

## Information Technology Liability Insurance

**Important:** Please answer all questions fully. If the space in this proposal form is insufficient please include attachments on your company letterhead.

### Details of the Proposer

1. Please state the full name of all entities (including any subsidiaries) and persons to be insured (collectively referred to in this form as the "Proposer")

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2. Address of the principal office

Street	City
State	Country
	Postcode

3. Address of any branch offices

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4. Contact details

Name	Telephone	Email
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5. Company details

Registered company name

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Country of registration

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Date or year established

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ABN

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Website address

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6. Has the Proposer been involved in a merger or acquisition over the last 10 years?

Yes  No

If "Yes", please provide details.

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7. Has the Proposer ever traded under another name? Yes  No

If "Yes", please provide details.

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8. Please provide the following details for each partner / director:

<b>Name</b>	<b>Qualification &amp; Date Qualified</b>	<b>Period as a partner/director at this Company</b>
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9. Please advise the number of staff in the following categories:

Partners or directors \_\_\_\_\_

Professional / technical staff \_\_\_\_\_

Sales and marketing \_\_\_\_\_

Administration / support staff \_\_\_\_\_

Other staff (please specify) \_\_\_\_\_

**Total** \_\_\_\_\_

10. Please list any current memberships of professional associations held by the Proposer.

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11. Please describe in detail the nature of the information technology (IT) services and information technology (IT) products provided by the Proposer.

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## Financial Information

12. Please **attach** the most recent financial report or latest audited accounts.

13. When does the Proposer's financial year end (dd/mm/yyyy)? \_\_\_\_\_

14. Actual & estimated revenue:

Location	Last Completed Financial Year	Current Financial Year Forecast	Next Financial Year Forecast
Australia & New Zealand	\$	\$	\$
USA & Canada	\$	\$	\$
Other	\$	\$	\$
<b>Total</b>	\$	\$	\$

15. If activities are performed outside Australia, please list the country and the services / products provided there:

Country	Services / Products

16. Please provide a breakdown of the Proposer's income generated in the last financial year as follows:

ACT	% NSW	% NT	%
QLD	% SA	% TAS	%
VIC	% WA	% Overseas	%

## Services & Products

17. Does the Proposer envisage any material change in operations or the development and release of any new services or products in the next 12 months? Yes  No

If "Yes", please provide details.

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18. Please provide a split of the Proposer's turnover or revenue from the following activities.

Services & Products	Last 12 months	Next 12 months
Consultancy/miscellaneous IT services	%	%
Systems integration	%	%
Software developer - applications, custom, bespoke	%	%
Software developer - shrinkwrap	%	%
Software developer - control systems	%	%
Software re-seller	%	%
Software support and maintenance	%	%
Hardware or peripheral manufacture & assembly	%	%
Hardware or peripheral reseller	%	%
Hardware or peripheral maintenance	%	%
VAR and retail sales	%	%
Systems and data processing	%	%
Payment processing systems	%	%
Data warehousing	%	%
Facilities management /outsourcing services/hosting	%	%
Telecom carriage services	%	%
Telecom and network consulting services	%	%
Application Service Provider (ASP)	%	%
Internet security product or service providers	%	%
Internet Service Provider (ISP)	%	%
Website development	%	%
Education and training	%	%
IT Recruitment services	%	%
Other (please specify)	%	%
<b>Total must be</b>		<b>100%</b>

## Application of Services & Products

19. Is the end use of the product or service provided by the Proposer involved in any of the following?

Medical industry devices or applications	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Fire, security or other emergency applications	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Privacy applications	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Oil, gas, power, nuclear, energy applications	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Manufacturing process control systems	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Aerospace or defence applications	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Technology security services	Yes <input type="checkbox"/>	No <input type="checkbox"/>

20. Please describe the end-use of the Proposer's other services and products. For example, specify if they are targeted to a particular industry such as banking, healthcare, military etc.

<b>Product / Service Application</b>	<b>% of Annual Turnover</b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

## Contracts

21. Please list the 5 largest contracts the Proposer has entered into over the last 5 years.

<b>Client</b>	<b>Contract Period</b>	<b>Revenue</b>	<b>Services Provided</b>
_____	From: To:	_____	_____
_____	From: To:	_____	_____
_____	From: To:	_____	_____
_____	From: To:	_____	_____
_____	From: To:	_____	_____

22. a) What is the value of the Proposer's average contract? \$ \_\_\_\_\_
- b) What is the duration of the Proposer's average contract? \_\_\_\_\_
- c) Do all customers sign a written agreement, contract or purchase order? Yes  No
- d) Does the Proposer use standard customer contracts? Yes  No   
If "Yes", please **attach** a copy.
- e) What percentage of the time do customers agree to the Proposer's standard agreements or contracts? \_\_\_\_\_ %  
Please **attach** a copy of the largest non-standard contract.
- f) Who must approve any variations in the Proposer's standard contracts?  
\_\_\_\_\_
- g) Does the Proposer limit its liability in all contracts to the cost of services or products provided? Yes  No   
If "No", how does the Proposer limit their liability?  
\_\_\_\_\_  
\_\_\_\_\_
- h) Does the Proposer enter into contracts with other parties that limit the other parties' liability? Yes  No   
If "Yes", in what circumstances? And what are the limitation amounts?  
\_\_\_\_\_  
\_\_\_\_\_
- i) Does the Proposer ever sign contracts where it accepts liability for consequential losses (apart from Intellectual property)? Yes  No   
If "Yes", in what circumstances?  
\_\_\_\_\_  
\_\_\_\_\_
- j) Are all contracts legally reviewed prior to signing? Yes  No   
If "Yes", who reviews them?  
\_\_\_\_\_
- k) What percentage of contracts are agreed on:  
(i) a fixed price basis? \_\_\_\_\_ %  
(ii) a time and materials basis? \_\_\_\_\_ %
- l) Does the Proposer ever agree to indemnify or hold harmless any third party for claims arising out of the Proposer's services or products? Yes  No   
If "Yes", please provide details.  
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\_\_\_\_\_

## Sub-Contractors

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23. Does the Proposer engage sub-contractors to provide any IT services or IT products? Yes  No
- If "Yes",
- a) What percentage of IT services or IT products are provided by sub-contractors? \_\_\_\_\_ %
- b) Please specify what IT services or IT products are sub-contracted.  
\_\_\_\_\_  
\_\_\_\_\_
- c) Does the Proposer have specific written contracts with these sub-contractors? Yes  No
- d) Is proof of current Professional Indemnity or Errors & Omissions Liability and General Liability insurance obtained from sub-contractors? Yes  No

## Quality Control

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24. a) Does the Proposer have a formal customer or vendor selection process? Yes  No
- b) Does the Proposer require written acceptance from the customer on delivery of services or products? Yes  No
- c) Does the Proposer have a Total Quality Management (TQM) strategy in place? Yes  No
- If "Yes", please provide details.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- d) What support services does the Proposer provide to their customers in relation to their services or products?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- e) Does the Proposer continue to provide maintenance and support for any discontinued products? Yes  No
- f) Does the Proposer have a dispute resolution procedure detailed in their customer contracts? Yes  No
- g) Does the Proposer have a formal product recall plan in place? Yes  No

25. If the Proposer is involved in software development or systems integration, please complete the following:
- N/A
- a) Is the systems development methodology detailed in writing? Yes  No
- b) Are interim changes documented and contract variations formally signed off by the customer? Yes  No
- c) Detail testing procedures (Alpha, Beta testing etc...).
- \_\_\_\_\_
- \_\_\_\_\_
- d) Is final testing carried out with the customer and customer sign-off required? Yes  No

### Intellectual Property Clearances

26. a) Does the Proposer obtain legal advice from specialists familiar with intellectual property law before releasing new software or products? Yes  No
- If "Yes", please provide the following details of the specialist.
- Name: \_\_\_\_\_
- Address: \_\_\_\_\_
- b) If the Proposer uses in-house legal counsel for due diligence and clearance of new software or products, please **attach** details of the due diligence checklist for intellectual property clearances. Yes  No
- If the Proposer does not have due diligence and clearance procedures please provide comments.
- \_\_\_\_\_
- \_\_\_\_\_
- c) How do the above procedures vary if products are being released overseas?
- \_\_\_\_\_
- \_\_\_\_\_
- d) Do clearance procedures include a review of media law issues, brochures and other marketing material issued by the Proposer in promoting their services? Yes  No
- Please **attach** copies of the marketing materials and brochures.

e) Has the Proposer ever released software or products where they have received advice that an intellectual property dispute exists? Yes  No

If so, please provide details.

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f) Do new employees involved in development work sign a statement to the effect that they will not distribute or utilise previous employer's trade secrets? Yes  No

g) If the Proposer uses sub-contractors during the development process, do they sign copyright license agreements? Yes  No

h) Does the Proposer have written procedures for handling intellectual property of others? Yes  No

i) Has the Proposer ever filed for any patents? Yes  No

If so, how many patents does the Proposer currently own? \_\_\_\_\_

j) If the Proposer owns patents have they ever received a notice of possible infringement of another patent? Yes  No

If "Yes", please provide details.

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k) List the Proposer's top 2 competitors.

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## Claims History

**Please Note:** It is critical that you make appropriate enquires of all persons intending to be insured under this insurance before you answer Questions 27 – 32.

27. Has any partner, director or employee of the Proposer ever been subject to any disciplinary proceedings? Yes  No

If "Yes", please provide details.

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28. Has a claim ever been made against the Proposer (or any previous company name used by the Proposer), or any past or present partner, director or employee of the Proposer? Yes  No

If "Yes", please provide details of matter, claimant, current status, amounts paid and reserve amounts.

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29. Is the Proposer including any of its partners, directors or employees aware of any facts which might give rise to a claim against any of them? Yes  No

If "Yes", please provide details.

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30. Are any contracts currently past due acceptance? Yes  No

If "Yes", please provide details.

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31. Within the last 3 years have any customers stopped paying for or requested a refund because the Proposer's services or products did not meet their specifications or expectations? Yes  No

If "Yes", please provide details.

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32. In the past 3 years has the Proposer sued any customers for non-payment? Yes  No

If "Yes", please provide details.

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## Insurance History

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33. Has the Proposer conducted any product recalls? Yes  No

If "Yes", please provide details.

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34. Have any special terms or conditions ever been imposed on any insurance policy held by the Proposer? Yes  No

If "Yes", please provide details.

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35. Has the Proposer ever had any entitlement to indemnity under any insurance policy denied, or otherwise affected due to non-disclosure, misrepresentation or breach of a policy provision? Yes  No

If "Yes", please provide details.

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36. Has any insurer ever refused to provide terms or offer renewal terms to the Proposer or has any insurance held by the Proposer ever been avoided or cancelled by an insurer? Yes  No

If "Yes", please provide details.

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37. a) Does the Proposer currently hold a Professional Indemnity policy? Yes  No

If "Yes", please advise the following:

Insurer \_\_\_\_\_

Expiry Date \_\_\_\_\_

Sum Insured \_\_\_\_\_

Retroactive date \_\_\_\_\_

Excess \_\_\_\_\_

b) If "No" has the Proposer ever held Professional Indemnity Insurance?

Please provide details.

\_\_\_\_\_  
\_\_\_\_\_

## Limit of Liability

Please specify the options for Limits of Liability and Excess you would like quotations for.

### Errors & Omissions

38. Limit of Liability

a) \$ \_\_\_\_\_

b) \$ \_\_\_\_\_

c) \$ \_\_\_\_\_

39. Excess:

a) \$ \_\_\_\_\_

b) \$ \_\_\_\_\_

c) \$ \_\_\_\_\_

### General & Products

40. Limit of Liability

a) \$ \_\_\_\_\_

b) \$ \_\_\_\_\_

c) \$ \_\_\_\_\_

41. Excess:

a) \$ \_\_\_\_\_

b) \$ \_\_\_\_\_

c) \$ \_\_\_\_\_

## Declaration

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(To be signed by a partner or director.)

I, the undersigned, declare and acknowledge:

- that I am, after enquiry, authorised by all person(s) or entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, I am obliged to inform Professional Risk Underwriting of any changes to any information supplied or of any new information that is relevant;
- that I understand Professional Risk Underwriting relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that if a Contract is entered into, all information and documentation supplied in proposing for this insurance shall be incorporated into and form part of such Contract of Insurance;
- that I have read and understood the Important Notices which form part of this proposal;
- that I understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Professional Risk Underwriting, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_

Dated \_\_\_\_\_

## Have you Remembered to Attach the Following?

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- |                  |   |
|------------------|---|
| Question 12      | The most recent financial report or latest audited accounts.                          |
| Question 22d & e | Sample contracts for provision of services and products, sub contract agreements etc. |
| Question 26b     | Due diligence checklist for intellectual property clearances.                         |
| Question 26d     | Brochures or other marketing material.  |

## IMPORTANT INFORMATION

### PRORISK

Professional Risk Underwriting Pty Ltd is an Australian Financial Services Licensee (AFSL No 308076) authorised to issue, vary and cancel general insurance products and provide general financial product advice in relation to general insurance.

In this document Professional Risk Underwriting Pty Ltd is also referred to as ProRisk.

As ProRisk administers this insurance on behalf of the insurer, You should contact ProRisk in the first instance.

You can contact ProRisk by:

Telephone: +61 3 9235 5255

Internet: [www.prorisk.com.au](http://www.prorisk.com.au)

Post: GPO Box 542, East Melbourne Victoria 8002

### THE INSURER - LIBERTY

Liberty International Underwriters (LIU) is a division of Boston-based Liberty Mutual Group – a diversified global insurer established in 1912. Liberty Mutual ranks 82nd on the Fortune 500 based on 2010 revenue. In Australia, LIU is locally authorised and regulated and combines this heritage, experience and worldwide reach with local understanding and autonomy.

LIU is a specialist lines insurer with worldwide operations in 39 countries including Australia, Canada, Europe, the Middle East, Asia, South America and the United States. Our underwriters are specialists in their field - they have a deep understanding of the areas they insure and are well positioned to provide businesses with tailored risk transfer solutions.

LIU handles your claims in-house and does not outsource them. Our strong focus on claims service has resulted in consistent positive independent reviews. In 2007 a JP Morgan/Deloittes survey ranked our Claims Team as #1 for handling and service in relation to PI and D&O claims. More recently, our Claims Team was nominated as a finalist by ALB for the Insurance In-House Team of the Year Award in 2010.

### YOUR DUTY OF DISCLOSURE

Section 21 of the *Insurance Contracts Act 1984* provides that before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty, however, does not require disclosure of matter:

- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That your insurer knows, or in the ordinary course of its business, ought to know;
- As to which compliance with your duty of disclosure is waived by the insurer.

### NON-DISCLOSURE

If you fail to comply with your duty of disclosure, Underwriters may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, Underwriters may also have the option of avoiding the contract from its beginning.

### RIGHT OF RECOVERY

The policy excludes indemnity for any claim arising directly or indirectly from or in connection with any liability for which the insured has foregone, excluded or limited a right of recovery against any party.

### MATERIAL CHANGE

The policy provides that the insured must notify us within thirty (30) days of any material change in the nature of the business or any material change to the risk during the insurance period.

### POLICY CANCELLATION

In the event of policy cancellation by the insured, cancellation rates will apply.

### PRIVACY STATEMENT

ProRisk is bound by the obligations of the *Privacy Act 1988* (as amended) regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We collect personal information about you to enable us to provide you with relevant products and services, to assess your application for insurance and, if a contract is entered, to enable us to provide, administer, and manage your policy, and to investigate and handle any claims under your policy.

We may disclose your information to third parties (who may be located overseas), such as the insurer, lawyers, claims adjusters, and others appointed by ProRisk or by the insurer to assist us and them in providing relevant products and services. We may also disclose your information to people listed as co-insured on your policy and to your agents. By providing your personal information to us, you consent to us making these disclosures.

If you do not provide all or part of the information required, we may not be able to provide you with our products and services, consider your application for insurance, administer your policy, assess or handle claims under your policy, or you may breach your Duty of Disclosure.

When you provide us with personal information about other individuals, we rely upon you to have made them aware of that disclosure, and of the terms of the ProRisk Privacy Statement, and to obtain their consent.

For a copy of the ProRisk Privacy Statement or to request access to or update the personal information, contact the Privacy Officer at ProRisk by email: [enquiries@prorisk.com.au](mailto:enquiries@prorisk.com.au) or by mail at the address shown on this policy.

### GENERAL INSURANCE CODE OF PRACTICE

ProRisk proudly supports the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry. A copy of the Code can be obtained from [www.codeofpractice.com.au](http://www.codeofpractice.com.au).

### COMPLAINTS HANDLING

Any enquiry or complaint relating to this insurance should be referred to ProRisk in the first instance. We have a complaints handling and internal dispute resolution process to assist you, and information about our complaints handling procedures is available upon request.

If ProRisk cannot resolve the matter they will direct you to the relevant LIU Dispute Resolution Officer appropriate to respond to your specific issue.