

Pull out your current policy and check the box next to any coverage you can confirm is already in place — anything unchecked is worth a quick conversation with your advisor. Coverage checklist for single- and multi-unit franchisees, to use alongside the checklist for your type of business. Priorities reflect typical exposure for this class; confirm against your franchise agreement's insurance requirements.

CORE **PREVALENT** **SITUATIONAL** — Core: almost always needed · Prevalent: commonly carried by businesses in this class · Situational: depends on specific exposure

COVERAGE	WHY THIS BUSINESS NEEDS IT	PRIORITY
☐ Commercial General Liability (Franchisor as Additional Insured)	Covers customer injuries at your locations and names the franchisor as your agreement requires.	CORE
☐ Property & Business Income	Covers build-out, equipment, and inventory, plus income and continuing royalties while closed.	CORE
☐ Workers' Compensation	Required by law and by nearly every franchise agreement.	CORE
☐ Employment Practices Liability	Covers wage, harassment, and wrongful termination claims — often required, and claims frequently name the franchisor too.	CORE
☐ Umbrella / Excess Liability	Adds the higher total limits most franchise agreements require.	CORE
☐ Cyber / Privacy Liability	Covers customer data on brand POS and apps, including your share of a brand-wide breach.	PREVALENT
☐ Commercial Auto / Hired & Non-Owned Auto	Covers service vehicles, deliveries, and staff errands.	PREVALENT
☐ Crime / Employee Theft	Covers cash and inventory theft; often required by the franchisor.	PREVALENT
☐ Contingent Business Income	Covers income lost when the franchisor's supplier, system, or brand event shuts you down.	SITUATIONAL
☐ Liquor Liability	Needed if your concept sells alcohol.	SITUATIONAL
☐ Abuse & Molestation	Needed for child-focused concepts (education, fitness, child care).	SITUATIONAL
☐ Equipment Breakdown	Covers kitchen, HVAC, and specialty equipment required by the brand.	SITUATIONAL

COMMON COVERAGE GAP FOR THIS CLASS

The gap most often missed by franchisees is the insurance section of their own franchise agreement. Agreements set minimum limits, require the franchisor to be named as additional insured on specific policies, and often require EPL, cyber, or crime coverage — and falling short can be a default, not just an uninsured loss. Employment claims add a second gap: workers often sue both you and the franchisor, and your indemnity may make you pay for both. Compare every policy to the agreement's requirements at each renewal, and confirm your EPL covers claims where the franchisor is also named.

IMPORTANT — PLEASE READ

This checklist is a free educational tool from Cory Washington & Co. to help you review your own coverage and have a more informed conversation with a licensed insurance professional. It is general information only — not insurance, legal, or financial advice, and not a recommendation to buy, change, or cancel any policy. The Core / Prevalent / Situational labels describe general patterns observed for this class of business — what is commonly carried, not a personalized recommendation or needs analysis for your specific operations. Coverage terms, availability, limits, and requirements vary by policy, carrier, and state, and only the language in your actual policy governs what is and isn't covered. Checking or leaving blank any item above does not indicate that you are adequately insured or under-insured. Using this checklist does not create a client, agency, or fiduciary relationship. Always consult a licensed professional about your specific situation.