



Miscellaneous PROtect<sup>SM</sup>  
Franchisors Supplemental Application

BY COMPLETING THIS APPLICATION, THE APPLICANT IS APPLYING FOR COVERAGE WITH EITHER **COLONY INSURANCE COMPANY**, **COLONY SPECIALTY INSURANCE COMPANY** OR **PELEUS INSURANCE COMPANY**, AN AUTHORIZED SURPLUS LINES INSURER OR **ARGONAUT INSURANCE COMPANY**, A LICENSED INSURER.

**INSTRUCTIONS –**

- Answer all questions. The information provided herein is considered material to our underwriting and pricing decision for the policy or additional coverage under consideration at the time this supplemental application is submitted.
- This form must be completed, dated and signed by an authorized officer of the Applicant to include this completed form as part of the Application.

1. Applicant Name (as identified in the application submitted for the proposed insurance):

2. Please provide answers to the following:  
How long has the Applicant been in franchising?   
How many units does the Applicant own?   
What is the total number of franchised units?   
What is the total number of units opened in the last year?   
What is the total number of units closed in the past year?

3. Does any subsidiary of the Applicant provide services to the franchisees?  Yes  No  
If "Yes", please provide full details.

4. Does the Applicant have a franchise disclosure compliance program?  Yes  No  
If "Yes", please provide full details.

5. Does the Applicant have a franchise disclosure regulation or general compliance officer?  Yes  No  
If "Yes", does this person have additional responsibilities?  Yes  No  
If "Yes", please describe the other responsibilities.

6. Briefly describe the process for qualifying and selecting prospective franchisees.

7. Does the Applicant sell franchises utilizing salespersons who are not employed by the Applicant?  Yes  No  
If "Yes", please describe sales personnel and their compensation structure.

8. Has the Applicant conducted background checks on sales personnel?  Yes  No  
 If "Yes", briefly explain the procedure.

9. Does the Applicant have programs for instructing sales personnel on legal restrictions?  Yes  No  
 If "Yes", briefly explain the procedure.

10. Describe any established procedures, precautions or safeguards the Applicant has in place with respect to resolving disputes with franchisees.

11. Provide the name of the law firm(s) (if any) which has assisted, or currently assists the Applicant with franchise contracts and/or franchise registration/disclosure matters and/or franchise disputes.

12. For each franchise sold, does the Applicant maintain records of the following information:

a.	Date of first contact?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
b.	Method of contact?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
c.	Date and place of first personal meeting?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
d.	Dates and places of subsequent contacts?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
e.	Identity of persons who met with franchisee and subjects discussed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
f.	Method by which franchisee learned about franchiser?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
g.	Franchise applications?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
g.	Investigative reports or tests regarding prospective franchisees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
i.	Sales related correspondence, memoranda and notes of conference?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
j.	Identity and involvement of professional advisors to franchisee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
k.	Copies of Franchise Disclosure Document(s) or offering circular(s) and contract(s) delivered, including dates of delivery?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
l.	Descriptions of any negotiations of the terms of a Franchise Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
m.	Copies of all executed agreements, including riders, addenda and exhibits?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
n.	Properly completed and signed receipts to all offering circulars, Franchise Disclosure Document(s), contracts and other disclosure materials delivered to franchisees?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
o.	Date(s) any agreements were executed by each party?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
p.	Consideration and date paid?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
q.	Date(s) and place(s) training was commenced and completed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
r.	Evidence that franchisees successfully completed training?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
s.	Site selection and the Applicant's role therein?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
t.	Construction of the outlet and the Applicant's role therein?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable
u.	Applicant's assistance in connection with the opening of the franchisee's business?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Not Applicable

13. The following information should be attached to the submission:

Copy of the Franchise Disclosure Document or franchise offering circular and all exhibits and amendments	<input type="checkbox"/> Attached
Copies of all current state orders of registration	<input type="checkbox"/> Attached
Schedule of all current franchisees listed by state	<input type="checkbox"/> Attached
Schedule of franchisees currently in default under their franchise agreements and type of default	<input type="checkbox"/> Attached
Copy sample franchise agreement	<input type="checkbox"/> Attached
Copy of operating manual and/or similar materials	<input type="checkbox"/> Attached

**THIS SUPPLEMENTAL APPLICATION IS INCORPORATED BY REFERENCE INTO THE PRIMARY APPLICATION**

APPLICANT'S SIGNATURE	DATE
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