



INSURANCE COMPANY (JAMAICA) LIMITED

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CONTRACTORS ALL RISK PROPOSAL

Note to Proposer

Notice to Insured on the Nature and Effect of the Pro Rata Condition of Average (Average Clause)

Please note that any property that is insured or to be insured under the policy mentioned above is subject to the **pro rata condition of average (Average Clause)**. This means that, under certain circumstances, if the property covered under this policy is, at the time of any loss or damage from an insured peril, of greater value than the sum for which the property is insured, you will only be entitled to recover under this policy such proportion of the loss as the sum insured under this policy bears in relation to the total value of the property. You are said to be under-insured because the sum insured at the time of the loss is less than the actual value of the insured property and so a part of the insured loss will not be covered under his Policy. In this case, you are considered as being your own insurer for the part of your loss which is not covered under this policy.

For example, should you have a property, which has a value of \$10,000,000 and you decide to insure it for \$7,000,000 and you suffer a loss from an insured peril, there are three possible scenarios depending on the size of the loss. The formula that is applied in each case is the same as set out below:

$$\frac{\text{Sum Insured}}{\text{Value}} \times \frac{\text{Amount of the loss}}{1} = \frac{\text{Amount Recoverable}}{1}$$

Example 1 Where loss is less than value and less than Sum Insured

- Assume the loss is \$5,000,000

$$\frac{\$7,000,000}{\$10,000,000} \times \frac{\$5,000,000}{1} = \frac{\$3,500,000}{1}$$

You will be paid \$3,500,000 or 70% of your loss less any deductible stated in the policy

Example 2 Where loss is less than value but greater than Sum Insured

- Assume the loss is \$8,000,000

$$\frac{\$7,000,000}{\$10,000,000} \times \frac{\$8,000,000}{1} = \frac{\$5,600,000}{1}$$

You will be paid \$5,600,000 or 70% of your loss less any deductible stated in the policy

Example 3 Where loss is equal to replacement value

Should you have a total loss that is, \$10, 000,000 then you will only receive the amount you insured the property for that is, \$7,000,000 less any deductible stated in the policy.

Under certain circumstances where you under-insure, you may be entitled to the full amount of the insured loss if the sum insured is equal to or more than 85% of the value. This will depend on the terms of your policy.

Please review the terms of your policy carefully, including checking on the adequacy of the sum for which the property is insured or to be insured. This will enable you to identify whether you are or will be under-insured in a manner which will cause the **pro rata condition of average** detailed in your policy to be applied. You may check with your insurer, agent or broker for further clarification on the terms of your policy and the nature and effect of the pro rata condition of average contained therein.

This notice is given to you in fulfillment of the legal requirement to provide you with information on the nature and effect of the **pro rata condition of average** stated in your policy to be inserted in the policy of insurance mentioned above.

Please note that the extent to which the condition applies is governed by the terms of your policy.

.....
Proposer's Signature

.....
Date

1. Parties to the Contract	Name and Address	To be insured under policy	
a. Principal		<input type="checkbox"/> Yes	<input type="checkbox"/> No
b. Main-Contractor		<input type="checkbox"/> Yes	<input type="checkbox"/> No
c. Sub-Contractor(s)		<input type="checkbox"/> Yes	<input type="checkbox"/> No
d. Name of Consulting Engineer			

2. Location of Contract Site: Exact description of geographic situation (please enclose map)	

3. Name and kind of project:	
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4. Dates and periods:

a. Construction period in months		Commencement:	
b. Maintenance period in months		Commencement:	
c. Type of maintenance cover required.			
d. Envisaged termination of policy.			

5. Amounts to be insured:

a. Contract works including	\$
i. Permanent works	
ii. Temporary works such as cofferdams, auxilliary bridges, sheet piles, deviation of rivers and roads and site installations (except items stated under 'e, ii')	
b. Specify and indicate value of materials supplied by the Principal (no I included under "A") such as - Concrete, prefabricated elements, interior installations for buildings, etc.	
c. Clearance of Debris (Limit of Indemnity)	
d. Fees for architects, surveyors and consulting engineers	
Sum Insured for works	
e. Construction equipment and installation such as	
i. Materials used for auxiliary structures such as scaffolding, stages for bridges, supports, sheet piles, sewage installation, tools, tackles, etc.	
ii. Camp, site offices, stores, stockrooms, etc.	
f. Construction machinery such as - Bulldozers, dumpers, graders, dredgers, rollers, cranes, piledrivers, mobile drilling units, etc.	
g. Stationary plant such as - Concrete and asphalt mixing plants, vibrators, conveyor systems, compressors, pumps, welding units, power generating units.	
*Please enclose list showing such items with their new replacement value. TOTAL SUM INSURED:	

6. Excesses are envisaged

a. For contract works and construction equipment in respect of each and every occurrence for loss or damage rising out of	
i. Earthquake, storm, hurricane, cyclone, subsidence, landslide, collapse and any water damage	
ii. Any other cause	
b. For construction machinery in respect of each and every occurrence for loss or damage arising out of.	
i. Earthquake, storm, hurricane, cyclone, subsidence, landslide, collapse and any water damage	
ii. Any other cause	

7. Details of Contract

a. Give general description of project (work to be performed)	
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b. Enclose copies of the following documents and plans -Insurance clauses of condition of tender and/or works, contract -Plans showing cross sections, type of construction, dimensions and construction methods.	. -Breakdown of prices -General layout -Works progress chart
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c. Specify work to be carried out by sub-contractors	
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d. For construction of buildings specify whether:

i. the complete building is to be insured or	<input type="checkbox"/> Yes	<input type="checkbox"/> No
ii. the structure only (shell of building)	<input type="checkbox"/> Yes	<input type="checkbox"/> No

8. General Information

a. Exact description of topography at contract site.													
b. Geological and subsoil conditions (Please enclose copy of geological report)													
c. Meteorological conditions: Rainy season(s)				From:					To:				
Max rainfall recorded per		Hour-			Day-			Month-			Year-		
d. Is the site exposed to hazards such as													
- Storm, tempest				<input type="checkbox"/> Yes		<input type="checkbox"/> No							
- Earthquake				<input type="checkbox"/> Yes		<input type="checkbox"/> No							
If "Yes", give details such as frequency of occurrences and degree of Intensity													
e. Is the contract site liable to flood?		<input type="checkbox"/> Yes		<input type="checkbox"/> No									
If "Yes", what precautions are taken													
f. Name of and distance to nearest river, lake or sea-													
g. Levels of such river, lake or sea			Low water			Mean Water			Highest level ever recorded				

Refer above indications to reference and point of project and specify reference point.

h. Ground water level (Refer indication of level to reference point of project)												
i. To what extent is destruction possible as a result of one occurrence? (indicate possible cause)												
j. Are in case of claim to be covered												
-Express freight (except air freight)			<input type="checkbox"/> Yes		<input type="checkbox"/> No							
- Overtime and/or holiday wages			<input type="checkbox"/> Yes		<input type="checkbox"/> No							
k. Will blasting be used?			<input type="checkbox"/> Yes		<input type="checkbox"/> No							
If yes, indicate type envisaged and max. any one charge.												
l. Does the contractor have experience in the specific type of contract and in the specific method of construction?							<input type="checkbox"/> Yes		<input type="checkbox"/> No			
Give details of similar projects he carried out previously.												
m. Is the contractor, according to normal practice or contract conditions, liable for losses arising out of earthquake, storm, hurricane, cyclone, flood, subsidence and landslide?									<input type="checkbox"/> Yes		<input type="checkbox"/> No	

9. Existing Buildings:

Are existing buildings and/or structures on or adjacent to the site, owned or held in care, custody or control of the Principal or any Contractor to be insured against loss or damage arising out of or in connection with the contract works?								<input type="checkbox"/> Yes		<input type="checkbox"/> No	
If yes, indicate limit of indemnity.											

For these buildings or structures indicate:

-Value	
-Type of construction	
-Condition	

10. Third Party Liability

Is Third Party Liability to be included?		<input type="checkbox"/> Yes		<input type="checkbox"/> No		If Yes, what limits of indemnity are required?			

a. Limit of Indemnity in respect of any one accident or series of accidents arising out of one event

i. -for bodily injury	
-per event	
-for any one person	
ii. -for property damage	
-combined (single unit)	

Total limit of indemnity under the policy.		
b. Total Estimated Wages		
c. In connection with surroundings not belonging to the Insured's give description of type, size, condition and value of neighbouring buildings and other constructions and indicate importance of streets and existence of railways (enclose maps and layouts)		

d. Does the Proposer(s) have an existing Third Party Liability policy which also covers the activities for which the present insurance is proposed?

i. for bodily injury	<input type="checkbox"/> Yes	<input type="checkbox"/> No	\$	
ii. for property damage	<input type="checkbox"/> Yes	<input type="checkbox"/> No	\$	
ii. for combined (single limit)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	\$	
If Yes, indicate respective limits and excesses.				

DECLARATION

We hereby declare that the statements made by us in this proposal form are complete and true to the best of our knowledge and belief and we hereby agree that this questionnaire shall form the basis and be part of the Policy or Policies issued in connection with the above risk or risks. It is agreed that the Insurers shall be liable in accordance with the terms of the Policy only and that the insured will not lodge any other claims of whatever nature. General Accident as provided the insured with written notice of the Average Condition.

Date

Signature