

**EVEREST EXPEDITION® NOT-FOR-PROFIT MANAGEMENT  
LIABILITY NEW BUSINESS APPLICATION (MONTANA)**



**THE PROPOSED POLICY WOULD BE A CLAIMS-MADE POLICY AND WOULD COVER ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF EXERCISED. DEFENSE WITHIN LIMITS: THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY CLAIM EXPENSES.**

**APPLICATION INSTRUCTIONS:**

Whenever used in this Application, the term “Applicant” shall mean the Named Applicant and all other organizations applying for coverage. Any other capitalized term not defined in this Application shall have the same meaning as in the proposed Policy.

The Applicant is required to provide a complete response to all questions in Sections I, X, XI and XII (if applicable), as well as the Coverage Part Sections for which coverage is sought (attach additional pages if necessary) and submit all requested materials. If the Applicant is applying for coverage for a private not-for-profit healthcare or education entity, the applicable Supplemental Application must be completed.

This Application consists of the information contained herein, all materials submitted herewith (including any Supplemental or Cyber Application, if applicable, attached hereto or submitted in connection with this Application) and any other information or materials included within the definition of Application in the proposed Policy.

**I. GENERAL INFORMATION**

**1. Named Applicant Information**

a) Named Applicant: \_\_\_\_\_

b) Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

c) Nature of Operations: \_\_\_\_\_

d) Web Address: \_\_\_\_\_ SIC#: \_\_\_\_\_ NAICS#: \_\_\_\_\_

e) Human Resources Contact: \_\_\_\_\_ Title: \_\_\_\_\_ E-mail: \_\_\_\_\_

**2. Does the Applicant now have a recognized tax-exempt status under the U.S. Internal Revenue Code?** Yes  No

**3. Total Number of Locations:** \_\_\_\_\_ **Total Number of Locations outside the U.S.:** \_\_\_\_\_

**4. Financial Information:**

<b>Based on Financial Statements Dated:</b>	<b>Most Recent FYE (Month/Year) (       /       )</b>	<b>Prior FYE (Month/Year) (       /       )</b>
Total Consolidated Assets	\$	\$
Total Consolidated Liabilities	\$	\$
Net Assets / Fund Balance	\$	\$
Total Consolidated Revenue		
Net Income (or Net Loss)	\$	\$
Cash Flow From Operations	\$	\$

5. Employee Information:

Total Number of Employees Companywide:	
Total Employees Located in Foreign Countries (Full Time, Part Time, Union, Non-Union, Seasonal, etc.):	

Please fill out the grid below according to Employment Category and State Location of Employees:

Employment Category	State Location of Employees				
	CA	NJ	AK, AL, CO, CT, FL, GA, HI, IA, IL, KS, LA, MA, MI, MN, MO, NE, NV, NY, OR, PA, TX, WA, WY, and DC	All Other States	Total
U.S. <u>Union</u> Employees (Full Time, Part Time, Seasonal, etc.):					
U.S. (Non-Union) Full Time Employees:					
U.S. (Non-Union) Independent Contractors and/or Leased Contractors:					
U.S. (Non-Union) Part Time Employees, including Seasonal, Temporary, and Volunteers:					
<b>TOTAL</b>					

**II. DIRECTORS AND OFFICERS LIABILITY COVERAGE PART**

6. Does the Applicant derive any of its funding from federal, state, local, or other governmental or quasi-governmental sources? Yes  No   
 If "Yes", please specify total percentage \_\_\_\_\_%
7. Does the Applicant have any for-profit subsidiaries, or control any other entity or organization for which coverage is requested? Yes  No   
 If "Yes", please attach a full description of operations, ownership, and tax status for each entity.
8. Is the Applicant currently (or during the past 12 months has the Applicant been) in breach, violation or waiver of any debt covenants? If "Yes", please attach a full description. Yes  No
9. In the past 24 months has the Applicant been the subject of or been involved in any litigation, including any antitrust, copyright or patent litigation? If "Yes", please attach a full description. Yes  No
10. In the past 24 months (or in the next 18 months), has the Applicant experienced (or is the Applicant contemplating) any of the following:
- a) Taxable or Tax Exempt Bond Offerings? Yes  No
  - b) Changes to its Board of Directors or to its Key Executives? Yes  No
  - c) Reorganization or bankruptcy filing? Yes  No

If "Yes", please attach a full description

### III. EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

11. Does the Applicant have written procedures regarding:

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| a) Equal Opportunity Employment?                         | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b) Employment at Will?                                   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c) Code of Conduct?                                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d) Discipline?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| e) Sexual Harassment/Discrimination Policy and Training? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| f) Diversity Policy & Training?                          | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| g) ADA accommodation?                                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| h) Employee or Executive Termination?                    | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| i) Performance Review/Promotion?                         | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| j) Employee conduct when dealing with third parties?     | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| k) Family and Medical Leave Act (FMLA)?                  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

12. Are the above policies distributed via handbook and signed and returned by each employee? Yes  No

13. Is the Applicant or any of its subsidiaries currently undergoing or contemplating undergoing during the next 12 months any employee layoffs or early retirements (including any type of company restructuring or office, plant or store closing)? Yes  No   
 If "Yes", please attach a full description.

14. Has the Applicant been involved in employment or labor related litigation resulting in payment (including claims expenses) greater than \$25,000, during the past 3 years? Yes  No   
 If "Yes", please attach a full description.

15. U.S. Salary Ranges:

Employee Salary Ranges	% in Range Current Year	% in Range Previous Year
Up to \$50,000	%	%
\$50,000 - \$125,000	%	%
Over \$125,000	%	%

### IV. FIDUCIARY LIABILITY COVERAGE PART

16. Please list the names and types of Applicant's employee benefits plan(s). Attach additional pages if needed.

Plan Names (Do not include Health and Welfare Plans)	Plan Assets (Current Year)	Type of Plan*	Number of Participants	Funding % (DB Only)
	\$			%
	\$			%
	\$			%
	\$			%

\*Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)

17. In the past two years, has the Applicant merged or terminated any plan(s)? If "Yes", please attach details including transaction date, status of asset distribution, whether similar benefits are being offered, and name of insurance carrier if terminated plan benefits are secured by insurance. Yes  No

18. Are any plans NOT in compliance with plan agreements or ERISA? If "Yes", please attach a detailed explanation. Yes  No
19. Is any plan a cash balance or pension equity plan, or is any conversion to such plan being contemplated? If "Yes", please attach a full description. Yes  No
20. Does the Applicant perform regular audits as to the reasonableness of the fees charged to or paid by the Applicant's benefit plans? If "No", please attach a full description. Yes  No

#### V. CRIME COVERAGE PART

21. Are international and domestic purchasing, inventory and payables procedures and controls consistent? If No, please attach an explanation. Yes  No
22. Does the Applicant have a procedure where all checks need to be countersigned?  
If Yes, above what amount? \$ \_\_\_\_\_ Yes  No
23. Does the Applicant utilize a Positive Pay System? Yes  No
24. Does the Applicant have a process that requires all expense reimbursements to require original receipts and management approval at the next management level before releasing? Yes  No
25. Does the Applicant have an anti-fraud hotline reporting mechanism in place for employees to communicate suspicious activity? Yes  No
26. Are systems designed to prevent one employee from controlling a transaction from beginning to end (e.g. approve a voucher, request, and sign a check)? Yes  No
27. Are bank accounts reconciled monthly by someone not authorized to make deposits, withdrawals, or write checks? Yes  No
28. Does the Applicant maintain a control that prohibits employees whom have access to the purchasing system from also having access to the accounts payable system? Yes  No
29. Are the Applicant's internal controls such that no one employee can add a vendor to the master vendor list or edit current vendor information? Yes  No
30. Does the Applicant conduct background screening on its employment applicants':
- |   |                              |                             |
|---|------------------------------|-----------------------------|
| 1. Prior employment references?   | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. Criminal history?  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. Credit history in the case of employees who are in the finance department to detect higher risk employees? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
31. Does the Applicant have a process to detect fictitious employees in its payroll system? Yes  No

32. Does the Applicant have inventory? If Yes, please answer the following questions:
- a) Does the Applicant have physical safeguards such as surveillance, security and lockup procedures? Yes  No
  - b) Does the Applicant perform a physical count of inventory at least on an annual basis? Yes  No
  - c) Is inventory counted and audited by someone other than the person in charge of day-to-day management of inventory? Yes  No
  - d) Does the Applicant have any inventory considered to be precious or highly valued such as Gold, Silver, Platinum, Diamonds, Copper wire or similar highly valued metals or stones? Yes  No
  - e) Is the authority to initiate and approve all wire transfers separated amongst different employees? Yes  No
33. Before an employee completes a wire transfer are bank account information verified and a verbal confirmation made via a phone call to the recipient? Yes  No
34. Does the Applicant confirm all changes to vendor and supplier details by a direct call using previously provided contact information? Yes  No
35. Does the Applicant's email server use authentication to detect Spoofed emails from a fraudulent domain? Yes  No
36. Does the Applicant perform funds transfers to companies outside the United States? Yes  No   
If "Yes," please attach a list of countries: \_\_\_\_\_
37. Does the Applicant accept funds transfer instructions from clients over the telephone? Yes  No
38. Does the Applicant perform ongoing anti-fraud training to all employees of the organization including but not limited to detection of social engineering, phishing and other scams? Yes  No
39. How many Employees handle, have access to or maintain records of money, securities or other property including, but not limited to, directors, officers, trustees and any person handling or having access to employee welfare or benefit plan assets: \_\_\_\_\_

## VI. CYBER COVERAGE PART

For coverage under the **CYBER COVERAGE PART**, please complete separate **CYBER NEW BUSINESS APPLICATION**, attached hereto.

## VII. EMPLOYED LAWYERS LIABILITY COVERAGE PART

40. Total Number of Employed Lawyers: \_\_\_\_\_
41. Average number of years' experience for all Employed Lawyers: \_\_\_\_\_
42. Does the Applicant utilize outside counsel for legal resources? If "Yes", please attach a full description. Yes  No
43. Do any Employed Lawyers provide legal services to third parties, including Moonlighting? If "Yes", please attach a full description. Yes  No

**VIII. MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART**

44. Average # of years' experience in Practice for all Principals/Partners/Officers/Professional Employees: \_\_\_\_\_
45. Is a written contract required for each client? If yes, please attach a sample. Yes  No
46. Does the Applicant require evidence of E&O insurance for all sub-contractors, if used? Yes  No
47. Describe the Applicant's 5 largest projects during the past 3 years:

Client Name	Professional Service Description	Annual Revenue (\$)
		\$
		\$
		\$
		\$
		\$

**IX. KIDNAP AND RANSOM COVERAGE PART**

48. Please provide details of employee travel to foreign countries, or employees located in such countries:

Country	Number of Annual Trips	Number of Locations	Security Precautions Taken, Including Travel Advisory Policies

**X. PRIOR KNOWLEDGE**

No person or entity proposed for coverage is aware of any fact, circumstance, error or omission which he or she has reason to believe might give rise to any Claim that would fall within the scope of the proposed coverage, except:

NONE or  YES. (If "Yes", provide full details on a separate sheet.)

IF ANY PERSON PROPOSED FOR COVERAGE IS AWARE OF ANY FACT OR CIRCUMSTANCE OR ANY ACTUAL OR ALLEGED ERROR OR OMISSION WHICH HE OR SHE HAS REASON TO BELIEVE MIGHT GIVE RISE TO A CLAIM THAT WOULD FALL WITHIN THE SCOPE OF THE PROPOSED COVERAGE. WHETHER OR NOT DISCLOSED ABOVE, THEN ANY CLAIM ARISING THEREFROM IS EXCLUDED FROM THE PROPOSED COVERAGE.

**XI. SIGNATURE**

**This Application must be signed by the Chief Executive Officer, Chief Financial Officer, or General Counsel of the Named Applicant or their functional equivalent.**

**By signing this Application, I agree to conduct electronic commerce and to accept an electronic insurance policy and other documents issued by Everest. I acknowledge that I may request a written policy.**

The undersigned declares that to the best of his/her knowledge, after reasonable inquiry, the statements herein are true. It is agreed that this Application shall be the basis of the contract should a Policy be issued. The Insurer is hereby authorized to make any investigation and inquiry in connection with this Application as they may deem necessary. The Company will have relied upon such Applicant, attachments, and such other information submitted therewith in issuing such policy. The undersigned further certifies that he/she has read the applicable fraud notices referenced below in this Application and that none of the information provided herein has been provided in violation of any applicable insurance fraud laws or regulations.

***A POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS PROPERLY SIGNED AND DATED***

Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**XII. FRAUD STATEMENTS**

**GENERAL STATEMENT**

Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties.