



INSURANCE COMPANY JAMAICA LIMITED

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GLASS 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

Full name of Proposer					
Address					
Occupation		Telephone No.:			
Period of Insurance		From:	To:		
1. Address of premises where glass is situated.					
2. If not occupied by Proposer state business carried on:					
3. How are adjoining premises occupied?					
4. Is there any of the glass now broken, scratched or damaged or insecurely fixed or glazed?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, give full details here.	
5. Are frames, lintels, door jambs in sound condition?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	If No, give full details here.	
6. (a) Is Risk at present insured?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	If Yes, state insurer	
(b) State total number and cost of breakage(s) over the last three years		Number:		Cost:	

7. Has any company or Underwriter ever

(a) declined a proposal made by you or refused to renew a policy held by you in respect of the risk now proposed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(b) Increased your premium or required special terms at renewal?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Schedule of Glass to be Insured Please Complete EITHER Scheme A or B below.

1. Do you require cover for: (a) all external glass? Yes No

If Yes, state number of

(a) counter cases		(b) wall and display cases		(c) loose shelves or pieces of other glass, including glass in internal doors, partitions, windows, screens, etc.	
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Glass will not be specified on the policy but it is essential that all external and/or internal glass be detailed hereunder if cover is required thereon

Number of Squares	Describe type if other than plain plate	Position	Size of each square		Superficial area of each square	Premium
			High	Wide		
Total Premium						

DECLARATION

I/We hereby declare and warrant that the above statements are in every respect true and correct, that no information material to this proposal has been withheld, and that the Glass above described is free from damage and flaw (except as described in reply to question 4), and I/We hereby agree that this Proposal and Declaration shall be the basis of Contract between me/us and the Company, and I/We further agree to accept the Company's Policy subject to the Terms and Conditions contained therein, and undertake to pay the Premium when called on to do so.

Date _____ Signature of Proposer _____

The liability of the Company does not commence until the Proposal has been accepted and the premium paid in full.