

BEDFORD UNDERWRITERS, LTD.

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APPLICATION FOR FRANCHISORS ERRORS & OMISSIONS LIABILITY INSURANCE

(Claims Made Basis)

APPLICANT'S INSTRUCTIONS:

1. Answer all questions. If the answer requires detail, please attach a separate sheet.
2. Application must be signed and dated by owner, partner or officer.
3. PLEASE READ CAREFULLY THE STATEMENTS AT THE END OF THIS APPLICATION.
(PLEASE TYPE OR PRINT IN INK)

1. APPLICANT INFORMATION										
a. Name of Applicant:	Name of Franchise:									
b. Principal business address:										
c. Address(es) of additional location(s):										
d. Business phone: (____) _____	Year established: _____									
e. Please check all that apply: [] Individual [] Partnership [] Corporation [] Other										
f. (I) Please state the name of your parent company, if applicable: (ii) Please indicate all subsidiaries, if applicable: (iii) Please list other affiliations, if applicable:										
g. Number of employees: Full time _____ Part time _____ Total _____										
h. (I) Limits of error & omissions liability desired: _____ (Per claim) _____ (Agg.) (ii) Deductible desired: _____ (Per claim) _____ (Agg.)										
i. Please indicate the proposed effective date of coverage:										
2. APPLICANT OPERATIONS	3. REVENUES									
a. Describe the nature of your franchise:	a. <table border="1"><thead><tr><th></th><th>Current</th><th>Estimated Next Year</th></tr></thead><tbody><tr><td>Initial franchise fee:</td><td>_____</td><td>_____</td></tr><tr><td>Periodic franchise fees:</td><td>_____</td><td>_____</td></tr></tbody></table>		Current	Estimated Next Year	Initial franchise fee:	_____	_____	Periodic franchise fees:	_____	_____
	Current	Estimated Next Year								
Initial franchise fee:	_____	_____								
Periodic franchise fees:	_____	_____								
b. (I) Number of active franchises: (ii) Number of inactive franchises:	b. Amount of product sales to franchisees: \$ _____ per _____									
c. How many franchises have experienced a change in legal or beneficial ownership within the past year?	c. Amount of services sales to franchisees (those not included in franchise fee) : \$ _____ per _____.									
d. How many franchises have experienced a change in legal or beneficial ownership with the past three (3) years?	d. Your TOTAL GROSS REVENUE : \$ _____									
e. The year that your first franchise was sold:										

7. ADDITIONAL INFORMATION

a. Please describe the qualifications for franchise ownership and **submit a copy of a standard franchiser/franchisee agreement.**

b. Please attach the following requested information:

- (i) A copy of all advertising and disclosure statements;
- (ii) Any publications or other printed or recorded material including advertisements furnished to franchises.

NOTICE TO APPLICANT: The coverage applied for is SOLELY AS STATED IN THE POLICY, which provides coverage on a "CLAIMS MADE" basis for ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD unless the extended reporting period option is exercised in accordance with the terms of the policy.

Any person who knowingly defrauds any insurance company by filing an application for insurance containing any false information or concealing, for the purpose of misleading, information concerning any fact thereto commits a fraudulent insurance act, which is subject to criminal and civil penalties.

WARRANTY: I warrant to the insurer that I understand and accept the notice stated above and that the information continued herein is true and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the insurer evidence its acceptance of this application by issuance of a policy. **I authorize the release of claim information from any prior insurer to Shand Morahan & Company, Inc., Ten Parkway North, Deerfield, Illinois 60015.**

Name of Applicant

Title (Officer, partner, etc.)

Signature of Applicant

Date

SIGNING this application does not bind the Applicant or the Insurer or the Underwriting Manager to issue the insurance, but one copy of this application will be attached to the policy, if issued.