



McParland Finn Ltd
INSURANCE BROKERS

Hiscox Technology

PROPOSAL

HPI IT (98b)

Information Technology Industry



THE INSURANCE WE PROVIDE

We, at Hiscox, have tailored this insurance for the specific needs of Information Technology Industry.

We fully appreciate the value of your time and thank you for providing the important information which will allow Underwriters to accurately assess the risks which you face.

The purpose of our insurance is to indemnify you against:

Your liability to others which arises from:-

- Negligence or breach of contractual duty to use reasonable care and skill;
- Negligent misstatement or misrepresentation;
- Unintentional breach of a written contract to produce software to conform to specification;
- Breach of copyright or intellectual property rights;
- Defamation;
- Breach of confidentiality;
- Dishonesty of your partners, directors or employees;
- The costs and expenses of investigating, settling and defending a claim.

Your losses arising from:-

(there are specific conditions relating to these coverages)

- Dishonesty of your partners, directors or employees;
- Malice of your employees;
- Web site damage (£100,000).

You must refer to our insurance policy which fully explains the rules governing the way we provide the cover, those things which are not covered and your obligations to us.

THIS PROPOSAL FORM

The purpose of this proposal form is for us to find out who you are and what you do and it does not oblige either party to enter into a contract of insurance.

Insurance is a contract of utmost good faith. This means that the information you provide in this proposal form must be complete, accurate and not misleading. It also means that you must tell us about all facts and matters which may be relevant to our consideration of your proposal for insurance. Any failure by you in this regard may entitle us to treat this insurance as if it never existed.

If a contract of insurance is agreed between us this proposal form will form the basis of the contract.

Whoever fills out the form must be a principal, partner or director of the proposer and should make all the necessary enquiries of their fellow partners, directors and employees to enable all the questions to be answered.

YOUR BUSINESS

1. Name:

Address:

Postcode:

Telephone : Fax:

Web Site Address:

When was your business established?

ASSOCIATED AND SUBSIDIARY COMPANIES

2. We can extend this insurance to include associated and subsidiary companies provided that they are listed below or on a separate sheet and all the information you give in this proposal form relates to all the companies named.

Name:

Address:

Postcode:

Telephone : Fax:

E-mail:

Name:

Address:

Postcode:

Telephone : Fax:

E-mail:

Do you have any overseas offices?

YES NO

If YES, please provide the following details:

Country	Nature of Operation	Turnover
<input type="text"/>	<input type="text"/>	<input type="text"/>

YOU AND/OR YOUR PARTNERS & DIRECTORS

3. Please list below your details if you are a sole trader or those of the Managing Director of the company and the senior technical manager:

Name	Qualifications	Years in the Industry
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Where any of the above have been working in the industry for less than 5 years please send us their brief CV along with this proposal form.

OTHER EMPLOYEES

4. a) Please provide the total number of staff in the following categories:

Directors	<input type="text"/>	Support Personnel	<input type="text"/>
Managers	<input type="text"/>	Sales and Marketing	<input type="text"/>
Technical Personnel	<input type="text"/>		

SUB CONTRACTORS

5. Do you use independent sub-contractors?

YES NO

If YES:

a) What approximate percentage of your turnover, in your current financial year, will be paid to sub-contractors? %

b) For which work are they used and how do you select and manage them?

c) Do you ensure they have their own P.I. insurance?

YES NO

YOUR TURNOVER

6. a) We need to know your turnover including fee income and where it comes from. Please fill out the table below:

	Past Year ending / /	Estimate for whole current Year	Estimate for coming Year
Total Turnover including Fee Income	£	£	£

Estimated percentage split of your turnover including fee income for:

Work carried out for UK clients	%	%	%
Work carried out for USA / Canadian clients not subject to USA / Canadian laws	%	%	%
Work carried out for USA / Canadian clients subject to USA / Canadian law	%	%	%
Work carried out for clients anywhere else in the World	%	%	%

b)

Operating Profit	£	£	£
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CONTRACTS

7. Please give details of the five largest contracts you have carried out in the past three years

Name of Client	Business of Client	Nature of Contract	Total Value	Income to you

How many current customers do you have?

YOUR BUSINESS ACTIVITY

8. Your turnover including fee income must be separated approximately into the activities listed below so that we can understand what you are doing and because we only cover you for the work which you declare:

- a) **Hardware**
 - i) Sales of own brand £
 - ii) Distribution of other brands £
 - iii) Installation £
 - iv) Maintenance £
- b) **Software product sales**
 - i) Shrink wrapped/Off the shelf software £
 - ii) Customisable software £
- c) **Software services**
 - i) Installation including configuration (No code) £
 - ii) Customisation (including code changes) £
 - iii) Developing bespoke applications £
 - iv) Maintenance £
- d) **Services**
 - i) Consultancy £
 - ii) Contract staff £
 - iii) Facilities Management £
 - iv) Training £
 - iv) Millennium work - other than corrective work on previously supplied products or services £
- h) Others. Please specify: £

Does the above split accurately reflect:

- i) your business activities in the past? YES NO
- ii) your estimated business activities during the coming year? YES NO

If **NO** to either of the above, please explain the differences:

Please give a brief description of what you regard as your speciality within this industry. If you are a new firm give details of what you regard as your anticipated specialisation:

PLEASE ENCLOSED EXAMPLE BROCHURES WHICH YOU ISSUE

IF YOU HAVE INDICATED THAT YOU CARRY OUT ANY OF YOUR BUSINESS ACTIVITIES IN THE FOLLOWING AREAS THEN PLEASE GIVE THE ADDITIONAL DETAILS REQUESTED BELOW:

9. Software installation, including configuration and customisation services (including code changes)

- a) How long is a typical installation?
- b) How frequently do your clients not have their own in house IT expertise?
Usually Often Sometimes Never
- c) Do you both specify the business requirements for the client and also implement your solutions?
Usually Often Sometimes Never

Bespoke Development services and Consultancy services

- a) Do you both specify the business requirements for the client and also implement your solution?
Usually Often Sometimes Never
- b) Are you given authority to manage projects on behalf of your clients?
Usually Often Sometimes Never

10. Is the failure of any of your products or services liable to result in any of the following outcomes:

- | | | | | |
|---|------------|--------------------------|-----------|--------------------------|
| i) Loss of life or injury to a person? | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| ii) Destruction or damage to physical property? | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| iii) Immediate and large financial loss? | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| iv) Significant cumulative financial loss? | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |
| v) Insignificant financial loss (more of a nuisance)? | YES | <input type="checkbox"/> | NO | <input type="checkbox"/> |

If you have answered **YES** to any of the above then please explain below:

MILLENNIUM

11. For all your **software** supplied, installed, maintained and consultancy services given since 1990:

- a) Please state the number of sites which have a 'millennium problem':
- b) How many of these still require the 'millennium problem' to be rectified:

For all your **hardware** supplied, installed, maintained and consultancy services given since 1990:

- a) Please state the number of sites which have a 'millennium problem':
- b) How many of these still require the 'millennium problem' to be rectified:

CONTRACTS

12. Do you carry out work *only* under a standard contract signed by **YES** **NO**

every client?

PLEASE SUPPLY A COPY OF YOUR STANDARD FORM OF CONTRACT, IF RELEVANT, OR OTHERWISE A TYPICAL EXAMPLE OF CONTRACTS USED.

CURRENT INSURANCE

13. Do you currently have Professional Indemnity insurance? YES NO

If YES, what is the renewal date?

If you currently have Professional Indemnity insurance with someone other than Hiscox then please answer the following:

Name of insurer:	<input type="text"/>
Limit of indemnity:	<input type="text"/>
Excess:	<input type="text"/>
Premium:	<input type="text"/>

CLAIMS DECLARATION

14. a) Has any claim been brought against you arising from the performance of your business activities for a client or has anyone threatened to bring such a claim ? YES NO

If YES, please provide full details:

b) Are you aware of any shortcoming in your work for a client which is likely to lead to a claim against you? YES NO

This includes (i) a shortcoming known to **you**, but not **your** client, which **you** cannot reasonably put right; (ii) a complaint from **your** client about **your** work or anything **you** have supplied which cannot be immediately resolved; (iii) an escalating level of complaint from **your** client on a particular project; (iv) a client withholding payment due to **you** after any complaint.

If YES, please provide full details:

c) Have you suffered any loss from the dishonesty or malice of any partner, director, employee or self-employed freelancer? YES NO

Do you currently have any grounds, after reasonable enquiry, for suspecting that such a person has acted dishonestly or maliciously? YES NO

If YES to either, please provide full details:

MATERIAL INFORMATION

Please provide us with details of any other information which may be relevant to our consideration of your proposal for insurance. If you have any doubt over whether something is relevant, please let us have details:

DECLARATION

1. I/We declare that (a) this proposal form has been completed after proper enquiry; (b) its contents are complete, accurate and not misleading and (c) all facts and matters which may be relevant to the consideration of our proposal for insurance have been disclosed.
2. I/We undertake to inform you before any contract of insurance is concluded, if there is any material change to the information already provided or any new fact or matter arises which may be relevant to the consideration of our proposal for insurance.
3. I/We agree that this proposal form and all other written information which is provided are incorporated into and form the basis of any contract of insurance.

Signature of
Principal/Partner/
Director

Date

A copy of this proposal should be retained for your records.