



INSURANCE COMPANY (JAMAICA) LIMITED

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FIRE COMMERCIAL ALL RISK PROPOSAL FORM

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

Policy Number _____ Broker/Agent _____

BROKER/AGENT NAME _____

INSURED'S NAME _____

OCCUPATION _____

TAXPAYER REGISTRATION NUMBER (TRN) _____

ADDRESS OF PREMISES TO BE INSURED _____

TYPE OF PREMISES TO BE INSURED _____

MAILING ADDRESS _____

NAME OF MORTGAGEE _____

ADDRESS OF MORTGAGEE _____

TELEPHONE NO.(S) _____ FAX NO. _____ EMAIL ADDRESS _____

DETAILS OF CONTACT PERSON

MR./MRS./MS./
DR./ OTHER _____ FIRST NAME _____ LAST NAME _____

TELEPHONE NO. _____ EMAIL ADDRESS _____

ARE ANY OF YOUR OFFICERS INVOLVED OR ASSOCIATED WITH ANYONE HOLDING ANY PROMINENT PUBLIC POSITION SUCH AS AN OFFICIAL OR EXECUTIVE OF A POLITICAL PARTY, SENIOR POLITICIAN OR SENIOR GOVERNMENT? ☐ YES ☐ NO

IF YES, PLEASE STATE ONE OR THE OTHER:

IN RESPECT OF PRINCIPAL OWNERS, DIRECTORS & BENEFICIARIES:

Title	Name	Address

Attach a supplementary sheet, if necessary

WE ALSO REQUEST THAT YOU SUBMIT THE FOLLOWING DOCUMENTS:

- CERTIFICATE OF INCORPORATION (OR SIMILAR DOCUMENT APPROPRIATE FOR BUSINESS)
- MEMORANDUM AND ARTICLE OF ASSOCIATION (OR ARTICLES OF INCORPORATION)
- MOST RECENT ANNUAL RETURNS FILED WITH THE COMPANIES OFFICE OF JAMAICA AND RECEIPT FOR THE FILING FEE. NAME(S) & ADDRESS(ES) OF OWNER(S) WITH SHAREHOLDINGS OF 10% OR GREATER.
- COPIES OF ID FROM AT LEAST TWO (2) DIRECTORS. WE ALSO ACCEPT ANY IDENTIFICATION WITH A PHOTOGRAPH SUCH AS PASSPORT, DRIVER'S LICENCE, AND ELECTOR REGISTRATION ID CARD
- SIGNED DIRECTOR'S STATEMENT AS TO THE NATURE OF THE COMPANY'S BUSINESS

1) How are the buildings constructed?

a) External Walls

b) Roofs

c) Ceilings and Floors

d) Gallery, Verandah or Balcony

e) Windows and Window frames

State number of Storeys _____

2) How are the buildings lighted?

3) Is any method of heating employed therein? ☐ YES ☐ NO If so, give particulars below

4) Are goods of a hazardous nature contained therein? ☐ YES ☐ NO

If so, give particulars, including quantity and place of storage or petroleum or other mineral oil or product thereof, if any below

5) If power driven machinery is used give particulars

6) Is the building currently occupied?. ☐ YES ☐ NO If so, by whom _____

7) Are the premises in your sole occupation? ☐ YES ☐ NO If no, state how otherwise occupied _____

8) If adjoining any building(s), please state:

a) Type of Building(s) _____

b) Nature of Construction, including division walls

9) Are there any insurances in force on any of the property embraced in this proposal with this or any other Insurance Company or Underwriter? ☐ YES ☐ NO

If so, state the amounts and the names of the Insurance Companies or Underwriters

10) How long have you carried on business in the premises? _____

b) Have you carried on business in any other premises? ☐ YES ☐ NO If so, give particulars

11) Is the premises protected by Electronic Security? ☐ YES ☐ NO If so, give particulars below

12) Have you ever had a loss either at these premises or elsewhere by fire Burglary or any peril to be insured? ☐ YES ☐ NO

If so, state the amounts and names of the Insurance Companies _____
Occurrence

Insurance Companies

13) What security precautions are in operation:

- a) For securing outer doors? _____
- b) For protecting windows? _____
- c) For protecting roof lights and other means of access? _____

14) Has any application for Insurance been declined or not completed? ☐ YES ☐ NO If so, please state below

15) Has any Insurance Company or Underwriter declined any proposal for insurance either in your own name or jointly with others or declined to continue any such insurance either at these premieses or elsewhere? ☐ YES ☐ NO

If so, give particulars

16) Do the sums insured represent the full value in respect of each item listed below? ☐ YES ☐ NO

17) Is there any other material fact to be known for estimating the risk? ☐ YES ☐ NO If so, give particulars below

SUMS FOR WHICH INSURANCE IS REQUIRED		\$
Building		
Walls, Gates, Fences		
Merchandise or Stock in trade		
Goods in trust or on commision for which the proposer is responsible		
Fixtures, Fittings and Utensils in trade		
Landlords Fixtures and Fittings		
Machinery, Shafting and Gearing		
Plate Glass and Plate Glass Fronts		
Household Goods and Personal Effects		
Employees Effects (not exceeding \$1,000.00 for any one employee)		
Month's Rent		
Consulting Engineer's Fees		
Architect's and Surveyor's Fees necessarily incurred in the reinstatement of the Buildings after destruction or damage by Fire but not for preparing any claim		
TOTAL		
BURGLARY DECLARED VALUE		
BURGLARY FIRST LOSS SUM INSURED		

18) Are all or any of the valuable secured in burglary-resisting safes when the premises are closed? ☐ YES ☐ NO

19) Do you keep books with a complete record of all purchases and sales, and are these regularly entered up? ☐ YES ☐ NO

AVERAGE

Each item of the Fire & Allied Perils policy when issued will be subject to Average. This means that if the property covered is, at the time of any loss or damage, of a greater value than the sum insured, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the loss accordingly. It is, therefore in the interests of Proposers to make certain that the sums insured placed against each item do represent the full value of the property. General Accident has provided the insured with written notice of the Average Clause.

DECLARATION

I/We declare that all the answers in this Proposal are true; and no information withheld that might lead to influence the Company's decision regarding this proposal. I/We confirm that the amounts proposed represent the full value of the property; and undertake to exercise all reasonable precautions for the safety of the property. I/We agree that this Proposal and Declaration shall be the basis of the contract between the company and myself/ourselves, and to accept the Policy issued under all the conditions contained therein or endorsed thereon, and to pay the premium on request.

Date _____ Signature _____