

Completed by any franchisee — single-unit or multi-unit — in addition to the supplemental for its type of operation (restaurant, fitness, home services, retail, and so on). Covers what the franchise agreement requires and the exposures of operating under a franchisor's brand, systems, vendors, and technology. Complete with ACORD 125. Attach the insurance section of the franchise agreement and the franchisor's current insurance requirements.

1 APPLICANT / FRANCHISE INFORMATION

LEGAL BUSINESS NAME (FRANCHISEE ENTITY)	BRAND / FRANCHISE SYSTEM	FEIN	YEARS AS FRANCHISEE
MAILING ADDRESS	CITY / STATE / ZIP	FRANCHISOR NAME	

Entity type:
☐ Sole proprietor ☐ Partnership ☐ LLC ☐ Corporation ☐ Other

PRIMARY CONTACT / TITLE	PHONE	EMAIL

FRANCHISE AGREEMENT EXPIRATION / RENEWAL DATE	INDUSTRY OF THE FRANCHISE (SEE OPERATION FORM)

2 OPERATIONS

DESCRIPTION OF THE FRANCHISE OPERATION (CONCEPT, SERVICES, TERRITORY, CUSTOMERS)

LOCATION ADDRESS	OPENED	ANNUAL SALES (\$)

Franchise model (check all):

- ☐ Single unit ☐ Multi-unit ☐ Area developer ☐ Mobile / home-based ☐ Co-branded location
☐ Located in host site (mall, airport, campus)

Size and volume:

- Units open Units under development Employees (all units) Vehicles States operated in

3 EXPOSURE & RISK QUESTIONS — FRANCHISE AGREEMENT & INSURANCE REQUIREMENTS

Franchise agreements set minimum limits, require the franchisor to be named as additional insured, and often require specific coverages; a gap can be a default under the agreement as well as an uninsured loss.

3-1 Does the franchise agreement set minimum limits that every current policy meets or exceeds? ☐ Yes ☐ No
 IF YES, EXPLAIN

3-2 Is the franchisor (and its affiliates) named as additional insured on GL, auto, and umbrella as required? ☐ Yes ☐ No
 IF YES, EXPLAIN

3-3 Does the agreement require waiver of subrogation, primary and non-contributory wording, or notice of cancellation? ☐ Yes ☐ No
 IF YES, EXPLAIN

3-4 Does the franchisor require specific coverages (EPL, cyber, crime, liquor, abuse) beyond GL? ☐ Yes ☐ No
 IF YES, EXPLAIN

3-5	Does the franchisor offer or require a franchise insurance program or approved carrier list?	☐ Yes ☐ No
IF YES, EXPLAIN		
3-6	Has the franchisor issued a notice of default, cure demand, or termination threat in the last 3 years?	☐ Yes ☐ No
IF YES, EXPLAIN		
3-7	Has the applicant personally guaranteed the franchise agreement, lease, or loans?	☐ Yes ☐ No
IF YES, EXPLAIN		
3-8	Has the applicant had a dispute with the franchisor over fees, territory, or system changes?	☐ Yes ☐ No
IF YES, EXPLAIN		

4 EXPOSURE & RISK QUESTIONS — BRAND SYSTEMS, EMPLOYEES & TECHNOLOGY

Who is the employer when a franchisor controls schedules, training, or software is still contested; in 2024 a federal court vacated the NLRB's broad joint-employer rule.

4-1	Does the franchisor's software set schedules, pay rates, or employee policies at the applicant's locations?	☐ Yes ☐ No
IF YES, EXPLAIN		
4-2	Do employee handbooks and HR practices come from the franchisor, and are they reviewed for local law?	☐ Yes ☐ No
IF YES, EXPLAIN		
4-3	Does the franchisor's point-of-sale or app system store customer payment or personal data?	☐ Yes ☐ No
IF YES, EXPLAIN		
4-4	Has a brand-wide data breach, outage, or recall affected the applicant's locations?	☐ Yes ☐ No
IF YES, EXPLAIN		
4-5	Must the applicant buy products or supplies only from franchisor-approved vendors?	☐ Yes ☐ No
IF YES, EXPLAIN		
4-6	Do vendor and franchisor contracts make the applicant indemnify the franchisor for claims at its locations?	☐ Yes ☐ No
IF YES, EXPLAIN		
4-7	Would the loss of one location or a franchisor-ordered closure stop most of the applicant's income?	☐ Yes ☐ No
IF YES, EXPLAIN		

5 PAYROLL, SALES & REVENUE

TOTAL ANNUAL PAYROLL (\$, ILLUSTRATIVE)	NUMBER OF EMPLOYEES	ROYALTY & MARKETING FEES PAID (\$, ILLUSTRATIVE)
PROJECTED ANNUAL GROSS SALES — ALL UNITS (\$, ILLUSTRATIVE)	PRIOR YEAR SALES (\$, ILLUSTRATIVE)	ONLINE / DELIVERY SALES (\$, ILLUSTRATIVE)

6 PRIOR INSURANCE & LOSS HISTORY

Attach currently-valued loss runs for all units for the last 5 years.

CURRENT GL CARRIER

CURRENT EPL CARRIER / LIMIT

UMBRELLA LIMIT

6-1 Has any carrier declined, cancelled, or non-renewed coverage for this business in the last 5 years?

☐ Yes ☐ No

IF YES, EXPLAIN

6-2 Has an employee or customer named both the applicant and the franchisor in a lawsuit?

☐ Yes ☐ No

IF YES, EXPLAIN

DATE OF LOSS	DESCRIPTION	TOTAL INCURRED (\$, ILLUSTRATIVE)	OPEN / CLOSED

6-3 Is the applicant aware of any incident, complaint, or circumstance not yet resulting in a claim that could reasonably give rise to one?

☐ Yes ☐ No

IF YES, EXPLAIN

7 RISK MANAGEMENT & SAFETY

7-1 Are certificates of insurance sent to the franchisor before each renewal and kept on file?

☐ Yes ☐ No

IF YES, EXPLAIN

7-2 Are all locations audited for franchisor brand standards and safety at least annually?

☐ Yes ☐ No

IF YES, EXPLAIN

7-3 Is there a written plan for operating if the franchisor's systems go down?

☐ Yes ☐ No

IF YES, EXPLAIN

8 SIGNATURE & FRAUD WARNING

The undersigned declares that the statements and answers given in this supplemental are true, complete and correct to the best of their knowledge, and that no material fact has been withheld or misstated. The applicant agrees that this supplemental, together with all ACORD applications and attachments, forms the basis of any submission to insurers and may be relied upon by them. Signing this supplemental does not bind coverage. This supplemental is an intake document prepared by Cory Washington & Co. LLC to support carrier submission; it does not itself provide coverage.

FRAUD NOTICE: 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 and subjects such person to criminal and civil penalties. (State-specific fraud warnings apply; see state amendatory notice.)

APPLICANT / AUTHORIZED SIGNATURE (TYPE FULL NAME)

TITLE

DATE

PRODUCER — CORY WASHINGTON & CO. LLC

PRODUCER SIGNATURE (TYPE FULL NAME)

DATE