



Supplemental Application
for
Miscellaneous Professional Liability
Insurance Policy

THIS IS A CLAIMS MADE AND REPORTED INSURANCE POLICY. READ IT CAREFULLY.

FRANCHISORS SUPPLEMENTAL APPLICATION

Name of Applicant's Firm: _____

Street Address: _____

City, State, Zip: _____

1. Describe the nature of your franchise: _____

2. Number of active franchisees? _____

3. Number of closed franchises in the past 12 months? _____

4. Number of company owned operations? _____

5. Average length of franchisee relationship? _____

6. Year your first franchise was sold? _____

7. Do you have any franchises outside of the United States? ☐ Yes ☐ No
If yes, list how many and current locations. _____

| 8. Estimated Fees: | <u>Current</u> | <u>Next Year</u> |
|---|----------------|------------------|
| a. Revenues from Initial investment/startup fees: | _____ | _____ |
| b. Revenues from product sales to franchisees, reoccurring fees, royalties, and other fees: | _____ | _____ |
| c. Other Revenue (<i>describe</i>): | _____ | _____ |

9. Do you require franchisees to carry insurance? ☐ Yes ☐ No
If yes, describe type: _____
If no, explain: _____

10. Has the Applicant or any director, officer, employee or partner ever filed for bankruptcy or reorganization? ☐ Yes ☐ No

11. Do you provide training to franchisees? ☐ Yes ☐ No
If yes, provide detailed description of all training programs: _____

12. What is your policy regarding "potential earnings" claims? _____

13. Have you developed policies and procedures for franchises? ☐ Yes ☐ No
If yes, are such policies and procedures mandated under the franchisee contract? ☐ Yes ☐ No

14. Do you perform any other activities or services not previously referenced above for which coverage is desired? ☐ Yes ☐ No
If yes, explain: _____
15. Have the Franchise Disclosure Documents (FDD) been amended / revised in the past 5 years? ☐ Yes ☐ No
16. Was the FDD drafted by outside counsel? ☐ Yes ☐ No

Submit the following along with this information request:

- ☐ Complete claims information ☐ Copy of the FDD document
☐ Sample Franchiser/Franchisee Agreement ☐ Copy of the most recent audited financial statements
☐ All available written guidelines on the process of selling a franchise.

FRAUD WARNINGS

FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other 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 such person to criminal and civil penalties.

ALABAMA, ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA FRAUD WARNING: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

CALIFORNIA FRAUD WARNING: For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison

COLORADO FRAUD WARNING: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

D.C. FRAUD WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA FRAUD WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer, files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

KENTUCKY FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

MAINE FRAUD WARNING: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.

MARYLAND FRAUD WARNING: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NEW JERSEY FRAUD WARNING: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NEW MEXICO FRAUD WARNING: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

OHIO FRAUD WARNING: Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA APPLICANTS: Warning: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of a fraudulent insurance act, which may subject such person to prosecution for insurance fraud.

PENNSYLVANIA FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other 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 such person to criminal and civil penalties.

TENNESSEE FRAUD WARNING: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

VIRGINIA AND WASHINGTON FRAUD WARNING: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

NEW YORK FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other 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 shall also be subject to a civil penalty not to exceed five thousand dollars (\$5,000.00) and the stated value of the claim for each such violation.

Applicant: _____ Title: _____

Applicant's Signature: _____ Date: _____

Agent/Broker
Name & Address: _____

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

This Application must be signed by the Applicant.

Signature Title Date

NOTE: This Application including any material submitted herewith shall be treated in strictest confidence.

Please submit this Application including appropriate documentation to:

Great American Insurance Group, Professional Liability Division