

Mexico Insurance Alert - a Note from our CEO

Since the launch of our operation in the 90's, our agents have consistently asked "What are some of the most important items I should consider when comparing Mexico Insurance quotes?" In an effort to better serve you, we explain some of those items below.

What should I know about Mexico insurer financial strength?

A critical factor when choosing Mexico Coverage for your clients is the financial strength of the Mexico Insurance Company that will handle your claim in the event of a loss. In Mexico, unlike the USA and Canada, there is no financial guarantee fund for insurers who run into financial problems or fail. So the rating and financial strength of the Mexico Insurer should be your top consideration when choosing the overall quality of a Mexico Insurance policy. In theory, the stronger the insurer's financial condition, the more confidence the agent should have in the insurer's claims servicing and payment capabilities. Following are a list of the Mexico Insurers we represent, along with some financial background on each.

ACE Seguros- ACE Seguros is owned by the ACE Group, one of the world's largest insurers with operations in 53 countries. ACE is traded on the NYSE, symbol ACE. Our firm exclusively developed the ACE Seguros Tourist Auto program in 2002.

Qualitas - Qualitas is a 100% Mexico owned insurer founded in 1993. Qualitas does not have any USA ownership interest. Qualitas has been rated B- (Vulnerable) by AM Best. According to AM Best, the "Vulnerable" rating reflects Qualitas' "strained risk-adjusted capitalization, consistently elevated underwriting leverage and trend of underwriting losses". We do, nevertheless, have some subagents who focus on the "substandard" market and sell Qualitas through our Managing General Agency to cost conscious consumers who are looking for cut rate Mexico Auto Insurance.

GNP Seguros - Grupo Nacional Provincial is a 100% Mexico owned insurer founded in 1936. GNP does not have any USA ownership interest. GNP has been rated A- (Excellent) by AM Best. According to AM Best, "GNP is the largest domestic insurance company in Mexico as measured by direct premiums written." Our operation was the first to bring GNP online in 1999.

ABA Seguros-

ABA Seguros has recently entered into a letter of intent to sell the company to ACE Group in a deal that should close in early 2013. ACE will be paying \$ 865 million US in cash for ABA. ABA is currently owned by USA Based Ally Financial (www.ally.com) and was formerly owned by GMAC. Our firm exclusively developed the first ABA Seguros Tourist Auto program in 2006. We will provide more details as to how the two companies intend to combine operations as the merger is finalized. ABA will be further strengthened by this acquisition.

What should I know about Liability Limits, Legal Aid, and Travel Assistance?

Since launching our operation in the 90's, our Managing General Agency has insured over one million vehicle trips to Mexico. During that time, we have never seen a liability claim exceeding \$ 100,000 nor a legal aid/bail bond claim exceeding \$ 25,000. Because the tort system is so different under Mexico law, we caution our agents that while it is always possible to have a claim exceeding these limits, we have never had one....on over a million vehicle trips insured! e. Our operation offers \$ 300,000 liability limits for the same price as \$ 100,000 liability from both GNP and ACE...as the risk to the insurer is no greater with the higher limit.