

Saving Money on Your Insurance

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TEXAS COMMISSIONER OF INSURANCE

Driving in Mexico Requires Special Insurance

IF YOU PLAN TO DRIVE in Mexico, your preparations should include making sure you have car insurance that will protect you if you have an accident south of the border. Don't count on your Texas auto policy for protection.

In Mexico, drivers can be held both criminally responsible and financially liable for accidents they cause. If anyone is injured, even a passenger in your car, police may arrest and detain you until officers determine who caused the accident.

Drivers involved in accidents must either have liability insurance recognized by the Mexican government or prove they have the money to pay any claims against them.

Mexico does not recognize auto liability policies issued by U.S. insurance companies. It is important, therefore, to buy liability coverage from authorized Mexican casualty insurance companies before driving any distance into Mexico. These companies also can provide physical damage insurance for your car.

Eight Mexican casualty companies are licensed by the Texas Department of Insurance (TDI) to sell Mexican auto policies on the Texas side of the Rio Grande. You can find licensed agents for these companies in most Texas border cities.

You also can buy the Mexican insurance you need after you cross the border, but it's risky to drive any distance in Mexico without liability insurance that complies with Mexican law. It's also risky to drink or use drugs when driving. That's trouble enough, but in Mexico it carries the added danger of voiding your insurance if you have an accident while under the influence.

Some U. S. insurance companies attach a free "Mexico Coverage-Limited" endorsement to Texas auto policies, extending their coverage to infrequent trips of up to 10 days and 25 miles into Mexico. Not all companies do this. It's a good idea, therefore, to consult your agent before driving into Mexico. Just remember, the liability

coverage will not be recognized by Mexican authorities if you have an accident.

You also can buy a "Mexico Coverage-Broad" endorsement that extends your auto coverage for an unlimited number of trips and an unlimited length of stay, but still within 25 miles of the border.

Another policy add-on you can buy is the "Mexico Tourist Coverage-Limited" endorsement. It extends your Texas liability insurance to Mexico but pays only if you have bought a Mexican liability policy, exhausted its benefits and have been sued for damages in a court in the United States. Unlike the other Mexico endorsements, this one provides coverage for trips of any distance or duration.

When driving to Mexico, be sure to take all the documentation you need, including the title or other proof of ownership of your car; personal identification, such as a driver's license; and proof of citizenship, such as a passport or voter registration card.

Mexican border crossing officials usually don't ask for proof of Mexican liability insurance, but it's a good idea to have it just in case.

If you drive deeper into Mexico than the free trade zone near the border, you are required to get a temporary importation permit for your car. Mexican Customs officers generally require

- 1 an international credit card in the name of the vehicle's owner,
- 2 the posting of a bond or
- 3 a cash deposit equal to the estimated value of your car. It's a good idea to ask the nearest Mexican consulate about this requirement before departing.

TDI offers consumers an easy-to-read brochure, *Driving in Mexico: Your Insurance Needs*. You can get a copy by calling TDI's toll-free **Publications Line, 1-800-599-7467** or by accessing TDI's Web site, **www.tdi.state.tx.us**. ★

Editors:

- If you need further information, call: **Texas Department of Insurance Public Information Office (512) 463-6425**

We welcome your questions and suggestions about this column.