



INSURANCE COMPANY (JAMAICA) LIMITED

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GOODS IN TRANSIT 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 _____

INSURED'S NAME _____

TRADE OR BUSINESS _____

TAXPAYER REGISTRATION NUMBER (TRN) _____ HOW LONG ESTABLISHED _____

PERIOD OF INSURANCE FROM _____ TO _____

MAILING ADDRESS _____

CONTACT NO. _____ 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

Attach a supplementary sheet, if necessary

WE ALSO REQUEST THAT YOU SUBMIT THE FOLLOWING DOCUMENTS:

- MEMORANDUM AND ARTICLE OF ASSOCIATION (OR ARTICLES OF INCORPORATION)
- 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

1) Give full description of goods carried

a) Will any of the following goods be carried

☐ Raw Cotton

☐ Fibres

☐ Grasses

☐ Silks

☐ Clothing

☐ Livestock

☐ Wine & Spirits

☐ Tobaccos

☐ Radio & TV Sets

☐ Machinery

☐ Non-Ferrous Metals

2) Particulars of Vehicles

Make and Type of Body	Carrying Capacity	Reg. No.	Fire Extinguisher Available	Security Precautions: State make, type and parts of vehicle to which fitted	Limit on each vehicle and trailer combined

4) Estimated annual value in transit

5) Method of conveyance

6) Limit any one loss

7a) State towns or localities where vehicles are normally used

7b) Give details of long distance or overnight transits

7c) If overnight transits are done, briefly describe how laden trucks are secured?

8) Have you or, in the case of a firm, any of your members:

a) Insured previously for Goods in Transit Insurance ☐ Yes ☐ No If so, name the Insurance Company below:

b) had (i) a proposal for insurance declined? ☐ Yes ☐ No ii) had a renewal not invited? ☐ Yes ☐ No iii) had an insurance terminated? ☐ Yes ☐ No

iv) had an increased premium or special conditions demanded? ☐ Yes ☐ No

If Yes to any of the above, give full details

6. Give complete record of all losses during the past three (3) years:

Year	Total No. of Vehicles used during the year	Total No. of Losses	Total Cost of Settled Claims			Total Cost of Settled Claims	
			Fire	Accidental Damage	Theft	No.	Estimated Cost

DECLARATION

I/We declare that the answers in this proposal are true, that I/We have withheld no information whatever that might tend in any way to influence the Company's decision regarding this proposal and I/We undertake to exercise all ordinary and reasonable precautions for the safety of the property. I/We agree to render at the end of each period of insurance a statement in the form required by the Company of the actual value in transit during the period and to pay any additional premium required in accordance with the policy conditions. 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 subject to the usual conditions endorsed thereon and to pay the premium when called upon to do so.

The liability of the Company does not commence until this proposal has been accepted by the Company and the premium paid

FOR OFFICE USE

SUM INSURED \$

RATE \$

FIRST PREMIUM \$

ANNUAL PREMIUM \$

Date

Signature of Proposer