

**Notice**

This is a proposal form for a claims made policy.

The policy will only respond to claims and/or circumstances which are first made against you and notified to Lumley General Insurance (N.Z) Limited during the policy period. The policy will not provide cover for:

- (a) Events that occurred prior to the retroactive date of the policy (if specified).
- (b) Claims made after the expiry of the policy period (or extended reporting period if available) even though the Wrongful Act giving rise to the claim may have occurred during the policy period.
- (c) Claims notified or arising out of facts or circumstances notified under any previous policy or noted on the current proposal form or any previous proposal form.
- (d) Claims made, threatened or intimated prior to the commencement of the policy period.
- (e) Facts or circumstances in your knowledge prior to the policy period which you knew had the potential to give rise to a claim under the policy.

This proposal forms the basis of any insurance contract entered into. Please complete it fully and carefully, remembering to sign the Declaration. If you do not have enough room, please attach additional sheets.

**Duty of Disclosure**

You have an ongoing duty to disclose all Material Facts and failure to do so could prejudice future claims. Material Facts are those which may influence a prudent insurer in deciding whether or not to insure you, on what terms, and at what premium.

**Applicant details**

<b>1</b> Name(s) in full of all entities to be insured:			
<b>2</b> Postal address:			
<b>3</b> Details of premises occupied by you for the purpose of conducting the business:			
Premises	Location	Occupied as	Age of premises
1			
2			
3			
4			
<b>4</b> Contact person:			
<b>5</b> Email address:			
<b>6</b> Website address:			

**Business details**

<b>1</b> Please provide a clear business description for the entity(ies) listed above:	
<b>2</b> Number of years in business:	
<b>3</b> Have the entities changed their names or has any other business been purchased or merged or consolidation taken place?      Yes <input type="checkbox"/> No <input type="checkbox"/>	
If Yes, please provide details:	
<b>4</b> Indicate activities which apply to your business and the estimated percentage of revenue applicable during the current financial year:	
Activity	Percentage
Value added resale and distribution, retail sales of hardware and software	%
PC based packaged software development	%
PC based custom software development	%
Client server software development	%

Mainframe package software developer	%
Mainframe custom software development	%
General consultancy	%
Systems and/or program design	%
Contract programming	%
Data processing/data warehousing	%
Database designer/database administration	%
Website developer/website administration	%
Website software development	%
Sale of software where the program code is modified	%
Third party software sales	%
Internet service provider or online service provider	%
Integration services	%
Maintenance services	%
Facilities management	%
Bureau services	%
Telecommunications services	%
Others (please describe):	%
<b>Total</b>	<b>100%</b>

### 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
Core business functions	%
Inventory control	%
Freight/goods/stock movement	%
Maintenance/asset management	%
Manufacturing control process	%
Security (digital certificates, firewalls, encryption)	%
Online stock trading	%
Funds transfer	%
Accounting (including debtors and creditors)	%
Multimedia	%
Documentation management systems	%
Others (please describe):	%
<b>Total</b>	<b>100%</b>

### End user profile

(a) Which of the following best describes the industries/area in which your customers operate?

Please estimate as a percentage of revenue for the current financial year:

Description	Percentage
Pharmaceutical	%
Chemical manufacturer	%
Oil and gas	%
Transport (road, rail, air and sea)	%
Food and drink manufacturer	%
Broadcasting (radio and TV)	%
Gaming	%
Mining	%
Medical	%
Cosmetic manufacturing	%

Public utilities (power and water)	%
Computer and electronic parts manufacturer	%
Defence forces	%
Emergency services (police, fire, ambulance)	%
Scientific and measurement	%
Civil engineering (bridges, dams, roads, buildings)	%
Manufacturing (ships, aircraft, motor vehicles, rolling stock)	%
Educational	%
Financial (stockbroking, banking, insurance)	%
Government	%
Legal	%
Accounting	%
Other (please describe):	%
<b>Total</b>	<b>100%</b>

(b) How would you rate your typical customer's technical sophistication?  High  Average  Little or none

(c) How would you rank your customer's potential for consequential damage and resulting dollar loss due to the failure of your products or services?  High  Average  Little or none

## Your products

**1** What percentage of your revenues are derived from the following?

Description	Percentage
Products you create and distribute	%
Products you sell and distribute for others	%
Royalties you receive	%
Distribute only, for others	%
Advertising products or services for others	%
Online commerce	%
Others (please describe):	%
<b>Total</b>	<b>100%</b>

**2** When your products are being sold or marketed through others, what percentage (on average) do you require as a royalty? %

**3** Of products that you will generate revenue from in this current financial year, what percentage are:

Years in market	Percentage
Zero to 1 year old	%
Over 1 year but less than 2 years	%
2 years but less than 5 years	%
5 years or longer	%

## Web-based activities

**1** Does your website(s) support a chatroom or bulletin board? Yes  No

**2** If the answer to (1) is **Yes**, who manages the chatroom or bulletin board? \_\_\_\_\_

**3** If a sub-contractor manages the chatroom or bulletin board, do you make the subcontractor contractually responsible for liabilities arising out of the chatroom or bulletin board? Yes  No

**4** Do you edit the chatroom or bulletin board? Yes  No

## Risk management review

**1 Quality assurance**

(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:  None  Limited  Detailed

(c) Briefly describe your customer acceptance and sign-off process:

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

## 2 Intellectual property

(a) Do you sell or advertise any of your products as being alike, compatible with, or a clone of another company's products? Yes  No

If the answer is **Yes** to the previous question, 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 your standard confidentiality agreement? Yes  No

(c) Do all employees (including directors), contractors and consultants assign standard 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 that they will not distribute or utilise previous employer's trade secrets? Yes  No

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

(i) Hyperlinking, cross-linking, framing and referral agreements? Yes  No

(ii) Who can make such agreements? Yes  No

(iii) Tracking and logging traffic? Yes  No

(f) Do you include disclaimers on your web pages including disclaimers as to the content of other, third-party hyperlinked home pages? Yes  No

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

(h) 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 been screened? Yes  No

(i) Do you conduct full trademark searches on your desired domain name(s)? Yes  No

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

(k) Do you have a formal policy 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

(l) Do you have a formal policy or procedures in place regarding action steps necessary to address complaints of defamation, infringing or troublesome material on your website(s) you designed or have responsibility for? Yes  No

(m) Do you obtain clearance from outside counsel or 'in-house' counsel before any and all your products and services are released? Yes  No

(n) 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 Contract/agreements

(a) Do you undertake assignments/projects on your standard contract terms? Yes  No

If **Yes**, please provide a copy.

(b) If you do not use your standard contract terms, would you commence any assignment or a project where there is no written agreement or contract in force? Yes  No

(c) Do you deviate or amend the terms and conditions of your standard contract? Yes  No

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

(e) 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:

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### Software licence agreements

(a) When providing software do you ensure customers are issued with and sign your standard licence? Yes  No

If Yes, please provide a copy.

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(b) Do you ever lease software without issuing a licence? Yes  No

### People

**1 Executive**

Name of directors, partners and senior managers	Age	Qualifications	Role

**2 Staff**

Category	Total number
Employees with 'technical'/science degrees	
Programmers	
Engineers	
Trainees	
Sales	
Administration	
Others (please specify):	

### Financial information

**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 (estimates)
New Zealand	\$	\$
Australia	\$	\$
Asia and the Pacific Islands	\$	\$
United Kingdom & Europe	\$	\$
USA/Canada	\$	\$
Other (specify)	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>

**3** What percentage of your revenue is paid to subcontractors or consultants?     %

**4** What is the cost of your average product/software/service or project? \$

5 Please provide details of the five largest contracts undertaken during the past five years:

Assignment/project	Primary purpose	Services/products provided	Revenue
1			\$
2			\$
3			\$
4			\$
5			\$

### Insurance history

1 Have you ever had any: insurance declined or cancelled; renewal refused; special conditions imposed; excess imposed; or claim rejected? Yes  No

If Yes, please provide details:

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2 Please provide details of your current professional indemnity coverage:

Current insurer: \_\_\_\_\_ Expiry Date: / /

Limit of indemnity: \$ \_\_\_\_\_ Excess: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_

### Claims history

Please answer the following questions after making reasonable enquiries:

1 During the past 10 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

4 If you have answered Yes, to any of the above questions, please provide full details:

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

### Cover required

#### The technology liability philosophy:

The technology liability programme consists of three individual policies providing coverage for:

#### 1 Economic Loss:

The Technology Errors and Omissions Liability Policy 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) Limits required: \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

(b) Level of excess required: \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

(c) Options required:

(i) Automatic reinstatement Yes  No

(ii) USA and Canada jurisdiction Yes  No

(iii) Retroactive cover Yes  No

#### 2 Intellectual property and defamation:

The Technology Media Liability Policy has been designed to cover you for financial loss as a result of unintentional breaches of intellectual property rights and defamation arising from your business operations including activities on the World Wide Web.

(a) Limits required: \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

(b) Level of excess required: \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

(c) Options required:			
(i) Automatic reinstatement		Yes <input type="checkbox"/>	No <input type="checkbox"/>
(ii) USA and Canada jurisdiction		Yes <input type="checkbox"/>	No <input type="checkbox"/>
(iii) Retroactive cover		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<b>3 Property damage and bodily injury:</b>			
The Technology Broadform Liability Policy has been designed to provide liability cover for bodily injury and property damage claims arising from your business, products and services.			
(a) Limit of liability:	\$	\$	\$
(b) Level of excess required:	\$	\$	\$
(c) Do you require cover for property of others in your care, custody or control?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
If Yes:			
(i) What limit of indemnity do you require?	\$		
(ii) What is the total value of such property at all locations?	\$		
(iii) What is the maximum value of any one item?	\$		

### Declaration

On behalf of all proposed Insureds I/We declare and agree that:

- all information provided, in this proposal or attachments, is true and complete in every respect and that no Material Facts remain undisclosed;
- if this risk is accepted, such information will be incorporated into and form the basis of the contract of insurance;
- I/We understand that Lumley requires this information in order to evaluate this proposal and that the Privacy Act 1993 entitles me/us to have access to, and request the correction of, any information retained;
- Lumley is authorised to disclose information to its advisers, reinsurers, other insurers and parties with a financial interest in the subject matter of this proposal;
- Lumley is authorised to check details against the Insurance Claims Register and to place information on the Insurance Claims Register which other insurers can access;
- Lumley is authorised to obtain from other parties any information which may be relevant to the acceptance of this risk;
- the signing of this proposal does not bind either party to complete the contract and that no cover will be in force until confirmed by Lumley.

Insured(s) signature: _____	
Title: _____	Date:     /     /