

Important Notices

Please read these notices before completing the Proposal Form.

Your duty of disclosure

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.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

If you do not tell us something

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.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Claims Made Policy

The Policy is issued on a claims made and notified basis. This means that the Policy only covers the Insured for claims first made against the Insured during the Period of Insurance and notified to us during the Period of Insurance.

Section 40(3) of the Insurance Contracts Act 1984 may provide additional rights at law. That section provides that where the insured gave notice in writing to the insurer of facts that might give rise to a claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but during the period of insurance, the insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the period of insurance.

Retroactive Date

The Policy does not provide cover in relation to the provision of the Professional Services or the conduct of the Professional Business prior to the Retroactive Date.

Privacy

Pen Underwriting handles your personal information with care and in accordance with the Privacy Act 1988 and the Australian Privacy Principles. We collect personal information about you to provide you with insurance and insurance related services. We may disclose your personal information to third parties for the purposes described in our Privacy Policy, including related entities, insurers, reinsurers, agents and service providers, some of whom may be located in the United Kingdom and India. By asking us to provide you with insurance and insurance related services, you consent to the collection, use and disclosure (including overseas disclosure) of your personal information for the purposes described in our Privacy Policy. Where you provide personal information about others, you represent to us that you have made them aware of that disclosure and of our Privacy Policy and that you have obtained their consent. If you do not consent to provide us with the personal information that we request, or withdraw your consent to the use and disclosure of your personal information at any stage, we may not be able to offer you the products or provide the services that you seek. For information about how to access and or correct the personal information we hold about you or if you have any concerns or complaints, ask us for a copy of our Privacy Policy or visit www.penunderwriting.com.au.

Complaints Handling

If you are dissatisfied with a decision Pen Underwriting makes, our service, the service of others we appoint to discuss insurance matters with you, or a claim settlement, we have an internal dispute resolution process to assist you. For further information, ask for a copy of our Complaints and Disputes Resolution Policy or visit www.penunderwriting.com.au.

Further Information

Your insurance broker has arranged this insurance on your behalf. If you have any questions or need further information concerning your insurance, you should contact your insurance broker to assist you with your enquiry. You should direct all of your correspondence to us through your insurance broker as he is your agent for this insurance.

IMPORTANT NOTICE

- Please answer all questions in full. Where appropriate, tick the 'Yes' or 'No' box that best indicates your reply.
- If there is insufficient space provided, please provide further information on your letterhead.
- All attached documents form part of this Proposal Form.

1. Company Information

Company Name:

Postal Address:

..... Post Code:.....

Website Address:

Email Address

Other Trading Address:

..... Post Code:.....

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..... Post Code:.....

Date Business Established:

2. If you require cover for any associated or subsidiary company please provide company names, including, if appropriate, details of any joint venture partner:

All information given in the proposal form must relate to all companies to be covered by the insurance.

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3. Are you represented in any overseas locations? Yes or No

If 'Yes' please provide details:

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4. Do the Partners or Directors of the firm have at least 3 years' experience in the IT industry? Yes or No

If 'No' please provide a brief CV of the partners or directors

5. Please provide total numbers of employees:

6. Please provide details of any industry or professional organisation of which you are a member:

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7. a) Do you utilise the services of sub-contractors? Yes or No

b) If 'Yes' what percentage of work is generated using subcontractors? %

c) If 'Yes' to (a), do you ensure they have their own PI insurance? Yes or No

If 'No', please provide details:

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8. Please provide a full description of your business:

(including main areas of expertise and the essential purpose of proprietary software licensed or supplied):

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9. Please give a breakdown of your turnover, including fee income, for the past and current financial years, and estimate for the next year:

Financial year end (date)

Total turnover including fee income:

Past Year (actual) \$

Current Year (estimate) \$

Next Year (estimate) \$

Please provide an estimated percentage split of turnover including fee income by geographical territory:

	Past Year (actual)	Current Year (estimate)	Next Year (estimate)
United Kingdom clients	%	%	%
European clients	%	%	%
USA and Canadian clients NOT subject to USA/Canada law	%	%	%
USA and Canadian clients subject to USA/Canada law	%	%	%
Rest of world clients	%	%	%
TOTAL	100%	100%	100%

10. Please provide an approximate breakdown of your turnover including fee income, into the following activities:

	Past Financial Year (actual)	Current Year (estimate)
IT consultancy	%	%
IT security consultancy	%	%
IT training	%	%
Project management	%	%
Bespoke software development	%	%
Own shrink wrap software (sale)	%	%
Own customisable software (sale)	%	%
Third party shrink wrap software (sale)	%	%
Third party customisable software (sale)	%	%
Software maintenance – own	%	%
Software maintenance – third party	%	%
Software installation	%	%
Data processing	%	%
Website design	%	%
Facilities management	%	%
Web hosting	%	%
Application hosting (including SaaS – Software-as-a-Service)	%	%
Online data storage (including within a cloud environment)	%	%

Internet service provision	%	%
Sale/supply of hardware	%	%
Hardware maintenance	%	%
Hardware installation	%	%
Telecommunication/networks	%	%
Cabling	%	%
Other (please describe)	%	%
TOTAL	100%	100%

If the above does not accurately reflect your estimated business activities moving forward, please provide details:

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11. Outsourcing services (application hosting, software-as-a-service, online data storage, facilities management and web hosting). If you carry out outsourcing services:

- a) Where you are responsible for hosting and storing third party data, do you comply with the 1998 Data Protection Act? Yes or No
- b) Do you have a business continuity plan to eliminate a single point of failure for outsourcing services? Yes or No
- c) Do you have a disaster recovery plan? Yes or No

If 'No' to any of the above, please provide details:

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12. Are any of your products/services:

- a) Intended for use in aircraft, watercraft, railway, military hardware or process control equipment? Yes or No
- b) Intended for use in nuclear, chemical, oil/gas/petrochemical installation? Yes or No
- c) Prototypes, experimental or single product items? Yes or No
- d) Intended for use in surgical/medical applications? Yes or No
- e) Trading systems used in the financial markets? Yes or No

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

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

- a) Loss of life or injury to a person? Yes or No
- b) Destruction or damage to physical property? Yes or No
- c) Immediate and large financial loss? Yes or No
- d) Significant cumulative financial loss? Yes or No
- e) Insignificant financial loss (more of a nuisance)? Yes or No

If 'Yes' to any of the above (question 13), please provide details:

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14. Please provide details of the three largest projects commenced over the last three years:

Start Date: Completion Date:

Client:

Business:

Nature of Project (including purpose of product or services):

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Contract Value: Your total fee income:

Start Date: Completion Date:

Client:

Business:

Nature of Project (including purpose of product or services):

.....

Contract Value: Your total fee income:

Start Date: Completion Date:

Client:

Business:

Nature of Project (including purpose of product or services):

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Contract Value: Your total fee income:

15. Please estimate the value of the largest project you are likely to undertake in the next financial year: \$

16. How many current customers do you have?

17. What is the value of your average contract? \$

18. What is the duration of your average contract?

19. a) Are all contracts subject to your standard terms and conditions? Yes or No

b) If 'No', are all contracts vetted by a legally qualified person before being agreed? Yes or No

If 'No', please provide details;

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(Please provide a copy of your standard contract terms)

20. a) When contracting do you always:

- i. Exclude liability for consequential, special or indirect damages, loss of profits and liquidated damages? Yes or No
- ii. Cap your overall liability at a reasonable level? Yes or No
- iii. Warrant a performance standard no greater than reasonable care and skill? Yes or No
- iv. Ensure that changes to the scope of work are reflected in a written variation of the contract? Yes or No
- v. Only provide indemnities in respect of IPR, death, bodily injury or property damage? Yes or No
- vi. Ensure your contracts stipulate a dispute resolution procedure? Yes or No

If 'No', please provide details;

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b) When tendering for business or entering into contracts do you have a documented process in place to ensure you can deliver what is expected of you?

Yes or No

If 'No', please provide details;

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21. Please provide details of any matter which may be relevant to Underwriters consideration of your proposal and which has been disclosed elsewhere in this proposal:

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22. In respect of any insurance, has any Insurer ever declined a proposal or renewal, imposed special terms or cancelled or avoided an insurance policy?

Yes or No

If 'Yes', please provide full details;

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23.

- a) Has any claim of a professional indemnity or public liability nature ever been made against you or any partners, principals or directors? Yes or No
- b) Have you been involved in any dispute or arbitration concerning fees, products, services or intellectual property rights? Yes or No
- c) Have you sustained any loss from the suspected dishonesty or malice of any employee? Yes or No
- d) Are any of your partners, principals, directors or employees, AFTER ENQUIRY aware of or have any grounds for suspecting any matter which may give rise to a claim against you or any of your present or former partners, principals, directors or employees? Yes or No

This includes:

- i. a shortcoming or problem in your work known to you which you cannot reasonably put right: Yes or No
- ii. a complaint about your work or anything you have supplied which cannot be immediately put right: Yes or No
- iii. an escalating level of complaint on a particular project: Yes or No
- iv. a client withholding payment due to you after any complaint: Yes or No

If 'Yes', to any of the above, please provide full details below or on a separate sheet of paper:

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Cover and quotation requirements

	Required Limit	Required Excess
Professional Indemnity	\$.....	\$.....
General Liability	\$.....	\$.....

For the purposes of calculating stamp duty payable on premium, please provide a geographic breakdown of income:

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S
%	%	%	%	%	%	%	%	%

Previous Cover

Have you preciously been insured in respect of Professional Indemnity, Public Liability? Yes or No

If 'Yes' please provide details

	Professional Indemnity	Public Liability
Insurer
Limit of Indemnity	\$.....	\$.....
Excess (each & every claim)	\$.....	\$.....
Premium	\$.....	\$.....
Expiry Date

Declaration:

I/We declare that:

- I/We am authorised by each of the Applicant(s) to sign this Proposal
- The statements in this Proposal are true and complete and no material information has been withheld
- I/We have read and understood the Important Notices accompanying this Proposal
- I/We have diligently made all necessary enquiries in order to comply with the duty of disclosure
- I/We have read the Pen Underwriting Privacy Statement on this Proposal and consent to the use, disclosure and obtaining of personal information about the insured for the purposes shown in the Privacy Statement
- Where I/We have provided information about another individual, that individual has been made aware of that fact and of the Pen Underwriting Privacy Statement
- I/We acknowledge that Pen Underwriting relies on the information and representations in this Proposal and otherwise made by me or on my behalf in relation to this insurance
- Except where indicated to the contrary, I/We understand that any statement made in this Proposal will be treated as a statement made by all persons to be insured
- I/We undertake to notify Pen Underwriting of any material alteration to the information contained in this Proposal prior to inception of the proposed insurance
- I/We understand that no insurance is in place until such time as Pen Underwriting has confirmed acceptance of the proposed insurance

Signature/s: **Date:**.....

Name/s: **Title:**.....

GUIDELINES TO SIGNING THE NSW STAMP DUTY EXEMPTION - SMALL BUSINESS DECLARATION

What is the NSW small business exemption?

From 1 January 2018, NSW small businesses will be exempt from paying stamp duty on certain types of insurance.

What is a small business?

Revenue NSW has stated that: "You are a small business if you are **an individual, partnership, company or trust** that is carrying on a business, and the business has an **aggregated turnover of less than \$2 million**. Aggregated turnover is your annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you."

Which insurance types will the exemption apply to?

This exemption can be applied for NSW small businesses with one the following insurance types:

- Commercial vehicle insurance
- Commercial aviation insurance
- Occupational indemnity insurance
- Product and public liability insurance

Instructions for applying for an exemption

To receive the exemption, please complete this declaration declaring that you / your client are a small business. Email the completed declaration to your insurance broker.

Please note:

[a] The declaration covers all policies issued to you during the financial year in which the cover is effected or renewed, a new declaration is required on an annual basis.

[b] If you are uncertain whether you classify as a small business, please speak to your financial adviser.

[c] Pen Underwriting and the Insurer will place reliance on your declaration in charging the applicable insurance duty.

[d] False declarations may result in penalties up to of \$11,000 by Revenue NSW plus the insurance duty not paid and penal interest on that balance.

[e] Revenue NSW may also be able to clarify your queries relating to the law and your obligations.

[f] If you are a not for profit organisation already entitled to a NSW Stamp Duty Exemption, your premium is already exempt and the NSW Stamp Duty Exemption for Small Business is not relevant.

NSW STAMP DUTY EXEMPTION – SMALL BUSINESS DECLARATION

This declaration only covers policies for the financial year in which the cover is effected or renewed.

I hereby declare that I am a Capital Gains Tax small business entity (within the meaning of section 152-10 (1AA) of the *Income Tax Assessment Act 1997* of the Commonwealth).

I am a small business individual / partnership/ company and/ or trust, which is carrying on a business, and the business has an aggregated turnover of less than \$2 million*.

Signature:

Name:

Date Signed:

Name of Insured:

ABN of Insured:

Contact Details

Mobile:

Contact Details

Email:

* Aggregated turnover is your Australia wide annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you.

* A fraudulent declaration may invalidate your insurance contract.