



# INSURANCE COMPANY JAMAICA LIMITED

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## ELECTRONIC EQUIPMENT ALL RISKS INSURANCE 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**

Please complete in BLOCK CAPITALS throughout  
 General Accident Insurance Company undertakes to treat all information herein strictly confidentially.

Broker:		Policy #	
Period of Cover			
Fr.		To.	

Proposer/Insured:			
Tax Registration Number:			
Contact Numbers:			
Address:			
Location/s of installation:			
Equipment installed to manufacturer's recommendations?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	if no, briefly explain.
Building Construction:			
Smoke Detectors installed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Fire extinguishing systems installed? <input type="checkbox"/> Yes <input type="checkbox"/> No Detail:
Security: Patrols	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, how many? Armed: <input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, how many?			
Is a maintenance agreement in place?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If yes, with which company? And what type of agreement?

*If no, enter into a maintenance agreement. Otherwise, exclusion of mechanical/electrical breakdown compulsory.*

Are spot inspections, and/or adjustments against charge carried out?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Periodic inspections and/or adjustments against annual fee?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Malfunctions repaired on request and charged extra?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Other maintenance arrangements?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, describe briefly.

**Loss History (last 5 years)**

Have you suffered damage to hardware previously?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, describe briefly and state amount.
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List property to be insured (or attach schedule)	

**Declaration**

*We hereby declare that the statements contained here, are complete and true to the best of our knowledge and belief and we hereby agree that this proposal form shall be the basis and form part of any policy/ies, issued in connection with the risk as described above. General Accident as provided the insured with written notice of the Average Clause.*

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*(Affix company stamp where applicable)*