

Franchise Store Insurance Requirements

CERTIFICATE OF INSURANCE REQUIREMENTS PER LOCATION

The following items are required on your certificate of insurance. Please forward this check list to your insurance carrier so they can supply us with a current certificate evidencing the following:

- General Liability and Product Liability Insurance in the amount of \$2,000,000 for General Aggregate.
- General Liability and Product Liability Insurance in the amount of \$2,000,000 for Each Occurrence.
- Automobile Liability Insurance for *owned, hired, and non-owned vehicles* in the amount of \$2,000,000 for each Accident.
- Fire Damage/Legal Liability Insurance in the amount of \$250,000.
- Workers' Compensation and Employers' Liability Insurance, as well as such other insurance that may be required by Statute or rule of the state in which the Store is located and operated or by your sublease.
- Property Insurance, including coverage for Business Interruption, in the amount equal to one hundred percent (100%) of Franchisee's annual gross earnings, excluding ordinary payroll expenses, and naming Franchisor as additional insured.
- GNC Franchise Requirements are per location. Please issue separate certificates of insurance for each location. If your insurer chooses to issue one certificate for all locations, please have them mark the *per location box* on the accord certificate to evidence this factor. Otherwise, the requirement amounts must be adjusted accordingly. (Ex. Two locations must evidence a minimum of \$4,000,000 **EACH** for General Aggregate, Each Occurrence, Automobile Insurance, and also a minimum of 500,000 for Fire Legal Liability).
- General Nutrition Corporation its subsidiaries and affiliates must be named as Additional Insured.

Please Note

The \$2,000,000 limit requirement for Automobile and General Liability may be met by purchasing any limit combination of primary and Umbrella/Excess policies, as long as the total limit of insurance equals or exceeds \$2,000,000.

Also, your insurance must satisfy the terms and conditions of your lease agreement for your store location.

Certificates evidencing insurance as described above must be forwarded to:

General Nutrition Corporation
Attn: Risk Management Department
300 Sixth Avenue
Pittsburgh, PA 15222
Phone: (412)-402-7411
Fax: (412)-338-8858

REFERENCE LIST--INSURANCE DEFINITIONS

1. General Liability

Covers slip and falls, damage to 3rd parties

- General Aggregate - total amount of coverage for all incidents
- Each Occurrence - total amount of coverage for each incident

2. Automobile Liability

Covers you and your employees in the case of any automobile accident that is work-related. You or your employees' personal auto insurance would not cover an accident that is work related. You must have auto insurance even if you do not have a company car.

- Owned –a company vehicle that is purchased in the name of the business.
- Hired – any vehicle rented in the name of the business.
- Non-Owned – employees' cars

3. Fire Damage/ Legal Liability

Covers your own store in case of a fire. It will repay the landlord for all damages to the space that is being rented. Covers the vanilla shell (everything that the Landlord owns-walls, structures, etc.)

4. Worker's Compensation and Employers' Liability

Covers you and your employees in the event of any work-related injury. If you have no employees, this will cover you if you are injured and cannot tend to the store. Workers Compensation insurance is required by law in every state. Each state has different requirements and rates.

5. Property Insurance, including Business Interruption

Covers everything inside your store. The total amount that it would cost to replace everything that you are responsible for. It replaces products/inventory and personal belongings. Business interruption will pay for lost profits and wages for up to one year, in the event that your store suffers a loss.

6. Additional Insured

When an entity is named as additional insured on your policy, that entity will be covered by your policy in case of a lawsuit or any other incident that may arise.