



FRANCHISEE COMPLIANCE INSURANCE REQUIREMENTS



FRANCHISEE COMPLIANCE—INSURANCE REQUIREMENTS

In today's litigious climate, Choice Hotels International, Inc., ("Choice") must be proactive in confirming whether its franchisees meet the insurance requirements outlined in the Franchise Agreement and Rules and Regulations. To that end, Choice needs your assistance in gathering this information during the hotel opening, relicensing, rebranding and renewal processes.

Each franchise agreement with Choice specifically requires that hotel owners carry certain types and limits of insurance coverage. In addition, Choice requires that franchisees place their coverage with financially sound insurance companies. These provisions of the agreement are for the protection of franchisees and Choice. Exceptions to the types and limits of insurance are not normally permitted, as it would require a waiver of our existing standards and would cause difficulty when trying to track compliance for the more than 6,000 agreements worldwide on an annual basis.

PLEASE NOTE: If you are opening, renewing, relicensing, rebranding, changing ownership or financing your hotel, please request your insurance agent send your insurance certificate to the Openings, Relicensing or Franchise Administration Specialist at Choice who has requested the insurance certificate.

After your hotel has opened, or after you have taken possession of your hotel, all future renewal insurance certificates should be sent to IMACC, Choice's insurance certificate tracking service provider. IMACC will review your certificate, and notify you and your insurance agent of your insurance compliance and provide you with the actions necessary to resolve a non-compliant status. You can send your insurance certificates directly to IMACC/CertFocus by one the following methods:

Email	choicehotels@imacorp.com
Mail	Choice Hotels International, Inc. c/o IMA Certificate Compliance 430 E. Douglas Avenue, Suite 400 Wichita, KS 67202

Please refer to the Checklist on Page 7 to assist in preparing a compliant certificate of insurance.

Cyber Insurance Requirement: All U.S. hotels (excluding WoodSpring and hotels in Canada and the Caribbean) are required to carry data breach insurance. Properties in the Choice system must have a **stand-alone**, cyber/data breach insurance policy in place **before** entering the Choice system. Cyber insurance aggregate **cannot** be shared with other liability limits required per the terms of the Franchise Agreement. Cyber insurance must be confirmed compliant by sending copies of the cyber insurance policy's "Declaration" page(s) to **cyber.insurance@choicehotels.com**. Please refer to Page 2 for requirements and minimum sublimits.

If you, or your insurance broker/agent, have questions or need assistance in preparing certificates of insurance, IMACC's Customer Service is available to assist with any questions that may arise. Please feel free to contact IMACC via telephone at 303-615-7690, or email at choicehotels@imacorp.com. If there are questions related to specific insurance requirements in the franchise agreement, please contact Choice's Risk Management Department at 301-592-6110. **Note, if you send your certificate by email, you do not need to send the certificate by mail.**

Thank you.

**Risk Management Department
Choice Hotels International, Inc.**

FRANCHISEE INSURANCE REQUIREMENTS

ADDITIONAL INSURED AND WAIVER OF SUBROGATION ENDORSEMENTS

ONLY Acceptable Language, **must be endorsed in the policies:**

Choice Hotels International, Inc., its subsidiaries and affiliates and its and their respective employees, agents, officers and directors

All policy limits on a per location basis

GENERAL LIABILITY¹

Five or less stories	Each Occurrence	\$ 5,000,000
Six or more stories	Each Occurrence	\$10,000,000

WORKERS COMPENSATION

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

Monopolistic States (Stop Gap also required)

Ohio	Provide copy of Certificate of Ohio Workers Compensation, issued by State of Ohio
North Dakota	Provide copy of Certificate of Premium Payment, issued by State of North Dakota
Washington	Provide copy of Certificate of Workers' Compensation Coverage, issued by State of Washington
Wyoming	Please contact Risk Department

<u>EMPLOYERS LIABILITY/STOP GAP</u>	Minimum Limits	\$ 1,000,000
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AUTOMOBILE LIABILITY, OWNED, NON-OWNED AND HIRED

Five or less stories	Combined Single Limit	\$ 5,000,000
Six or more stories	Combined Single Limit	\$10,000,000

Hired and Non-owned Autos **REQUIRED, EVEN IF NO OWNED AUTOS**

LIQUOR LIABILITY (For hotels with restaurants and/or bars, whether OWNED OR LEASED)

Occurrence Basis	Each Occurrence	\$ 5,000,000
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CYBER/DATA BREACH RESPONSE INSURANCE (PLEASE NOTE SUBLIMITS)

Data & Network Liability Coverage:	Sublimit	\$ 1,000,000
Regulatory & Defense Penalty Coverage:	Sublimit	\$ 1,000,000
Payment Card Liability & Costs Coverage:	Sublimit	\$ 1,000,000
Media Liability Coverage:	Sublimit	\$ 1,000,000
Legal & Forensic Expense:	Sublimit	\$ 1,000,000
Breach Notification/Response:		50,000 individuals (including legal services, computer forensics, notification services, credit monitoring, call center support, public relations support and crisis management.

A copy of the cyber/data breach response insurance policy's **Declarations page(s) are required** to confirm proof of coverage.

ADDITIONAL REQUIREMENTS

Waiver of subrogation in favor of the above-referenced additional insureds **for all** policies, including workers compensation. **Exceptions to waiver of subrogation for workers compensation policies are Kansas, Kentucky, Maine, New Hampshire and New Jersey.**

- ❖ Policies must be written on a **per location** basis. If only one location on the policy, please indicate on the certificate, **“Only One Location.”**
- ❖ **Certificates received without referencing the Property Code WILL NOT be accepted**
- ❖ Certificate Holder should be:

Choice Hotels International, Inc.
c/o IMA Certificate Compliance
430 E. Douglas Avenue, Suite 400
Wichita, KS 67202
- ❖ Multiple hotel properties can be on one policy, but the policy must be endorsed on a **“per location”** basis, and the policy must contain sufficient limits to ensure **each** hotel meets the minimum insurance requirements.
- ❖ **Automobile** policy coverage, including hired and non-owned auto, **must be endorsed to include additional insured and waiver of subrogation.**

¹ Limits can be met by a combination of general liability and umbrella/excess insurance policies and must be written as a **follow form** to the underlying general liability and automobile liability policies.
 Rev. 3/1/2022

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
Today's date

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER NAME AND ADDRESS OF PRODUCER	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">CONTACT</td> <td colspan="2">AGENT'S NAME</td> </tr> <tr> <td>PHONE</td> <td colspan="2">AGENT'S PHONE NUMBER</td> <td>FAX</td> </tr> <tr> <td>(A/C No. Ext):</td> <td colspan="2">Agent's Phone Number</td> <td>(A/C, No):</td> </tr> <tr> <td>E-MAIL</td> <td colspan="3">Agent's Email Address</td> </tr> <tr> <td colspan="4" style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> </tr> <tr> <td colspan="3">INSURER A : AM Best Rating A-, VI or Better</td> <td>NAIC #</td> </tr> <tr> <td colspan="3">INSURER B : AM Best Rating A-, VI or Better</td> <td>PROVIDE</td> </tr> <tr> <td colspan="3">INSURER C : AM Best Rating A-, VI or Better</td> <td>PROVIDE</td> </tr> <tr> <td colspan="3">INSURER D : AM Best Rating A-, VI or Better</td> <td>PROVIDE</td> </tr> <tr> <td colspan="3">INSURER E : AM Best Rating A-, VI or Better</td> <td>PROVIDE</td> </tr> </table>	CONTACT		AGENT'S NAME		PHONE	AGENT'S PHONE NUMBER		FAX	(A/C No. Ext):	Agent's Phone Number		(A/C, No):	E-MAIL	Agent's Email Address			INSURER(S) AFFORDING COVERAGE				INSURER A : AM Best Rating A-, VI or Better			NAIC #	INSURER B : AM Best Rating A-, VI or Better			PROVIDE	INSURER C : AM Best Rating A-, VI or Better			PROVIDE	INSURER D : AM Best Rating A-, VI or Better			PROVIDE	INSURER E : AM Best Rating A-, VI or Better			PROVIDE
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INSURED Name(s) of Insured/Entity as it appears on Franchise Agreement Hotel Brand and Hotel Address																																									

General liability policy must be written with a per location aggregate. If only one location on the policy, please put "Only One Location" in the Description of Operations section.

CERTIFICATE NUMBER:

The general liability, auto liability, and umbrella liability policies must have additional insured and waiver of subrogation endorsements in favor of Choice.

REVISION NUMBER:

OF THE INSURED NAMED ABOVE FOR THE POLICY PERIOD OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS IS SUBJECT TO ALL THE TERMS, CONDITIONS AND PAID CLAIMS.

POLICY	EXPIRATION DATE (MM/DD/YYYY)	DESCRIPTION	AGGREGATE LIMIT	EACH OCCURRENCE LIMIT	LIMITS
A		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLICABLE PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:	Y	Y	EACH OCCURRENCE DAMAGE TO RENTERS: \$1,000,000.00 2,000,000.00
B		<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y	Y	BODILY INJURY (Per person): \$1,000,000.00 BODILY INJURY (Per accident): \$ PROPERTY DAMAGE (Per accident): \$
C		<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE	Y	Y	EACH OCCURRENCE: \$4,000,000.00 AGGREGATE: \$4,000,000.00
D		<input checked="" type="checkbox"/> WORKERS COMPENSATION Waiver of subrogation must be endorsed on the workers' compensation policy.	Y	N/A	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER Statutory Limits
E		Liquor Liability (if required)	Y	Y	\$5,000,000 per occurrence

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Property Code: _____ (required) Hotel Property Address must be on certificate (Only One Location) - if applicable

Choice Hotels International, Inc., our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees are named as additional insured.

CERTIFICATE HOLDER Choice Hotels International, Inc. c/o IMA Certificate Compliance 430 E. Douglas Ave., Suite 400 Wichita, KS 67202	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Agent/Broker Signature Required
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Please list the required Additional Insured verbiage shown below in the Description of Operations section, Supplemental Form, or provide a policy endorsement.

CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
Today's date

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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General liability policy must be written with a per location aggregate. If only one location on the policy, please put "Only One Location" in the Description of Operations section.

CERTIFICATE NUMBER:
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 REQUIREMENT,
 CERTAIN, THE
 POLICIES. LIM
ADDL SUBR
NSD LWB

REVISION NUMBER:
 OF THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
 OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
 ES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
 PAID CLAIMS.

The general liability, auto liability, and umbrella liability policies must have additional insured and waiver of subrogation endorsements in favor of Choice.

General Liability and Auto liability limits must be \$10,000,000 per occurrence /aggregate for hotels 6 stories or more. Umbrella/excess policies may also be used to fulfill this requirement.

POLICY	POLICY EXP (MM/DD/YYYY)	LIMITS	EACH OCCURRENCE	DAMAGE TO RENTED	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	Y Y	Y Y	Y Y	Y Y	\$ 10,000,000.00
GEN'L AGGREGATE LIMIT APPLICABLE PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:						
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS	Y Y	Y Y	Y Y	Y Y	\$ 10,000,000.00
C	<input checked="" type="checkbox"/> UMBRELLA LIAB EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE	Y Y	Y Y	Y Y	Y Y	\$ 10,000,000.00
D	<input checked="" type="checkbox"/> WORKERS COMPENSATION Y/N	Y	Y	Y	Y	Statutory Limits
Waiver of subrogation must be endorsed on the workers' compensation policy.						
E	Liquor Liability (if required)	Y Y	Y Y	Y Y	Y Y	\$10,000,000 per occurrence

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Property Code: _____ (required) Hotel Property Address must be on certificate (Only One Location) - if applicable

Choice Hotels International, Inc., our affiliates and subsidiaries, our and their respective officers, directors, agents, partners and employees are named as additional insured.

CERTIFICATE HOLDER Choice Hotels International, Inc. c/o IMA Certificate Compliance 430 E. Douglas Ave., Suite 400 Wichita, KS 67202	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Agent/Broker Signature Required
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Please list the required Additional Insured verbiage shown below in the Description of Operations section, Supplemental Form, or provide a policy endorsement.

Example of Cyber Insurance Declarations Page

THIS POLICY'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS IN ACCORDANCE WITH THE TERMS OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

These Declarations along with the statements contained in the information and materials provided to the Underwriters in connection with the underwriting and issuance of this Policy, and the Policy with endorsements shall constitute the contract between the Insureds and the Underwriters.

GENERAL INFORMATION

Underwriters:

Policy Number

Policyholder Name:

Policyholder Address:

Named Insured:

Named Insured Address:

Notice of Claim, Loss or
Circumstance:

Breach Response Services
Team:

Administrative Notice:

COVERAGE SCHEDULE

	Limit*	Retention*
Breach Response		
Notified Individuals:	50,000	50 Notified Individuals
Legal, Forensic & Public Relations/Crisis Management:	\$1,000,000	
THE BREACH RESPONSE LIMITS ABOVE ARE IN ADDITION TO THE POLICY AGGREGATE LIMIT OF LIABILITY		
Policy Aggregate Limit of Liability:	USD \$1,000,000	
Additional Breach Response Costs		
Additional Breach Response Costs:	USD \$1,000,000	
Liability		
Data & Network Liability:	USD \$1,000,000	each Claim USD 1,000
Regulatory Defense & Penalties:	USD \$1,000,000	each Claim USD 1,000
Payment Card Liabilities & Costs:	USD \$1,000,000	each Claim USD 1,000
Media Liability:	USD \$1,000,000	each Claim USD 1,000

* Limits apply per Named Insured Member

DRAFT

CERTIFICATE OF INSURANCE CHECKLIST

CERTIFICATE HOLDER	Is Choice Hotels International, Inc., c/o IMA Certificate Compliance, 430 E. Douglas Avenue, Suite 400, Wichita, KS 67202 listed as Certificate Holder
ACORD 25 (2014/05) or later	Are you using a version of Form ACORD 25, 2014 or later?
INSURED	Are all individuals, entities, their successors, or assigns (as appropriate), who are named in the Franchise Agreement , listed as a named insured ?
POLICY NUMBER	Did you list all applicable and effective policy numbers? We do not accept Binder numbers or TBD.
EFFECTIVE AND EXPIRATION DATES	Did you list the correct policy effective and expiration dates?
GENERAL LIABILITY, HOST LIQUOR LIABILITY, UMBRELLA/ EXCESS	Do the general liability and umbrella limits meet or exceed your hotel's insurance requirements? Less than 5 stories--\$5M per occurrence 6 or more stories--\$10M per occurrence
AUTOMOBILE LIABILITY	Do you have a minimum limit of \$5M or \$10M per accident? Does your policy cover Owned, Non-Owned and Hired automobiles? If you do not own any vehicles, did you include Hired and Non-Owned Auto coverage in your General Liability policy? Is additional insured and waiver of subrogation endorsed, ACORD boxes marked?
PER LOCATION	Has the "per location" box been marked? If only one location is on the policy, please put " Only One Location " in the Description of Operations box.
ENDORSEMENTS	Did you schedule the required additional insured and waiver of subrogation endorsements for ALL liability policies? "Choice Hotels International, Inc., its subsidiaries and affiliates and its and their respective employees, agents, officers and directors are named as additional insured. A waiver of subrogation applies in favor of all Additional Insureds, and this coverage is primary over any insurance carried by the Additional Insureds." This verbiage must be endorsed or scheduled in the policy.
ADDITIONAL INSURED ("Grantor of Franchise")	Are the additional insured boxes checked on the automobile, general, liquor and umbrella policies? If the umbrella policy does not allow for the additional insured box to be checked, please reference on the certificate that the " umbrella follows form " to the underlying general liability and automobile liability policies."
WAIVER OF SUBROGATION	Are the waiver of subrogation boxes marked on all policies? Waiver of subrogation is also required for hired and non-owned auto and workers' compensation coverage in states were allowed by law
PROPERTY CODE AND HOTEL ADDRESS	Is the Hotel property code referenced on the Certificate? Did you list the full hotel name and address?
AGENT SIGNATURE	Is your Certificate signed by the Broker or Authorized Representative?



EXPLANATION OF COVERAGES

COMMERCIAL GENERAL LIABILITY

General liability protects the franchisee and Choice from both bodily injury and property damage claims from third parties (i.e. guests, invitees, etc.) which arise from the franchisees' properties. The limits are set by Choice to reflect a differentiation in exposures based on size. This policy can be extended to cover products from restaurants, if the exposure exists. This policy must be "Occurrence Based" Commercial General Liability ("CGL") insurance using the Insurance Service Office (ISO) policy form CG 00 01 04 13, or such form as provides equivalent coverage, (with no exclusion for terrorism), including Broad Form Property Damage, Premises and Operations coverage, Products and Completed Operations coverage, Personal Injury coverage, and Contractual Liability coverage. The Commercial General Liability Policy shall be further endorsed:

- a. To the fullest extent permitted by law, provide additional insured coverage to Choice Hotels International, Inc., its affiliates, subsidiaries and its and their respective employees, agents, officers and directors;
- b. Coverage available to the additional insureds shall apply on a primary and non-contributing basis as respects any other insurance, deductibles, or self-insurance available to the additional insureds;
- c. A waiver of subrogation in favor of Choice Hotels International, Inc., its affiliates, subsidiaries and its and their respective employees, agents, officers and directors;
- d. Coverage available to the additional insureds shall apply on a primary and non-contributing basis as respects any other insurance, deductibles, or self-insurance available to the additional insureds.
- e. The Annual Aggregate shall apply on a per location basis; and
- f. Defense costs shall be in addition to and not erode the limits of liability.

Many franchisees own more than one location and a serious loss at one location could diminish the limits available for the remaining locations; therefore, the limits must apply on a "per location" basis for the underlying general liability, as well as the umbrella/excess coverage.

Liquor liability is required if the location has a bar or sells alcohol. Dispensing free alcohol at a manager's reception does not require that the franchisee purchase liquor liability, but the policy must provide coverage for host liquor liability.

All individuals, entities, their successors or assigns (as appropriate), who are named in the Franchise Agreement, must be listed as a named insured.

AUTOMOBILE LIABILITY

Hired and non-owned coverage protects the franchisee from the exposure if an employee uses their vehicle on company business or gives a guest a ride. It also helps protect the franchisee from claims resulting from accidents incurred by third-party transportation vehicles (taxis, vans, shuttles, ride-sharing services, as examples). The “any auto” provision normally applies to the vehicles owned by the property. The “Hired and Non-Owned” coverage must still be provided and must be endorsed to include additional insured and waiver of subrogation status in favor of Choice. If Hired and Non-Owned coverage is part of the General Liability policy, the Additional Insured and Waiver of Subrogation Endorsements **must extend** to the Hired and Non-owned coverage. ISO policy forms CG 71 27 08 06 and CG 24 04 12 19.

- a. Include Choice Hotels International, Inc., its affiliates, subsidiaries and its and their respective employees, agents, officers and directors as additional insured;
- b. Include a waiver of subrogation in favor of Choice Hotels International, Inc., its affiliates, subsidiaries and its and their respective employees, agents, officers and directors; and
- c. Coverage available to the additional insureds shall apply on a primary and non-contributing basis as respects any other insurance, deductibles, or self-insurance available to the additional insureds.

WORKERS' COMPENSATION AND EMPLOYERS LIABILITY

Workers' compensation insurance coverage is required in every state, including states where workers compensation insurance is not compulsory, i.e., New Jersey, Texas.

Workers Compensation Insurance in Monopolistic States: Ohio, Wyoming, Washington and North Dakota require employers to purchase workers compensation coverage from a government-operated insurance fund. Employers liability coverage, required per the terms of the Franchise Agreement, is not included in state-funded workers compensation policies. Employers liability coverage, often called stop-gap coverage, should be endorsed under a General Liability policy.

Except in states where prohibited, the Workers' Compensation and Employers Liability policy shall be further endorsed to:

- a. Include a waiver of subrogation in favor of Choice Hotels International, Inc., its affiliates, subsidiaries and its and their respective employees, agents, officers and directors.

Hotel Management Company/Leased Employees: Hotels managed under a hotel management agreement, or whose employees are leased through an employee leasing company should request the hotel management company or employee leasing company provide a certificate of insurance listing Choice Hotels International, Inc., as Certificate holder and provide a waiver of subrogation in favor of Choice.

ADDITIONAL INSURED AND WAIVER OF SUBROGATION ENDORSEMENTS

The Franchise Agreement requires franchisees to have their policies endorsed to name Choice Hotels International, Inc., **its subsidiaries and affiliates and its and their respective employees, agents, officers and directors** as additional insured and provide waiver of subrogation on **all** policies to protect Choice in the event a guest at a property sues Choice for an incident at the franchisee's location. This is required on all policies. **Workers compensation policies must also include a waiver of subrogation** in favor of Choice in states where applicable.

AM BEST RATING

MINIMUM AM BEST RATING

Alpha rating: A-
Financial Category: VI

CYBER/DATA BREACH COVERAGE

Data & Network Liability	Broad coverage for liability resulting from a data breach, network security breach or violation of a privacy policy <ul style="list-style-type: none">• Liability for theft or unauthorized disclosure of personally identifiable information under a breach notice law• Liability for failure of computer security to prevent:• Unauthorized access due to theft of a password• A denial of service attack• Infection or transmission of malicious code	\$1,000,000
Regulatory Defense & Penalties	Cover for costs and civil penalties resulting from proceedings or inquiries by any governmental entity	\$1,000,000
Payment Card Liability & Costs	Coverage for amounts owed under a merchant service agreement to financial institutions, card brands or card processors following a data breach	\$1,000,000
Media Liability	Cover for all claims of libel, slander, defamation and infringement of copyright from your media content, including your website	\$1,000,000
Breach Response	A single call or email to BBR Services, notifying of a suspected data breach will begin activation of the following services <ul style="list-style-type: none">• Specialist Legal Services• Computer Forensics• Notification Services• Credit Monitoring• Call Center Support• Public Relations and Crisis Management	No. of notified individuals: 50,000
Legal, Forensic Expenses & Public Relations/Crisis Management		\$1,000,000

Note, total aggregate and insured agreement sublimits cannot be shared with other insurance coverage required per the terms of the Franchise Agreement. In other words, Limits and sublimits cannot be shared with General Liability, Employer Practices Liability, or other insurance required per the Franchise Agreement