



I.T. LIABILITY PROPOSAL

IMPORTANT NOTICE

MATERIAL FACTS

"You" (this includes every person or entity to be insured under this insurance) are under a duty to disclose all material facts that could influence QBE's decision to accept this insurance and, if so, on what terms. You need to disclose both facts known to you AND facts which you could have been reasonably expected to know about. If you are in any doubt as to whether a fact may be material, you should disclose it to ensure that any cover granted is not prejudiced.

NON DISCLOSURE/MISSTATEMENT

If you fail to comply with your duty of disclosure, QBE may be entitled to avoid the contract altogether, and so decline to pay any claim.

JURISDICTION

The content and use of this form and any agreement entered into pursuant to this form or any dealing in relation to or arising from this form are governed by the laws of New Zealand and in relation to those matters, the parties submit to the jurisdiction of the courts of New Zealand.

COMPLETION NOTES

- All Proposal Forms and supplementary questionnaires (e.g. 'Tele/Data Communication Services' or 'Hardware') can be downloaded from the QBE website (www.qbe.co.nz).
- Please answer ALL questions fully. If you need extra space please attach additional pages on your company letterhead and mark their inclusion in section J of this form.
- Please ensure you read and sign the Declaration.

A. APPLICANT DETAILS

1. Name(s) in full of all entities to be insured

2. Physical address

Phone number

Fax number

3. Details of premises occupied by you for the purpose of conducting the business

Premises	Location	Occupied as	Age of premise
1			
2			
3			
4			

4. Contact person

5. E-mail address

6. Website address

B. COVER REQUIRED

1. Errors & Omissions Liability

Errors & Omissions Liability has been designed to provide cover for economic loss as a result of an act, error or omission by you in the provision of products and services.

(a) Please indicate your preferred quote option(s)

Limit of Indemnity

(i)

\$
\$

(ii)

\$
\$

(iii)

\$
\$

(b) Do you require any of the following options?

(i) USA & Canada Jurisdiction Yes No

(ii) Retroactive Cover Yes No



2. Property Damage and Personal Injury

Broadform Liability has been designed to provide cover for personal injury and property damage arising from your business, products and services.

(a) Please indicate your preferred quote option(s)

Limit of Indemnity (i) \$ (ii) \$ (iii) \$
Excess \$

(b) Do you require cover for the property of others in your care, custody or control? Yes No

If Yes, (i) What is the total value of such property at all locations? \$
(ii) What is the maximum value of any one item? \$

3. Period of Insurance: From 4pm To 4pm

4. Broker: Individual Company

C. BUSINESS DETAILS

1. Please provide a clear business description for the entity(ies) listed in Applicant Details

Empty text box for business description

2. Date on which the business was established

3. Have the entities changed their names or has any other business been purchased or merged or consolidation taken place? Yes No

If Yes, please provide full details

4. Products and Services Provided

Please indicate the activities undertaken by your business and the estimated percentage of revenue applicable during the current financial year.

Table with 4 columns: Activity, Percentage, Activity, Percentage. Rows include Bureau Services, Client server software development, Contract Programming, Data Processing / Data Warehousing, Database Design / Database Administration, Facilities Management, General Consultancy, Integration Services, Internet Service Provider or Online Service Provider, Mainframe custom software development, Mainframe package software developer, Maintenance Services, and TOTAL 100%.

* Please complete supplementary questionnaire 'Tele/Data Communication Services'.

** Please complete supplementary questionnaire 'Hardware'.



5. End User Applications

Which of the following best describes end user applications of your products and services. Please estimate as a percentage of revenue for the current financial year.

Description	Percentage	Description	Percentage
Accounting (including debtors & creditors)		Maintenance / Asset Management	
Core Business Functions		Manufacturing Control Process	
Documentation Management Systems		Multimedia	
Freight/Goods/Stock Movement		Online Stock Trading	
Funds Transfer		Security (digital certificates, firewalls, encryption etc)	
Inventory Control		Others (please describe)	
		TOTAL	100%

6. End User Profile

Which of the following best describes the industries/areas in which your customers operate. Please estimate as a percentage of revenue for the current year.

Activity	Percentage	Activity	Percentage
Accounting		Government	
Broadcasting (radio & TV)		Legal	
Chemical Manufacturer		Manufacturing (ships, aircraft, motor vehicles, rolling stock)	
Civil Engineering (bridges, dams, roads, buildings)		Medical	
Computer & Electronic Parts Manufacturer		Mining	
Cosmetic Manufacturing		Oil & Gas	
Defence Forces		Pharmaceutical	
Educational		Public Utilities (power & water)	
Emergency Services (police, fire, ambulance)		Scientific and Measurement	
Financial (stockbroking, banking, insurance)		Telecommunications Providers / ISPs	
Food & Drink Manufacturer		Transport (road, rail, air & sea)	
Gaming		Others (please describe)	
		TOTAL	100%

7. Please provide, on a separate sheet, details of the five largest projects (by value) that the entities to be insured have undertaken over the past two years and any projects undertaken for financial institutions (banks, insurance companies, stockbrokers.) Make sure you include:

- Name of client
- Country of residence
- Full details of the function or purpose of the software, systems or other IT services and products supplied
- Value of contract

8. Your Products

(a) What percentage of your revenues are derived from the following?

Description	Percentage
Advertising products or services for others	
Online commerce	
Products you create and distribute	
Products you sell and distribute for others	
Royalties you receive	
Other (please describe)	
TOTAL	
100%	



(b) Of products that you will generate revenue from in this current financial year, what percentage are

Years in Market	Percentage
Zero to 1 year	
Over 1 year but less than 2 years	
2 years but less than 5 years	
5 years or longer	
TOTAL	100%

(c) Please list any projects that have or will require the development of more than 20% new code

Project Name	Description of project	% of new code

(d) Are any software products or services specifically designed, manufactured, imported, installed or handled for the use in, control of, or design of:

- (i) aircraft, spacecraft, or other aerial devices or watercraft, including ground based radar installations? Yes No
- (ii) military weapons systems, nuclear and /or conventional power stations, oil and gas installations? Yes No
- (iii) medical and/or surgical systems? Yes No

If Yes, please provide details

D. PEOPLE

1. Executive

Name of Directors, Partners & Senior Managers	Age	Qualifications	Role

2. Staff Breakdown

Category	Total Number
Employees with "Technical" / Science Degrees	
Programmers	
Engineers	
Trainees	
Sales	
Administration	
Others (please specify)	
TOTAL	



E. FINANCIAL DETAILS

1. What is the date of your financial year end?

2. Please provide revenue figures (including fees paid to subcontractors) as follows

Country	Last Financial Year	Current Financial Year (estimate)	Next Financial Year (estimates)
New Zealand	\$	\$	\$
Australia	\$	\$	\$
Asia and the Pacific Islands	\$	\$	\$
United Kingdom & Europe	\$	\$	\$
USA/Canada	\$	\$	\$
Other (please specify)	\$	\$	\$
TOTAL	\$	\$	\$

3. What percentage of your revenue is paid to sub-contractors or consultants?

4. What is the cost of your average products/software/service or project?

F. RISK MANAGEMENT REVIEW

1. Quality Control

(a) Which of the following best describes your system development documentation, quality control and testing, and customer involvement with testing and quality review?

- Detailed written with extensive customer involvement
- Good written with average customer review
- No written or implemented with little customer review

(b) Describe the controls you have in place to prevent or mitigate damages

(c) Describe your customer acceptance and sign-off process

(d) Describe any other quality initiatives that will help us assess your operations



- 2. (a) Do you sell or advertise any of your products as being alike to, compatible with, or a clone of another company's product? Yes No
 If Yes, do you have an agreement with the other company to produce and market such products? Yes No
- (b) Do all employees (including directors), contractors and consultants sign a confidentiality agreement? Yes No
- (c) Do all employees (including directors), contractors and consultants assign their intellectual property rights when engaged? Yes No
- (d) When engaging employees (including directors, contractors and consultants), are they required to sign a statement to the effect they will not distribute or utilise previous employers' trade secrets? Yes No
- (e) Do you have formal policies or procedures in place regarding the prohibition of copyright or use of text, pictures or music unless:
 - (i) you own the copyright? Yes No
 - (ii) the owner grants a valid licence? Yes No
 - (iii) legal counsel can provide a reasonable assurance that the copying is "fair use" of the work? Yes No
 - (iv) legal counsel agrees that the work is in the public domain? Yes No
- (f) Do you obtain clearance from outside counsel or "in-house" counsel before any and all your products and services are released? Yes No
- (g) Would you ever release a product or service for which you have received a qualified opinion that an intellectual property dispute exists? Yes No

If Yes, please provide details

3. Contracts / Agreements

- (a) Do you undertake assignments / projects on your standard contract terms? Yes No
 If Yes, please attach a copy
 If No, would you commence any assignment or project where there is no written agreement or contract in force? Yes No
- (b) Do you deviate or amend the terms and conditions of your standard contract? Yes No
 If Yes, please attach full details of the clauses amended
- (c) Do you ever negotiate contracts with your customers in which you accept liability for consequential damages? Yes No
 If Yes, please explain in detail when and how often

(d) What percentage of your customer contracts does your legal adviser review? %

4. Software Licence Agreements

- (a) When providing software do you ensure customers are issued with and sign your standard licence? Yes No
 If yes, please attach a copy
- (b) Do you ever lease software without issuing a licence? Yes No



5. Web Activities

(a) Do you have formal policies or procedures in place regarding:

(i) tracking and logging traffic? Yes No

(ii) hyperlinking, cross-linking, framing and referral agreements Yes No

If Yes, who can make such agreements?

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(b) Do you include disclaimers on your web pages, including disclaimers regarding the content of other, third party hyperlinked home pages? Yes No

(c) Do you have appropriate legal and other screening processes of all materials and contents made available on the internet and the web? Yes No

(d) Do you examine agreements with all internet and web contractors, consultants, and outsourcers to ensure that they are not authorised to modify or publish corporate materials which have not yet been screened? Yes No

(e) Do you conduct full trademark searches on your desired domain names? Yes No

(f) Do you register your required domain names? Yes No

(g) Do you provide public downloadable software on your website that is free to the public? Yes No

If Yes, please provide full details of the software's purposes, developers etc

G. CLAIMS EXPERIENCE

Please answer the following questions after making reasonable enquiries

1. During the past ten years has any claim been made against you or any previous business or prior corporate entity or any present or former partner, principal, director or employee of the business? Yes No

2. Are you, or any partner, principal, director or employee, aware of any claims or circumstances which might result in claims against you or your predecessors in business or any present or former partner, principal, director or employee of the business? Yes No

3. Have you or any previous business or prior corporate entity been involved in any dispute or has any client refused to pay your fees? Yes No

If Yes, to any of the above questions, please provide full details (attach an additional page if required)

Date matter notified	Name of claimant or potential claimant	Brief description of claim/circumstances	Amount paid or estimate of potential liability	Is matter closed or outstanding?



H. STATUTORY LIABILITY and EMPLOYERS LIABILITY POLICY QUESTIONS

- 1. When was the business established?
- 2. Do you use, store, handle, manufacture or transport any chemicals, bulk liquids, gases, asbestos, or any flammable, hazardous or toxic goods or substances? Yes No
If Yes, please advise details
- 3. Has any insurer ever declined, cancelled or refused to renew your insurance or imposed special terms or conditions in respect of ANY insurance for you? Yes No
If Yes, please advise full details including the name of the insurer
- 4. During the past five years have you had any loss, proceedings, notice, complaint, claim or prosecution made against you, or any fine imposed under any legislation? (Include all matters irrespective of whether any insurance was in force and irrespective of any policy excess. Also include any ACC or Workers Compensation claims.) Yes No
If Yes, please advise details

I. PRIOR INSURANCE

- 1. Does the business presently carry, or has the business ever carried, Professional Indemnity insurance? Yes No
If Yes, please provide the following details:
Insurer Expiry Date
Limit of Indemnity \$ Excess \$ Premium \$
- 2. Have you ever been refused this type of insurance or had similar insurance cancelled or had an application for renewal declined or special terms imposed? Yes No
If Yes, please provide full details

J. ENCLOSURES

If relevant, please provide copies of the following and tick to indicate enclosure.

- Details of your five largest contracts and any contracts undertaken for financial institutions
- Standard contract terms
- Details of clauses amended
- Copy of standard software licence(s)
- Please also attach CVs of all directors or partners
- Other (please specify)



DECLARATION

I/We declare on behalf of all proposed insureds that:

- (a) all answers and statements in this proposal are correct and complete in every respect and there is no further information which may affect acceptance of the proposal;
- (b) If accepted by QBE, this proposal and declaration, and any other material which I/we have provided to QBE, shall be incorporated into and form the basis of the contract of insurance;
- (c) I/We understand that QBE requires this information (which will be retained by QBE) in order to decide whether to accept this proposal, and also that the Privacy Act 1993 entitles me/us to have access to and request the correction of this information;
- (d) QBE is authorised to disclose information received from me/us to its advisors, reinsurers and to other insurers. I/We authorise QBE to obtain, from any party, information that is, in QBE's view, relevant to this proposal;
- (e) I/We understand that the insurance will not be in force until this proposal has been accepted and cover confirmed by QBE.

NOTE: Signing the proposal and any supplementary questionnaires does not bind either the applicant or QBE to complete the insurance.

Signed		Date	
Printed name		Position	



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