

PROFESSIONAL INDEMNITY INSURANCE PROPOSAL FORM FOR IT CONSULTANTS & Associated Businesses

This proposal form must be completed in black ink by a Partner, Principal or Director of the Company. All questions must be answered to enable a quotation to be given but the completion and signature of this proposal does not bind you or the Underwriters to enter into a Contract of Insurance. If there is insufficient space to answer any question fully, please attach a signed and dated continuation sheet.

If you have a brochure, please provide a copy as well as any standard contract terms, conditions, agreements or letters of appointment which you have with your clients.

PLEASE TYPE OR CLEARLY PRINT YOUR ANSWERS IN BLACK INK TO ASSIST THE UNDERWRITERS' CONSIDERATION OF THE PROPOSAL

Section 1 – Your Company and Staff

a) Name of Individual or Company(s) ('You') including any Subsidiary Companies for whom cover is required:

a)	Date Established:
b)	Date Established:
c)	Date Established:

b) Address of all offices, including those of any overseas local offices or representatives:

Address	Name of Partner, Principal or Director responsible
Registered or principal office	
Second location (if any)	
Third location (if any)	

c) Name(s) of any previous company(s) requiring cover and details of the nature of work undertaken:

Date Ceased Trading:

d) Please provide details of all Partners, Principals or Directors:

Names of all Partners, Principals or Directors	Age	Qualifications	Date(s) Qualified	Number of years with this Company

Please attach a C.V for any Partner, Principal or Director with less than 5 years experience in this occupation.

e) Please provide details of all full-time and part-time Consultants who are under a contract of service with you:

Name of all Consultants	Age	Qualifications	Date(s) Qualified	Number of years with you

If less than 5 years experience in this occupation, please provide details of previous occupations:

f) Is cover required for any Partner in respect of liability arising out of a previous business?

YES/NO

If 'YES', please give details:

Name	Name of previous firm	Nature of firm's business	Date Partner left the previous firm and the reason for leaving

g) Are you admitted to membership of any Association or Professional Body?

YES/NO

If 'YES' please give details:

h) Have you or any person employed by you ever been subject to disciplinary proceedings by any Professional Body?

YES/NO

If 'YES', please give details:

i) Please state the total number of:-

a) Partners, Principals or Directors	
b) Other Qualified staff	
c) Other Technical staff (excluding Administrative staff)	
d) Administrative and all other staff	
TOTAL	

j) How do you ensure that you and your staff keep up to date with changes in legislation and other legal developments which affect the type of work you do and the services you offer? Please provide details:

k) If you are a sole principal, please provide details of the arrangements for office supervision during your absence:

l) Do you work to a professional code of practice?

YES/NO

m) Do you have written checklists and/or work procedures for the services which you provide?

YES/NO

n) Do you have standard contract terms and conditions which you use in every case?

YES/NO

If 'YES', please provide us with copies.

If 'NO', please explain why and detail the alternative methods you use to confirm terms of engagement with your clients:

o) Are you accredited, or in the process of being accredited, to any BS or similar Quality Assurance standard?

If 'YES', please provide details:

YES/NO

Section 2 – Companies with whom you are associated

a) Do you undertake work for any partnership, company or organisation in which any Partner, Principal, Director or Employee holds a position whereby he/she is able to make major decisions on behalf of such partnership, company or organisation?

YES/NO

b) Is any Partner, Principal or Director connected or associated (financially or otherwise) with any other practice, company or organisation?

YES/NO

If you have answered 'YES' to either of questions a) or b) please provide full details :

c) What percentage of your income is derived from the associated companies detailed above?

%

d) Is cover required for the work you undertake for the associated companies detailed above? (Cover is restricted to claims made by independent third parties)

YES/NO

e) Has any Partner, Principal or Director been a Partner, Principal or Director or been associated with any business which has ceased trading either voluntarily or compulsorily?

YES/NO

f) Has any Partner, Principal or Director been made personally bankrupt?

YES/NO

If you have answered 'YES' to either of questions e) or f) please provide full details:

Section 3 – Your Activities

a) Please indicate the approximate percentage split in your income (including payments to sub-contractors) for each of the following activities:

		Last Year	
i) Hardware	a) Sales of own brand	%	
	b) Sales of other brands	%	
	c) Installation	%	
	d) Maintenance	%	
ii) Software Sales	a) Shrink wrapped		
	i) third party software	%	
	ii) own written software	%	
	b) Customisable software	%	
	iii) Software Services	a) Installation including configuration (no code changes)	%
		b) Customisation (including code changes)	%
c) Development of bespoke applications		%	
d) Maintenance		%	
iv) Internet Services	a) Domain name registration	%	
	b) Web Design	%	
	c) Web Hosting		
	i) using own servers	%	
	ii) using third party servers	%	
v) Other Services	a) Consultancy	%	
	b) Data Processing	%	
	c) Supply of contract staff	%	
	d) Training	%	
vi) Other Work (please provide details below of what this entails)		%	
Total		100%	

b) Over the past 5 years, and for the forthcoming 12 months, has there been or will there be any significant variation in the percentages shown above, i.e. +/- 25% per activity? YES/NO

c) Is cover required for any previous, now ceased, activity which is different from that declared? YES/NO

If 'YES' to either b) or c) please provide full details:

d) Please state your gross income (including payments to sub-contractors) for each of the last three financial years and an estimate for the next financial year in respect of income billed to clients based in the following territories:

Year	UK	Overseas excl. USA & Canada	USA & Canada	Total
200 to 200				
200 to 200				
200 to 200				
Next				

Financial Year Ending (e.g. 31/12): _____ / _____

e) Do you enter into any contracts where legal jurisdiction is anything other than UK? YES/NO

If you have declared fees in **d)** from any territory other than the UK or answered 'YES' to question **e)** please give full details including nature of contract, dates, countries involved, contract values and jurisdiction applicable:

f) Please provide details of your 5 largest contracts undertaken in the past 5 years and/or to be undertaken within the next 12 months:

Dates	Client	Details of contract and services provided	Total contract value	Your fee

g) If you undertake contracts involving the installation of software, how long is a typical installation?

- h)** Are you responsible for, or do you provide advice in relation to, any of the following:
- i)** engineering software design? YES/NO
 - ii)** financial software design? YES/NO
 - iii)** full project implementation of IT or other systems? YES/NO
 - iv)** live trading or mission critical systems? YES/NO
 - v)** Internet Service Provision (ISP), Application Service Provision (ASP) or financial transaction web site design? YES/NO
 - vi)** fully outsourced or managed services? YES/NO
 - vii)** security of systems or networks? YES/NO

If you have answered 'YES' to any of these questions please provide full details:

Client	Details of services provided	Fees (%)

- i)** Do you work on any systems, or could the failure of any of your products or services, result in:
- i)** loss of life or injury to any person? YES/NO
 - ii)** destruction or damage to physical property? YES/NO
 - iii)** significant financial loss? YES/NO

If you have answered 'YES' to any of these questions please provide full details:

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j) Please indicate an approximate split in your fees by type of client:

Commercial	%	Financial	%
Governmental	%	Industrial	%

k) Is all work carried out under contracts drafted by legal professionals and signed by your clients? YES/NO
 If 'NO', please explain on what basis contracts are entered into:

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l) Are you or any individual partner or director a member of any consortium or joint venture (JV)? YES/NO
 If 'YES', please provide full details:

Name of consortium/JV	Your role in the consortium/JV and the services you provide	Fees (£)

m) What percentage of your income is paid to sub-contractors? %

n) Do you want us to provide cover to sub-contractors under your policy for claims made against them in respect of work they perform on your behalf? YES/NO

(Note: Your vicarious liability for the actions of sub-contractors employed by you is covered automatically)
 If 'YES', please provide full details:

Name	Qualifications	Work undertaken	Fees paid (last financial year)

o) Do you enter into written agreements with your sub-contractors? YES/NO

p) Are sub-contractors undertaking work for you required to hold their own Professional Indemnity Insurance and if so, for what amount? YES/NO £

q) How do you control and review the work that sub-contractors undertake for you?

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Section 3 Appendix A – Internet Services

*You need only complete this Appendix if you have declared fees in answer to **Section 3** question **a) iv)**. Otherwise, you may move on to **Section 4**.*

- a) Do you provide web design services? YES/NO
 If 'YES' and you use a third party's server:
- i) do you source content (e.g. images/music/video) from third parties for the web sites you design? YES/NO
 - ii) when using third party content, do you always ensure that you receive a written licence from the owner of the rights to use the content in the planned format and manner? YES/NO
 - iii) do you always ensure that this licence contains an enforceable indemnity in your favour? YES/NO

- b) Do you provide web hosting services? YES/NO
 If 'YES' and you use a third party's server:

Name of third party	Address

- c) Where a third party's server is used, do you ensure that the contract terms you use with your client mirror those of your contract with the third party hoster? YES/NO/NOT APPLICABLE
 If 'NO', please explain why:

- d) Do you design or host web sites where financial transactions can be made? YES/NO
 If 'YES', please provide details of the 3 largest sites (by your client's annual turnover derived from the site):

Client	Web address	Client's business	Annual turnover	Your fee

- e) Do you provide hosting for web sites where messages can be posted by users (e.g. bulletin board, chat forum, newsgroup)? YES/NO
 If 'YES', please provide details of all sites:

Client	Web address	Description of users and site content	Your fee

- f) Please provide details of your policies and procedures for:
- i) identifying that a complaint has been made or received about the content of any web site with which you have an involvement
 - ii) removing that content or preventing access by others to that site
 - iii) issuing an apology where appropriate

- g) Are you involved in the registration of domain names and if so, how many? YES/NO per annum

- h) Do you retain responsibility for renewing domain names? YES/NO

i) Are you able to confirm that you have procedures and diary systems in place to ensure that domain names are not allowed to lapse without your client's knowledge and consent?

YES/NO

j)

k) Do you:

i) exclude liability within your standard terms and conditions for loss of turnover, sales, revenue, profits and direct or indirect consequential or special?

YES/NO

ii) obtain appropriate indemnities from your clients under your standard terms and conditions for any claims made against you arising from the content of their web sites?

YES/NO

If 'NO', please explain why:

Section 4 – Your Professional Indemnity Insurance arrangements

a) Please provide details of your current insurance. **You need not answer this question if you are currently insured with us.**

If you are not currently insured, please state 'Not Insured'.

Insurer	Renewal Date	Limit of Indemnity (Any One Claim/Aggregate)	Premium (excl IPT)	Excess	Retroactive Date

b) For how long have you been continuously insured?

Years

c) Has any Insurer ever:-

i) declined to offer Insurance to you or any Partner, Principal or Director?

YES/NO

ii) imposed any special terms on your Company or any Partner, Principal or Director?

YES/NO

iii) cancelled or voided an Insurance for you or any Partner, Principal or Director?

YES/NO

If you have answered 'YES' to any of these questions please provide full details:

d) What Limit of Indemnity do you now require? Please indicate by ticking the box(es) below:

£100,000 £250,000 £500,000 £1,000,000 Other Please state

£

e) An excess of at least £500 to £1000 will normally be a requirement of this insurance. However, a reduction in premium may be available if you are prepared to accept a higher, voluntary excess (each and every claim). If you are prepared to consider this, please state the amount of the excess you require our quotation to be based upon.

£2,500 £5,000 £10,000 £25,000 Other Please state

£

Section 5 –Your Systems for dealing with money

YES/NO

- a) Do you always obtain satisfactory written references when engaging senior employees?
- b) Are you able to confirm that no Partner, Principal, Director or Employee is allowed to sign cheques on his/her signature alone? YES/NO
- c) Are Employees who receive cash/cheques in the course of their duties required to pay in daily? YES/NO

If you have answered 'NO' to any of a) – c) please explain why by giving full details:

- d) How often are checks carried out on all entries in the Cash Book with all paying in books, receipts counterfoils and vouchers being reconciled with Bank Statements, including the balance of cash and unrepresented cheques, independently of Employees receiving or banking monies belonging to you as well as in trust on behalf of others? WEEKLY/MONTHLY/QUARTERLY/OTHER

Section 6 – Your Claims history

CLAIMS- PLEASE NOTE IT IS IMPERATIVE TO ANSWER THESE QUESTIONS CORRECTLY -FAILURE TO DO SO COULD PREJUDICE YOUR RIGHTS - IF SPACE IS INSUFFICIENT PLEASE ATTACH A SIGNED AND DATED CONTINUATION SHEET TO ENABLE YOU TO PROVIDE FULL DETAILS.

- a) **Fidelity**
 - i) Have you sustained any loss through the fraud or dishonesty of any person? YES/NO
 - ii) Do you know of any fraud or dishonesty at any time of any past or present Partner, Principal, Director or Employee? YES/NO
- b) **Professional Indemnity:-**
 - i) Has any claim, whether successful or not, ever been made against you, your predecessors in business or any past or present Partner, Principal, Director or Employee? YES/NO
 - ii) Are you or any of the Partners, Principals, Directors or Employees AFTER FULL ENQUIRY, aware of any circumstances which may give rise to a claim against you, your predecessors in business or any past or present Partner, Principal, Director or Employee? YES/NO

If you have answered 'YES' to **any** of the Claims Questions please provide full details including dates, amounts involved, brief details of the nature of the claim, whether the claim is paid or still outstanding and state the steps taken to prevent a reoccurrence.

Additional Information

Please use this space to provide additional information in support of the answers given within the proposal form or simply to provide further details about you or your activities which you feel would be of interest to us. Please clearly show the question number to which the information relates.

IMPORTANT NOTICE CONCERNING DISCLOSURE

It is your duty to disclose all material facts to Underwriters. A material fact is one which may influence an Underwriter's judgement in the consideration of your proposal. If your proposal is a renewal, it is likely that any change in facts previously advised to Underwriters will be material and such changes should be highlighted. If you are in any doubt as to whether a fact is material you should disclose it. FAILURE TO DISCLOSE could prejudice your rights to recover in the event of a claim or allow Underwriters to void the policy.

I/We declare that the statements and particulars contained in the proposal are true and that I/we have not mis-stated 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 Underwriters of any material alteration to these facts occurring before completion of the contract of insurance.

Signature of Partner, Principal or Director

Date: _____

A COPY OF THIS PROPOSAL SHOULD BE RETAINED BY YOU FOR YOUR OWN RECORDS

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