks)**

Period	Percentage of Annual Premium
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 tan 5 months	100%

If the company cancels the policy, written notification will be sent to the insured and the insurance will cease to be in effect fifteen calendar days after notification has been made.

The company must return the unearned premium to the insured at the time such notification is given. The failure on the part of the company to comply with this requirement will render the cancellation notice null and void.

**19th CLAUSE. PRESCRIPTION**

All the actions derived from this contract will prescribe in two years, according to the terms of Article 81 from the Insurance Contract Law, it will count from the date of the circumstances that originated the loss except the exception cases indicated in Article 82 of the same Law.

The prescription will be interrupted not only for the ordinary caused, but for those referred in the Law for the Protection and Defense of the Financial Services Users.

**20th CLAUSE. BENEFITS FOR THE INSURED**

If during the term of this Policy, the authorities register new covers or extensions, without an additional Premium charge, they will be applied automatically, for the Insured's benefit.

Likewise, if during the cover period of this insurance, the registered fees were reduced, the termination of this contract or before upon the Insured's request, the Company will pay the difference between the agreed Premium and the modified Premium since the date of such reduction until the termination of the Insurance.

## 21st CLAUSE. INSPECTIONS

The company will, at all times, have the right to carry out inspections of the insured property. Said inspections will be carried out during regular working hours and by individuals duly authorized by the company.

This right does not constitute an obligation on the part of the company to carry out inspections on specific dates, nor at the request of the insured or their representatives.

The insured will be under the obligation to provide the company with all the necessary details and information so as to determine the characteristics and nature of the risk.

The company will provide the insured with a copy of the inspection report. Said report will be handled in the strictest confidence.

If the inspection revealed any circumstance that could motivate the essential aggravation of the risk, the Company could send a notification to the Insured to the address indicated in this Policy by telegram, fax or certified letter indicating:

- Rescind the coverage, in the terms of Clause 18 "Advanced termination of Contract".
- Grant the Insured a 15 day period to correct such aggravation. If the Insured did not correct it within the established period, the Company could terminate the insurance contract in the terms of Clause 18 "Advanced termination of Contract" and Clause 3 "Risk Aggravation".

## 22nd CLAUSE. SECURITY MEASURES

According to the security measures that appear in the BASE CONDITIONS of the cover page of this Policy and that were base for the corresponding quotation, the Insured is obliged to maintain them during all the cover period of this Policy, on the contrary the Company will be released from every liability, as long as this omission influenced on the occurrence of the loss.

## 23rd CLAUSE. FLAMMABLE OR EXPLOSIVE SUBSTANCES

### **Exclusive for Sections I and/or II**

When this Policy indicates flammable or explosive substances, such percentage will be calculated over the total value of the stock, considering as flammable or explosive substances, all substances in solid, liquid or gaseous condition with flammability point at 93° C or 200°F, such as:

Oils(vegetables, minerals and animals),except oils and lubricants in closed containers or drums, chromic acid, crystallized, chromates and analogues, picric acid and picrates, crystallized salicylic acid, strong acids (sulfuric, hydrochloric, nitric); sulfur, varnish, lacquers and paints prepared with organic solvents (excluding those that are packed in metal containers hermetically closed); alcoholic beverages with a graduation higher than 22 °Gay-Lussac(except the bottled ones); pitch, quicklime, powder carbon, calcium carbide, celluloid, and other analogue substances, matches and phosphors, cyanide, chlorates, chlorites, perchlorates and perchlorites, dyes and pigments (except the ones bottled in metal containers hermetically closed), wastes made of carbon substances (paper, wood, textiles, etc.) explosives in general (including cartridges, percussion capsules, and fireworks); vegetal and synthetic fibers, red, white and yellow phosphorus, gasses bottled with pressure, sodium and potassium hydroxide in solid condition or in solution with a concentration from 50 to 70% (from 48-55 degrees be); metallic lithium, metallic magnesium, wick mining, black smoke (mineral, vegetal or animal); nitrates and nitrites, dry pastures, antimony pentasulphide, permanganate, peroxides, aluminum and magnesium organic



powder, metallic potassium, phosphorus sesquisulphide, antimony sulfide, hydrogen sulfide, dyes prepared with organic solvents (excluding those that are hermetically closed in containers).

Therefore, the Insured is obliged to control that such percentage does not exceed what was stipulated, if so, in case of a loss provoked by the mentioned exceeding percentage, the Company would be released from any liability.

## **24th CLAUSE. MORATORIUM INTEREST**

In the event that the Company, despite having received the documents and information enabling it to know the merits of the claim submitted to it, does not comply with the obligation to compensate the Insured or the Beneficiary shall pay to the Insured or its Beneficiaries compensation for arrears in accordance with **Article 276 of the Law On Insurance And Bonding Institutions**, which reads as follows:

**ARTICLE 276.** - If an Insurance Institution does not comply with the obligations assumed in the insurance contract within the time limits legally provided for its performance, it shall pay the creditor compensation for arrears in accordance with the following:

- I. Obligations in national currency shall be denominated in Investment Units, at the value of these at the date of expiry of the periods referred to in the initial part of this article, and shall be paid in national currency, the value of the investment units at the date of completion of the investment, in accordance with the second paragraph of Section VIII of this Article.  
In addition, the Insurance Institution shall pay a standstill interest on the obligation denominated in Investment Units in accordance with the provisions of the preceding paragraph, which will be capitalised monthly and whose rate will be equal to the result of multiplying by 1.25 the cost of collecting forward liabilities denominated in Investment Units of the country's multiple banking institutions, published by the Bank of Mexico in the Official Journal of the Federation, corresponding to each month in which there is a delay;
- II. Where the principal obligation is denominated in foreign currency, in addition to the payment of that obligation, the Insurance Institution shall be obliged to pay a standstill interest which shall be capitalised monthly and calculated by applying the amount of the obligation itself, the percentage that results from multiplying by 1.25 the cost of forward collection of liabilities denominated in United States dollars of the country's multi-bank institutions, published by the Bank of Mexico in the Official Journal of the Federation, corresponding to each month in which there is a delay;
- III. If the reference rates for the calculation of interest on arrears referred to in paragraphs I and II of this Article have not been published on the date of the calculation, the reference rates for the calculation of interest on arrears referred to in paragraphs I and II of this Article shall apply for the month immediately preceding and, in the event of non-publication of such fees, default interest shall be computed by multiplying by 1.25 the rate replacing them, in accordance with the applicable provisions;
- IV. The standstill interest referred to in this Article shall be generated per day, from the date of expiry of the periods referred to in the initial part of this Article until the date on which the payment provided for in the second paragraph of Section VIII of this Article is made. For their calculation, the reference rates referred to in this Article shall be divided by three hundred and sixty-five and multiplied by the number of days corresponding to the months in which the non-compliance persists;

V. In the event of repair or replacement of the damaged object, the delay compensation shall consist solely of the payment of interest in the currency in which the principal obligation is denominated in accordance with parts I and II of this Article and shall be calculated on the amount of the cost of the repair or replacement;

VI. The rights of the creditor to the compensatory benefits provided for in this article shall not be waived. An agreement that seeks to extinguish or reduce them shall have no legal effect. These rights shall arise only within the time limit established by law for the payment of the principal obligation, even if the principal obligation is not liquid at that time.

Once the amount of the principal obligation has been fixed in accordance with the agreement of the parties or the final decision handed down in court before the judge or arbitrator, the compensatory benefits provided for in this Article must be covered by the Insurance Institution in the amount of the principal obligation thus determined;

VII. If, in the respective proceedings, the claim is admissible, even if the payment of the delay compensation provided for in this article has not been demanded, the judge or arbitrator shall, in addition to the principal obligation, shall order the debtor to also cover those benefits in accordance with the foregoing fractions.

The payment made by the insurance institution shall be made in a single exhibition comprising the total balance for the following items:

- A. Interest on arrears;
- B. The update referred to in the first paragraph of part I of this Article; and
- C. The primary obligation.

In the event that the insurance institution does not pay in a single instalment the full amount of the obligations assumed in the insurance contract and the indemnity for arrears, the payments you make will apply to the items listed in the order set out in the previous paragraph, so that the compensation for arrears will continue to be generated in terms of this Article, on the amount of the principal obligation not paid, until it is fully covered.

Where the institution submits a defence which suspends the enforcement procedure provided for in this act, and where a final judgment is delivered in which the contested acts remain, the corresponding payment or recovery shall include the payment of compensation for arrears which until that time resulted in the principal obligation; and

IX. If the insurance institution, within the statutory time limits and terms, fails to pay the arrears, the judge or the National Commission for the Protection and Defense of Financial Service Users, as appropriate, will impose a fine of 1000 (thousand) to 15000 (fifteen thousand) days' salary.

In the case of the administrative enforcement procedure provided for in Article 278 of this Law, if the insurance institution, within the legal time limits or terms, does not make the payment of the indemnities for arrears, the Commission shall impose the fine indicated in this fraction, at the request of the relevant executing authority in accordance with part II of that Article.

## **25th CLAUSE. COMMISSIONS REVELATION**

During the policy period, the contracting party could request the Company by writing, to inform the percentage of the Premium, which by commission or direct compensation concept corresponds to the intermediary or moral person for his intervention in this contract. The institution will provide such information, in writing or by electronic means, in a period that will not exceed ten working days after the date when the request was received.

## **26th CLAUSE. ARTICLE 25 FROM THE INSURANCE CONTRACT LAW**

If the Policy content or its modifications did not agree with the offer, the Insured could ask for the corresponding rectification within the 30 (thirty) days following the day when the Policy was received. After this period, the Policy stipulations or modifications will be considered accepted.

## **SEVENTH PART .DEFINITIONS**

### **ACCESSORIES**

Pieces or mechanic sets that are assembled on a machine or equipment to transform it or simply to increase its performance, facilitate its operation or make it regular or safe, but without considering the structures or supports.

### **ACTUAL VALUE**

- Building: Is the cost that will be necessary to incur for the reconstruction and/or repair of the damaged or destroyed property considering deduction for physical depreciation for the effects of time, wear and/or use.
- Contents: Is the purchase cost, installation or repair of the properties for others of equal class, quality, size and/or capacity, considering deduction for physical depreciation.
- Merchandise: Is the acquisition Price for the Insured.
- Inventory: The production cost.
- In machinery, equipment, furniture and utensils: The amount that will be necessary to incur to repair or replace the damaged or destroyed property for another one of the same class, quality, size or production capacity, deducting the physical depreciation for use.

### **ART OBJECTS**

Those objects elaborated by an artist or artisan, for decorative purposes, which comprehend the use of applied arts like ceramic, metalwork, furniture, tapestry and enamel.

### **AUXILIARY EQUIPMENT**

The fuel burners, grills, economizers, air pre-heaters, panels and control equipment and injectors that are in the structure of the boilers or containers with chimney.

### **BAD INTENTION OR BAD FAITH**

Actions or omissions that a person uses to induce another person in an error.

Fraudulent or misleading conduct of a party against the other with a contractual relation, whether in the agreement preparatory phase, during its term and fulfillment.

### **BENEFICIARY**

Person who the Insured recognizes with the right to receive, in the corresponding amount, the indemnity derived from this Policy.

### **BOILERS AND CONTAINERS SUBJECT TO PRESSURE WITH CHIMNEY**

A closed container where water or other liquid is heated and turned to steam, through heat generated by any fuel or electricity. This insurance comprehends any auxiliary equipment of the insured boilers or containers that are in their structure, including the gas conduits up to their discharge in the chimney and extends to the feeding pipeline between the feeding pumps, the injectors, the boilers and containers, to all the steam output pipeline, up to the closest valve, including such valve.

Also considered as such, the fuel heaters and fans of forced draft of igneous tubular boilers, which are integrated to the boiler's body or structure.

### **BOILERS AND CONTAINERS SUBJECT TO PRESSURE WITHOUT CHIMNEY**

All equipment that normally works at vacuum pressure, but that is not heated directly by fire or with gases originated from combustion.

### **BUILDING**

Set of main material constructions and accessories with fixed installations (water, gas, electricity, air conditioning and other building installations), where the Insured conducts his business activities.

#### **The foundations and attachments underground are excluded.**

The false roofs, fixed carpets, adhered tapestry and wood, walls or roof, as well as the independent fences and walls of the building and additional constructions in the same premises, are considered part of the building.

In the case of the building under the condominium regimen, the proportional parts of the common elements of the building, are included.

### **COINSURANCE**

It is understood as coinsurance, the percentage of the loss or damage that the Insured supports on his account when a loss occurs due to a risk covered by the Policy. If the amount of the loss is higher than the stipulated deductible, the Company will indemnify the loss less the percentage of the Insured's participation (Coinsurance), or up to the limit established for the affected cover.

### **CONTAINER SUBJECT TO PRESSURE WITHOUT CHIMNEY**

Container that normally works at pressure or vacuum, that is not heated directly by fire or with gases coming from combustion, which do not include the input or output pipelines, nor packing, valves and fittings.

### **CONTENTION WALLS**

Those that confine and retain the land, they can be located under the lowest accessible level, functioning also as foundation and can be independent, being outside a building without receiving any load and not attached to the structure of the building.

### **CONTENTS**

Machinery and equipment, merchandise, raw materials, products in process, finished products, furniture, items and own equipment necessary for the Insured business, located inside the building. They are considered contents those properties that are property of third parties which through a contract are under the Insured's liability, as long as they are located inside the building and are necessary for the Insured's business.

### **CONTENTS (For the cover of Boilers and containers subject to pressure)**

It is understood as contents, those equipment, the liquids and/or mixtures that are inside a container, tank, boiler or any container.

### **CONTRACTOR**

Physical and/or Moral Person that subscribes the contract and that generally coincides with the Insured's person.

### **CONTRACTOR'S EQUIPMENT**

Every heavy machine used for civil Works or to move great loads such as: tractors, front loaders, motor conformers, agricultural machinery, etc.

### **DEBRIS REMOVAL**

It refers to the removal, demolition, clean-up, dragging and other necessary actions that have to be conducted so that the damaged properties be in repair or reconstruction conditions.

### **DEDUCTIBLE.**

It is understood as deductible, the amount that the Insured supports on his account when a loss occurs, due to a risk covered by the policy. If the amount of the loss is higher than the amounts indicated in the cover page of the Policy, the Company will indemnify the loss in excess of the deductible, or up to the limit established for the affected cover.

#### **DEPOSITS OR ARTIFICIAL WATER CURRENTS**

Vessels, dams, reservoirs, wells, artificial lakes, river Canals and landfills at open sky.

#### **DOMES**

Flat or round glass or acrylic, set on roofs or walls to allow the pass of light.

#### **DSMGVDF**

Days of Minimum Salary in Force in the Distrito Federal at the time the loss takes place.

#### **ELECTRONIC EQUIPMENT**

Own equipment and necessary for the Insured's business, that are constructed based on circuits or micro circuits, which in general require low voltage for their operation.

#### **ENDORSEMENT**

Document issued by the Company to modify or add the original contract conditions.

#### **EARTHQUAKE**

Vibration in the earth crust, generally due to relative displacement of the plates that form it.

#### **FACADES**

Those walls on the outside of the building, facing the street, a patio or a terrace. The boundary walls that do not have windows are not considered facades.

#### **FALSE DECLARATION**

Exposition or manifestation of incorrect, inaccurate or imprecise information given by the Insured regarding the insured object or its characteristics; also the false declaration can affect the circumstances that originated a loss.

#### **FINISHED BUILDING**

The building ready to be occupied, having all windows and glasses installed, finished floors, doors and walls.

#### **FINISHED PRODUCT**

All type of products elaborated by the Insured, such as they have to be, to have them packed, shipped, sold or delivered.

#### **FIRST RISK.**

Indemnity procedure in which the Company pays the complete damage suffered, deducting previously the applicable coinsurance and/or deductible, up to the amount of the sum insured without exceeding the Insurable Value of the insured properties at the moment of the loss occurrence.

#### **FLAMMABLE OR EXPLOSIVE SUBSTANCE**

All substances in solid, liquid or gaseous condition, with flammability point lower than 93°C.(200°F), among which are the following:

Oils, (vegetables, minerals and animals), except oils and lubricants in closed bottles or drums.

Chromic acid, crystallized, chromates and analogues

Picric acid and picrates

Crystallized salicylic acid

Strong acids (sulfuric, hydrochloric, nitric)

Sulfur

Varnish, lacquers and paints prepared with organic solvents (excluding those that are packed in metal containers hermetically closed) Alcoholic Beverages with a graduation higher than 22 °Gay-Lussac (except the bottled ones)

Sodium bi sulfite (hydro sulfite)

Pitch

Quicklime

Powder carbon

Calcium carbide

Celluloid, and other analogue substances

Matches and phosphors

Cyanide

Chlorates, chlorites, perchlorates and perchlorites,

Dyes and pigments (except the ones bottled in metal containers hermetically closed).

Wastes made of carbon substances (paper, wood, textiles, etc.)

Explosives in general (including cartridges, percussion capsules, and fireworks).

Vegetal and synthetic fibers.

Red, white and yellow phosphorus.

Gasses bottled with pressure.

Sodium and potassium hydroxide in solid condition or in solution with a concentration from 50 to 70% (from 48-55 degrees be).

Metallic lithium

Metallic magnesium

Wick mining.

Black smoke (mineral, vegetal or animal).

Nitrates and nitrites.

Dry pastures.

Antimony pentasulphide

Permanganates

Peroxides.

Aluminum and magnesium powder

Organic material powder.

Metallic potassium

Phosphorus sesquisulphide

Metallic sodium.

Antimony sulfide.

Hydrogen sulfide.

Dyes prepared with organic solvents (excluding those that are hermetically closed in containers).

Note: Every time the Word flammable is mentioned in these conditions, it should be understood as flammable and/or explosives).

## **FLOOD**

The accidental temporary covering of the soil by water as a consequence of the deviation, overflow or rupture of contention walls of rivers, canals, lakes, dams, ponds and other deposits or water currents, natural or artificial.

## **FLOOD CAUSED BY RAIN**

The accidental temporary covering of the soil by rain water, as a consequence of unusual and fast accumulation or displacement of water originated by extraordinary rain, that fulfill any of the following characteristic:

- That the rain reaches at least 85% of the average of the maximum from the occurrence zone in the last ten years, according to the procedure published by the Asociación Mexicana de Instituciones de Seguros (A.M.I.S.),

measured in the closest meteorological station, certified by Servicio Meteorológico Nacional de la Comisión Nacional del Agua or that the insured properties are within a flooded zone that had covered at least an hectare.

### **FORTUITOUS**

A happening occurred without the intervention of the human will.

### **FOUNDATION**

Part of a building that is underground or under the first level with access, made of masonry, armed concrete, steel or concrete, which transmits the loads that a structure supports.

### **FRANCHISE**

Amount that the Insured supports on his account when a loss occurs. If the loss amount is higher than such amount, the Company will indemnify the total loss or up to the limit established for such cover.

### **FROST**

Weather phenomenon in the location of occurrence, consisting on the unexpected descend of the environmental temperature, to equal or lower levels to the freezing point of water.

### **FURNITURE**

Furniture, utensils, equipment, including devices, showcases, shelves, and equipment in general own and necessary for the insured business.

### **GENERAL CONDITIONS**

The set of basic principles, that the Insured establishes unilaterally and that regulates the legal and operative dispositions of the insurance contract.

### **HAIL**

Atmospheric precipitation of water that falls hard in the form of hard and compact ice crystals. Under this concept, the obstruction of the hydro sanitary network registries, the drain systems located inside the insured premises and in the rain downspouts, as a consequence of the accumulation of hail, are also covered.

### **HEAVY SEA OR TSUNAMI**

Damage caused by water due to the violent agitation of the sea water, caused by a shake in the bottom of the sea, elevating its level, spreading to the coast and causing severe floods.

### **HOLD-UP**

Action committed inside or outside the building by any person or persons in order to take possession of the properties, making use of force or violence, whether moral or physical over the persons.

### **HURRICANE**

Flow of water and rain, in great magnitude, moving in a circular trajectory around a low pressure center, over the marine or earth surface with peripheral speed of direct impact winds, equal or higher than 118 kms per hour, which are identified as such by the National Meteorological Service.

### **HYDRO METEOROLOGICAL PHENOMENONS**

It is understood as hydro meteorological phenomenon the following events: Hurricane, stormy winds, hail, frost, snow, surge, flood, rain flood, mud avalanche and heavy sea.

### **IMPROVEMENTS AND ADAPTATIONS**

Are those added to a building, that are not essential parts and that can be insured separately or as part of the content.

### **INDEMNIFIABLE PROPORTION**

Indemnity procedure in which the Company pays the Insured the amount of the loss or damage in excess of the coinsurance or deductible, reducing the indemnity to the proportion between the Sum Insured and the insurable value.

This procedure operates when the Sum Insured is below the insurable value of the properties, which application is stipulated in the Policy cover page.

### **INDEMNITY PERIOD**

Is the period that starts on the date of the loss and within the cover period, and ends when the number of months stipulated in the policy cover period ends, within that period the insured business operations could be affected as a consequence of the referred loss and without being limited by the expiration date of the policy cover period.

### **INDEPENDENT CONTENTION WALLS**

Those walls built outside the building which do not receive any load of the building for not being attached to the structure.

### **INSTALLATIONS**

Equipment or attachment fixed to the buildings, necessary to supply the complementary services to make their use possible.

It is not considered an installation the machinery and equipment for the industrial and commercial activity, or the special installations for a determined purpose.

### **INSURABLE VALUE**

Is the value which the Insured had chosen, to be the replacement value or the actual value of the properties in the contract date of the Policy, option stipulated in the Policy.

### **INSURANCE AT FIRST RISK**

The insurance at first risk is defined as an insuring form where a loss or damage as a consequence of a risk covered by the Policy is completely indemnified, with limit in the contracted Sum Insured, without considering the total value of the properties individually or in set.

### **INSURANCE AT REPLACEMENT VALUE**

The loss to be indemnified will be defined as the sum insured that the construction, repair, acquisition or installation of mobile or non-mobile properties will demand for others of equal class, quality size or capacity as the insured ones, without considering any reduction for physical depreciation for use, but including the cost of freights, assembly or installation expenses and custom rights, if any.

### **INSURANCE CONTRACT**

Agreement of wills, on the virtue of which the Company, is obliged through a Premium payment, to repair a damage or pay a sum of money when verifying the eventuality mentioned in the contract.

The policy and its versions, the request, the general conditions and the endorsements, are part and constitute a proof of the insurance contract between the Contractor and the Company.

### **INSURED**

Person to whom the rights of the insurance contract corresponds.

### **INSURER**

HDI Seguros, S.A. de C.V., organism that issued this Policy, called "the Company" who in his condition of Insurer and by collecting the payment of the Premium, assumes the coverage of the risks object of this contract, based on the Policy conditions.



### **LACK OR INSUFFICIENCY OF DRAIN IN THE INSURED'S BUILDINGS**

Lack or insufficiency of capacity of the drain and downspout systems from the hydro sanitary installation of the insured building, to release the residues generated from the use of the building or the accumulated rain, causing the saturation of such systems, and as a consequence an overflow.

### **LEVEL**

Useful space comprehended between two constructive elements (floor and roof), with a minimum height of 1.50 m.

### **LOSS**

Occurrence or performance of any of the risks covered by the Policy.

Event of which performance produces losses or damage to the insured properties that originate an indemnity from the Company in the terms of this Policy.

### **L.U.C.**

Only and Combined Limit.

### **MACHINERY AND EQUIPMENT**

Machinery and equipment subject to a mechanic or electric, action, or both, necessary for the Insured business, described in this Policy, that are properly installed and that operate normally in the location described in the Policy cover period.

### **MADE EQUIPMENT**

Those machines, boilers, equipment and accessories, that do not have the manufacturers brand that supports the integrity of the machine, regarding design and service.

### **MERCHANDISE**

All type of finished products, own and necessary for the insured business, for their sale.

### **MUD AVALANCHE**

Mud sliding caused by floods or rain.

### **NATURAL WATER CURRENTS OR DEPOSITS**

Those that come from, flowing, rivers, springs, streams, waters contained in lakes or lagoons.

### **NET SALE PRICE OF MERCHANDISE AND FINISHED PRODUCTS**

For net sale Price it is understood:

- a) For the manufacturer: the sale Price for the wholesale dealer, by including the profit for the product sale.
- b) For the wholesale dealer: the retailer sale Price, by including the profit for the product's sale.
- c) For the retailer: The public consumer sale Price, by including the profit for the product's sale.

### **NORMAL OPERATIONS**

Are the operation conditions of the business that could have existed if the loss covered by the Policy had not occurred.

### **OBSOLETE**

No longer used at the present, it is clearly old, Antique, worn, or inadequate for the present circumstances.

### **PAIR**

Set of two equal things or pieces.

### **PARTICULAR CONDITIONS**

All those dispositions that concretely refer to the risks insured by the policy.

### **PERISHABLE NATURE OF THE PROPERTIES OR OWN VICE**

It is understood as the decomposition, destruction or alteration of the original cellular or chemical structure, caused by chemical and biochemical phenomenon, which do not leave any tracks of carbon or ash wastes.

### **PHYSICAL DAMAGE**

Own material losses and/or damage to the insured properties.

### **PHYSICAL DEPRECIATION**

Reduction of the value of a property due to the effects of time, wear, use or obsolescence.

### **PHYSICAL EXPLOSION**

Is the sudden and forced tear or rupture of an object, during its operation, originated by the expansive tendency of gases, steams, air and liquids contained in it, originating the local displacement of the object's structure or part of it, and at the same time, the sudden equilibrium of the internal and external pressures. The pressure generated by a chemical reaction is not considered an explosion.

### **PIPE LINES (For the Coverage of Boilers and Containers subject to Pressure)**

It is the network or circuit of metallic pipelines installed of any diameter that conduct the same fluid with pressure between the boiler or container with pressure and the equipment that use it, including connections, supports and valves, but excluding isolation.

### **POLICY**

Document that contains the General and particular Conditions that identify the risk, as well as the terms and condition to which each of the parts is obliged by the insurance contract.

### **POLICY COVER PAGE**

Document that contains the general facts including identification and schematization of the rights and obligations of the parties.

### **PREJUDICE**

It means the supportable economic loss, suffered by third parties, due to the lack of use of the damaged properties during the necessary time for their repair or replacement, in injuries it is understood as supportable economic loss, the incapacity period of the injured person to conduct his activities, as before the occurrence of the damage.

### **PREMISES**

Comprehends only the part inside the described premises where the properties are located and occupied by the Insured, in connection with his business, but being excluded:

- a) The devices or showcases that do not have direct communication to the inside of the premises, and
- b) The halls, aisles, entrances, stairs and other public service locations inside the building.

### **PREMIUM**

Insurance Price that includes the taxes and recharges with effect for the Insured

### **PRODUCTS IN PROCESS**

All type of raw material that the Insured submits for transformation to obtain the finished product, but without being it.

## **RAW MATERIALS**

All type of own and necessary materials for the insured business, in the condition they are acquired for their transformation.

## **RAIN WATER DOWNSPOUT**

Conduit installed from the top of a building to the ground level to release rain water.

## **REPLACEMENT VALUE**

- Building: Is the cost that will be necessary to incur for the reconstruction and/or repair of the damaged or destroyed property without considering any deduction for physical depreciation for use, including the freight cost, customs rights and assembly expenses, if any.
- Contents: Is the purchase cost, installation or repair of the properties for others of equal class, quality, size and/or capacity, without considering any deduction for physical depreciation, including the cost of freights, customs rights and assembly expenses, if any.
- Merchandise: Is the acquisition Price for the Insured.
- Inventory: The production cost.
- In machinery, equipment, furniture and utensils: The amount that will be necessary to incur to repair or replace the damaged or destroyed property for another one of the same class, quality, size or production capacity, without considering any deduction for physical depreciation for use.

## **RESTORATION PERIOD**

Period that starts on the date of the damage or destruction of the properties insured and concludes when establishing the conditions that existed before the occurrence of the loss. This period is not limited by the expiration date of the policy cover period.

## **RESUME OPERATIONS**

Date in which the insured business reaches the same operation condition they had immediately before the loss.

## **ROBBERY WITH VIOLENCE**

Action in which any person or persons take possession of the contents, making use of violence from the outside to the inside of the building and leaving visible tracks of violence in the place.

## **ROBBERY WITHOUT VIOLENCE (THEFT)**

Robbery without violence, leaves no visible tracks of violence from the outside to the inside of the building.

## **SALVAGE**

Set of material properties rescued during or after the occurrence of the loss.

## **SAFE**

Safety box built with steel plate, minimum thickness of 6 mm, or --- inches, equipped with mechanic, electric or electronic combination lock, attached or anchored to the building in case of weighing less than 50kg. If it does not have these characteristics it shall not be considered a Safe.

## **SET**

Set of things or pieces that are used together and that are of equal or similar class, size or quality.

## **SHEDS**

It is understood as "shed", every construction that does not have walls in two or more of its sides.

## **SNOW**

Precipitation of crystals or ice with a flake shape.

## **SOLID CONSTRUCTION**

The buildings that include in their construction:

**Walls:** of Stone, brick, big brick, cement block, “tepetate”, armed adobe or concrete. It is allowed in these walls some sections of glass blocks.

**Mezzanines:** of metallic vault, small vaults, “siporex”, steel slab, “tridilosa”, brick vault on steel frame or armed concrete.

**Roofs:** of concrete, brick vault, joist and small vault, “siporex”, steel slab, “tridilosa” with concrete or mixture with a minimum thickness of 2 centimeters.

**Structure:** of structural steel, of armed concrete, made of concrete load walls, brick, adobe or masonry. They will be considered as solid construction, but under the concept of “industrial building”, those buildings that include:

**Walls or roofs:** of metallic plate, multi-panel, or asbestos, when these materials are present in a surface bigger than 20% of the total walls or roofs.

**Facades:** of glass, as long as they are designed and made according to the construction rules in force when the building was constructed.

**Structure:** Wood

## **SPECIFIC CONDITIONS**

When they exist, they are all dispositions that determine the extent of the Particular Clauses.

## **STOCKS**

Set of raw materials, products in manufacture and finish process, packing, spare parts, accessories and auxiliary materials that are necessary for a certain activity.

## **STORMY WINDS**

Winds that reach at least the category of tropical depression, tornado or 8 degree according to the Beaufort scale (62 km per hour), according to the National Meteorological record acknowledged by this.

## **STRUCTURE**

Is the system that comprehends all elements that were designed to support the permanent, variable or accidental loads, to which a building will be submitted during all its useful life. These elements can be: columns, beams, slabs or floor systems, concrete walls, vent shields of steel or concrete, masonry load walls. (The masonry walls that only have a division function are not considered structure).

## **SUM INSURED**

Amount established by Insured which represents the maximum limit of the indemnity to be paid by the Company in case of a loss, according to the Policy conditions. It is not proof for the stock nor the value of the properties. The amount fixed by the Insured in each of the items of the Policy, which constitute the Maximum Liability Limit of the Insurance Company in case of loss, except agreement in contrary, will correspond to the actual value of the insured objects in the previous moment to the occurrence of the loss.

## **SURGE**

Alteration of the sea, consisting on an over elevation of its level due to a meteorological perturbation or depression which combines a decrease of the atmospheric pressure and a cutting force over the sea surface produced by the winds.

### **TOPOGRAPHIC DEPRESSION**

Relief area located in a lower level than the neighbor surface.

### **TRANSMISSIONS**

It is understood as transmission every mechanism that communicates the movement of the same object to another one through bands, chains and shafts, assimilating to this definition the pipelines that conduct fuel, air water and steam.

### **VAULT**

Place to keep valuable properties, with brick walls, concrete, granite, tile, iron or steel, with combination locks and iron or steel door.

### **VOLCANIC ERUPTION**

Frequently violent emission of solid, liquid and gaseous materials, penetrating deeply to the ground surface, through a crack or crater.

### **WAREHOUSE**

Premises used exclusively to keep merchandise.

## **ADDITIONAL DEFINITIONS FOR THE COVER OF HYDRO METEOROLOGICAL RISKS (IN CASE OF BEING CONTRACTED)**

### **a) Sewerage**

Network of underground Canals which along the streets receives the dirty waters and the domestic and industrial detritus, as well as the rain water, taking them to depurating installations or it pours them in a river or sea.

### **b) Mobile Property**

Any property that by nature can be transferred to a place or another, such as portable machinery, furniture, stock, raw materials, finished product or in process, parts, accessories among other.

### **c) Building in demolition**

Building or construction where a physical work is conducted intentionally, the objective is the dismantling, collapse or destruction in a partial or total form.

### **d) Building in reconstruction**

Building or construction where a physical work is conducted in a planned and organized manner, the objective is to build it again, re-establishing the same physical and functional characteristics it had since its origin.

### **e) Building in remodeling**

Building or construction in which physical work is conducted to modify or transform it, changing its physical or functional characteristics in a partial or total manner, as long as it does not implicate the modification of its structural support or frame.

### **f) Building in repair**

Building or construction in which physical work is conducted with the objective of returning the building to its physical or functional condition it had before the occurrence of the material damage that motivated such work.

**g) Walls of light materials**

The ones built with materials different to Stone, brick, big brick, cement block, “tepetate”, adobe or armed concrete.

**h) Locations situated in the first line in front of the sea, lake or lagoon**, set of insured properties under a same address where its first edification in straight line to the water fountain, is at less than:

- 500meters of the wave breaking line in high tide.
- 250meters of the “Rivera” of the lake or lagoon.

HDI SEGUROS, S.A. DE C.V.

The contractual documentation and the technical note that form this product, are registered by the Comisión Nacional de Seguros y Fianzas, inconformity with the dispositions in articles 36,36-A,36-B and 36-D from the General Law of Instituciones y Sociedades Mutualistas de Seguros, registered under the number PPAQ-S0027-0001-2007, dated May24,2007.