



Franchisor Supplemental Application

Full name of the Applicant Firm: _____

1. Describe the nature of your franchise: _____

2. Number of active franchisees: _____

3. Number of closed franchisees in 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 franchisees 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 franchise fees:	_____	_____
b. Revenues from product sales:	_____	_____
c. Reoccurring fees, royalties and other fees:	_____	_____
d. Other Revenue (describe): _____	_____	_____

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

If no, explain: _____

10. Has franchise ever filed for bankruptcy or reorganization? ☐ Yes ☐ No
If yes, please explain: _____

11. Do you provide services to franchisees, i.e. training, marketing/advertising services? ☐ Yes ☐ No
If yes, provide detailed description of all services: _____

12. Do you offer any "potential earnings" or guarantees of earnings? ☐Yes ☐ No
If yes, please explain: _____

13. Have you developed policies and procedures for franchises? ☐Yes ☐ No
If yes, is their use 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, please explain: _____

15. Describe any established procedures, precautions or safeguards you have in place with respect to resolving disputes with franchisees: _____

Submit the following additional information:

- | | |
|---|--|
| ☐ Complete Claims Information | ☐ Copy of the FDD document |
| ☐ Sample Franchiser/Franchisee Agreement | ☐ Copy of most recent audited financial statement |
| ☐ All available written guidelines on the process of selling a franchise | |

Maryland Applicants Only - A binder or policy is subject to a 45-day underwriting period beginning on the effective date of coverage. An Insurer may cancel a binder or policy during the underwriting period if the risk does not meet our underwriting standards of the Insurer. If the Insurer discovers a material risk factor during the underwriting period, the Insurer shall recalculate the premium for the policy or binder based on the material risk factor as long as the risk continues to meet the underwriting standards of the Insurer.

FRAUD WARNING STATEMENTS

ATTENTION ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, RHODE ISLAND AND WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

ATTENTION COLORADO APPLICANTS: 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 POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER 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.

ATTENTION FLORIDA APPLICANTS: 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.

ATTENTION KANSAS APPLICANTS: INSURANCE FRAUD IS A CRIMINAL OFFENSE IN KANSAS. A "FRAUDULENT INSURANCE ACT" MEANS AN ACT COMMITTED BY ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN ELECTRONIC, ELECTRONIC IMPULSE, FACSIMILE, MAGNETIC, ORAL, OR TELEPHONIC COMMUNICATION OR STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO. IN THE STATE OF KANSAS, COVERAGE FOR LOSS RESULTING FROM ILLEGAL ACTIVITY IS SUBJECT TO KANSAS LAW (AND SUBJECT TO FEDERAL LAW, WHERE APPLICABLE). COVERAGE MAY THEREFORE BE LIMITED TO DEFENSE COSTS RELATED THERETO.

ATTENTION KENTUCKY, OHIO AND PENNSYLVANIA APPLICANTS: 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.

ATTENTION LOUISIANA, MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: 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 A DENIAL OF INSURANCE BENEFITS.

ATTENTION NEW HAMPSHIRE AND NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION TO THE BEST OF HER/HIS KNOWLEDGE ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

ATTENTION NEW MEXICO APPLICANTS: 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.

ATTENTION 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.

ATTENTION OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAY BE VIOLATING STATE LAW.

ATTENTION TEXAS APPLICANTS: 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 THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES AND ACKNOWLEDGES THAT:

- THE POLICY CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT DEFENSE COSTS WILL REDUCE THE LIMIT OF LIABILITY AND MAY EXHAUST IT COMPLETELY AND SHOULD THAT OCCUR, THE INSURED SHALL BE LIABLE FOR ANY FURTHER LOSS, INCLUDING DEFENSE COSTS. IN ADDITION, DEFENSE COSTS ARE APPLIED AGAINST THE RETENTION.

- THE STATEMENTS SET FORTH HEREIN ARE TRUE AND COMPLETE¹. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, THE UNDERSIGNED WILL, IN ORDER FOR THE INFORMATION TO BE TRUE AND COMPLETE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS, AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE². THE "EFFECTIVE DATE" IS THE DATE THE COVERAGE IS BOUND OR THE FIRST DAY OF THE POLICY PERIOD, WHICHEVER IS LATER. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE DEEMED ATTACHED TO AND BECOME A PART OF THE POLICY³. ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

1- In New Hampshire the truth and completeness shall be to the best of her/his knowledge.

2- In Maine this sentence ends at the word "quotations."

3- The application shall actually attach in the following states: North Carolina

THIS APPLICATION MUST BE SIGNED BY THE APPLICANT'S CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, PRESIDENT OR BOARD CHAIRMAN.

ATTENTION NEW YORK APPLICANTS: 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 AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____ DATE: _____

Additionally required of applicants in Florida, Iowa & New Hampshire

Name of Agent _____

(Required: Florida, Iowa & New Hampshire only)

Agent License #: _____

(Required: Florida only)

Print Name: _____

Name of Agency: _____

Address: _____

Date: _____

Agent Signature: _____

(Required: Florida & New Hampshire only)

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:

<Enter the address and phone number of the local The Hartford office.>