

Technology Professional Indemnity and Cybermedia Liability

PROPOSAL FORM

Important

Please answer all questions from each section and complete in block capitals. Tick the appropriate boxes where necessary and supply any further information requested. If there is insufficient space to complete any answer, please continue at the end of this form or on a separate sheet of paper. Whilst we ask for your website address this in no way derogates from your duty of utmost good faith in answering this proposal form. Even if some or all of the answers can be given by reference to your website, you should nonetheless set out your full answers here and also provide us with any other material information. Please take all reasonable care to answer all of the questions honestly and to the best of your knowledge. If you do not answer all the questions correctly, your policy may be cancelled and any claim rejected or not fully paid. The completion and signature of this proposal does not bind the proposer or Travelers Insurance Company Limited to complete a contract of insurance. Please refer to the policy wording for details of the cover provided.

General Information

1. (a) Full name of proposer including trading names if any (*if not a limited company include full names of partners*)

Date established

- (b) Registered address

Postcode

- (c) Correspondence address
(*if different from the above*)

Postcode

- (d) Occupied as

- (e) Website address

- (f) Full name of any subsidiary companies or joint ventures for which cover is required

| Name | Status (e.g. subsidiary) | Location | Nature of Activities | Date Established |
|------|-----------------------------|----------|----------------------|------------------|
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2. Business Description
(to appear on the policy)

3. Please give full details of your business activities and your products and any intended change in these.

4. Cover required From To

5. (a) Do you require cover in respect of all past activities of the business included in Question 1? Yes No

(b) Please state the retroactive date required

(c) Does this match the retroactive date noted on your current Professional Indemnity policy
(if you are currently insured)? Yes No

If "No" please provide details

6. Has the name of the business changed or have any mergers or acquisitions taken place during the past five years? Yes No

If "Yes" please give details. Completion of a separate questionnaire may also be required.

7. Please give details of any principal, partners/directors

| Name | Date of Birth | Relevant Qualifications | Year Qualified | Year became Partner/Director |
|------|---------------|-------------------------|----------------|------------------------------|
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8. Have you or any partner or director

(a) ever been convicted or charged (but not yet tried) with a criminal offence Yes No

(b) ever been a partner or director of a company which went into liquidation, receivership or administration? Yes No

(c) ever been declared bankrupt? Yes No

(d) ever been disqualified from being a director? Yes No

If "Yes" give details

Please indicate the cover(s) required

| | | |
|--|------------------------------|-----------------------------|
| Professional Indemnity | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Intellectual Property Rights | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| Cybermedia (3rd party cyber liability) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Professional Indemnity

1 Please tick the basis of cover required Aggregate Any One Claim

2. Please state the excess required Please state the limit of indemnity required

| | |
|--------------------------|--|
| £5,000 (min) | |
| £10,000 | |
| £25,000 | |
| £50,000 | |
| Other (<i>specify</i>) | |

| | |
|--------------------------|--|
| £1m | |
| £2m | |
| £5m | |
| £10m | |
| Other (<i>specify</i>) | |

3. Please give details of your turnover

| | For the last financial year ending / / | For the current financial year ending / / | Estimated for the forthcoming financial year ending / / |
|-------------------|--|---|---|
| UK | £ | £ | £ |
| Europe | £ | £ | £ |
| USA/Canada | £ | £ | £ |
| Rest of the world | £ | £ | £ |

4. Are you a member of any trade association or regulatory body which imposes minimum standards of professional conduct? Yes No

If "Yes" give details

5. Give details of typical projects or assignments undertaken during the past five years

| Year | Details |
|------|---------|
| | |
| | |
| | |
| | |
| | |

6. Give details of the three largest contracts undertaken in the past three years

| Year | Details | Contract value |
|------|---------|----------------|
| | | £ |
| | | £ |
| | | £ |

7. Give details of the three largest contracts being undertaken in the next year

| Year | Details | Contract value |
|------|---------|----------------|
| | | £ |
| | | £ |
| | | £ |

8. State the total number of

| Description | Number | | |
|--|-----------|--------------|---------------|
| | Employees | Agency Staff | Self-Employed |
| Partners, principals or directors | | | |
| Software designers or systems analysts | | | |
| Quality assurance staff | | | |
| Computer equipment operators and data handling staff | | | |
| Hardware or software sales staff | | | |
| Administration and all other staff | | | |

9. Give the approximate percentage of turnover derived from

| Description | | Percentage |
|-----------------------|--|------------|
| Consultancy | Work under clients control | % |
| | General consultancy/advice | % |
| | System or programme design &/or advice | % |
| | Project Management | % |
| Software | Distribution of Third Party software | % |
| | Package software writers same programme code | % |
| | Third Party software without subrogation | % |
| | Tailoring of software modified for specific client(s) | % |
| | Bespoke software provision | % |
| Internet | Web design, passive | % |
| | Web design, interactive | % |
| | Web design including e-commerce | % |
| | Data facility management & hosting | % |
| Computer Hardware | Distribution of Computer Hardware and Peripherals | % |
| | Manufacture of Computer Hardware and peripherals | % |
| | Maintenance including software configuration | % |
| Electronic Components | Supply of passive components | % |
| | Supply of active components including lasers | % |
| | Supply of semiconductors | % |
| Electronic Equipment | Supply of Telecommunications hardware (not mobiles) | % |
| | Manufacture of Robotics, Process control equipment or control panels | % |
| | Software for electronic equipment | % |

10. Please give a breakdown of your clients' activities

| Description | Percentage |
|--|------------|
| Government (including local authorities) | % |
| Financial | % |
| Commercial | % |
| Industrial | % |
| Technical/scientific | % |
| Medical | % |
| Aviation | % |
| MOD | % |
| Education | % |
| Critical control equipment | % |
| Other (specify) | % |

11. Give the maximum value of any one contract that you would enter into with a client for the provision of Advice, Products or Services in the forthcoming period of insurance

£

12. Please advise whether any of your products or services are intended for use in the following:

Nuclear, chemical, oil/gas, petrochemical industries

Yes No

Trading systems for use in financial markets

Yes No

Medical or surgical sectors

Yes No

Aircraft, watercraft, railway, military hardware or process control equipment

Yes No

13. Do you undertake any prototype, experimental or single product items

Yes No

If "Yes" please provide details

14. In the event of the failure of any of your products or services, please estimate the level of financial loss which your clients could sustain

Insignificant

Yes No

Minor affecting one party

Yes No

Minor affecting multiple parties

Yes No

Moderate affecting one party

Yes No

Moderate affecting multiple parties

Yes No

Severe affecting one party

Yes No

Severe affecting multiple parties

Yes No

If "Yes" to any of the above please provide details

Your risk management

15. Do you keep duplicate computer system records? Yes No
If "Yes" give details of where they are kept
16. Are you accredited to or in the process of becoming accredited to ISO EN 9000 Quality Systems or subject to any other form of external assessment? Yes No
If "Yes" give details
- If "No" is anyone responsible for quality control? Yes No
- If "Yes" does the person report to senior management? Yes No
17. What do you consider to be the most significant potential risks associated with the activities declared and how have these been minimised?
18. Is all critical data backed up at least weekly and stored securely off-site? Yes No
19. Is the integrity of all back-ups verified on at least a monthly basis? Yes No

Your contracts

20. Do you always prepare and agree a written specification of the intended work with your clients (*including written confirmation of verbal instructions*) before contracts are accepted and are amendments made to the same as appropriate during contract stages? Yes No
If "No" please provide details as to why not
21. Please indicate the percentage of contracts where your standard terms are used %
22. What is your typical liability cap? £
23. Do you use conditions of contract in every case? Yes No
If "Yes" please supply a copy
24. Do your contracts include any Hold Harmless agreements or guarantees? Yes No
If "Yes" please provide details

25. Do you negotiate contracts or agreements in which you accept liability for consequential damages? Yes No

If "Yes" what is the maximum limit of liability? £

26. Do you intend to undertake or have you ever undertaken any contracts which go beyond the provision of reasonable skill and care? Yes No

If "Yes" please give details

27. Are global contracts or agreements written with the same provisions as domestic contracts? Yes No

If "No" please give details of the different provisions

28. Typically what are the acceptance criteria within your standard and non-standard contracts?

29. Does your legal counsel review all contracts and agreements other than standard contracts that you use? Yes No

Why and when would you involve your legal counsel for contracts?

30. Do you ever make verbal or written promises or guarantees that would deviate from your standard written contracts or sales and marketing materials? Yes No

31. (a) Do you carry out an appropriate and effective testing or acceptance process (whether conducted in stages or not) to establish whether products & services function as intended by you and the client? Yes No

If "No" please provide details as to why not

(b) Is banking and financial software for client systems tested in a non-live environment before going live? Yes No

32. (a) Do you have a formal procedure for customer complaints? Yes No

(b) Are customer complaints reviewed by senior management at regular intervals? Yes No

33. (a) Do you engage independent or specialist consultants or subcontractors? Yes No

If "Yes" please provide the following details as they apply to the consultants or subcontractors

| Type of Work | Location | Amount paid | Insurer providing professional indemnity insurance | Limit of indemnity |
|--------------|----------|-------------|--|--------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

(b) Have they entered into a binding contract with you accepting full responsibility for their own professional neglect, error or omission? Yes No

(c) Please provide details of how you manage the quality and timeliness of consultant and subcontractor services (for example through the use of an on-site manager / periodic visits etc)

(d) Have you changed any consultant or subcontractor due to breach of a service agreement or quality of deliverable? Yes No
 If "Yes" please provide details

Insurance details

34. Have you held professional indemnity insurance in the last two years? Yes No
 If "Yes" please give details:

| Policy Period | Limit of Indemnity | Excess | Premium | Insurer |
|---------------|--------------------|--------|---------|---------|
| | | | | |
| | | | | |

35. In respect of professional indemnity insurance, has any insurer ever declined a proposal, declined to pay a claim, refused renewal, cancelled such insurance or imposed special conditions? Yes No
 If "Yes" please give details:

Optional Cover – Intellectual Property Rights

1. Please state the limit of indemnity required

| | |
|-------|--------------------------|
| £1m | <input type="checkbox"/> |
| £2m | <input type="checkbox"/> |
| £5m | <input type="checkbox"/> |
| Other | <input type="checkbox"/> |

2. What percentage of Turnover is derived from:

(a) Products (including Software) less than a year old %

(b) Products (including Software) over 1 year old %

(c) Upgrades for existing Products (including Software) %

3. How much original content is created by you? %

4. How much original content is created on your behalf by third parties? %

5. Please advise whether legal counsel are consulted in respect of the following:
- (a) Prior to release of new software / products (*including review of the content, characters and any original game software*) Yes No
- (b) Searches for all trademarks, patents and other intellectual property rights Yes No
- (c) Use of third party rights through licences and permissions Yes No

If "Yes" please advise:

Name and address of external legal counsel (*or if in-house counsel are used please confirm this*)

If "No" please advise what steps are taken to reduce the risk of breaching a third party's intellectual property rights

6. Do your contracts include, specifically in respect of intellectual property rights, subrogation rights against third party suppliers of any products which are found to be in breach? Yes No

7. What measures do you follow to ensure that new employees are aware of and comply with duties of confidentiality in connection with former employers' intellectual property rights and other proprietary information?

Optional Cover – Cybermedia

1. Please state the limit of indemnity required

| | |
|-------|--|
| £1m | |
| £2m | |
| £5m | |
| £10m | |
| Other | |

2. What procedures do you have to risk review your website content and mitigate any issues identified?

3. Do you collect or store user specific or confidential information through your site or computer network? Yes No
If "Yes" please provide details including whether this information is encrypted

4. Do you offer bulletin board /chatroom or other third party discussion / comment facilities through your website? Yes No
If "Yes" please provide details of any pre or post publication moderation and your takedown procedure in the event of a complaint regarding third party content being received

5. Do you have an internet security policy which is communicated to all staff (*including contractors and temporary workers*) and does this incorporate a strongly enforced email policy which includes guidance with regard to defamation? Yes No

6. Do you have a dedicated IT manager? Yes No

If "No" who has responsibility for this function?

7. Within the past 5 years have you sustained any systems intrusion, virus attack, hacking incident, data theft or any similar event? Yes No

If "Yes" please advise what steps have been taken to minimise a recurrence of such an event

8. (a) Do you have a firewall installed on all external gateways and anti-virus software installed on all internal and external servers and gateways? Yes No

(b) Are all updates and security related patches installed in accordance with the manufacturer's recommended time frame? Yes No

9. Is a login ID and password required to access secure areas of your website? Yes No
If "Yes" please advise

(a) Are such access rights granted only to those with specific need for such access? Yes No

(b) Do you have documented procedures for user ID and password management? Yes No

10. (a) What percentage of software updates are sent via email / internet? %

(b) What is the approximate number of updates provided each year?

Claims (Please complete in respect of all covers applied for)

1. Has any claim (whether successful or not) been made against the proposer or any principal, partner, director, employee or agent in respect of the type of liabilities to which this proposal relates? Yes No

If "Yes" please advise details

| Date of Claim | Claimant | Details of Claim | Amount Paid | Amount Outstanding | Total |
|---------------|----------|------------------|-------------|--------------------|-------|
| | | | | | |
| | | | | | |
| | | | | | |

2. Please give details of any improvements to management or working procedures put in place to prevent a recurrence of a claim

3. After enquiry, is the proposer or any of the business partners, directors or employees aware of any client who has failed to pay or has withheld payment due to you as a consequence of a complaint in respect of your product or services? Yes No

If "Yes" please advise details

4. After enquiry, is the proposer or any of the business partners, directors or employees aware of any claim pending or circumstance which may give rise to a claim against the business (including any subsidiary or joint venture companies for which cover is sought, or any of the present or previous partners or directors of any business)?

| Date of Circumstance | Claimant | Details of Circumstance |
|----------------------|----------|-------------------------|
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Declaration

Must be signed by a Partner or Director

I/We declare that to the best of my/our knowledge or belief, the statements and particulars given in this proposal are true and complete and that no material facts that are likely to influence the acceptance and assessment of this proposal have been withheld. (If you are in any doubt as to whether a fact is material, you should disclose it.)

I/We agree to inform Travelers Insurance Company Limited of any change to any material fact.

I/We also declare that if any information on this proposal has been written by another person on my/our behalf, that person acted as my/our agent for that purpose.

I/we have read the above and declare that to the best of my/our knowledge and belief the statements are true and complete.

Signature of the proposer

(Partner/Director)

| | |
|--|------|
| | Date |
|--|------|

Print name and position held

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|--|

For and on behalf of

(Insert name of Company/Firm)

| |
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NO COVER IS IN FORCE UNTIL THIS PROPOSAL HAS BEEN ACCEPTED BY THE COMPANY AND THE PREMIUM PAID, EXCEPT AS PROVIDED BY AN OFFICIAL COVERING NOTE ISSUED BY THE COMPANY.

PLEASE RETAIN A COPY OF THIS COMPLETED PROPOSAL FORM FOR YOUR RECORDS.

Using Personal Information

How we treat information about you and your rights under the Data Protection Act 1998

Travelers Insurance Company Limited may collect certain personal information about our policyholders, prospective policyholders, any person connected to policies held by our policyholders, or connected to prospective policyholders ('Data Subjects').

Data

In order to provide cover under an insurance policy, to assess or pay a claim we need to collect and process personal information about:

- a) the person or property that we are being asked to insure,
- b) any third-party claimant, i.e. someone making a claim against our customer,
- c) property - for which repair or replacement costs are being sought under our customer's insurance policy - belonging to our customer or a third-party.

We will seek different information depending upon the kind of insurance cover we are being asked to provide or the kind of claim we are being asked to assess or pay.

Some of the information we collect may be classified as 'sensitive personal data', which is information that may contain information about physical or mental health, religious beliefs and criminal and disciplinary offences (including convictions).

Purpose

Personal information or sensitive personal data may be collected and or used in a number of ways including: -

- a) considering an application for insurance,
- b) underwriting or binding of an insurance policy,
- c) conducting our relationship with policyholders and persons associated with such policies, including third party claimants,
- d) policy administration,
- e) claims administration,
- f) preventing and detecting fraud, including providing information to the relevant authorities.

Third Parties and Jurisdiction

In the case of policies that have been issued, we may pass information to members of the Travelers group, our reinsurers, professional advisers, loss adjusters or agents if necessary for the performance of the insurance contract or as required by law (including providing the information to government or regulatory authorities). This may involve the transfer of your information to countries which do not have data protection laws equivalent to those in the European Union in which case we shall ensure that the information is appropriately protected. In particular, medical information may be processed in the United States of America for the purposes of assessing and processing a claim.

We may also share the information with, and obtain information about you and/or your employees or agents from credit reference agencies and/or fraud prevention agencies.

Claims Data

Insurance companies share claims data:

- a. to ensure that more than one claim cannot be made for the same personal injury or property damage,
- b. to check that claims information matches what was provided when insurance cover was taken out, and
- c. when required, to act as a basis for investigating claims when our recorded information is incorrect or when we suspect that insurance fraud is being attempted.

You should provide us with the correct information if you are making a claim under your own policy or, if you are a third party, a policy held by one of our customers.

Marketing

With consent of the data subject, personal data may be processed for the purposes of marketing similar goods and services. Data subjects will be asked to provide any necessary consent at the time their data is collected, but are able to subsequently opt out of any marketing at any time.

Please note that the provisions relating to consent, and subsequent opt-out, do not apply to corporate entities (which includes their employees).

Right of access and correction

Data subjects have a right of access to, and correction of, information that we hold about them. If they would like to exercise either of these rights, they should contact our Data Protection Compliance Officer at:

Travelers Insurance Company Limited
Exchequer Court
33 St Mary Axe
London EC3A 8AG

By providing personal information you agree that all persons to whom the information relates consent to the processing and transfer of information described in this notice. You also confirm that you have taken all necessary steps to inform them of disclosure of information to us for the purposes described above.

Please use this space to disclose any further relevant information or if there is insufficient space available to answer any of the questions fully, clearly identifying the question number in each case.