



USER GUIDE

Cargo Transport Insurance

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OBJECTIVES



To understand what Cargo Transport Insurance is, as well as the basic concepts and policy coverages.



To identify goods that, according to the insurance company's policy, cannot be covered under this policy.



To understand the exclusions established by the insurance company.



To learn the procedures required to insure goods.



To comply with mandatory preventive measures when transiting within Mexican territory.



To become familiar with the digital tool S.A.M. (Cargo Insurance System), available online 24/7.



To understand and properly manage the actions to be taken in the event of a claim, as well as the essential documentation required for processing and payment of indemnities in the shortest possible time.



BASIC CONCEPTS

What is Cargo Transport Insurance?

It is a set of coverages that, in the event of a loss, compensates for partial and/or total losses suffered by goods while being transported from a point of origin to a point of destination by any means of transportation, locally, nationally, or internationally, as applicable.

What is the deductible?

It is the percentage participation of the insurance beneficiary established with the insurance company in the event of a claim, according to the applicable coverage.

How long does the protection last for a shipment with cargo insurance?

This insurance coverage begins when the goods are loaded onto the means of transport at the contracted point of origin and ends when the goods are unloaded at the contracted final destination.

What is a claim (loss)?

It is the occurrence of a sudden and violent accident that causes partial and/or total damage to the cargo during its transport by any means of transport at the local, national, and/or international level.

COVERAGE

ORDINARY TRAFFIC RISKS



- Sweeping
- Aircraft crash
- Collision / Collision of the carrying vessel
- Derailment
- Jettison
- Stranding
- Explosion
- Sinking / Sinking of vessel
- Fire
- Loss of package in its entirety or fallen overboard
- Lightning
- Bridge collapse
- Grounding
- Overturning
- Theft
- Total and/or partial robbery
- Breakage
- Pilferage
- Burglary
- Transshipment or vessel discharge
- Cracking

ADDITIONAL COVERAGES



- Denting
- General Average
- Barratry of the master and/or crew
- Warehouse-to-warehouse
- Contact with other cargoes
- Contamination
- Leakage and/or shortage
- Chipping
- Returns
- Bending
- Auxiliary vessels
- Demurrage
- Interruption of transport
- Staining
- Loading and unloading operations
- Wetting / Water damage
- Oxidation
- Strikes and civil commotions
- War
- Vandalism

ADDITIONAL BENEFITS

Transportation-related expenses may also be insured, such as:

- Freight costs (domestic and international)
- Customs expenses, taxes (except VAT), and duties
- Maritime container value up to USD \$8,000.00
- Demurrage for up to 60 days
- Special coverage design for specific projects
- S.A.M. – Digital Cargo Insurance Tool

Deductibles

3% on R.O.T. coverage

20% for theft and robbery coverage

Note: For onward transportation, used goods, returns, and/or repairs, the policy is limited to **Ordinary Transit Risks (O.T.R.)** only.



EXCLUDED GOODS

EXCLUDED GOODS AND RISKS

In addition to the exclusions set forth in the General Conditions of the Cargo Insurance Policy, the following risks and goods are also excluded:

Los productos señalados con punto rojo se podrán asegurar bajo convenio expreso.

- Undeclared merchandise
- Precision instruments or equipment
- Devices, equipment, or apparatus fixed or mounted to the means of transport
- Firearms, cartridges, detonators, and similar items
- Live animals
- Garbage
- Scrap and/or waste materials
- Fuel of any kind
- Empty containers
- Damage caused by fungi and/or mold and/or weevils and/or rodents and/or insects and/or pests and/or any living organism
- Petroleum derivatives
- Money and/or securities, checks, vouchers, promissory notes, and/or any negotiable or banking document.
- Mobile electronic equipment (Laptops, mobile phones, tablets, memory cards (SIM cards), and any mobile or portable devices, including their accessories and spare parts).
- Explosives and radioactive materials.
- Ephedrine, pseudoephedrine, and/or any chemical precursor for narcotics (used in the manufacture of illicit substances).
- Psychoactive substances (those whose consumption may alter a person's state of consciousness, mood, or thinking).

EXCLUDED GOODS

- Jewelry and precious and semi-precious metals, including unset gemstones of this type.
- Samples of any kind.
- Film negatives.
- Works of art and/or antiques.
- Expired and obsolete products.
- Products transported for destruction.
- Watches and timepieces.
- Credit cards and telephone cards.
- All types of self-propelled vehicles (buses, automobiles, trucks and tractor-trailers, motorcycles, aircraft, locomotives, cable cars, funiculars, and vessels).
- Jute, copra, fishmeal, henequen.
- Video games.
- Losses due to Theft when the merchandise is transported aboard trucks/trailers traveling under a convoy scheme, understood as a convoy being a group of two or more land vehicles transporting the merchandise and traveling along the same road segment without at least a two-hour interval between each truck/trailer.
- Accumulations and/or storage.
- Any illegal merchandise and/or goods prohibited in accordance with the provisions established by the competent authorities of both the country of origin and the country of destination of the shipment.

Note: Excluded goods shall prevail over insured goods, even when such goods are inherent to the insured's line of business.

GOODS WITH INSURABLE LIMITS

It is hereby clarified that shipments not entering Mexican territory are covered, provided that the insurable interest is MEXICAN.

MEANS OF TRANSPORT: Air, Sea, Land (Railroad and land motor vehicles operated by common carriers and/or owned by the applicant and/or SPF, provided they hold the required permits issued by the competent authority, excluding in both cases: automobiles, motorcycles, or vehicles not suitable for cargo transportation).

MAXIMUM LIMIT PER SHIPMENT:

- **Sea:** USD 600,000.00
- **Aircraft:** USD 600,000.00
- **Truck/Trailer:** USD 600,000.00
- **Railroad:** USD 600,000.00



GOODS WITH INSURABLE LIMITS

SUB-LIMITS:

- Cold Cuts: USD 200,000.00
- Vehicles: USD 100,000.00
- Screens/Televisions: USD 70,000.00
- Coffee and Sugar: USD 50,000.00
- Medications: USD 50,000.00
- Household Goods: USD 50,000.00
- Polymers: USD 50,000.00
- Fresh and/or Perishable Food: USD 200,000.00
- Casings, Chargers, Protective Covers, Screen Protectors: USD 200,000.00
- Musical Instruments, Audio and/or Lighting and/or Sound Equipment:
USD 100,000.00
- Wines, Liquors, Surgical Cotton: USD 100,000.00
- Cigarettes, Cigars, Tobacco: USD 100,000.00

Note: Excluded goods may be considered for coverage under a special project arrangement.



For shipments of radiocommunication equipment, a sub-limit of USD 100,000.00 applies, with a 35% deductible on the total shipment value for Theft coverages.

SECURITY MEASURES

For the Theft coverage(s) contracted by the insured to be valid within the United Mexican States and exclusively for land transportation (trucks), all of the following security measures must be complied with at all times during the term of the Insurance Policy:

- Whenever available, **toll roads** must be used.
- Use of fully **enclosed cargo boxes** in perfect condition, completely protecting the merchandise. Such as platforms, low boys, and/or specialized equipment, ensuring proper securing to the means of transport and adequate protection.
- Use of seals and/or **naval locks** for containers and trailers.
- All carrier units owned by the insured and/or the SPF must be equipped with **Satellite Security Systems**, which must have active (point-to-point) monitoring by a legally established company. Additionally, there must be constant communication via mobile phone and/or radio communication between the driver of the carrier unit and the monitoring company, so that emergency protocols may be applied when necessary. All equipment comprising the security system must remain in optimal operating condition throughout the entire journey.



SECURITY MEASURES

Active (**point-to-point**) monitoring shall be understood as monitoring that begins at the start of transit, including functionality tests of the GPS equipment, its peripherals, and communication devices; continues with full trip tracking in compliance with communication time protocols with the operator, maintaining a record thereof; and concludes upon the unit's arrival at the unloading location reported at the beginning of the trip.

It is hereby clarified that, in the event of a loss and for the purpose of verifying compliance with the above procedure, the insured must provide a copy of the monitoring service report issued by the contracted company, including the police activation protocol.

It is understood and agreed that if the cargo is already in the custody of the carriers, loaded on trucks and ready for transport, and it becomes necessary to **park overnight**, such location must comply with the following Security Measures:

1. The units must have the **engine immobilizer** activated.
2. Overnight stops must invariably take place in secured or guarded areas designated for such purpose (toll booths and/or gas stations).



CUSTODY REQUIREMENTS ACCORDING TO AMOUNT

In addition to the above-mentioned security measures::

- **Shipments between USD 200,000.00 and USD 400,000.00:** All carrier units owned by the insured and/or the SPF, with a maximum shipment limit equal to or greater than USD 200,000.00 and up to USD 400,000.00, must be escorted by a vehicle independent from the carrier unit, staffed with two security personnel equipped with radio communication devices and/or mobile phones, in order to maintain constant communication with the operations center of the security company. The security company must be legally established and have emergency response protocols in place. This escort must be present from the moment the carrier unit(s) depart from the place of origin until the goods are delivered at the destination within the consignee's facilities.
- **Shipments between USD 400,000.00 and USD 600,000.00:** In addition to the GPS (point-to-point) security measures, toll road usage, and overnight parking requirements, all carrier units owned by the insured and/or the SPF, with a maximum shipment limit exceeding USD 400,000.00 and up to the contracted maximum limit of USD 600,000.00, must be escorted by a vehicle independent from the carrier unit, staffed with two armed security personnel equipped with firearms and radio communication devices and/or mobile phones, in order to maintain constant communication with the operations center of the security company. The security company must be legally established and have emergency response protocols in place. This escort must be present from the moment the carrier unit(s) depart from the place of origin until the goods are delivered at the destination within the consignee's facilities.

NOTES

**** It is the detailed sequence** of actions to be followed in the event of an unforeseen incident such as attempted theft or completed theft in any of its forms. This process must primarily include the procedure for promptly reporting the incident to the police, in an expedited manner and through any available means, in order to ensure a high probability of recovery of the affected property.

Important: It is understood that failure to comply with any of these security measures shall render the contracted Theft coverage(s) null and void, thereby releasing Seguros Atlas, S.A. from any obligation and/or liability arising therefrom. Consequently, any loss and/or claim submitted under such coverage(s) shall be deemed inadmissible.

SPECIAL CLAUSES:

- Desempaque Diferido (ver cláusula No. 89 anexa)
- No Subrogación (ver cláusula No. 94 anexa)
- Países y Zonas en Conflicto (ver cláusula No. 413 anexa)
- Errores u Omisiones (ver cláusula No. 559 anexa)



INSURED GOODS

For continuation of travel, used goods, returns, personal items, and goods for repair will be covered only against: **Ordinary transit risks.**

Perishable products and those requiring refrigeration will be covered only against ordinary transit risks and total theft, as well as by the Refrigerated Products Clause.

Loss and/or damage to insured goods due to acts of **robbery, theft, looting**, or pilferage occurring as a result of ordinary transit risks are covered.

Coverage for water damage will be excluded when the goods are transported on deck (except those traveling in closed metal containers and/or railroad cars), as well as in any other vehicle that does not meet the appropriate protection characteristics, such as:

Flatbeds, low boys, or specialized equipment with tarps in poor condition.

EXCLUSIONS



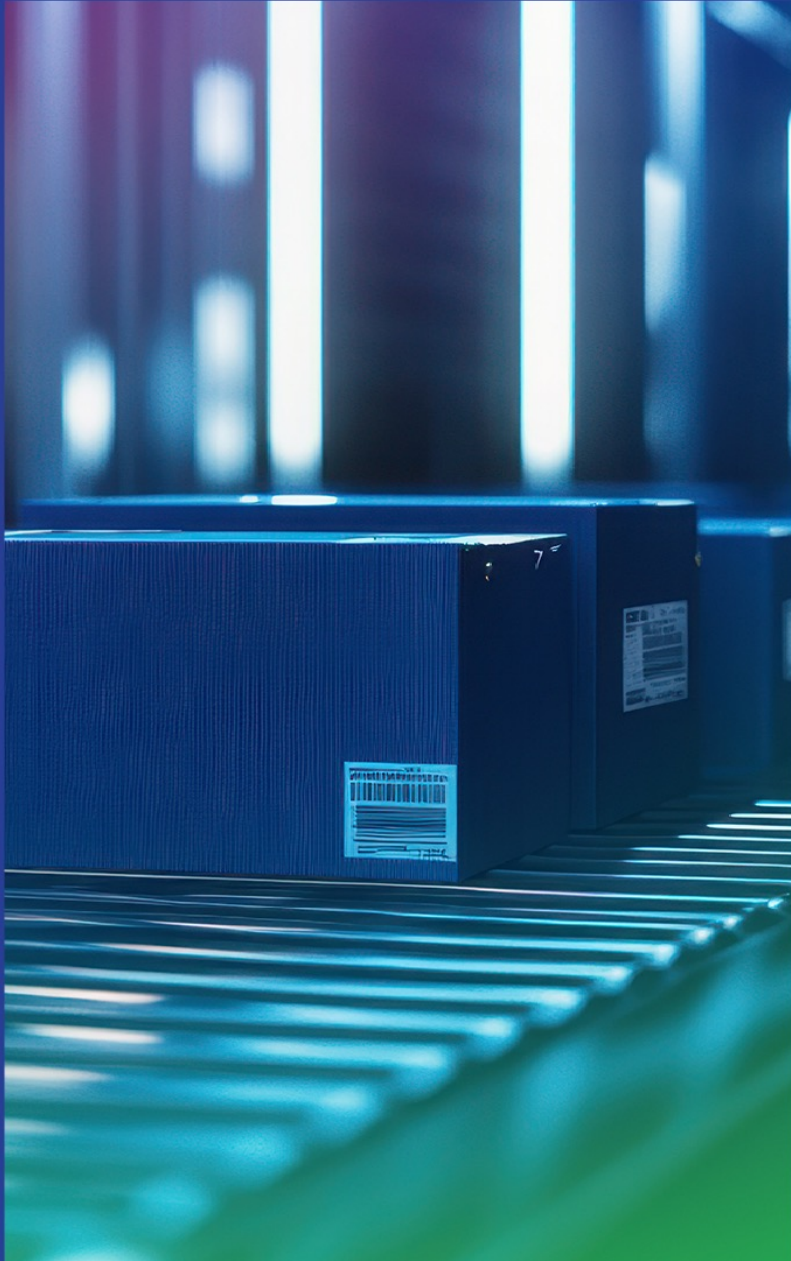
Cancellation or frustration of travel as a result of arrests, restrictions, criminal acts, or detentions.



Use of any weapon of war employing atomic fission or fusion, nuclear warfare, or other radioactive reaction or force, or similar material.



Mysterious loss of goods (missing items) is not covered when no mishap occurs during their transport.



EXCLUSIONS REFRIGERATED / PERISHABLE GOODS

- Any failure by the Insured, their employees, or anyone representing their interests, carriers, or operators to take all necessary measures and precautions to ensure that the insured item is stored in a refrigerated space and in proper working order for transport.
- **Insufficiency and/or lack of fluids** causing paralysis or alteration in the refrigeration system that is not the result of a covered risk.
- **Insufficiency and/or lack of energy and/or fuel** that is not the result of a covered risk.
- **Lack of maintenance** of the refrigeration system or the system having been deficient, inadequate, or inappropriate.
- **Negligence or mishandling by the operator** of the instruments and/or operating devices of the refrigeration equipment.
- **Failures of valves, connections, and/or equipment** in general when the maintenance recommended by the manufacturer is not performed in a timely manner, unless it is the result of a covered risk.
- **Gradual wear or deterioration** as a result of normal use of the refrigeration equipment when maintenance and servicing of the equipment is not performed.

EXCLUSIONS GOODS IN GENERAL

Damage to property that is not covered includes :

- Lack proper packaging or have defective packing, containers, or wrapping.
- Exceed the load-bearing capacity of the cargo stowage.
- Are improperly secured to the means of transportation, resulting in damage to the goods. This exclusion applies when the insured has intervened in the packing, packaging, stowage, or preparation of the goods; this also applies to staining coverage.
- Exceed the authorized load capacity of the transport equipment, except when special equipment is used and prior authorization has been granted by the competent authority.

COVERAGE LIMITS

The following countries and Conflict Zones, including their coastal navigation areas and airspace, are expressly excluded from this Cargo Transportation Insurance Policy:

EXCLUSIONS GOODS IN GENERAL

COUNTRIES:

- Afghanistan, Algeria, Bangladesh, Burkina Faso, Burundi, Cameroon, Chad, Colombia, North Korea, Ivory Coast, Cuba, Djibouti, Egypt, Eritrea, Ethiopia, Philippines, Guinea, India.
- Indonesia, Iran, Iraq, Israel, Jordan, Kenya, Lebanon, Libya, Madagascar, Mali, Mauritania, Nepal, Niger, Nigeria, Pakistan, Peru, Central African Republic.
- Democratic Republic of the Congo, Russia, Somalia, Sudan, Syria, Palestinian Territory (West Bank and Gaza Strip), Ukraine, Venezuela, Yemen, Zimbabwe.

CONFLICT ZONES:

- Gulf of Guinea, Gulf of Oman, Persian Gulf, Gulf of Aden.
- South China Sea, Black Sea, Sea of Azov, Arabian Sea, Red Sea.

VALUATION BASIS FOR INDEMNIFICATION

- **Import Shipments:** Invoice value of the goods plus transportation-related expenses such as freight, hauling, and, where applicable, import taxes and customs expenses.
- **Export Shipments and/or Local and Domestic Sales:** Invoice value of the goods minus profit, plus transportation-related expenses such as freight, hauling, and, where applicable, export taxes and customs expenses.
- **Used Goods:** Actual value of the goods, plus expenses such as freight, import taxes, customs expenses, packing, packaging, hauling, and other direct transportation-related costs.
- **The insured limit per shipment under our Policy is USD \$600,000.00 (Six Hundred Thousand United States Dollars), while on board any means of transportation.**

Note: If coverage is required for a shipment with a value exceeding the amount stated above, prior authorization must be requested from JG MYLARD, S.A. de C.V. at least 24 hours in advance, via email, for acceptance and processing.

MANDATORY PREVENTIVE MEASURES WITHIN MEXICAN TERRITORY

Highway Clause

- Use of established routes and schedules, as well as toll roads when available, or routes most commonly used by the majority of carriers. Use of padlocks and/or naval locks is required.
- Use of closed-body trucks and/or containers in perfect condition to protect the cargo.
- When specialized equipment is used, such as platforms, low boys, etc., tarpaulins must be in perfect condition.
- If stops are required during transit, they must be made only at locations with security checkpoints and/or authorized stopping areas, such as service station premises or facilities designed with private and/or police security, ensuring continuous surveillance of the goods at all times.
- Establish and comply with schedules for loading and/or unloading operations. Use of mobile phones and/or radio communication is required.
- Do not exceed the load capacity limits specified for the means of transportation.
- At the start of transit, the vehicle must already be equipped with all necessary resources for transportation, including **cash for toll booths, sufficient fuel, and complete shipping instructions**.
- Stops at locations outside the designated route that do not comply with the required security measures are strictly prohibited.

Note: When using third-party carriers, compliance with these preventive measures must be formally required in writing in the freight contract, bill of lading, or waybill prior to commencing any shipment..

PROCEDURE FOR THE INSURANCE PROCESS

- Complete the cargo insurance application form and send it via email to the attention of::

Lic. Areli Rosales Zepeda

arelirosales@jgmylard.net

Office Tel. +52 55 8943 1208 | Mobile. +52 55 7656 6214

Assistant: Eliu Estévez

eliuestevez@jgmylard.net

Office Tel. +52 55 8943 1208 | Mobile: +52 55 7656 7157

- Within approximately 20 to 40 minutes, you will receive the insurance certificate, as well as the corresponding invoice. The insurance certificate includes: insurance beneficiary, insured goods, origin, destination, shipment departure date, description of the insured goods, and the insured amount in USD. (*cost is not stated*).
- For special projects, the most convenient procedure will be adapted to facilitate the insurance process for the client.
- When clients insure shipments through the S.A.M. digital tool during business days and business hours, the corresponding invoice will be sent by email within 20 to 30 minutes.
If insurance is processed outside business hours or on non-business days, the invoice will be sent on the next business day.

PROCEDURE IN THE EVENT OF A CLAIM

- The loss must be reported to JG MYLARD, S.A. de C.V. via telephone, email, WhatsApp, or text message within **24 business hours after becoming aware of the occurrence**, to the attention of:

Claims Manager: Octavio Dávila Martínez

octaviodavila@jgmylard.net

Office Tel.: +52 55 7656 6238 | Mobile: +52 55 1733 5142

- The Claims Manager of JG MYLARD will send the **LOSS REPORT** form by email to the beneficiary company (and/or intermediary). This form must be completed and returned to **JG MYLARD**, en **within no more than 72 hours**, with the information available at that time regarding the loss.
- **JG MYLARD** will immediately forward the report to the insurance company so that a claim number may be assigned. Within approximately **5 to 8 business days**, the insurance company will assign the corresponding claim number, as well as the adjusting company, to process the claim documentation at the national and/or international level.
- **JG MYLARD** will coordinate with the insured party to designate the person responsible within the beneficiary company for providing the documentation requested by the assigned adjuster, in order to expedite the settlement process as much as possible. Throughout this process, ongoing assistance will be provided, and status updates will be communicated every 15 days to support and assist the beneficiary.

PROCEDURE IN THE EVENT OF A CLAIM

- Once the adjuster has received all the documentation required to substantiate the claim, the complete file will be submitted to the insurance company for assessment.
- Upon receipt of the complete documentation required by law, the insurance company shall have 30 business days to issue a decision approving or denying the claim. If the indemnification is approved, a settlement agreement will be issued specifying the insured amount, the amount claimed by the client, the applicable deductible based on the coverage involved, and the final amount payable.
- Once the settlement agreement has been signed by the beneficiary, the insurance company shall have up to 30 business days to pay the claim via electronic transfer directly to the beneficiary's bank account.

Notes: This process should not exceed 70 days from the occurrence of the loss to the issuance of the settlement agreement; therefore, it is essential to provide timely responses and submit all supporting documentation requested by the insurance company.

In the event of a denial, the insurance company will issue a written notice explaining the reasons why the claim was not accepted.

BASIC DOCUMENTATION FOR CLAIMS PROCESSING

- Original quantified and valued claim letter, issued by the beneficiary and addressed to the insurance company.
- Claim letter prepared by the client and addressed to the carrier contracted for the transportation of the damaged goods, with acknowledgment of receipt.
- Quantified and valued claim letter addressed to the insurance company on letterhead, along with a copy (not photocopied) of the invoice or delivery note for the affected goods.
- Copy of the packing list.
- Copy of the shipping document, if applicable, including: air waybill, ocean bill of lading, or land transport waybill, whether national and/or international.
- Copy of the insurance certificate for the damaged shipment.
- Certified copy of the ratification of the report filed with the competent authorities, quantifying and qualifying the amount of the loss incurred.
- Copy of the articles of incorporation of the beneficiary company, official identification of the legal representative, tax ID (RFC) of the beneficiary company, and a current proof of the company's tax address.
- Current bank statement where the claim payment will be made (confidential information may be redacted).
- Loading and unloading control of the damaged shipment (bill of lading and/or waybill).

Note: In each claim, the insurance company will request in writing any additional documentation it deems necessary to support the beneficiary's claim, in addition to the list mentioned above.



THANK YOU!
FOR GIVING US THE OPPORTUNITY TO SERVE YOU

Miguel Ángel Ruiz Cruz

Commercial Director

Cargo Transportation Insurance

jgmylard.com