

LCE-Minimum Insurance Requirements -Effective 9.1.2021

You must procure at or before signing a lease and the opening of the Restaurant, and must maintain in force throughout the term of the Franchise Agreement, at your expense, an insurance policy or policies protecting you, us and our affiliates, and our and their respective shareholders, directors, employees, and agents against any demand or claim with respect to personal or bodily injury, death, or property damage, or any loss, liability, or expense arising or occurring at or in connection with the Restaurant. All insurance policies must provide no fewer than 30 days' prior written notice for cancellation or non-renewal. Below is a schedule of the policies that you must maintain. We must be added as an Additional Insured and certificate holder on all liability policies. Please provide a certificate of insurance to the Risk Management Department (Fax: 313-471-6525 or contact 313-471-6000 for an email address). We may require additional or different insurance coverages in the future. Your insurance carrier must be rated at least A-VIII.

A. Property.

- i. Property should be insured on an all risk form including back up sewers and drains and to its full replacement value (but not less than \$425,000). You should consult with your insurance advisor to make sure that your property insurance covers full replacement cost. Property includes buildings, if applicable, improvements and betterments, equipment, inventory and other miscellaneous personal property.
- ii. Loss of income should be insured for a \$250,000 limit per occurrence for 12 months. This insurance should be written on an all risk form including back up of sewers and drains and off premise power failure.

B. During construction of a Restaurant, an all risk builder's risk policy shall be maintained in an amount equal to 100% of the construction value and also general liability insurance per item C below and workers compensation per item E below.

C. Comprehensive General Liability with limits as follows:

General Aggregate	\$2,000,000
Products Completed Operations	\$1,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage	\$300,000

Standard coverage must include:

Bodily Injury	Personal Injury
Product Liability	Contractual Liability
Property Damage	Fire Damage Liability*
Host Liquor Liability	
Advertiser's Liability	

*It is recommended that the Fire Damage limit be reviewed for adequacy with your insurance agent, especially if the Restaurant is in a free standing building.

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D. Automobile Liability with Limits of Liability as follows:

Owned Autos (if any)	\$1,000,000
Hired Autos	\$1,000,000
Non-owned Autos*	\$1,000,000

*If approved for delivery, the required amount of Non-Owned Auto Liability Insurance is \$5,000,000 and higher limits are recommended. **Please consult with your insurance agent on the adequacy of your delivery insurance.**

E. Workers' Compensation as required by law with coverage as follows:

Part 1: Workers Compensation – Statutory Benefits

Part 2: Employer's Liability:

\$100,000 Each Accident
\$500,000 Disease Policy Limit
\$100,000 Disease Each Employee

Such insurance must include a waiver of insurer's rights of subrogation against us.

F. Stop Gap Liability (Employer's Liability) – required if any Restaurants are located in the following states or territory, North Dakota, Ohio, Washington, Wyoming, Puerto Rico, US Virgin Islands, or any state where a franchisee (Employer) is approved to self-insure for Workers' Compensation.

G. Liquor Liability Insurance – required if your Restaurant, with our prior written approval, sells alcohol, with limits of \$1,000,000 Each Common Cause and \$1,000,000 Policy Aggregate.

H. We recommend that you also consider the following insurance:

- Property Insurance for Flood & Earthquake
- Loss of Income for Off-Premise Utility Service Failure that includes overhead transmission lines
- Property Insurance for EDP/Computer & Media
- Property Insurance for Temperature Change (Food Spoilage)
- Crime Insurance for Employee Dishonesty, Depositors Forgery and Loss of Money
- Excess / Umbrella Liability
- Employee Benefit Liability
- Employer Practices Liability
- For multi-Restaurant owners, blanket coverage on property insurance.

Always check with your insurance agent to confirm that you have adequate insurance for your store(s).