

FRANCHISORS PROFESSIONAL LIABILITY SUPPLEMENTAL APPLICATION

I. INSTRUCTIONS

1. **Complete in addition to the Richmond National Miscellaneous Professional Liability Application.**
2. All application questions must be fully answered. If more space is needed, continue on a separate sheet and indicate the question number.
3. If a question does not apply, write "N/A".
4. Provide copies of:
 - a. Sample Franchiser/Franchisee Agreement
 - b. FDD document
 - c. All available written guidelines on the process of selling a franchise

II. GENERAL INFORMATION

Applicant Name: _____

Policy Number: _____

III. PROFESSIONAL SERVICES

1. Describe the nature of your franchise: _____
_____2. Number of Franchisees: _____
Number of closed franchisees in past twelve (12) months: _____
Number of company owned operations: _____

3. Average length of franchisee relationships: _____

4. Year your first franchise was sold: _____

5. Do you have franchisees outside the United States? ☐ Yes ☐ No**If yes**, list how many, current locations, and revenues derived from these locations: _____

6. 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 (describe)	_____	_____

7. Do you require franchisees to carry insurance? ☐ Yes ☐ No
If yes, describe type: _____
If no, explain: _____
8. Has the franchise ever filed for bankruptcy or reorganization? ☐ Yes ☐ No
9. Please provide available written guidelines on the franchise sales process.
a. Is there any "cooling off" period? ☐ Yes ☐ No
If no, explain: _____
- b. Does the Applicant videotape the sales presentations to prospective franchisees? ☐ Yes ☐ No
10. Do you provide training to franchisees? ☐ Yes ☐ No
If yes, please provide detailed description of all training programs: _____
11. What is your policy regarding "potential earnings" claims? _____
12. Have you developed policies and procedures for franchises? ☐ Yes ☐ No
If yes, is their use mandated under the franchisee contract? ☐ Yes ☐ No
13. Do you perform any other activities or services not previously referenced above for which coverage is desired? ☐ Yes ☐ No
If yes, please provide full details: _____

IV. FRAUD WARNINGS

General 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.

For applicants in the following states, districts, and territories, the below notice supersedes the previous paragraph:

Alabama	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.
Alaska	A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.
Arizona	For your protection Arizona law requires the following statement to appear on this form: Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.
Arkansas	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	<i>For your protection, California law requires the following to appear on</i>

	<i>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.</i>
Colorado	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 for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
Delaware	Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.
District of Columbia:	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	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Idaho	Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement containing any false, incomplete, or misleading information is guilty of a felony.
Indiana	A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.
Kentucky	Application: 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. Claim: Any person who knowingly and with intent to defraud any insurance company or other person files a 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.
Louisiana	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.
Maine	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.
Maryland	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.
Minnesota	A person who files a claim with intent to defraud, or helps commit a fraud against an insurer, is guilty of a crime.
New Hampshire	Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.
New Jersey	Claim: Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties. Application: 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	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	General: 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. Auto: Any person who 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 an insurance company, 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 value of the subject motor vehicle or stated claim for each violation.
Ohio	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	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.
Pennsylvania	General: 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. Auto: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.
Rhode Island	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.
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	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.
Washington	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.
West Virginia	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.

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

Name of Applicant:		
Signature of person authorized to execute on behalf of the Applicant:		Date:
Print name and title of person authorized on behalf of the Applicant:		
Agent/Broker Name:	_____	