



**THE INSURANCE COMPANY OF THE WEST INDIES LIMITED**

2 St. Lucia Avenue, Kingston 5, Tel: 926-9040-7, 926-9182-91, Fax: 929-6641

To:

\_\_\_\_\_ (Proposer)

\_\_\_\_\_ (Policy Number)

\_\_\_\_\_ (Address)

**RE: NOTIFICATION OF PRO RATA CONDITION OF AVERAGE**

Whereas you are seeking to place a policy of insurance with us.

And wheras the *pro rata* condition of average will apply to the policy.

NOW therefore we hereby now give to you the Notice concerning the Pro Rata Condition of Average set out overleaf. This Notice is being given you pursuant to Section 120 of the Insurance Act.

You must sign and return this notice to us immediately acknowledging that you received it before you enter into the contract of insurance. Your original signature is required, so the notice must be returned by hand or via the post.

PLEASE NOTE THAT it is a condition precedent to the commencement of cover that a copy of this Notice be signed and returned to us and until that is done the insurance will not be effective.

This Notice shall apply to all policies which are subject to the *pro rata* condition of average which you may place with us.

Signed: \_\_\_\_\_

**Attaching to and forming part of Proposal Form for: A-Plus Home Cover, Fire & Special Perils, Commercial All Risks, Consequential Loss, Theft (Burglary), Computer All Risks, Goods-in-Transit, Contractors' All Risks, Contractors' Plant & Equipment, Erection All Risks, Electronic All Risks, Deterioration of Stock, Machinery Breakdown, Boiler & Pressure Vessel and Commercial Comprehensive.**

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Please note that any property that is insured or to be insured under the policy issued based on this proposal is subject to the Average or Under-insurance clause. This means that if you insure the property for less than the full replacement value and have a loss due to a covered peril, then you will only receive a portion of the value of that loss.

For example, should you have a property which has a replacement 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 alternatives depending on the size of the loss. The formula that is applied in each case is set out below:

$$\frac{\text{Sum Insured}}{\text{Replacement Value}} \quad \times \quad \text{Amount of the loss}$$

**Example 1**

Assume the loss is \$5,000,000

$$\frac{\$7,000,000}{\$10,000,000} \quad \times \quad \$5,000,000 \quad = \quad \$3,500,000$$

You get paid \$3,500,000 or 70% of your loss less any deductible stated in the policy

**Example 2**

Assume the loss is \$8,000,000

$$\frac{\$7,000,000}{\$10,000,000} \quad \times \quad \$8,000,000 \quad = \quad \$5,600,000$$

You get paid \$5,600,000 or 70% of your loss less any deductible stated in the policy

**Example 3**

Should you have a total loss i.e. \$10,000,000 (replacement value) then you will only receive the amount you insured the property for i.e. \$7,000,000 less any deductible stated in the policy.

Under other 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/INSURED SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PROPOSER/INSURED SIGNATURE

\_\_\_\_\_  
DATE



# The Insurance Company of the West Indies Limited

Head Office: 2 St. Lucia Avenue, Kingston 5, Tel: 926-9040-7, 926-9182, Fax: 929-6641

## PROPOSAL FOR FIRE & SPECIAL PERILS INSURANCE

Policy No: \_\_\_\_\_ Client No: \_\_\_\_\_ Branch: \_\_\_\_\_ Source: \_\_\_\_\_

Insured: \_\_\_\_\_ Telephone No: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Business/Occupation: \_\_\_\_\_

Period of Insurance: \_\_\_\_\_

From \_\_\_\_\_ 20 \_\_\_\_\_ To \_\_\_\_\_ 20 \_\_\_\_\_

Risk Address: \_\_\_\_\_

Mortgagee: \_\_\_\_\_

**PERILS TO BE INSURED - Delete the Perils not required**

- Hurricane, Windstorm & Earthquake     Flood     Riots and Strike     Malicious Damage
- Impact Damage     Aircraft and other Aerial Devices     Explosion     Burst Pipes

**Please give complete answers to all questions. Ticks and dashes cannot be accepted.**

1. How is/are the building(s) lighted?	
2. How far is/are the building(s) from the nearest neighbour?	
3. State the occupation of the building(s) on all sides.	
4. Is any manufacturing process carried on, or are any MINERAL OILS, or other hazardous goods stored in the building? If so, give details. (See list of hazardous goods below).	
5. Have you ever suffered a loss from any of the perils proposed? If so, give details.	
6. Is any of the property above already insured? If so, name the Insurers.	
7. Give the names of all other Insurers with whom you have previously been insured and state if you have ever had a proposal for fire insurance declined, or the renewal of a policy refused.	

**8. FOR STOCK INSURANCE ONLY**

YES/NO

a) Value of stock at last stocking

b) Present value of stock

	DAY	MONTH	YEAR
c) Date you started business	<input type="text"/>	<input type="text"/>	<input type="text"/>
d) Date of last stocktaking	<input type="text"/>	<input type="text"/>	<input type="text"/>
e) Average value of stock	<input type="text"/>		

(Continued Overleaf)

**THE FOLLOWING GOODS ARE DEEMED TO BE HAZARDOUS**

- |  |   |  |
|--|---|--|
| Acetylene liquid                                 | Explosives                                    | Paints and Enamels                           |
| Acid   | Films   | Paraffin or Kerosene                         |
| Calcium Carbide                                  | Firecrackers                                  | Phosphorus                                   |
| Camphor  | Fireworks                                     | Potash                                       |
| Candles and Tallow                               | Gases of all kinds                            | Rags, waste of any kind                      |
| Celluloid, Xylonite and other similar substances | Lampblack                                     | Resins                                       |
| Chlorates and Chlorides                          | Lime  | Saltpetre                                    |
| Coal   | Matches                                       | Spirits of any kind unbottled                |
| Coconut and other vegetable oils & fibres        | Napthalene                                    | Sulphur and all derivatives                  |
| Cotton   | Nitrate of Soda                               | Tar and/or Tarred Ropes and/or Tarred Canvas |
| Crocus Bags                                      | Nitric Acid                                   | Turpentine Varnishes                         |
|  | Oils and Petroleum and/or its liquid products |  |

**PARTICULARS OF PROPERTY TO BE INSURED**

**NOTE:** The premium for this class of insurance is based on the type of construction of the walls and roof of each building to which the insurance applies and also the purpose for which each building is occupied. Please give an accurate description of the type of walls (e.g. concrete block, or concrete nog, or wood) and the type of roof (e.g. shingle, zinc, asbestos, paroid etc.)

ITEM NO.		DESCRIPTION	CONSTRUCTION	
		(STATE WHETHER SHOP DWELLING ETC.)	ROOF	WALLS
1.				
2.				
3.				
4.				
5.				

**SUMS INSURED**

ITEM NO.	BUILDINGS	STOCK	FURNITURE FIXTURES & FITTINGS	MACHINERY	OTHERS	TOTAL
1.						
2.						
3.						
4.						
5.						

**Declaration**

*Failure to disclose material facts could result in your policy being invalidated. Material facts are those which will influence the insurer's assessment of acceptance of this risk. If you are in any doubt as to whether a fact is material, you should disclose it.*

I/We declare that the statements in the proposal form above and any other information provided by me/us or anyone acting on my/our behalf in relation to this proposal are true and complete and I/we have not withheld any material fact. I/We agree that this proposal and Declaration shall be the basis of the contract between me/us and the Company (and of any subsequent renewal if such is granted). I/We agree to be bound by the Company's standard policy for this type of risk subject to its terms, conditions, limitations and exceptions. I/We agree that no insurance will be in force until the Company has accepted this Proposal and communicates its acceptance to me/us.

I/We irrevocably acknowledge that before I/we entered into the proposed contract of insurance the Company had provided me/us with written notice of the *pro rata* condition of average and explained its effect to me/us and I/we fully understand its effect on the proposed policy.

I/We desire to effect with the Company insurance under the terms of the policy used for this class of insurance and declare that the sums to be insured represent not less than the full value of the property.

Proposer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**FOR OFFICE USE ONLY**

Policy No:	REINSURANCE %	ENDORSEMENTS (Special)
Agent/Broker:	Retn.	
Insured:	SI	
Comm. Rate: % Amount \$	S2	
Receipt No:	S3	
Premium: E/Q \$	Q/S	
Other \$	F/O	
TOTAL \$		