

## INSURANCE COMPANY (JAMAICA) LIMITED

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## ALL RISK INSURANCE 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:

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Sum Insured x Amount of the loss = Amount Recoverable Value 1 1	
Example 1 Where loss is less than value and less than Sum Insured	
□ Assume the loss is \$5,000,000	
$\frac{\$7,000,000}{\$10,000,000}  x  \frac{\$5,000,000}{1}  =  \frac{\$3,500,000}{1}$	
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	
$\frac{\$7,000,000}{\$10,000,000}  x  \frac{\$8,000,000}{1}  =  \frac{\$5,600,000}{1}$	
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 insure equal to or more than 85% of the value. This will depend on the terms of your policy.	ed is
Please review the terms of your policy carefully, including checking on the adequacy of the sum for which the property is insured to be insured. This will enable you to identify whether you are or will be under-insured in a manner which will cause pro rata condition of average detailed in your policy to be applied. You may check with your insurer, agent or broker for fur charification on the terms of your policy and the nature and effect of the pro rata condition of average contained therein.	the
This notice is given to you in fulfillment of the legal requirement to provide you with information on the nature and effect of the <b>rata condition of average</b> stated in your policy to be inserted in the policy of insurance mentioned above.	pro
Please note that the extent to which the condition applies is governed by the terms of your policy.	
Proposer's Signature  Date	

To ensure acc	curacy in docume	ntation plea	se use BLOC	CK CAPIT	ALS					
1. Name										
2. Address										
3. Profession,	, business or occu	ıpation								
		•								
PERIOD OF	INSURANCE									
FROM:						TO:				
	her address is a p	rivate house	, flat, apartm	ent,		1 1				
	ouse or hotel.	1 6 1		1 1:	11 1		o   - v		N	
-		oss by fire, l	ourglary, hou	sebreakin	g, robbery, the	t or accidental loss or damag	e? Y	es	No	
If so, give det			. 1							
	tings and fastenir	igs of your j	ewelry:		]					
	l condition?			Yes	No No					
(b) regularly overhauled by a jeweler? Yes No  7. If the property will be worn by anyone other than the Proposer, please state by whom.										
	any member of y f professional en		or anyone per	rmitted to	wear or use the	property insured, engaged in	or connected with	Yes	No No	
9. If the propo	osal is submitted	by husband	and/or wife,	do they re	side together?			Yes	☐ No	
10. State the	amount for which	n the conten	ts are insured	l and name	e the Company			1	1	
11. Do vou w	vish cover to be p	rovided outs	side of Jamai	ca?		1				
12. Has any C		erwriter refu			to you against l	oss by fire, burglary, Acciden	ntal loss or All	Yes	☐ No	
	OF PROPERTY		<u>URED</u>				(	OFFICE USE	ONLY	
						FULL VALUE	RATE %		PREMIUM	
					TOTAL					
						1				
13. If ieweller	rv. guns being co	vered give o	letails of how	these iter	ns are secured	whilst on premises?				
	-,, 8***** * * * * * * * * * * * * * * *									
VERY IMPO You are remin		to disclose s	ny facte whi	ch the inc	irer would take	into account in the assessme	nt and acceptonce o	f vour propose	1 If you have any do	
as to whether	certain facts are result in your po	relevant, ple	ase ask your	insurance	broker or loca	l General Accident office. Fa	illure to disclose all	relevant facts	may invalidate your	
DECLARAT		, лог орг	5 2011 9 .							
I declare that				o the best	of my knowled	ge and belief, is correct and c	complete in every de	etail and will be	e the basis of the	
Date:					S	ignature:				
The liability of	of the Company of	loes not con	nmence until	this Propo	osal has been a	ccepted by the Company and	the premium paid.			