

4. SERVICES

(Attach a detailed explanation for any "yes" answers.)

- a. Does applicant provide a referral service, buying service, salvage service or computer service to its members? [] Yes [] No
- b. Do you promote or sponsor any type of group travel, conventions, or other similar events, or assume any liability in connection with 4(a) above? [] Yes [] No
- c. Do you promote, sponsor or provide any form of insurance to your franchisees?..... [] Yes [] No
- d. Have you developed standards which are used to evaluate the quality of goods, products manufactured or services rendered which are the subject of the franchise? [] Yes [] No
- e. Do you act as a sponsor, or participate in a review group or committee for assessing the qualifications and performance of franchisees or the quality of products manufactured, sold, handled or distributed or services provided by franchisees? [] Yes [] No
- f. Do you take any disciplinary action or recommend disciplinary action as a result of review group activities? [] Yes [] No
- g. Do you act as a fiduciary or administrator under the Employee Retirement Income Security Act of 1974? [] Yes [] No
- h. Are you engaged in any form of research, development, experimentation, or testing of goods or services sold or used by a franchisee? [] Yes [] No
- i. Do you perform any other activities or services not previously referenced above for which coverage is desired? [] Yes [] No

5. CLAIMS

(Attach a detailed explanation for any "yes" answers.)

- a. Have you or any of your past or present officers, directors or employees ever been convicted of a violation of any law or ordinance relating to the sale or operation of franchises? [] Yes [] No
- b. Has any claim or suit for act, error, omission, misstatement, misleading statement, neglect or breach of duty or personal injury ever been brought against you or any of your past or present officers, directors or employees? [] Yes [] No
- c. Are you or any of your officers or directors aware of any circumstances that may result in a claim or suit against you or any of your past or present officers, directors or employees? [] Yes [] No

6. HISTORY

- a. Please provide the following information for your errors and omissions insurance coverage for each of the past four (4) years. If none, state NONE.

Insurance Company	Policy Number	Limits of Liability	Deductible (if any)	Premium	Inception Mo/Day/Yr	Expiration Mo/Day/Yr	Claims Made Policy (Respond "Yes" or "No")

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 franchisees.

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.

- o DEERFIELD INSURANCE COMPANY
- o EVANSTON INSURANCE COMPANY
- o ESSEX INSURANCE COMPANY
- o MARKEL AMERICAN INSURANCE COMPANY
- o MARKEL INSURANCE COMPANY

DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE AND ELECTION FORM

RE:
Risk ID. No.:

You are hereby notified that under the Terrorism Risk Insurance Act of 2002 (the "Act"), effective November 26, 2002, that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act ("Terrorism Coverage"): The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that Terrorism Coverage required to be offered by the Act for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this Terrorism Coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

PLEASE ENTER "X" IN ONE OF THE BOXES BELOW AND SIGN AND DATE WHERE INDICATED BELOW.

Florida, Georgia and Oklahoma Applicants: Please be advised that in the event a policy is purchased, the policy premium will include a 1% surcharge for Terrorism Coverage unless you elect to decline Terrorism Coverage. You need to enter an "X" below if you wish to decline Terrorism Coverage.

	I hereby elect to purchase the Terrorism Coverage required to be offered under the Act. I understand that my policy premium will include a 3% surcharge for this coverage.
	I decline to purchase the Terrorism Coverage required to be offered under the Act. I understand that my policy will be endorsed to exclude the Terrorism Coverage required to be offered under the Act.

Name of Applicant

Title (Officer, partner, etc.)

Signature of Applicant

Date

SIGNING this Disclosure Notice does not bind the Applicant or the Insurer or the Underwriting Manager to complete the insurance.