

Insurance Requirements

Prior to hiring your first employee and/or performing your first job, you must obtain (at your expense) and maintain in full force and effect during the term of your Franchise Agreement, an insurance policy or policies protecting your franchise business entity, yourself, Oxi Fresh Franchising Company, Inc., and the officers, directors, partners, agents, and employees of both your business and Oxi Fresh Franchising Company, Inc., against any loss, liability, personal injury, death, property damage, or expense whatsoever arising from or occurring upon or in connection with the operation of your Oxi Fresh Business.

** Franchisees are permitted to use any insurance provider they choose, but are required to at least get a quote from OFFC's preferred vendor prior to binding coverage with another provider - this applies to both new policies as well as renewals. If the franchisee decides to use a company other than OFFC's preferred vendor, the proposed policy must be submitted to the Director of Operations for review and approval before it is signed, in order to ensure it meets the minimum requirements listed below.*

The insurance coverage must include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified by us from time to time), the following categories and limits:

- (1) Comprehensive general liability insurance including, but not limited to, product liability coverage and personal injury coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate.
- (2) Faulty Work or error in work performed endorsement with a minimum limit of \$25,000.
- (3) Workers' Compensation and employer's liability insurance as prescribed by state law, with at least the minimum limits specified by the relevant state law.
- (4) Motor vehicle coverage, with minimum liability limit of \$1,000,000 for any one accident. The auto policy must include coverage for hired and non-owned automobiles, as well as Uninsured/Underinsured Motorists - both with a minimum limit of \$1,000,000.

*States where Uninsured/Underinsured coverage is not applicable, the policy must include the state coverage equivalent to it.

- (5) All insurance policies must name "Oxi Fresh Franchising Co. Inc." as an Additional Insured and may not be cancelled or materially altered without at least 30 days prior written notice to us.
- (6) Such other insurance that may be required by the statutes or other laws of the state and/or any local governmental entities in which your Oxi Fresh Business is located and operated, with at least the minimum limits specified by the relevant state statutes and laws. In addition, drivers who use their own vehicles must provide a valid proof of auto insurance according to the minimum standards for the state(s) in which they are operating a motor vehicle.

Insurance policies may not be cancelled or materially altered without at least 30 days prior written notice to OFFC. Upon obtaining the necessary insurance coverage, and on each policy renewal date thereafter, you must promptly submit evidence of satisfactory insurance and proof of payment thereof to us, together with, upon our request, copies of all policies and policy amendments and endorsements.