

Professional Liability: Franchisors Supplement

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UNDERWRITERS
Division of Specialty Program Group, LLC

The Applicant is applying for CLAIMS-MADE Professional Liability POLICY which, if issued, applies only to CLAIMS FIRST MADE AND REPORTED DURING THE POLICY PERIOD. The LIMIT OF LIABILITY available to pay DAMAGES will reduce and may be exhausted by the payment of CLAIM EXPENSES.

Applicant means all disclosed corporations, organizations or other entities, including subsidiaries, proposed for this coverage. Please complete all questions with an answer, if question is not applicable then answer with N/A.

1. Applicant Information:

Name of Applicant: _____

How long has the Applicant been franchising: _____

Number of franchisees: _____

Number of terminated contracts: _____

Total number of franchised units: _____

Number of non-renewed contracts: _____

2. Does the Applicant debrief prospective franchisees prior to execution of the franchise agreement?

No Yes

(Please provide Sample Copy of Franchiser/Franchisee Agreement)

3. Does the Applicant sell franchises utilizing salespersons who are not employed by the applicant?

No Yes

If "Yes", please provide details:

4. Does the Applicant have a franchisee director's compliance program?

No Yes

If "Yes", please provide the following:

a. Individual's Name: _____

b. Does this individual have additional responsibilities? No Yes

If "Yes", please provide details

c. Please provide the background and the employment history of the person identified above.

5. Briefly describe the process for selecting and qualifying prospective franchisees.

6. Please provide the name of the law firm(s) (if any) which has, or currently assists the Applicant with franchise contracts and/or franchise registration disclosure statements and/or franchise disputes.

7. Please provide details of any procedures, precautions or safeguards the Applicant has in place with respect to resolving disputes with franchisees.

8. For each Franchise sold, please identify if the Applicant maintains records of the following information:

a. Record of date of first contract	No	Yes	N/A
b. Record of date and place of first personal meeting	No	Yes	N/A
c. Franchise Applications	No	Yes	N/A
d. Investigative reports or testing regarding prospective Franchises	No	Yes	N/A
e. Rates related correspondence, memoranda and notes of conference	No	Yes	N/A
f. Copies of franchise offering and dates of delivery	No	Yes	N/A
g. Copies of all executed agreements and riders, addenda, and exhibits	No	Yes	N/A
h. Properly completed, signed receipts to all offering circulars, contracts and other disclosure materials delivered to franchisers	No	Yes	N/A
i. Record of date and price(s) franchise was commenced and completed	No	Yes	N/A
j. Evidence that franchisers successfully completed training	No	Yes	N/A
k. Applicant's assistance in connection with the opening of the Franchiser's business	No	Yes	<input type="radio"/> N/A

Please submit the following documentation along with this Form:

Sample Copy of Franchiser/Franchisee Agreement

FALSE INFORMATION

THIS SUPPLEMENT WILL BE ATTACHED TO AND BECOMES A PART OF THE MISCELLANEOUS PROFESSIONAL LIABILITY POLICY APPLICATION. IT IS SUBJECT TO THE SAME PROVISIONS CONCERNING REPRESENTATIONS MADE AS IN THE BASIC APPLICATION.

Signature: _____

Title: _____

Date: _____

This application form duly completed, together with any supplementary information, must be signed in ink or by electronic signature by an authorized representative.

Signing of this form does not bind the applicant or the Underwriters to complete this insurance.