

**EVEREST EXPEDITIONSM PRIVATE COMPANY MANAGEMENT LIABILITY POLICY
NEW BUSINESS APPLICATION - PENNSYLVANIA**



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 APPLICABLE. CLAIM EXPENSES WOULD BE INCLUDED WITHIN THE RETENTION AND WOULD REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS.

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 (attach additional pages if necessary) and submit all requested materials.

This Application consists of the information contained herein, all materials submitted herewith (including any Supplemental Application 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. In the past 24 months (or in the next 18 months), has the Applicant experienced (or is the Applicant contemplating) any actual, negotiated, or attempted mergers, acquisitions, or divestments? If “Yes”, please attach a full description. Yes No

3. 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

4. Total Number of Locations: Total Number of Locations Outside the U.S.:

5. Financial Information: Most recent FYE: Prior FYE:

Based on Financial Statements Dated:	/ /	/ /
Total Consolidated Assets	\$	\$
Total Consolidated Liabilities	\$	\$
Total Consolidated Revenue	\$	\$
Net Income/Net Loss	\$	\$
Cash Flow From Operations	\$	\$

6. 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:					
Total					

7. Coverage Requested:

Coverage Part	Limit	Retention or Deductible	Shared Limit Requested
Directors and Officers Liability	\$	\$	
Employment Practices Liability	\$	\$	
Fiduciary Liability	\$	\$	
Crime	\$	\$	NA
Employed Lawyers Liability	\$	\$	
Kidnap and Ransom	\$	\$	NA

II. DIRECTORS AND OFFICERS LIABILITY COVERAGE PART

8. Does any shareholder of the Applicant own five percent (5%) or more of the voting shares directly or beneficially? Attach additional pages if needed.

Shareholder	Ownership	Board Representation?	
		Yes	No
	%	Yes	No
	%	Yes	No
	%	Yes	No
	%	Yes	No

9. 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) Public or private offering of securities? | 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

10. 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

III. EMPLOYMENT PRACTICES LIABILITY COVERAGE PART

11. Does the Applicant have written procedures regarding:

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

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)? If "Yes", please attach a full description. Yes No

14. 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		
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IV. FIDUCIARY LIABILITY COVERAGE PART

15. 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)

- | | | |
|---|-----|----|
| <p>16. 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.</p> | Yes | No |
| <p>17. Are any plans NOT in compliance with plan agreements or ERISA? If “Yes”, please attach a detailed explanation.</p> | Yes | No |
| <p>18. 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.</p> | Yes | No |
| <p>19. 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.</p> | Yes | No |

V. CRIME COVERAGE PART

- | | | |
|---|-----|----|
| <p>20. Are international and domestic purchasing, inventory and payables procedures and controls consistent? If No, please attach an explanation.</p> | Yes | No |
| <p>21. Does the Applicant have a procedure where all checks need to be countersigned?
If Yes, above what amount? \$</p> | Yes | No |
| <p>22. Does the Applicant utilize a Positive Pay System?</p> | Yes | No |
| <p>23. 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?</p> | Yes | No |
| <p>24. Does the Applicant have an anti-fraud hotline reporting mechanism in place for employees to communicate suspicious activity?</p> | Yes | No |
| <p>25. 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)?</p> | Yes | No |
| <p>26. Are bank accounts reconciled monthly by someone not authorized to make deposits, withdrawals, or write checks?</p> | Yes | No |

27. 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
28. 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
29. Does the Applicant conduct background screening on its employment applicants':		
1. Prior employment references?	Yes	No
2. Criminal history?	Yes	No
3. Credit history in the case of employees who are in the finance department to detect higher risk employees?	Yes	No
30. Does the Applicant have a process to detect fictitious employees in its payroll system?	Yes	No
31. 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
32. 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
33. Does the Applicant confirm all changes to vendor and supplier details by a direct call using previously provided contact information?	Yes	No
34. Does the Applicant's email server use authentication to detect Spoofed emails from a fraudulent domain?	Yes	No
35. Does the Applicant perform funds transfers to companies outside the United States? If "Yes," please attach a list of countries:	Yes	No
36. Does the Applicant accept funds transfer instructions from clients over the telephone?	Yes	No
37. 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

VI. EMPLOYED LAWYERS LIABILITY COVERAGE PART

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

If "Yes", please attach a full description.

VII. MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART

42. Average # of years' experience in Practice for all Principals /Partners/Officers/Professional Employees:

43. Is a written contract required for each client? If yes, please attach a sample. Yes No

44. Does the Applicant require evidence of E&O insurance for all sub-contractors, if used? Yes No

45. Describe the Applicant's 5 largest projects during the past 3 years:

Client Name	Professional Service Description	Annual Revenue (\$)

VIII. KIDNAP AND RANSOM COVERAGE PART

46. 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

IX. PRIOR KNOWLEDGE (DO NOT COMPLETE FOR RENEWAL LIMITS ALREADY PURCHASED)

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.

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:

X. 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.