



INSURANCE COMPANY JAMAICA LIMITED

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Note to Proposer

PERSONAL ALL RISK INSURANCE PROPOSAL

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

To ensure accuracy in documentation please use BLOCK CAPITALS

1. Name	
2. Address	
3. Profession, business or occupation	

PERIOD OF INSURANCE

FROM:		TO:	
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4. State whether address is a private house, flat, apartments, boarding house or hotel.	
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5. Have you ever sustained a loss by fire, burglary, housebreaking, robbery, theft or accidental loss or damage?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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If so, give details	
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6. Are the settings and fastenings of your jewelry:	
(a) in good condition	<input type="checkbox"/> Yes <input type="checkbox"/> No
(b) regularly overhauled by a jeweler?	<input type="checkbox"/> Yes <input type="checkbox"/> No

7. If the property will be worn by anyone other than the Proposer, please state by whom.	
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8. Are you or any member of your family or anyone permitted to wear or use the property insured, engaged in or connected with any form of professional entertaining?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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9. If the proposal submitted by husband and/or wife, do they reside together?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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10. State the amount for which the contents are insured and name the Company	
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11. Has any Company or Underwriter refused to grant insurance to you against loss by fire, burglary, Accidental loss or All Risks or demanded special terms?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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SCHEDULE OF PROPERTY TO BE INSURED	OFFICE USE ONLY		
	FULL VALUE	RATE %	PREMIUM
TOTAL			

VERY IMPORTANT

You are reminded of the need to disclose any facts which the insurer would take into account in the assessment and acceptance of your proposal. If you have any doubts as to whether certain facts are relevant, please ask your insurance broker or local General Accident office. Failure to disclose all relevant facts may invalidate your policy or may result in your policy not operating fully.

DECLARATION

I declare that the information given in this proposal is to the best of my knowledge and belief correct and complete in every detail and will be the basis of the Contract between me and General Accident.

Date: _____	Signature: _____
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The liability of the Company does not commence until this Proposal has been accepted by the Company and the premium paid.