

FRANCHISE DISCLOSURE DOCUMENT



Keystone Insurers Group, Inc.

A Pennsylvania Corporation
(d/b/a Keystone Insurers Services Group, Inc. in Virginia)
1995 Point Township Drive
Northumberland, Pennsylvania 17857-8856
(570) 473-4302
lhawk@keystoneinsgrp.com
www.keystoneinsgrp.com

You will sell insurance products under powers of appointment contained in certain agency/insurance company agreements we and our affiliates have with insurance companies (a “Keystone Franchised Business”).

The total investment necessary to begin operation of a Keystone Franchised Business ranges from \$25,500 to \$102,000. This includes the Initial Franchise Fee which ranges from \$5,000 to \$25,000. The Initial Franchise Fee must be paid to the franchisor or an affiliate. Please see Item 7 for state specific information.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain english. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Lea Ann Hawk at Keystone Insurers Group, Inc., 1995 Point Township Drive, Northumberland, Pennsylvania 17857-8856 and (570) 473-2822.

The terms of your franchise agreement will govern your franchise relationship. Don't rely on this disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “*A Consumer's Guide to Buying a Franchise*,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Information about comparisons of franchisors is available. Call the state administrators (if your state has one) listed in Exhibit D or your public library for sources of information.

Registration of this franchise with a state does not mean that the state recommends it or has verified the information in this disclosure document. If you learn that anything in this disclosure document is untrue, contact the Federal Trade Commission and your state agencies.

Issuance Date: May 11, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator (if your state has one) listed in Exhibit D for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO SUE ONLY IN PENNSYLVANIA UNLESS YOUR STATE REQUIRES OTHERWISE. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE IN PENNSYLVANIA THAN IN YOUR HOME STATE.
- THE FRANCHISE AGREEMENT STATES THAT PENNSYLVANIA LAW GOVERNS THE AGREEMENT UNLESS YOUR STATE REQUIRES OTHERWISE. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: May 11, 2019

TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE</u>
ITEM 1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	3
ITEM 2	BUSINESS EXPERIENCE.....	4
ITEM 3	LITIGATION.....	8
ITEM 4	BANKRUPTCY.....	9
ITEM 5	INITIAL FEES.....	9
ITEM 6	OTHER FEES	9
ITEM 7	ESTIMATED INITIAL INVESTMENT	18
ITEM 8	RESTRICTION ON SOURCES OF PRODUCTS AND SERVICES	21
ITEM 9	FRANCHISEE’S OBLIGATIONS.....	26
ITEM 10	FINANCING.....	26
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	26
ITEM 12	TERRITORY	30
ITEM 13	TRADEMARKS	30
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	33
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	34
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	34
ITEM 17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	35
ITEM 18	PUBLIC FIGURES.....	38
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	38
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	39
ITEM 21	FINANCIAL STATEMENTS	46
ITEM 22	CONTRACTS.....	47
ITEM 23	RECEIPTS

EXHIBITS

- A. Financial Statements
- B. Franchise Agreement
- C. Confidentiality Agreement
- D. List of State Franchise Administrators and Agents for Service of Process
- E. List of Franchisees

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/keystone-insurers-group>