

# Saving Money on Your Insurance

BY JOSE MONTEMAYOR

## *Mexican Car Insurance Is Needed for Protection in Mexico*

**M**ANY TEXANS ENJOY driving into Mexico for shopping, vacations or business. It's important to understand, however, that Mexico's laws treat auto accidents differently from ours. You need Mexican auto liability insurance because your regular Texas liability policy won't work in Mexico.

In Mexico, drivers can be held both criminally responsible and financially liable for accidents they cause. If anyone is injured, police may detain you while they sort out who caused the accident.

People who have accidents must either have liability insurance recognized by the Mexican government or prove they have enough money to pay any claims against them.

Mexico does not recognize auto liability policies issued by U.S. or Canadian insurance companies. However, you can buy liability coverage from authorized Mexican casualty insurance companies before entering Mexico. These companies also can provide physical damage insurance for your car.

The Texas Department of Insurance (TDI) has licensed nine Mexican casualty companies to sell auto policies on the Texas side of the border for travelers planning to drive into Mexico. Licensed agents for these companies are available 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 important to know and remember that under Mexican law, your liability insurance with a Mexican casualty company can be voided if you have an accident while under the influence of alcohol or drugs.

Three different policy add-ons, called "endorsements," are available to extend your Texas auto policy into Mexico on a very limited basis. Again, it's important to recognize that Mexican authorities will not

recognize the liability portion of your Texas policy, even with these endorsements, if you have an accident. The first two endorsements would, however, extend your policy's other protections, such as physical damage coverage for your vehicle, to short trips into Mexico. The endorsements are:

- **Mexico Coverage—Limited.** It extends Texas auto policies, without any additional premium, to infrequent trips of up to 10 days and no more than 25 miles into Mexico. Not all companies offer this free endorsement, so it's a good idea to consult your agent.
- **Mexico Coverage—Broad.** For an additional premium, this endorsement extends your Texas auto coverage for an unlimited number of trips and an unlimited length of stay but still within 25 miles of the border.
- **Mexico Tourist Coverage—Limited.** It extends your Texas liability insurance to cover accidents in Mexico but pays only if you have exhausted the benefits of your Mexican auto liability policy and have been sued for damages in a court in the United States. There is no charge for this endorsement. Unlike the other Mexico endorsements, this one provides coverage for trips of any distance or duration. Ask your agent if your company offers this free endorsement.

When driving to Mexico, be sure to take along your car's title or other proof of ownership, 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 in your glove compartment 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. It's a good idea to ask the nearest Mexican consulate about this requirement before starting your trip. ★

### **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.*