

**EMPLOYMENT PRACTICES  
LIABILITY INSURANCE  
ENDORSEMENT**

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

**FRANCHISEE PROGRAM ENDORSEMENT**

**This endorsement modifies your Policy as follows:**

1. **Section II. Exclusions 2.** is amended by the addition of the following:

Notwithstanding the foregoing, this Policy shall cover up to a sublimit of \$100,000, which sublimit is part of and not in addition to the Limits of Insurance, amounts which the Named Insured owes to its franchisor under any indemnity agreement to pay "defense costs" in the event the franchisor is named as a defendant in a lawsuit, other than a class action, involving the Named Insured because of an "insured event". This coverage will only apply if the franchisor is dismissed from the lawsuit and owes no damages or settlement to the plaintiff in such lawsuit.

2. **Section II. Exclusions** is amended to add the following exclusion:

12. This Policy does not cover any "loss" resulting from a class action lawsuit or administrative proceeding brought on behalf of a class of claimants against any franchisor or franchisee other than the Named Insured.

3. **Section I. Coverage, 1. Insuring Agreement, Item c.** is amended by the addition of the following:

(5) The "loss" arises from a franchise location operated by the Named Insured as a franchisee of the Franchisor named below.

**Franchisor:**

4. **Section IV. Limits of Insurance, Item 2.** is amended by the addition of the following:

If any "claim" made against any insured gives rise to coverage under this Policy and under any other policy or policies affording coverage for any employment practices liability or similar insurance issued by us, our maximum aggregate Limit of Insurance with respect to all such policies, including this Policy, for all "loss", including "defense costs", in respect of such "claim" shall not exceed the largest single available Limit of Insurance under any such policies.

All other terms, conditions and limitations of this Policy shall remain unchanged.

**(The following is required only when this endorsement is issued subsequent to preparation of the policy.)**

NAMED INSURED:

POLICY NUMBER:

ENDORSEMENT NUMBER:

Signed \_\_\_\_\_ By \_\_\_\_\_  
(Date) (Authorized Representative)