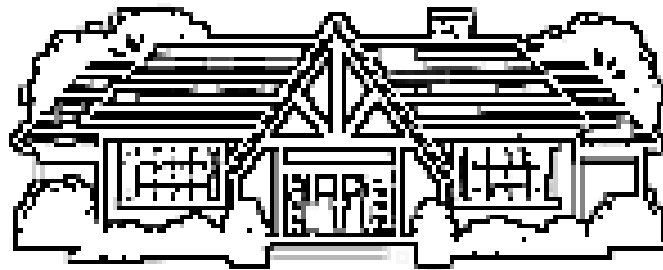


INSURANCE MANAGEMENT (BAHAMAS) LIMITED

Insurance Brokers and Agents

PRESENT

**A GUIDE FOR
BUYERS OF
HOME INSURANCE**



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INTRODUCTION

Home Insurance arranged through Insurance Management (Bahamas) Ltd is comprehensive and flexible. You select the cover you want from the very basic to the most comprehensive.

Proposal Forms do not always provide the full list of options available so please read this booklet and decide what cover is right for you.

A specimen Policy document which details the full terms and conditions of the insurance is available on request. This document is a Buyer's Guide and its purpose is to help you decide what insurance cover you require.

Please read this Guide carefully and refer any queries to Insurance Management (Bahamas) Ltd who will be happy to help you.

The HOME Policy is not designed for premises where any business is carried out. However, minor business use may be able to be accommodated. Please discuss with Insurance Management (Bahamas) Ltd.

Quotations for HOME Insurance are free of charge.

CURRENCY

All Policies are issued in Bahamian Dollars unless the Insured is eligible under Central Bank regulations to be treated as non-resident for exchange control purposes.

If you are eligible under the regulations a Policy can be issued in US\$. It is necessary to sign the Exchange Control Declaration on the Proposal Form before a Policy can be issued in US\$.

SOME IMPORTANT INFORMATION

UNDERINSURANCE

Most Policies of Insurance in The Bahamas contain an Underinsurance Condition otherwise known as a Condition of Average.

The HOME Policy has such a Condition that applies to Section 1 – Buildings and Section 2 – Contents. It does not apply to any other Section of the Policy.

The Underinsurance Condition or Condition of Average states that if the Sum Insured is not adequate the full amount of a claim cannot be recovered.

In simple terms if the sum insured is only 75% of the correct amount only 75% of the amount of loss or damage will be paid.

An official notice giving more detail of how this works is available on request and will be provided with every Proposal Form. However, it is strongly recommended that a professional appraisal of the rebuilding cost of your Home is made at regular intervals.

DEDUCTIBLES

Nearly all losses recoverable under an Insurance Policy are subject to a deductible. The deductible is the first part of any loss or damage that the Insurers will not pay.

Deductibles vary in size according to the type of cover and typically range from 2% of the Sum Insured for Hurricane Damage to \$250 for Theft.

The Policy clearly states what Deductible applies to each cause of loss but if you have any doubt please refer to Insurance Management (Bahamas) Ltd.

BUILDINGS INSURANCE

WHAT PROPERTY IS COVERED?

HOME insurance provides cover for the physical structure of

- The Building of your Home including foundations.
- Items “built-in” and fixed to the structure of the Home such as central air conditioning units, walk-in wardrobes, fixed cupboards, sanitary ware, sinks, baths, shower units and similar items.
- Large generators are considered part of the Building insurance whereas small portable generators should be insured under the Contents Section

Providing they are on the same site as the Home the following are also covered:

- Garages, car port or other outbuildings
- Walls, gates and fences
- Footpaths, driveways, decking and any patio
- Swimming pools and tennis courts

The Policy **does not cover** the following items unless special arrangements are made and the items are specifically described in your insurance Policy:

- Docks and jetties
- Piers and sea walls
- Other similar waterside structures
- Satellite television systems (see Contents) and antennae
- Panels forming part of a solar heating system

Please discuss with Insurance Management (Bahamas) Ltd if you require cover for any of these items.

BUILDINGS INSURANCE

WHAT IS YOUR PROPERTY COVERED AGAINST

The standard Policy covers you against loss or damage **Caused** by:

1. Fire, lightning and explosion
2. Smoke, Storm and Flood
3. Hurricane, tropical storm, volcanic eruption, tidal wave and flood following any of these Perils
4. Escape of water from water tanks or pipes
5. Riot, strike, labour or political disturbance
6. Theft, malicious damage or vandals
7. Falling trees and antennae
8. Collision by vehicles, aircraft and animals (not domestic pets)
9. Accidental damage to underground services for which you are responsible
10. Accidental breakage of glass or sanitary ware

If your Home is made uninhabitable by any of the above causes (except Cause 3 – this can be added with an additional premium) up to 10% of the Sum Insured is payable for alternative accommodation.

To reduce the premiums payable it is possible to exclude Cause 3 or elect to have higher Deductible. Please discuss with Insurance Management (Bahamas) Ltd if you are interested.

BUILDINGS INSURANCE

HOW IS YOUR CLAIM PAID?

Provided the Sum Insured is adequate and you have kept your Home in good repair the Insurers will pay

- The full cost of rebuilding or repairing the damage to the Building less any Deductible that applies
- Providing the Sum Insured is adequate to include them, the Insurers will also pay for professional and legal fees and the cost of site clearance. (Limits apply to these items so please discuss with Insurance Management (Bahamas) Ltd if you think the amounts may be substantial)

THE AMOUNT YOU WILL PAY (DEDUCTIBLE)

- No deductible applies in respect of Cause 1
- A Deductible of 2% of the Sum insured (subject to a minimum of \$500) applies to Cause 3
- A deductible of \$50 applies to Cause 10
- A \$250 Deductible applies to any other Causes.

IF THE SUM INSURED IS NOT ADEQUATE

- See **UNDERINSURANCE** on Page 2
- This Condition will apply if the Sum Insured is less than 90% of the full rebuilding cost of the Home

IF YOUR HOME HAS NOT BEEN MAINTAINED IN GOOD REPAIR

- An amount for wear and tear will be deducted

IF REPAIRS ARE NOT CARRIED OUT AFTER A LOSS

- An amount based on the reduction of market value of the Home will be paid (but not exceeding the cost of repairs)

BUILDINGS INSURANCE

SOME OPTIONS THAT ARE AVAILABLE

A Policy may also be issued with the following options:

- Including or excluding Hurricane Insurance
- Increased Deductibles for Hurricane Insurance
- Accidental Damage to Buildings
- The cost of alternative accommodation due to your Home becoming uninhabitable due to Hurricane damage
- Loss of Rental income you receive from tenants of the HOME because it is made uninhabitable due to Hurricane damage.

Additional or reduced premiums will be charged and special conditions may apply. Please refer to Insurance Management (Bahamas) Ltd.

UNOCCUPANCY

If the Home is to be unoccupied for any length of time (periods longer than normal annual holidays) please advise Insurance Management /(Bahamas) Ltd.

HOLIDAY HOMES AND HOMES THAT ARE NOT THE MAIN RESIDENCE OF THE INSURED

The insurance for these Homes is conditional upon:

- weekly inspections by the insured, agents, neighbours or friends
- all locks and bolts to external windows and doors are operative
- any intruder alarm (if installed) being activated

If you think you will have any difficulty in complying with any of these conditions please contact Insurance Management (Bahamas) Ltd to discuss what alternatives are possible.

CONTENTS INSURANCE

WHAT PROPERTY IS COVERED?

Whilst in the HOME, **all the Contents** of your HOME **excluding**:

- Motor Vehicles, caravans and trailers
- Aircraft and hovercraft
- Boats and waterborne craft
- Pets and Livestock
- Securities and documents
- Money, credit and bankers cards
- Pedal Cycles exceeding \$300 each
- Deterioration of food and wine (unless directly resulting from a specific cause insured against)
- Leaseholders Improvements (special arrangements may be made for these please contact Insurance Management (Bahamas) Ltd).

The Policy **includes** internal and external satellite television equipment.

HIGH RISK ITEMS

Certain items are considered as particularly attractive to thieves and these are known as High Risk Items. Limits apply to these items as follows:

- Single Article Limit - \$2,500
- Total Limit - 35% of Sum Insured on Contents

Any High Risk Item that exceeds a value of \$2,500 needs to be specifically described in your Policy before insurance cover applies.

If in Total the value of all your High Risk Items exceeds 35% of the Sum Insured on Contents please speak with a representative of Insurance Management (Bahamas) Ltd in order special arrangements may be made.

High Risk Items are televisions, computers, audio and video equipment, jewellery, watches, clocks, articles of precious metals, picture, works of art, curios, collections and photographic equipment.

CONTENTS INSURANCE

WHAT IS YOUR PROPERTY COVERED AGAINST?

The standard Policy covers you against loss or damage **caused** by:

1. Fire, lightning and explosion
2. Smoke, Storm and Flood
3. Hurricane, tropical storm, volcanic eruption, tidal wave and flood following any of these Perils
4. Escape of water from water tanks or pipes
5. Riot, strike, labour or political disturbance
6. Theft, malicious damage or vandals
7. Falling trees and antennae
8. Collision by vehicles, aircraft and animals (not domestic pets)

In addition providing **no part** of your HOME is:

- lent or let; or
- undergoing structural alterations, extension or repair; or
- is used for business purposes

the Policy provides for **Accidental Damage** to Contents up to the lesser of the Sum Insured on Contents or \$50,000.

EXCLUSIONS

The following are not covered for Accidental Damage:

- musical instruments, china, glass and items of a brittle nature, non physical damage to computers
- damage by wear and tear, condensation, climatic conditions, vermin, insects
- gradually operating causes
- cleaning, dyeing, repair or restoration
- mechanical or electrical malfunction

ADDITIONAL COVER

The following additional cover is included as standard at no extra charge:

- Limited cover whilst up to 15% of the Contents are temporarily removed to another HOME in The Bahamas.
- Up to \$500 for property in the open within the boundaries of the land on which the HOME stands (Deductible of \$50 applies).
- Automatic increase in sum insured of 10% during the month of December (does not apply to High Risk Items).
- Automatic increase in sum insured of 10% for 30 days before and after the wedding of a family member residing in the Home (does not apply to High Risk Items).
- \$5,000 towards funeral costs following a fatal accident to the Insured in the Home (restrictions apply).

CONTENTS INSURANCE

HOW IS YOUR CLAIM PAID?

Provided the Sum Insured is adequate the Insurers will pay the full cost of repair or replacement as new, except for clothes and household linen where a deduction for wear and tear will be made.

THE AMOUNT YOU WILL PAY (DEDUCTIBLE)

- No deductible applies in respect of Cause 1
- A Deductible of 2% of the Sum insured (subject to a minimum of \$500) applies to Cause 4
- A deductible of \$50 applies to Accidental Damage
- A \$250 Deductible applies to any other Causes.

SOME OPTIONS

A Policy may also be issued with the following options:

- Including or excluding Hurricane Insurance
- Increased Deductibles for Hurricane Insurance
- The cost of alternative accommodation due to your Home becoming uninhabitable due to Hurricane damage
- Loss of Rental income you receive from tenants of the HOME because it is made uninhabitable due to Hurricane damage.
- Cover for loss or damage to clothing, personal possessions and valuables contents **outside** the HOME (see "All Risks" pages 11 & 12)

ALL RISKS” FOR VALUABLES & PERSONAL POSSESSIONS

WHAT IS THIS COVER ?

This type of insurance is intended to cover your valuables, clothing and items you travel with against loss or damage by most causes when in or away from the HOME.

PROPERTY NOT INSURED

- Motor vehicles, caravans, trailers, aircraft, hovercraft, boats and waterborne craft
- Pets and Livestock
- China, glass and other items of a brittle nature
- Household goods and domestic appliances
- Contact lenses, camping equipment, pedal cycles and musical instruments
- Items used for business purposes

Please note that some items are excluded from this insurance as they are more properly insured under CONTENTS e.g. household goods. For other items special arrangements can sometimes be made. Please discuss your requirements with Insurance Management (Bahamas) Ltd.

COVER OUTSIDE THE BAHAMAS

Some limitations are placed on the amount of property that is insured when it is outside The Bahamas:

- The maximum sum Insured is \$10,000 (or the sum insured for this Section of the Policy if it is lower).
- The maximum time the property may be outside The Bahamas in any one period of insurance is 60 days.

Some **additional restrictions** apply to property when it is **outside The Bahamas**:

- Theft from unattended vehicles is not covered.
- Loss or damage due to Riot and Civil Commotion is excluded.

“ALL RISKS” FOR VALUABLES & PERSONAL POSSESSIONS

TYPE OF COVER AVAILABLE

This type of insurance is available in two variations of cover known as UNSPECIFIED or SPECIFIED. Either or both of the covers may be taken.

UNSPECIFIED

This covers individual items up to \$500 in value and the cover is sold with a minimum sum insured of \$1,500.

A useful guide to what sum insured should be selected is to consider the value of all the items you travel with.

e.g. clothing, camera's, suitcases, jewellery (remember no one item may have a value of more than \$500)

This item also includes loss of money up to \$500 and financial loss resulting from lost or stolen credit cards up to \$500.

A \$50 deductible applies to all claims for UNSPECIFIED items.

SPECIFIED

This cover is for items of a value of more than \$500. The items are only insured when they are individually listed on your Policy. An Appraisal is required for any item with a sum insured of \$1,000 or more.

LEGAL LIABILITIES

Insurance by this Section of the Policy is automatically provided free of charge if BUILDINGS and or CONTENTS Insurance is taken.

The purpose of the insurance is to provide reimbursement of any claim for compensation and any legal costs that be incurred in certain circumstances.

Amounts will only be compensated if judgements are obtained in a court in the Commonwealth of The Bahamas.

The Policy limit for any one claim or in any one period of insurance is \$500,000. This may be increased to \$1,000,000 on payment of an additional premium.

The following are some examples of how his insurance benefits you.

LIABILITY AS OWNER

As an owner of a home you are obliged to keep the property in good repair. If, for example, a tile falls from the roof and injures a passer-by you may face a claim for compensation. This insurance ,(subject to the Policy limits) will pay legal costs to defend any action taken against you and any amount the courts may grant the injured passer-by.

LIABILITY AS OCCUPIER

As occupier of home you owe a duty of care to visitors that you receive. If, for example, a visitor trips and falls over because of spilt liquid on the floor you may face a claim for compensation. This insurance, (subject to the Policy limits) will pay legal costs to defend any action taken against you and any amount the courts may grant the injured person.

PERSONAL LIABILITY

This cover is only available to private individuals. It does not apply when the Policy is issued in other circumstances such as Policies issued in the name of a Company.

Personal liability may arise due to someone being injured by your actions. For example if you step into the road without proper care and knock a cyclist of his bicycle.

You may face a claim for compensation. This insurance, (subject to the Policy limits) will pay legal costs to defend any action taken against you and any amount the courts may grant the injured passer-by.

LEGAL LIABILITIES

EMPLOYERS LIABILITY

This cover compensates you in the case of your domestic servant taking action against you because they have suffered accidental injury whilst in the course of their work in your home, (subject to the Policy limits).

By domestic servant we mean gardeners, maids and other domestic help employed by you in the home.

The Policy does not cover any of your employees that are not solely employed for domestic duties in the home insured by the Policy. In addition, if more you have more than three employees an additional premium may be charged.

TENANTS LIABILITY

This cover only operates if you, the Insured, is a tenant and not owner of the Home and the CONTENTS Section of the Policy is in force. Limited insurance cover of up to \$20,000 (or the Sum insured on CONTENTS if it is lower) for liability you may incur as tenant for damage to the Home. A deductible of \$50 applies to any loss or damage under this Section.

ACCIDENT BENEFITS

This is an optional insurance that may only be taken if BUILDINGS or CONTENTS insurance is taken. An additional premium is payable.

WHO IS COVERED ?

Providing they are aged between 18 years and 65 years, they permanently reside in the Home and are **not** undergoing full time education

- The Insured
- The spouse of the Insured
- Children of the Insured
- Sister and Brothers of the Insured
- Parents and Grandparents of the Insured

WHO IS EXCLUDED ?

- **Drivers** that do not hold the appropriate driving licence
- **Drivers and passengers** of contractors plant, motorcycles, mopeds, all terrain vehicles and golf carts
- **Passengers** not being conveyed in a proper seat within the vehicle
- Any person that is involved in an accident in the work place or on a contractors site
- Any person taking part in a motor vehicle competition of any sort
- Victims of domestic violence

WHEN ARE THE BENEFITS PAYABLE ?

When a person insured suffers bodily injury (**not** sickness or disease) due to:

- An accident involving a MOTOR VEHICLE as a pedestrian, driver or passenger in the vehicle.
- A CRIMINAL ASSAULT but excluding domestic disputes

OTHER EXCLUSIONS

- Suicide
- Taking part in illegal activity
- Alcohol related accidents or use of illegal drugs
- Pre –existing conditions

Pregnancy or taking drugs not in accordance with a medical prescription

ACCIDENT BENEFITS

WHERE ARE YOU COVERED ?

Anywhere in The Bahamas. No cover applies for accidents or assaults outside The Bahamas or for treatment outside The Bahamas.

THE BENEFITS

The maximum amount payable by the Policy in any one period of insurance is \$38,000 for one insured person and \$76,000 for all insured persons (less any deductibles that may apply)

DEATH or PERMANENT TOTAL DISABLEMENT

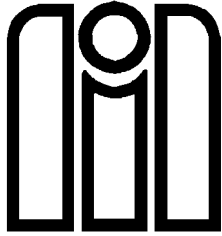
- \$25,000 for any one insured person and \$50,000 in total.
- Permanent total disablement means the person cannot work at any employment
- A claim may only be made for Death **or** Permanent Disablement, not both

MEDICAL EXPENSES

- \$10,000 for any one insured person and \$20,000 in total
- Deductible of \$250 applies

HOSPITALIZATION

- \$50 per day as an in-patient for 60 days but excluding the first two days
- Maximum of \$6,000 for all insured persons
- Excludes psychiatric and mental hospitals



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