



P.I.DIRECT
INSURANCE BROKERS

Professional Indemnity Proposal Form

for

Information Technology Consultants

Address: 5/3352 Pacific Highway
Springwood QLD 4127

Phone: 07 3387 2800

Email: pidirect@pidirect.com.au

Postal: PO Box 976
Springwood QLD 4127

Fax: 07 3208 2200

Website: www.pidirect.com.au

NOTICE TO INSURED
(Pursuant to the provisions of the Insurance Contracts Act 1984)

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the *Insurance Contracts Act 1984*, to disclose to the insurer every matter which 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, on what terms

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of insurance

Your duty however does not require disclosure of a matter:-

- that diminishes the risk to be undertaken by the insurer
- that is common knowledge
- that the insurer knows or, in the ordinary course of business as an insurer, ought to know
- as to which compliance with your duty is waived by the insurer.

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

Claims Made Policy

This policy is a claims made policy of insurance. This means that the policy covers you for claims made against you and notified to the Insurer during the period of insurance. The Policy does not provide cover in relation to:

- events that occurred prior to the retroactive date, if any, specified in the Policy;
- claims notified or arising out of circumstances notified under any previous policy (whether made or issued by the Insurer or any other insurer);
- claims made against you prior to commencement of the period of insurance;
- claims arising out of claims and circumstances noted on the proposal form for the current period of insurance or on any previous proposal form;
- subject to what is said in the next paragraph, claims made after expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance.

However, where you give notice in writing to the Insurer of facts that might give rise to a claim against you as soon as reasonable practicable after you become aware of those facts but before expiry of the period of insurance, the policy will, subject to its terms and conditions, cover you notwithstanding that a claim is only made after expiry of the period of insurance.

Average Provision

The Insurer provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of the claim, the liability of the Insurer for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under this policy bears to the amount paid to dispose of the claim.

Surrender of Waiver of any Right of Contribution or Indemnity

Where another person or company would be liable to compensate you or hold you harmless for part or all of any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after inception of the policy that you would not seek to recover any loss or damage from that person, you are not covered under the policy for any such loss or damage unless the agreement of the Insurer is obtained beforehand.

Important Information: Please complete all questions fully. If there is insufficient space provided to answer please provide details on your letterhead.

Section 1. Your Details.

1.1 Please provide the full legal name of all entities to be insured under the Policy:

(It is important you include all service, administration or nominee companies)

.....
.....
.....

1.2 Trading Name:

.....
.....
.....

1.3 ABN Number:

.....

1.4 Date established:

.....

1.5 Your Contact details:

Address:

.....
.....
.....

Telephone Number:

.....

Fax:

.....

Mobile:

.....

Email Address:

.....

Web Site:

.....

Address of any Branch or other offices:

.....
.....

1.6 Principals/ Partners / Directors

Name:	Qualification	Date Obtained	Years as a Principal	
			This Practice	Previous Practice

1.7 Staff Details

Principals/Partners/Directors:

Professional Qualified Staff:
(Not included in Partners/Principals)

Other Technical Staff:

Non Technical Staff:

Trainee Staff:

Administration Staff:

Other Staff:

Total Staff:

1.8 a) Are you a current financial member in good standing of a Professional Association?

Yes No

b) If "Yes" please provide details of the Associations to which you belong:

.....

Section 2. Your Business

General Business Questions:

- 2.1 Has the name of your business ever changed? Yes No
- 2.2 Have you ever amalgamated or merged with another business? Yes No
- 2.3 Have you purchased any other business or practice? Yes No

If you have answered "Yes" to any of these questions please provide details:

.....

.....

.....

.....

- 2.4 Does any partner, principal or director of the Insured detailed in answer to question 1 of this proposal have any connection or association (financially or otherwise) with any other business or practice? Yes No

If "Yes" please provide full details:

.....

.....

.....

- 2.5 Please provide a description of your precise business activity:

.....

.....

.....

.....

.....

.....

.....

Break Up of Activities:

2.6 Please provide us with the approximate percentage of your income derived from the following activities

Activity

Sales/Resale/Training/Licensing of standardised software%
Sales/Resale/Training/Licensing of own developed software%
Software customisation%
Software Maintenance Services%
Technology consulting/implementation/ development / Integration / project management%
Manufacture or design of Hardware%
Sales/distribution/maintenance of hardware%
Internet service provider%
Application software provider (software hosting)%
Outsourced IT Operations provider%
Data processing / Warehousing services%
General Consultancy%
Other%
Total	100%

2.7 Do you provide services or products intended for use in the following areas?

Yes No

If you have answered “Yes” please specify the percentage of your income derives from these activities and provide further information on the precise nature of these activities:

Aerospace or defence applications%
Electricity generation or distribution%
Government%
ERP systems%
Banking or financial transactions%
Fire, Security or other emergency applications%
Medical or surgical applications%
Military systems%
Telecommunication systems%
Oil pipelines & refineries%
Process control, monitoring or safety critical%
Entertainment (including PC Games) or gaming%
Pollution or environmental applications%

2.8 Has there been any substantial changes in your business activities in the past 12 months?

Yes No

2.9 Do you anticipate any substantial changes in your business activities in the next 12 months?

Yes No

If you have answered "Yes" to any of questions 2.8 or 2.9 please provide full details:

.....
.....
.....

Contract Information

2.10 Please provide details of your 5 largest contracts:

Brief Description of Contract	Income \$Aus

2.11 Please provide the following information in relation to your contracts:

- (i) What is the average contract size entered into? \$.....
- (ii) What is the average contract length entered into?
- (iii) What is the longest contract entered into?
- (iv) Approximately how many active customers do you have?

2.12 Does any single Client represent more than 20% of your total activities?

Yes No

2.13 Do you always use written contracts when performing your technology business activities?

Yes No

If the answer to question 2.13 is "No" please provide details of how you contract your services?

.....
.....
.....

2.14 Have your standard contracts terms and conditions been reviewed by a suitably qualified Lawyer?

Yes No

If the answer to question 2.14 is "No" please provide details of how you contract your services?

.....
.....
.....

2.15 (i) What percentage of your contracts are based on non-standard contract terms?

..... %

(ii) If you do use non-standard contract terms, do you have a suitably qualified Lawyer review the contract?

Yes No

If the answer to question 2.15 (ii) is "No", please advise what review processes you have in place?

.....
.....
.....

2.16 Do you limit your liability under contract? (with the exception of intellectual property infringement or breach of confidentiality)

Yes No

If the answer to question 2.16 is No please:

(i) Advise the percentage of total contracts where you don't limit your liability?

.....%

(ii) Provide details of the measures (if any) you have in place to limit your liability:

.....
.....
.....

2.17 Do all of your contracts fully exclude liability for all consequential losses? (With the exception of intellectual property infringement or breach of confidentiality)

Yes No

If the answer to question 2.17 is "No" please:

(i) Advise the percentage of total contracts where you don't limit your liability?

.....%

(ii) Provide details of the measures you have in place:

.....
.....
.....

2.18 Do you engage sub contractors?

Yes No

If "Yes":

(i) What percentage of your total work is performed by them?

(ii) Do you insist they carry their own Professional Indemnity Insurance?

Yes No

(ii) Do you use a standard contract or hiring agreement?

Yes No

(iv) Please provide details of the type of work they perform?

.....
.....
.....

If the answer to question 2.18 (iii) is "Yes" please provide a copy. If "No" please provide details of what written arrangements you have in place with contractors?

2.19 Are verbal reports always confirmed in writing? Yes No

If answer to Q 2.19 is "No" please advise details of how these reports are substantiated.

.....
.....

2.20 Do you perform work outside Australia, or work for clients located overseas?

Yes No

If "Yes" please provide details.

.....
.....

For Sole Proprietors ONLY.

2.21 Please provide details of the length of service & experience of your assistants.

.....
.....
.....

2.22 Please provide details of the arrangements you have in place to assist you during temporary absences?

.....
.....
.....

Section 3. Your Risk Management Program.

3.1 Do you have a documented Risk Management program? Yes No

If "Yes", when was the program implemented?

3.2 Is one Director / Partner / Principal responsible for the implementation & communication of the program?

Yes No

3.3 Does your Risk Management Program include regular internal / external audits or reviews?

Yes No

3.4 Is the program communicated to & available to all staff? Yes No

Section 4. Your Financial Details:

4.1 Please advise the total annual gross professional fees for:

	Australia	Overseas
Current Year:
Previous Year:
Estimate for next year:

4.2 **Stamp Duty Split:**

Please provide the percentage breakdown of your revenue by State or Territory.

NSW	Vic	Qld	SA	NT	WA	ACT	Tas	O / S	Total
									100%

4.3 **Overseas Work.**

If you perform work overseas please advise the percentage of overseas revenue performed in:

USA / Canada
Europe
Rest of the World:

4.3 Are the total assets of your company greater than \$5,000,000?

Yes No

Section 5. Your Claims History:

5.1 After enquiry, have any claims for negligence or breach of professional duty been made against your business or practice or any of its predecessors in business or any prior business or practice or any of its present or former Partners, Principals or Directors or has any fact or circumstance been notified to the insurers that has the potential to give rise to such a claim?

Yes No

If "Yes", please provide full details:

Date Notified	Name of Claimant	Brief Description of matter	Quantum	Status

5.2 After enquiry, are any of the partners, principals or directors aware of any fact or circumstance which has the potential to give rise to a claim against your business or practice or any business or practice of any of their present or former partners, principals or directors which is not referred to in question 5.1 above.

Yes No

If "Yes" please provide full details including:

Date First became aware of matter	Name of Potential Claimant	Brief Description of matter	Quantum

5.3 Has any Partner, Principal, Director or staff member ever been subject to disciplinary proceedings for professional misconduct?

Yes No

If "Yes" please provide details:

.....

.....

.....

5.4 After Enquiry, are any Partners, Principals, Directors or staff members aware of any enquiry, professional disciplinary proceedings or similar process connected to your business which they, or any other member may be required to attend?

Yes No

.....

.....

.....

5.5 Please answer this question ONLY if you are seeking cover for Section 2 Public and Products Liability.

After enquiry, please advise whether you have ever caused injury or damage or had any Claims made against you for Personal Injury or Damage to Property as insured by this Policy?

If "Yes" please provide full details including:

Date of Claim	Name of Claimant	Brief Description of matter	Quantum

Section 6. Your Insurance History

6.1 Is this a renewal of PI Direct? Yes No

If the answer is "No" and you currently hold an Information Technology Insurance Policy please complete the following:

Name of Insurer:

Expiry Date:/...../.....

Limit of Indemnity:

Technology Insurance

General Liability

Premium: \$.....

6.2 Has the firm, any partner, principal or director ever been refused this type of insurance, had special terms imposed, had a policy cancelled or had an application for renewal declined?

Yes No

If the answer to question 6.2 is "Yes" please provide details:

.....
.....
.....

Section 7. Your Cover Application

7.1 Limit of Indemnity Options:

a) Technology Insurance

\$1,000,000 \$2,000,000 \$3,000,000

\$4,000,000 \$5,000,000 Other.
(Please specify)

b) General Liability

\$1,000,000 \$2,000,000 \$3,000,000

\$4,000,000 \$5,000,000 Other.

7.2 Preferred Deductible Options:

Technology Insurance

General Liability

Section 8. Additional Information

8.1 Please provide a copy of CV for all Principals

PRIVACY ACT CLAUSE

PI Direct Insurance Brokers Pty Ltd is committed to protecting the privacy of the personal information you provide us.

We need to collect the personal information on this form to consider your application for professional indemnity insurance and to determine the premium (if your application is accepted). This information will also be used if you lodge a claim under your policy. We may also need to request additional information from you in connection with your application.

If you do not provide us with the information in this form, or any additional information we request, we may not be able to process your application or offer you insurance cover.

We may disclose your personal information we collect on this form and any additional information that you provide us in connection with the application:

- To our relevant employees involved in delivering our services;
- If your broker collects this form from you, to that broker;
- To facilitators such as legal firms, professional experts such as accountants, actuaries, engineers and technology experts
- To the Lloyd's Syndicate we represent (which is located in the United Kingdom)
- To insurance reference bureaus or credit reference bureaus
- To reinsurers or reinsurance brokers (which may include reinsurers located outside of Australia)
- We may also be required to provide your personal information to others for purposes of public safety and law enforcement and
- If required by law or by a law enforcement body to do so.

You may request access to your personal information, and where necessary, correct any errors in this information (some restrictions and costs may apply).

By completing and returning the proposal form and/or providing us with any additional information in connection with your application, you agree to us using and disclosing your information as set out above.

This consent to the use and disclosure of your personal information remains valid unless you alter or revoke it by giving us written notices.

If any of your personal information changes in the future, please notify us of these changes so we can ensure that the information we hold about you is accurate, complete and up to date.

DECLARATION

I/We declare and warrant that all the statements and particulars here given are true and that no information whatever has been withheld which might influence a prudent Insurer's judgement and the acceptance of this Proposal. Should the above Particulars alter in any way I/We will advise Insurers as soon as possible.

I/We understand that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal may result in Insurers refusing to provide indemnity or voiding the policy in every respect.

I/We hereby agree that this Declaration shall be the basis of the contract between me/us and Insurers.

Name of Proposer

Signed by on behalf of all
Partners/Directors/Principals

Date