

INFORMATION TECHNOLOGY LIABILITY INSURANCE PROPOSAL – 06/08

Nova Underwriting Pty Ltd ABN 42 127 786 123 / AFSL 324767

NOTICE TO THE PROPOSED INSURED

[Including notices under the Insurance Contracts Act]

IMPORTANT – PLEASE READ THE FOLLOWING ADVICE BEFORE COMPLETING THIS PROPOSAL

1. 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 [ICA], 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 know which compliance with your duty is waived by the insurer.

NON-DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer maybe 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.

COMMENT

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover [EG: claims, whether founded or unfounded], or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer’s consideration of your proposal.

2. CLAIMS MADE POLICY

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

- Acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy [specified].
- Claims made after the expiry of the period of cover even though the act, error or omission giving rise to the claim may have been committed during the period of cover.
- Claims notified or arising out of facts or circumstances notified [or which ought reasonably to have been notified] under any previous policy.
- Claims made, threatened or intimated against you prior to the commencement of the period of cover.
- Facts or circumstances of which you first became aware of those facts but before the expiry of the period of cover, you may have rights under Section 40[3] of the ICA to be covered for claims arising from those facts, even though the claim is made against you after the period of cover has expired. Any such rights arise under the ICA only, and not by medium of the policy.

3. AVERAGE PROVISION

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

4. SUBROGATION WAIVER

Our policy contains a provision that has the effect of excluding or limiting cover for a liability incurred as a result of you entering an agreement that impairs your legal rights against another party.

5. PRIVACY

We comply with the Privacy Act when dealing with your personal information. We need to collect personal information to deliver our services and products, and we may also need to pass that information to third parties such as our security, their reinsurers, agents, lawyers and other service providers.

You can have access to, and if necessary, correct your personal information, by contacting our privacy officer.

When you give us personal or sensitive information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us, the purposes we use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done either of these things, you must tell us before you provide the relevant information.

6. NOT A RENEWABLE POLICY

Any policy issued by us will terminate at a time and date specified in the policy. There is no right to automatic extension or renewal of the policy. If you wish to effect similar insurance for a subsequent period, it is necessary to complete a new proposal prior to the termination of the expiring policy so that we may consider whether or not to offer a replacement policy, and if so, on what terms.

7. GENERAL INSURANCE CODE OF PRACTICE

We have adopted the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry, including the manner in which complaints must be handled. For further information about the Code, visit our website www.novaunderwriting.com.au or visit the Code website www.codeofpractice.com.au or contact our Compliance Manager. As part of our Code compliance obligations, we advise that the key factors affecting premiums are the nature and size of the risk, and the claims experience.

IMPORTANT:

- Please answer ALL questions fully. If there is insufficient space, please provide details on your own letterhead, and attach to this form.
- Where provided, tick the appropriate box to indicate your answer.

APPLICANT'S DETAILS

1. Name:

2. Address:

3. Date established: 4. ABN No:

5. Web Address: 6. No. Employees:

PRODUCTS AND SERVICES:

7. Please provide a detailed description of the services/products offered by you:

8. Please indicate percentage of revenue derived from the following:

PRODUCT /SERVICE	%	PRODUCT / SERVICE	%
Sale and supply of software built by you		Computer maintenance and repair	
Sale and supply of software built by others		Hardware manufacturer	
Web/ISP/Internet services		“Shrink Wrap” software	
Sale and supply of hardware		Contract programming	
Systems Integration		Outsourcing Services	
Data preparation and processing services		Information Retrieval Services	
IT recruitment and placement services		Education and Training	
Consultancy Services		Systems Analysis and Design	
OTHER [please describe]:			

APPLICATIONS OF PRODUCTS AND SERVICES:

9. Number of products supported or distributed:

10. Are your products/services for:
- Aircraft or Aviation Industry Yes No
 - Aerospace or Defence Industry Yes No
 - Medical/Health Care Industry Yes No
 - Fire, Security or other emergency applications Yes No
 - Process Control Systems Yes No
 - Oil, Gas, Electricity or other energy applications Yes No
 - Banking/Financial Services sector Yes No
 - Internet Marketing/Advertising Yes No
 - Adult/Pornography sites Yes No
 - Auction Sites Yes No
 - Educational Institutions Yes No
 - Securities Exchanges Yes No
 - On-line gaming Yes No

If you have answered 'Yes' to any of the above, please provide details:

RISK MANAGEMENT / CONTRACTS:

11. Please describe your risk management policy, including avoiding infringing upon the intellectual property rights of others.

12. Do you always get legal advice on your contracts, agreements and marketing material? Yes No

13. Do you always get your clients to sign a written record/contract covering the services and products that has been agreed by all parties? Yes No

If "No", please describe how you avoid disputes about what was agreed to be provided:

14. Do you have a standard contract or agreement? Yes No

If "Yes", please attach a copy.

15. Do you always limit your liability to the cost of your service or product? Yes No

If "No", please provide details:

16. What is your average service/product price? \$

17. Do you enter into contracts/agreements in which you accept liability for consequential damages? Yes No

18. Do you provide indemnities or warranties in respect to your products/services: Yes No
If "Yes", please provide details [and attach copies of your standard indemnities or warrants]:

CONTRACTORS:

19. Do you use contractors? Yes No

If "Yes", please:

- Supply a copy of your standard hiring agreement
- Estimate proportion of your revenue generated by contractors: %
- Advise if they are required to have their own PI/ITL insurance: Yes No
- Advise if they are required to sign confidentiality agreements: Yes No
- Advise if they are required to indemnify you: Yes No

REVENUE:

20. Total revenue:

	LAST FINANCIAL YEAR	THIS FINANCIAL YEAR [Estimate]
	\$	\$

21. Derived from USA/Canada: % %

22. Please provide details of the 3 largest contracts handled by you in the past 5 years?

DESCRIPTION of PRODUCTS/ SERVICES PROVIDED	VALUE
1.	\$
2.	\$
2.	\$

23. For the purposes of determining stamp duty, please estimate revenue as follows:

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	OVERSEAS

INSURANCE:

24. Have you ever been refused this type of insurance, or had this or similar insurance cancelled, declined or special terms imposed? Yes No

If "Yes", please provide details:

25. Have any claims ever been made against you or your contractors. Yes No

If "Yes", please provide details:

26. Are you aware of any facts or circumstances which might result in claims or prosecutions against you or your contractors? Yes No

If "Yes", please provide details:

27. Have any of your products or services ever been recalled? Yes No

If "Yes", please provide details:

28. Are you aware of any contract disputes alleging non-performance of your products/services? Yes No

If "Yes", please provide details:

29. Are you aware of any dispute [involving you] concerning copyright, patent or trademark infringement? Yes No

PERSONNEL:

30. Please provide details of partners/principals/directors:

NAME	AGE	QUALIFICATIONS	YEAR OBTAINED	NO OF YEARS	
				THIS BUSINESS	PRIOR

31. Please estimate current personnel numbers in each category:

CATEGORY	NUMBER
PARTNERS/PRINCIPALS/DIRECTORS	
CONTRACTORS/CONSULTANTS	
SYSTEMS ANALYSIS/DESIGNERS	
PROGRAMMERS	
SALES/MARKETING	
ADMINISTRATION/SUPPORT	
TRAINEES	
OTHERS	

INSURANCE REQUIREMENTS:

32. Please indicate your preferred limits of cover and excess for each section of the policy as follows:

- PART [A] – ERRORS and OMISSIONS / PROFESSIONAL INDEMNITY**

1.	LIMIT:	<input type="text"/>	EXCESS:	<input type="text"/>
2.	LIMIT:	<input type="text"/>	EXCESS:	<input type="text"/>

- PART [B] – PUBLIC/PRODUCTS LIABILITY**

1.	LIMIT:	<input type="text"/>	EXCESS:	<input type="text"/>
2.	LIMIT:	<input type="text"/>	EXCESS:	<input type="text"/>

DECLARATION:

The signatory declares:

- that the signatory is authorised to make this proposal on behalf of all persons and entities seeking insurance.
- that the signatory has read and understood the “Notice to the Proposed Insured” at the front of this proposal.
- that the information supplied in this proposal [and any attachments relating to it] is true and correct.
- that the signatory understands and acknowledges that Nova Underwriting Pty Ltd relies on the information contained in the proposal [and any attachments relating to it].
- The signatory understands and acknowledges that the proposal [and any attachments to it] and any other information supplied to Nova Underwriting Pty Ltd in support of this application for insurance shall form the basis of any contract of insurance subsequently effected.

Name of Signatory: _____

Position: _____

Signature: _____ **Date:** / / _____

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Signature: _____

Date: / /