



Name of Insurance Company to which application is made

**FRANCHISORS
SUPPLEMENTAL APPLICATION**

This is an application for a CLAIMS-MADE AND REPORTED Policy

If a policy is issued this application will attach to and become part of the policy, therefore, it is important all questions are answered accurately.

- Please answer all questions completely.
 - If there is insufficient space to complete an answer, please continue on a separate sheet of the firm's letterhead. Indicate number of question.
 - This form must be completed, signed, and dated by a principal, partner or officer of the firm.
 - Please type or print.
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- 1) Name of Applicant Franchisor: _____
 - 2) How long has Applicant been franchising? _____
 - 3) How many units does the Applicant own? _____
 - 4) How many units are franchised? _____
 - 5) Describe the nature of your franchise (**If necessary, please submit description by attachment should space not be sufficient**):

 - 6) Number of active franchises: _____ Number of inactive franchises: _____
 - 7) Number of corporately owned franchises: _____ Number of independent franchises: _____
 - 8) How many franchises have experienced a change in legal or beneficial ownership within the past year? _____
 - 9) How many franchises have experienced a change in legal or beneficial ownership within the past three years? _____
 - 10) The year that your first franchise was sold: _____
 - 11) Do you have a franchise disclosure compliance program? Yes No **If yes, please provide a description of the program via an attachment. If not, please explain.**
 - 12) Do you have an employee that oversees this program? Yes No **If yes, please submit individual's resume/employment history and please also identify this individual:** _____ **Does this individual perform these services on a full-time basis?** Yes No **If not, please list other responsibilities.**
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- 13) Do you have a written process for selecting and qualifying prospective franchisees? Yes No **If yes, please provide a copy via attachment. If not, please explain.**

- 14) Do you debrief prospective franchisees prior to execution of franchise agreement? Yes No **If yes, please describe the process:**

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|----------------------------|----------------|-----------------------|
| | <u>Current</u> | <u>Est. Next Year</u> |
| 15) Initial franchise fee: | _____ | _____ |
| Periodic franchise fee: | _____ | _____ |
| Your total gross revenue: | _____ | _____ |
- 16) Do you provide a referral service, buying service, salvage service or computer service to its members? Yes No **If yes, please provide an explanation via attachment:**

- 17) Do you promote or sponsor any type of group travel, conventions, or other similar events, or assume any liability in connection with the services mentioned above? Yes No **If yes, please provide an explanation via attachment:**

- 18) Do you promote, sponsor or provide any type of insurance to your franchisees? Yes No **If yes, please provide an explanation via attachment:**

- 19) Have you developed standards, which are used to evaluate the quality of goods, products manufactured, sold, handled or services provided by franchisees? Yes No **If yes, please provide an explanation via attachment:**

- 20) Do you act as a sponsor, or participate in a review group or committee for assessing the qualifications and performance of franchisees or the quality of products manufactured, sold, handled or distributed or services provided by franchisees? Yes No **If yes, please provide an explanation via attachment:**

- 21) Do you take any disciplinary action or recommend disciplinary action as a result of review group activities? Yes No **If yes, please provide an explanation via attachment:**

- 22) Do you act as a fiduciary or administrator under the Employee Retirement Income Security Act of 1974? Yes No **If yes, please provide an explanation via attachment:**

- 23) Are you engaged in any form of research, development, experimentation, or testing of goods or services sold or used by a franchisee? Yes No **If yes, please provide an explanation via attachment:**

- 24) Are the same set of procedures used with respect to corporately owned franchises versus independent franchises? Yes No **If no, please provide an explanation via attachment:**

- 25) Have any franchises been closed or terminated within the past three years? Yes No **If yes, please provide a list along with brief description:**
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- 26) Do you sell franchises using salespersons other than your own employees? Yes No **If yes, please identify:**
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- 27) In the case of a struggling franchise, do you have policies and procedures in place to deal with this issue? Yes No **If no, please provide an explanation:**
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- 28) Do you provide territorial exclusivity to your franchisees? Yes No **If yes, please provide details via attachment. If no, please provide an explanation:**
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- 29) Describe any established procedures, precautions or safeguards you use or take with respect to resolving disputes with franchisees:
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- 30) Are there now or have there ever been any existing disputes or litigation between the applicant franchisor and any franchisees? Yes No **If yes, please provide a detailed explanation via separate attachment:**
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- 31) Have any regulatory inquiries or actions been made against the applicant franchisor in the past five (5) years? Yes No **If yes, please provide a detailed explanation via separate attachment:**
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- 32) Please describe the qualifications for franchise ownership and submit a copy of a standard franchise offering circular/franchise agreement:
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ARKANSAS 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 FINES AND CONFINEMENT IN PRISON.

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.

DISTRICT OF COLUMBIA APPLICANTS: 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 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.

HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

LOUISIANA 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 FINES AND CONFINEMENT IN PRISON.

KENTUCKY APPLICANTS: 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 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.

NEW JERSEY APPLICANTS: 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 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.

NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR COMMERCIAL INSURANCE OR A STATEMENT OF CLAIM FOR ANY COMMERCIAL OR PERSONAL INSURANCE BENEFITS CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, AND ANY PERSON WHO, IN CONNECTION WITH SUCH APPLICATION OR CLAIM, KNOWINGLY MAKES OR KNOWINGLY ASSISTS, ABETS, SOLICITS OR CONSPIRES WITH ANOTHER TO MAKE A FALSE REPORT OF THE THEFT, DESTRUCTION, DAMAGE OR CONVERSION OF ANY MOTOR VEHICLE TO A LAW ENFORCEMENT AGENCY, THE DEPARTMENT OF MOTOR VEHICLES OR ANY INSURANCE COMPANY, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL BE ALSO SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE VALUE OF THE SUBJECT MOTOR VEHICLE OR STATED CLAIM FOR EACH VIOLATION.

OHIO APPLICANTS: ANY PERSON WHO, WITH 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 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 MAYBE VIOLATING STATE LAW.

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.

TENNESSEE: 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 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 INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

I UNDERSTAND INFORMATION SUBMITTED HEREIN BECOMES A PART OF MY MISCELLANEOUS PROFESSIONAL LIABILITY APPLICATION AND IS SUBJECT TO THE SAME WARRANTY AND CONDITIONS.

Name: _____

Title: _____

Signature: _____

Date: _____

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:

Hartford Financial Products
2 Park Avenue
New York, N.Y. 10016