

# Technology Professional Indemnity Proposal Form

The policy will only respond to claims and/or circumstances, which are first made against you and notified to the Insurers during the policy period. The policy will not provide cover for:

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

## Disclosure

You must disclose to the Insurer all information which is material to it in deciding whether to issue insurance cover to you, including any facts or conduct which might lead to a claim being made against you. Failing to do so could affect your rights to indemnity.

## Please note

Nothing in this proposal form should be interpreted to mean that coverage will be offered or that any items referenced in questions or answers to questions will be covered even if coverage is offered and bound. Some responses may require more space than that provided in the application itself. Please provide those responses on a separate page and attach it to this application.

If you do not understand any part of this document, please contact your broker before you sign it. You will be bound by the answers which are given, and by the information provided by you in the proposal form. It is in your interest to make sure that all information is properly understood. If you are in any doubt, discuss the issue with your broker or disclose the information to the Insurers.

## Attachments

Before you return this form, have you included the following (please indicate yes or no)

If the Proposer has been in business less than three years, please provide copies of resumes of all principals

Yes

No

Copies of standard contract used with clients, independent contractors and content providers

Yes

No

Most recent financial statement

Yes

No

Marketing materials or brochures

Yes

No

**1. Client information**

Proposer/Practice name

VAT Registration Number

Present Legal Constitution

Sole Practitioner

Partnership

Company Registration Number

Incorporated

Limited Co.

Closed Corporation

Date of commencement of practice

As currently constituted

--	--	--	--	--	--	--	--	--	--

As initially established

--	--	--	--	--	--	--	--	--	--

Nature of business

Address

Address

Suburb

Suburb

Postal code

Postal code

Phone number

Cellular

Email

For the remainder of this proposal form, "Proposer" refers individually and collectively to the entity/ies for which coverage is desired, as well as each person who is an officer, director, owner, partner or employee of these entities.

Owned Domain Names (All listed domain names/websites may or may not qualify for coverage)

Owned domain names


Does the Proposers website(s) advertise services and products other than the Proposers own?

Yes  No

If yes, please give brief details

Please provide the total number of the Proposers employees

Geographic area in which Proposer provides services

Local

National

Regional

International

If International, which countries?

Is the Proposer owned by, controlled by or affiliated with any other company?

Yes  No

If yes, identify the company and explain the relationship

Name of Entity	Nature of Operations	% of Ownership	Coverage Desired	
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No

Within the past five years, has the Proposer changed its name, acquired any business or merger or consolidated with any other entity?

Yes  No

If yes, please list below

Entity Name	Date of Transaction	Type of Transaction	Did the Proposer assume any Assets/Liabilities?	
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is the Proposer a member of any industry association?

Yes  No

If yes, please provide details

## 2. Independent Contractors

Does the Proposer use independent contractors for any activities the Proposer performs?

Yes  No

If yes, what specific activities do they perform and what percentages of the Proposer's revenues are derived from activities performed by independent contractors?

Describe what controls the Proposer has in place to ensure the quality of work by independent contractors

Does the Proposer require independent contractors to maintain Professional Indemnity insurance?

Yes  No

Does the Proposer use a written contract with independent contractors?

Yes  No

Please attach a copy of a standard contract used with independent contractors

### 3. Revenue Information

Please provide the following information regarding the Proposers operations

Fiscal Year End	Past Fiscal Year	Current Fiscal Year	Next Projected Fiscal Year*
Total Gross Revenue	RSA: R	RSA: R	RSA: R
	Foreign: R	Foreign: R	Foreign: R
	Total: R	Total: R	Total: R
Revenue tied to specific services that are Internet related	RSA: R	RSA: R	RSA: R
	Foreign: R	Foreign: R	Foreign: R
	Total: R	Total: R	Total: R
Revenue tied to specific services that are Hardware Product and Services	RSA: R	RSA: R	RSA: R
	Foreign: R	Foreign: R	Foreign: R
	Total: R	Total: R	Total: R

\* The Next Projected Fiscal Year Revenues will be used as a guide to calculate the annual premium.

If Next Projected Fiscal Year Total Gross Revenue differs from Current Fiscal Year Total Gross Revenue by +/-20%, please explain:

### 4. Service

Describe in detail the activities the Proposer seeks to insure. \*\*

\*\* This information will be used to develop a proposed Schedule of Insured Activities.

Please complete the following with regard to activities included above

Activity/Service	Yes	No	% of revenues
Software			
Custom Software			
Package Software			
Installation / Maintenance / Training / Support			
Programming			
Software VAR			
Hardware			
Component / Chip Design / Manufacturing			
Component Assembling			
Embedded Software Design / Installation			
Maintenance / Repair / Installation / Integration			
Hardware VAR			
Data / Facilities Services			
Data Processing / Warehousing / Mining / Management			
Server / Co-location – Hardware Facilities Management			
Backup Services / Archiving			
Technology / Internet / Telecommunications Consulting:			
System-Network Analysis / Design / Integration / Migration			
Outsourcing / Permanent-Temporary Placement			
Internet / E-Business			

<b>Internet</b>			
Website Development / Maintenance / Hosting			
ASP			
ISP			
Advertising / Promotional Design / Services			
E-Commerce Services			
Search Engines			
Website Ownership			
Content Provider / Aggregator / Publisher			
Portal (including Chat / BB/ Blogs)			
Other			

Please complete the following regarding the end use of services and activities:

% Medical / Healthcare	% Credit Card Processing
% Government (including military / defense)	% Entertainment
% CAM/CAD/CAE Architectural / Engineering / Scientific	% Banking / Funds Transfer / Finance
% Security	% Utilities
% Emergency Applications (911 systems/emergency dispatch)	% Other

### 5. Internet

Does the Proposer sell products on the Proposers website(s)?  Yes  No

If yes, does the Proposer use a payment-processing intermediary  Yes  No

Is credit card information and/other personal information stored on a server that is connected to the Internet?  Yes  No

Does the Proposer have adequate capacity to accommodate subscribers and visitors to the Proposers site(s)?  Yes  No

Does the Proposer ever deep-link without permission (link to any page of another party's website deeper than its homepage)?  Yes  No

Does the Proposer ever frame content of third parties without the party's permission?  Yes  No

What type of content is available on the Proposer's website(s)? (Tick all that apply)

Proposer's Information	Promotions	"How To"
Software	Adult Only	Digital Music
Law/Legal	Sports	Comedy
Educational	Medical/Healthcare	Dating Service
Commentary/News	Financial	Online Gambling
Religious/Cultural	Advertising	Games/Contests
Children's	Blogging	Twitter
Other		

Does the Proposer always follow an established procedure for detecting or editing controversial, offensive, or infringing material from the Proposers website or Internet service?  Yes  No

Is there an immediate take down policy  Yes  No

Does the Proposer use content developed by third parties, such as text, videos, graphics, music, etc. on the Proposers website?  Yes  No

If yes, identify the company and explain the relationship

Please attach a copy of the contract used with third party content providers.

Does the Proposer always obtain the documented rights to use the intellectual property of third parties (including copyright and trademark)?  Yes  No

Does the Proposer edit, revise or review content created or provided by third parties?  Yes  No

## 6. Quality Control Procedures

What does the Proposer see as its greatest potential exposures arising out of the activities for which it is seeking coverage?

What safeguards does the Proposer employ to avoid claims or reduce the Proposers exposures?

How does the Proposer inform customers of problems if discovered?

Does the Proposer have a written complaint resolution policy or procedure?

Yes  No

Does the Proposer perform quality control audits?

Yes  No

If yes, how frequently are audit performed?

Does the Proposer have a formal technology and computer systems training program, including a review of all security procedures, for all employees performing proposed Insured Activities?

Yes  No

Does the Proposer have and follow a written technology and computer systems security policy?

Yes  No

Does the Proposer provide training for the Proposers clients?

Yes  No

Does the Proposer have Business Continuity / Disaster Recovery plans in place for all critical business processes?

Yes  No

Does the Proposer perform background checks, including credit & criminal history, on new programming or security employees, independent contractors / consultants?

Yes  No

Has the Proposer experienced a virus or a security breach?

Yes  No

If yes, what steps have been taken to prevent further security vulnerabilities?

Does the Proposer audit or assess the security of the Proposers network at least once a year?

Yes  No

If yes, are all recommendations addressed?

Yes  No

Are firewalls and anti-virus software used to prevent unauthorised access connections from internal networks and computers systems to external networks?

Yes  No

Does the Proposer use encryption technology?

Yes  No

Has the Proposer implemented a user permission and password management policy?

Yes  No

Does the Proposer outsource any of the following critical network system functions? (tick all that apply)

Hosting Facility	<input type="checkbox"/>	Co-Location Facility	<input type="checkbox"/>
Managed Security Service Provider (MSSP)	<input type="checkbox"/>	Data Storage Facility	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>		<input type="checkbox"/>

Has the Proposer performed a trademark search on the Proposers domain name(s)?

Yes  No

Does the Proposer sell or share information gathered from customers or others?

Yes  No

If yes, does the Proposer notify and obtain the consent of customers or others prior to selling or sharing?

Yes  No

If yes, by what means?

Opt-out  Opt-in  Other

Client	Rand value of Contract	Length of Contract	Types of Products/Services
1.			
2.			
3.			
4.			
5.			
Does the Proposer use a standard written contract or agreement with all clients?			<input type="checkbox"/> Yes <input type="checkbox"/> No
If standard contracts are not utilised at all times, what percentage of time does the Proposer use non-standard contracts?			<input type="text"/> %
Does legal counsel review all contracts?			<input type="checkbox"/> Yes <input type="checkbox"/> No
If no, what percentage of total contracts are reviewed?			<input type="text"/> %
Does legal counsel review modifications to standard contracts?			<input type="checkbox"/> Yes <input type="checkbox"/> No
What is the Rand value of the Proposers contract?		Average Largest	R <input type="text"/>
What is the length of the Proposers contracts?		Average Longest	<input type="text"/>
Do the Proposers contracts contain any of the following provisions?			
<input type="checkbox"/> Hold-harmless / indemnification wording to Proposers favour			
<input type="checkbox"/> Limitation of liability / Disclaimers			
<input type="checkbox"/> Hold-harmless / indemnification wording to client's favour			
<input type="checkbox"/> Statement of work specifications			

Please attach a copy of the contract used with third party content providers.

If the Proposer is a value-added reseller of software/hardware, is the manufacturer still in business and does the manufacturer continue to support products they have manufactured?  Yes  No

Does the Proposer continue to support all software/hardware that the Proposer has developed and/or distributed?  Yes  No

Do clients always provide written acceptance of the systems and/or software after the production or implementation?  Yes  No

Is a standard test plan followed by the Proposer for all system and/or software design and development work (i.e. alpha, beta prototype development, etc.)?  Yes  No

Are clients responsible for determining the accuracy of test results?  Yes  No

Does the Proposer retain design, development, and testing documentation for the life of the systems and/or software?  Yes  No

If no, how long is this information retained by the Proposer?

Has the Proposer had a product recalled in the past three years?  Yes  No

If yes, please explain

**7. Current/Prior Insurance**

Policy Period	Carrier	Limits	Deductible	Premium	Claims-made or Occurrence

What is the retroactive date of the current policy?

Is any extended reporting period currently in force?  Yes  No

If yes, provide the duration an expiration date of the extended reporting period

Has the Proposer ever applied for Professional Liability coverage and been denied, cancelled or non-renewed?  Yes  No

Does the Proposer maintain General Liability Coverage?  Yes  No

Insurer \_\_\_\_\_

Limits \_\_\_\_\_

Expiration date \_\_\_\_\_

Does the Proposer's General Liability coverage include:

Personal Injury/Advertising Injury  Yes  No

Products/Defective Workmanship  Yes  No

Professional Services Exclusion  Yes  No

### 8. Desired Limits / Deductible Options

Desired Policy Limits

Each Erroneous act

Aggregate Limit

Desired Deductible

### 9. History

To the best of the Proposer's knowledge, in the last five years has the Proposer transmitted a computer virus to a third party?  Yes  No

In the last five years have any of the Proposers customers:

Made allegations or complained about the performance, non-performance, or timelines of the Proposers products/services?  Yes  No

Refused to pay or stopped paying fees or dues due to allege problems with the Proposer's services / products?  Yes  No

Requested a refund due to alleged problems with the Proposer's products/services?  Yes  No

In the past five years, has the Proposer sued any of its clients for non-payment?  Yes  No

If yes, advise the number of times this has occurred

In the last twelve months

In the last five years

In these instances, was the Proposer counter-sued?  Yes  No

In the past five years, have any officers, principals, partners, directors, or professional employees of the Proposer had their professional license(s) or certification(s) suspended or revoked?  Yes  No

If yes, please explain

Is the Proposer aware of any actual or alleged fact, circumstance, situation, error or omission, which can reasonably be expected to result in a Claim, suit or proceeding being made against the Proposer?  Yes  No

The policy for which the Proposer is applying, if issued, will not insure any Claims that can reasonably be expected to arise from any actual or alleged fact, circumstance, situation, error or omission known to any Proposer before the Inception Date of the policy.

Has the Proposer or any of the Proposers predecessors in business, affiliates, or past or present: partners, owners, officers, sales persons or employees have been investigated and/or cited by any regulatory body, certifying body or other governmental entity?  Yes  No

Have any Claims, suits or proceedings been brought during the past five years against the Proposer or Proposer's predecessors in business, affiliates, or past or present: partners, owners, officers, sales persons or employees?  Yes  No

The policy for which the Proposer is applying, if issued, will not insure any Claims made against the Proposer prior to the Inception Date of the policy or any subsequent claims, suits or proceedings arising therefrom.

If any of the answers to questions above are "Yes", have all matters been reported to appropriate insurers?  Yes  No



If proposer has responded "yes" to questions above, please provide the following information:

A full description including damages alleged

---

Current status

---

Date the insurance company was put on notice

---

Amounts of: reserves, legal expenses paid; and settlements or judgements

---

Steps implemented to prevent similar claims in the future

---

**Claims made**

Technical Professional Indemnity Insurance policies are underwritten on a "Claims Made" basis. This means that;

1. In order for a claim to qualify for indemnity a policy must be in force when the claim is first made against you. (In terms of the policy conditions you are obliged to notify Insurers as soon as you become aware of any circumstances which may lead to a claim. Any actual claim which then materialises would be deemed to be a claim under the policy which was in force at the time when the circumstance was first notified).
2. The cause of action giving rise to the claim must have taken place on or after the "retro-active date" shown in the Schedule of the policy.
3. If the policy has lapsed there will be no cover notwithstanding the fact that the policy may have been in force at the time when the cause of action occurred giving rise to the claim. It is therefore important to renew the policy annually. If the practice ceases it is recommended that run-off cover be taken for a minimum of three years.

**Retro-Active date**

The date on or after which any claim against you will be indemnified in terms of the policy. This date is normally fixed as being the date on which the cover was first taken and would remain unaltered for the purposes of subsequent renewals. When cover is first taken additional retro-active cover may be offered by Insurers subject to certain conditions and premium loadings.

**Declaration**

**I/We declare that the statements and particulars in this proposal are true and that I/ We have not misstated or suppressed any material facts. I/ We agree that this proposal, together with any other information supplied by me/ us shall form the basis of any contract of insurance effected thereon. I/We undertake to inform the Insurers of any material alteration to these occurring before/ during/ after completion of the Contract of Insurance.**

Signed at \_\_\_\_\_ dated \_\_\_\_\_

Full name \_\_\_\_\_

Signature \_\_\_\_\_

**Cooling Off Rights**

You enjoy a period of 14 (Fourteen) days ("cooling-off period") from receipt of the Policy document following the inception date of the insurance agreement if taken or from the effective date of any variation thereof, during which you may rescind the agreement and provided that you have not claimed any benefit, are not in receipt of a claim made against you or reported any claim to the Insurer, the insurance agreement is annulled and you will be entitled to a refund of Premium paid.

The Insurer will give effect thereto and return premiums due to you less an administration charge within 30 (Thirty) days of the annulment.