

# Proposal Form



Information Technology Combined Professional  
and Public & Technology Products Liability



Bring on tomorrow



# Proposal Form

## Information Technology Combined Professional and Public & Technology Products Liability

### IMPORTANT NOTICE

<p><b>Claims-Made and Notified Insurance</b></p> <p>Section 1 (Professional Liability) of this policy is issued by AIG Australia Limited on a claims-made and notified basis. This means that the policy only covers Claims (as defined) first made against you during the Policy Period (as defined) and notified to the insurer in writing during the Policy Period. Section 1 (Professional Liability) of the policy does not provide cover for any Claims made against you during the Policy Period if at any time prior to the commencement of the Policy Period you became aware of facts which might give rise to those Claims being made against you.</p> <p>Section 40(3) of the Insurance Contracts Act 1984 provides that where you give notice in writing to the insurer of facts that might give rise to a Claim against you as soon as is reasonably practicable after you become aware of those facts but during the Policy Period, the insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it is made after the Policy Period has expired.</p> <p>This policy contains a "Prior Claims/Circumstances" Exclusion for loss in connection with any claim:</p> <p>a) made prior to or pending at the inception of this policy; or</p> <p>b) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any Insured to give rise to a Claim.</p> <p>This policy does not provide cover for Claims arising from any Wrongful Acts which take place before the Retroactive Date.</p> <p><b>Your Duty of Disclosure</b></p> <p>Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.</p> <p>You have this duty until we agree to insure you.</p> <p>You have the same duty before you renew, extend, vary or reinstate an insurance contract.</p> <p>You do not need to tell us anything that:</p> <ul style="list-style-type: none"> <li>reduces the risk we insure you for; or</li> <li>is common knowledge; or</li> <li>we know or should know as an insurer; or</li> <li>we waive your duty to tell us about.</li> </ul> <p><b>If you do not tell us something</b></p> <p>If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.</p> <p>If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.</p>	<p><b>Subrogation</b></p> <p>This policy contains provisions which have the effect of excluding or limiting the insurer's liability in respect of a loss where you have prejudiced the insurer's rights of subrogation where you are a party to an agreement which excludes or limits insurer's rights to recover the loss from another party. You are hereby notified of the effect of these provisions.</p> <p><b>Privacy Notice</b></p> <p><b>This notice sets out how AIG Australia Limited (AIG) collects, uses and discloses personal information about:</b></p> <ul style="list-style-type: none"> <li>you, if an individual; and</li> <li>other individuals you provide information about.</li> </ul> <p><b>Further information about our Privacy Policy is available at <a href="http://www.aig.com.au">www.aig.com.au</a> or by contacting us at <a href="mailto:australia.privacy.manager@aig.com">australia.privacy.manager@aig.com</a> or on 1300 030 886.</b></p> <p><b>How we collect your personal information</b></p> <p>AIG usually collects personal information from you or your agents.</p> <p>AIG may also collect personal information from:</p> <ul style="list-style-type: none"> <li>Our agents and service providers;</li> <li>other insurers;</li> <li>people who are involved in a claim or assist us in investigating or processing claims, including third parties claiming under your policy, witnesses and medical practitioners;</li> <li>third parties who may be arranging insurance cover for a group that you are a part of;</li> <li>providers of marketing lists and industry databases; and</li> <li>publicly available sources.</li> </ul> <p><b>Why we collect your personal information</b></p> <p>AIG collects information necessary to:</p> <ul style="list-style-type: none"> <li>underwrite and administer your insurance cover;</li> <li>maintain and improve customer service; and</li> <li>advise you of our and other products and services that may interest you.</li> </ul> <p>You have a legal obligation under the Insurance Contracts Act 1984 to disclose certain information. Failure to disclose information required may result in AIG declining cover, cancelling your insurance cover or reducing the level of cover, or declining claims.</p>	<p><b>To whom we disclose your personal information</b></p> <p>In the course of underwriting and administering your policy we may disclose your information to:</p> <ul style="list-style-type: none"> <li>entities to which AIG is related, reinsurers, contractors or third party providers providing services related to the administration of your policy;</li> <li>banks and financial institutions for policy payments;</li> <li>assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;</li> <li>other entities to enable them to offer their products or services to you; and</li> <li>government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.</li> </ul> <p>AIG is likely to disclose information to some of these entities located overseas, including in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which you have a claim and such other countries as may be notified in our Privacy Policy from time to time.</p> <p>You may request not to receive direct marketing communications from AIG.</p> <p><b>Access to your personal information</b></p> <p>Our Privacy Policy contains information about how you may access and seek correction of personal information we hold about you. In summary, you may gain access to your personal information by submitting a written request to AIG.</p> <p>In some circumstances permitted under the Privacy Act 1988, AIG may not permit access to your personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.</p> <p><b>Complaints</b></p> <p>Our Privacy Policy also contains information about how you may complain about a breach of the applicable privacy principles and how we will deal with such a complaint.</p> <p><b>Consent</b></p> <p>If applicable, your application includes a consent that you and any other individuals you provide information about consent to the collection, use and disclosure of personal information as set out in this notice.</p>
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**Details of Proposer**

1. a) Company Name \_\_\_\_\_
- b) Trading Name \_\_\_\_\_
- c) ABN \_\_\_\_\_
- d) Contact Person \_\_\_\_\_
- e) Dun and Bradstreet Number \_\_\_\_\_
- f) If you intend to claim an Input Tax Credit for the premium paid for this policy, please specify the percentage of the premium you will be claiming: \_\_\_\_\_ %
- g) How long has the Company continually carried on business? \_\_\_\_\_
- h) Company's main office:
 

Street Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

Website \_\_\_\_\_ Email \_\_\_\_\_

2. a) During the past 3 years has the:
    - i) Name of the Company changed?  Yes  No
    - ii) Company acquired, merged or taken over any other company(s), or been acquired, merged or taken over by any other company(s)?  Yes  No
  - b) Is any acquisition, tender offer or merger pending or under consideration by the Company?  Yes  No
  - c) Is the Company aware of any proposal relating to its acquisition by another company?  Yes  No
- If "Yes" to any of the above, please provide full details (use a separate sheet of your letterhead paper if insufficient room below), including confirmation of the position relating to past liabilities assumed by either party / company(s).*
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

3. Please provide details of the current partners/principals/directors of the Company:

Name of Partner/Principal/Director	Qualification(s)	Year Qualified	How many years as a Partner/Principal/Director	
			This Practice	Prev. Practice

*Use a separate sheet of your letter head paper if insufficient room above.*

4. To what professional associations does the Company belong?

\_\_\_\_\_



5. Please provide details of current staff numbers:
- a) Partners/principals/directors \_\_\_\_\_
  - b) Qualified technical staff \_\_\_\_\_
  - c) Other technical staff \_\_\_\_\_
  - d) Administration & clerical personnel \_\_\_\_\_
- Total** \_\_\_\_\_

6. Is any Partner, Principal or Director of the Company connected or associated  Yes  No  
 (financially or otherwise) with any other practice or business?

*If "Yes", please give details of the nature of the connection/association (use a separate sheet of your letter head paper if insufficient room below).*

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

**Details of Business**

7. Please provide the following information:
- a) Total amount of the Company's gross income / fees and turnover for the following periods:
    - i) Previous financial year \$ \_\_\_\_\_
    - ii) Current financial year \$ \_\_\_\_\_
    - iii) Coming financial year (estimate) \$ \_\_\_\_\_
  - b) Estimated annual payroll \$ \_\_\_\_\_

8. a) Please describe in detail the business activities of the Company including full details of the nature of advice given: *(please use a separate sheet of your letter headed paper if insufficient room below)*

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

- b) Please state the percentage of gross income/fees for each of the activities set out below:

Business Discipline	%	Business Discipline	%
Bespoke software (1 <sup>st</sup> party developed)		Project management	
Data processing		Sale and supply of 3 <sup>rd</sup> party hardware	
Education & training		Sale of customisable software (3 <sup>rd</sup> party developed, 1 <sup>st</sup> party customised)	
Facilities management / outsourcing		Sale of packaged software (3 <sup>rd</sup> party developed)	
General IT advice / consulting		Software maintenance	
Hardware design / manufacture / installation		Systems integration	
Internet service provider		Web design	
Other (please specify below)			



c) Please indicate the end user applications for your services:

End User	%	End User	%
Administrative		Imaging	
Accounting / Financial (Non Fund Transfer)		Inventory Control	
Architectural / Engineering		LAN / Network Management	
Communications: Utilities / Info Services		Medical Management	
Database Management Systems		Manufacturing Process Control Systems	
Educational		Scientific / Mathematical	
Fund Transfer		Security (firewalls etc.)	
Other (please specify below)			

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d) Please state the percentage of gross income/fees for each industries set out below:

Industry	%	Industry	%
Aerospace		Government (non-military)	
Communications / Transportation		Health Care / Medical Services	
Construction / Mining / Agriculture		Home Use	
Education		Manufacturing / Industrial	
Financial Institutions		Trade: Retail / Wholesale	
Government (military)		Other (please specify below)	

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9. Are any substantial changes in the activities listed in Q.8 (a), (b), (c), or (d) above  Yes  No anticipated in the next 12 months?

*If "Yes", please give full details of the anticipated changes (use a separate sheet of your letter head paper if insufficient room below).*

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10. Does any one contract or client represent more than 50% of the Company's gross annual income/fees?  Yes  No

*If "Yes", please give full details of the client and the services provided (use a separate sheet of your letter head paper if insufficient room below).*

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11. Please provide a brief description of the Company's five (5) largest clients or contracts during the last 3 years:

Client Name	Business of Client	Nature of Contract	Contract Value	Income/Fees

12. a) Are any of the Company's business activities performed outside of Australia or provided to clients based outside of Australia?  Yes  No

*If "Yes", please give full details of the client(s), the country they are located within, the fees/turnover, number of employees and what service(s) are provided (use a separate sheet of your letter head paper if insufficient room below).*

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b) Does the Company have any subsidiary, assets or employees located within the USA or Canada?  Yes  No

*If "Yes", please give full details of the client(s), the country they are located within, the fees/turnover, number of employees and what service(s) are provided (use a separate sheet of your letter head paper if insufficient room below).*

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c) Does the Company export any products to North America?  Yes  No

*If "Yes", please give full details of the specific products exported and the annual turnover from each of these products (use a separate sheet of your letter head paper if insufficient room below).*

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13. Is the Company involved in any joint ventures?  Yes  No

*If "Yes", please give full details (use a separate sheet of your letter head paper if insufficient room below).*

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14. Does the Company issue any brochures, or other similar promotional material?  Yes  No

*If "Yes", please attach copies of each.*



**Risk Management**

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15. Does the Company's Contractual Management Processes and Protocols include the following elements:
- a) Change orders integrated into the final contracts?  Yes  No
  - b) Legal review of all product and promotional material?  Yes  No
  - c) Proposals without complete request for tenders?  Yes  No
  - d) Dispute / arbitration resolution?  Yes  No
  - e) Acceptance of customer contracts?  Yes  No
  - f) Dollar value size of contracts?  Yes  No
  - g) Length of duration of contract term?  Yes  No
  - h) Use of non-standard or customised contracts?  Yes  No

16. Does the Company ever negotiate contracts in which the Company:
- a) Accepts liability for consequential damage?  Yes  No
  - b) Does not include a limitation of liability for consequential damages?  Yes  No
  - c) Waive rights of recovery against any other party?  Yes  No
  - d) Agree to indemnify other parties?  Yes  No

*If "Yes", to 16 (a), (b), (c) and (d) above, please provide additional details below (use a separate sheet of your letter head paper if insufficient room below).*

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17. Does the Company ever agree to hold harmless any Original Equipment Manufacturer, sales intermediary or system integrator for claims arising out of your products or services?  Yes  No

18. Does the Company maintain a register of all contracts?  Yes  No

19. a) Does the Company always use standard written contracts with clients?  Yes  No  
 b) If "No" to 17 (a), does the Company always use external legal counsel to review non-standard contracts with clients?  Yes  No

*If "No", please advise below in what circumstances are non-standard contracts used without external legal counsel review (use a separate sheet of your letter head paper if insufficient room below).*

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20. a) Does the Company have any contracts in excess of one-year duration?  Yes  No  
b) If "Yes", please advise if you have written procedures and guidelines for milestone management?  Yes  No

*If "No", please provide details below.*

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21. a) Does the Company engage any consultants, agents, sub-contractors or labour hire personnel?  Yes  No

*If "Yes", please provide details of activities performed and annual payments made to each of these parties (use a separate sheet of your letter head paper if insufficient room below).*

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- b) If "Yes" to the above, does the Company enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which the Company may have against such consultants, sub-contractors or agents?  Yes  No

- c) If "Yes" to (a) does the Company always insist and confirm that the consultants, sub-contractors or agents carry their own professional indemnity insurance?  Yes  No

*If "No" to (c), please give details of the type of business activities provided by the consultants, agents or sub-contractors and what percentage of business is sub-contracted out to consultants, agents or sub-contractors (use a separate sheet of your letter head paper if insufficient room below).*

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- d) What activities does the Company generally sub-contract?

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22. Are any installation activities including hot works and/or welding conducted as a part of your business activities?  Yes  No

*If "Yes" please provide full details (use a separate sheet of your letter head paper if insufficient room below).*

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### Quality Control

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23. Do your quality control procedures include the following:
- |   |                              |                             |
|---|------------------------------|-----------------------------|
| a) Alpha testing                                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b) Beta testing                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c) Formal customer acceptance procedures          | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d) Prototype development                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| e) Statistical process control                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f) Vendor certification process                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| g) Total quality management                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| h) Written and formalised quality control program | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

### Claims Information

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24. After enquiry of the Partners/Principals/Directors and employees, has there been or is there now pending a claim against the Company, it's predecessors in business or its current or former Partners/Principals/Directors or employees for a breach of professional duty and/or public and products liability?  Yes  No

*If "Yes", please provide full details below and list each claim separately (use a separate sheet of your letter head paper if insufficient room below).*

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25. After enquiry of the Partners/Principals/Directors and employees is the Company aware of any circumstance or incident which may give rise to a claim against the Company or its Partners/Principals/Directors or employees?  Yes  No

*If "Yes", please provide full details below (use a separate sheet of your letter head paper if insufficient room below).*

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26. After enquiry of the Partners/Principals/Directors and employees is the Company aware of any prosecution or investigation (actual or pending) of the Company or any Partner/Principal/Director or employees under any International, Commonwealth, State or Local statute, legislation, regulation or by-law?  Yes  No

*If "Yes", please provide full details below (use a separate sheet of your letter head paper if insufficient room below).*

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27. After enquiry of the Partners/Principals/Directors and employees, has the Company  Yes  No or any Partner/Principal/Director or employee ever been subject to any disciplinary action, been fined or penalised, or been the subject of an inquiry investigating or alleging professional misconduct?

If "Yes", please provide full details below (use a separate sheet of your letter head paper if insufficient room below).

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**Optional Extension for Employment Practices Liability**

28. a) Would you like a quotation for Employment Practices Liability coverage?  Yes  No  
 b) If "Yes" has any claim arising from employment practices liability ever been made against the Company or, after enquiry of the Partners/Principals/Directors, is the Company aware of any circumstances which may give rise to a claim against the Company or any of it's Partners/Principals/Directors or employees?  Yes  No

If "Yes" please provide the relevant details and advise what precautions have been taken to prevent a recurrence (use a separate sheet of your letter head paper if insufficient room below).

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**Optional Extension for Fidelity**

29. a) What Fidelity Cover sub-limit(s) do you require quotations for?  
 \$50,000  \$100,000  \$250,000  No cover required  
 b) As at today's date, does the Company currently have any fidelity guarantee/ crime insurance?  Yes  No

If "Yes", please state

a) Insurer

b) Indemnity Limit

c) Expiry Date

d) Deductible

- c) Has the Company ever sustained any loss through the fraud or dishonesty of any employee, or after enquiry of the Partners/Principals/Directors, is the Company aware of any circumstances which may give rise to a loss against the Company?  Yes  No

If "Yes" please provide the relevant details and advise what precautions have been taken to prevent a recurrence (use a separate sheet of your letter head paper if insufficient room below).

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- d) Are monies, securities and/or negotiable instruments subject to control by a Partner, Principal or Director, or by at least two employees?  Yes  No
- e) Is bank reconciliation carried out by someone not authorised to deposit into or withdraw from the bank accounts?  Yes  No
- f) When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, does the Company undertake independent checks in their employment history?  Yes  No

**Details of Insurance**

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- 30. As at today's date does the Company have Professional Indemnity Insurance currently in force that has been paid for?  Yes  No

If "Yes", please state

- a) Insurer \_\_\_\_\_
- b) Indemnity Limit \_\_\_\_\_
- c) Expiry Date \_\_\_\_\_
- d) Deductible \_\_\_\_\_

- 31. Has the Company ever had any Insurer decline a proposal, imposed any, special terms cancelled or refused to renew a Professional Indemnity or Public & Products Liability Insurance Policy?  Yes  No

*If "Yes" please provide the relevant details (use a separate sheet of your letter head paper if insufficient room below).*

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- 32. What limit(s) of liability does the Company require quotations for?

\$1 million                       \$2 million                       \$5 million  
 \$10 million                       Other: \_\_\_\_\_

- 33. What self insured retention is the Company prepared to carry?

\$1,000                       \$2,000                       \$5,000  
 \$10,000                       Other: \_\_\_\_\_

- 34. For the purpose of calculating applicable Stamp Duty please state the number of current staff (including directors/partners, full/part time and casual employees) located in each state:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas



## Declaration and Consent

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Please note: Signing the Declaration does not bind the proposer or the Insurer to complete this insurance.

I declare that I have made all necessary inquiries into the accuracy of the responses given in this proposal and confirm that the statements and particulars given in this proposal are true and complete and that no material facts have been omitted, misstated or suppressed. I agree that should any of the information given by me alter between the date of this proposal and the inception date of the insurance to which this proposal relates, I will give immediate notice thereof to the insurer.

I acknowledge receipt of the Important Notice, Privacy Notice and Disclosure information contained in this proposal and that I have read and understood the content of them.

I consent to AIG collecting, using and disclosing personal information as set out in AIG's privacy notice in this proposal and policy.

If I have provided or will provide information to AIG about any other individuals, I confirm that I am authorised to disclose the other individual's personal information to AIG and also to give the above consent on both my and their behalf.

I confirm that I am authorised by the proposing Company (and its partners/principals/directors if applicable) to complete this proposal form and to accept the quotation terms for this insurance on behalf of the Company (and its partners/principals/directors if applicable).

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Head Office

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