

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR CHILDREN, YOUTH & FAMILIES

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4451 1-800-852-3345 Ext. 4451
FAX: 603-271-4729 TDD Access: 1-800-735-2964

Nicholas A. Toumpas
Commissioner

Maggie Bishop
Director

September 4, 2014

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services (DHHS), Division for Children, Youth and Families (DCYF) to enter into a contract with FIAI, Inc. dba Cross Insurance, Manchester, NH 03104 (Vendor # 169834) to purchase general liability coverage for foster parents for a total cost not to exceed \$59,707.15, effective as of October 11, 2014 through October 11, 2015, upon Governor and Council approval. (Source of funds: 30% Federal; 70% General Funds.)

Funds are available in the following account for State Fiscal Year 2014:

HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: CHILDREN AND YOUTH, SERV FOR CHILD AND FAMILIES, CHILD – FAMILY SERVICES

05-95-42-421010-2958-533-500373-42105847 Foster Care Services	FY2014 \$59,707.15
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EXPLANATION

The purpose of this request is to provide mandated general liability coverage for foster parents who care for children who are in custody of the DCYF. Per RSA 170-G:3, VI, the Commissioner of DHHS shall have the authority, after consultation with the Department of Insurance and the Department of Administrative Services, Risk Management Unit (RMU), to purchase insurance coverage for the benefit of individuals providing foster care to children within the jurisdiction of the DHHS.

FIAI, Inc. was the State's producer in this insurance purchase in accordance with its contract with RMU for Producer Services for Property and Casualty Insurance in effect from July 1, 2013 through June 30, 2015. The account executive from FIAI, Inc. and the State's Risk Manager discussed DCYF's insurance needs. The DCYF's management indicated to the Risk Manager that the program has not changed from last year and they were interested in securing the same terms and conditions as the current insurance contract.

In order to secure coverage for the 2014 to 2015 term, FIAI marketed the account to eight insurance carriers. FIAI received one quote from the incumbent, Western World Insurance Company (Wester World) through Tudor Insurance Company (Tudor), for \$59,707.15. While this quote represents a 5% increase, the competing companies FIAI approached either indicated they could not compete with the target premium or

declined to submit proposals based on prior claims activity or an unwillingness to replicate the unique manuscripted terms, conditions and coverage endorsements in the policy. The policy provides specialized liability coverage for the high risk population of foster children for damage caused by them to their foster families' homes due to their behavioral and emotional issues and also provides legal defense coverage to foster parents for allegations of sexual abuse. Most insurers do not want to assume this type of risk because it does not meet their internally established guidelines. In these cases, a specially licensed producer called a surplus line producer gets involved.

Western World insurance previously issued the Foster Parent policy as an admitted domestic carrier domiciled in Keene, NH. As of June 2012, the New Hampshire Department of Insurance approved Western World to operate as a surplus line insurer through Tudor. Tudor operates as a wholly owned subsidiary of Western World. Consequently all new and admitted business with Western World will be transitioning to Tudor. The quoted premium is void of agency fee or commission, reflects a \$2,758.00 premium increase from the previous year's policy premium and a \$1,737.15 surplus lines tax. The surplus line producer is required by law, RSA 405:29, to remit this 3% tax to the state on all insurance contracts written under their license. Western World has been providing this coverage since 1997. DHHS is satisfied with the insurance coverage and claim services provided by Western World.

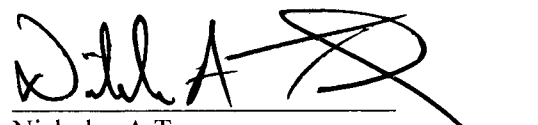
FIAI recommends securing insurance coverage with Tudor Insurance Company as they were the only market which presented competitive and comprehensive terms. The RMU agrees with FIAI's recommendation. This contract will result in an efficient and cost effective method of meeting the liability insurance needs for the DCYF's foster parents. This policy serves the statewide geographic area. In the event that this contract is not approved by the Governor and Executive Council, it would leave the DCYF vulnerable to liability for any and all damages incurred by children in care with foster families.

Based on Title IV-E eligibility of children in Foster Care, 30% of the costs will be billable to Federal Health and Human Services Title IV-E funds, and 70% to General Funds. In the event that the Federal funds are no longer available, General funds will not be requested to support this program.

We respectfully request your approval.

Approved by:


Maggie Bishop
Director


Nicholas A Toumpas
Commissioner, Health and Human Services

Concur:


Linda M. Hodgdon
Commissioner, Administrative Services

MARKETING RESULTS

FIAI, Inc dba Cross Insurance arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Foster Parents' Liability Insurance Company. Meredith L. Hendershot, the account executive from FIAI, Inc., made inquiries to specific insurance markets about the program. One market was interested and provided a quote. Seven markets declined to provide a quote based on either the class of business, inability to compete with pricing or claims activity.

Market Approached	RESULTS
Tudor Insurance Company	\$59,707.15 with optional Terrorism as described below 25% minimum earned
James River Insurance Company	Declined: Can't compete with target premium
Berkley Regional Specialty	Declined: Claims Activity
Philadelphia Insurance Company	Declined: Class of Business
Acadia Insurance Company	Declined: Class of Business
Hanover	Declined: Class of Business
Liberty Mutual	Declined: Class of Business
Travelers Insurance Company	Declined: Class of Business

PREMIUM SUMMARY

Subject	
General Liability	\$ 57,905.00
Total Taxes	\$ 1,737.15
Total Fees	\$ 65.00

OPTIONAL TERRORISM INSURANCE

Subject	
General Liability	\$ 57,905.00
Certified Acts of Terrorism	\$ 2,895.00
Total Taxes	\$ 1,824.00
Total Fees	\$ 65.00
General Liability	\$ 62,689.00

Terrorism has been declined historically.

Mrs. Hendershot recommends securing insurance coverage Tudor Insurance Company as they were the only market which presented competitive and comprehensive terms. The Risk Management Unit agrees with Mrs Hendershot's recommendation.



NEW HAMPSHIRE UNDERWRITERS INSURANCE AGENCY

(a division of Connecticut Underwriters, Inc.)

14 Dixon Ave., Ste. 203
 Concord, NH 03301-3957
 Toll Free: 800-660-2937
 Fax: 800-694-9177
 Email: info@nhunderwriters.com
 Website: nhunderwriters.com

Date: 07/02/2014
To: Cross Agency-Manchester
Attn: Carrie Morgan
From: Doreen Given
Applicant: Foster Parents of the State of NH, Department of Health and Human Services, Division for Children, Youth and Families

PLEASE BIND
 EFFECTIVE _____
 Circle Desired Premium Option(s)
 Below. No coverage is bound
 until confirmed by our office!
 Quote is Valid for **60 DAYS**.

Signature _____

State: NH **Renewal Of:** NPP1363427
Policy Type: Commercial General Liability
Policy Period: 10/11/2014 - 10/11/2015

PREMIUM SUMMARY:

General Liability	\$ 57,905.00
Total Premium	\$ 57,905.00
Total Taxes	\$ 1,737.15
Total Fees	\$ 65.00
Grand Total	\$ 59,707.15

Taxes:

SL Tax	1,737.15
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Fees:

Policy Fee	65.00
Commission	0%

Quoted By:
Tudor Insurance Company (BEST RATING: A+ SUPERIOR)

GENERAL LIABILITY LIMITS OF INSURANCE:

General Aggregate Limit (Other Than Products – Completed Ops)	300,000
Products – Completed Ops Aggregate Limit	Not Covered
Personal and Advertising Injury Limit	300,000
Each Occurrence Limit	300,000
Damage To Premises Rented To You	100,000
Medical Expense Limit	Not Covered Any One Person
Each Professional Incident Limit (if applicable)	Not Covered
Deductible	250 BI/PD

EXPOSURES:

Code	Class Name	Basis	Exposure	Pr/Co Rate	Pr/Co Premium	All Other Rate	All Other Premium
91583	Contractors - subcontracted work - in connection with building construction, reconstruction, repair or erection - one or two family dwellings (NH P1/B1)	Total Cost	If Any	Not Covered	Not Covered	Included	142.00 MP
99999	Foster Parents Program including food products (NH P1/B1)	each	550	Not Covered	Not Covered	92.768	51,000.00
99999	Sexual Molestation Insurance (NH P1/B1)	each	550			12.285	6,757.00

105.28
 100.27

Subject: Foster Parents' Liability Insurance Coverage

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Health and Human Services, Division for Children, Youth and Families		1.2 State Agency Address 129 Pleasant Street, Concord, NH 03301	
1.3 Contractor Name FIAI, Inc.		1.4 Contractor Address 1100 Elm Street, Manchester NH 03101	
1.5 Contractor Phone Number 603-206-9912	1.6 Account Number 05-95-42-421010-2958-533-500373-42105847	1.7 Completion Date 10/11/2015	1.8 Price Limitation \$59,707.15
1.9 Contracting Officer for State Agency Eric D. Borrin, Contracts and Procurement		1.10 State Agency Telephone Number 603-271-0945	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Meredith L. Hendershot, Account Executive	
1.13 Acknowledgement: State of New Hampshire, County of Hillsboro On August 18, 2014, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity intended in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]  			
1.13.2 Name and Title of Notary Public or Justice of the Peace Beatrice L. Neagle, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory  Maggie Bishop, Director, DCYF	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Mega A. Yaple - Attorney On: 9/2/14			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The

Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/ PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s)

thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

**Insurance Coverage for Foster Parents of DCYF Children
State of New Hampshire, Department of Health and Human Services
and FIAI, Inc.**

Exhibit A - Scope of Services

ARTICLE 1. SCOPE OF SERVICES

This EXHIBIT A, Scope of Services, is made a part of the P-37 Agreement (the "Agreement") and is made according to the terms of paragraph 2 of the Form P-37. This EXHIBIT A to the Agreement is between the State of New Hampshire Department of Health and Human Services, Division for Children, Youth and Families (the "State") and FIAI, Inc. ("FIAI"). The purpose of this request is to provide mandated general liability coverage for foster parents who care for children who are in custody of the Division for Children, Youth and Families ("DCYF"). Per RSA 170-G:3, VI, the Commissioner of Department of Health and Human Services shall have the authority, after consultation with the Department of Insurance (DOI) and the Department of Administrative Services' Risk Management Unit (RMU) to purchase insurance coverage for the benefit of individuals providing foster care to children within the jurisdiction of DCYF.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: October 11, 2014
 Expiration Date of Agreement: October 11, 2015
 12:01 AM Standard Time at the address of the State stated herein.

The State shall have the right to terminate the contract, if a contract is awarded; at any time by giving FIAI thirty (30) days advance written notice.

ARTICLE 3. Administrative Services Provided by FIAI

A. INSURANCE COVERAGE DETAILS

Subject of Insurance	Coverage Limit
General Liability General Aggregate Limit	\$300,000
Products – Completed Operations Aggregate Limit	Excluded
Personal and Advertising Injury Limit	\$300,000 any one person or organization
General Liability Per Occurrence Limit	\$300,000
Damage to Premises Rented to You	\$100,000 any one premises
Medical Expense Limit	Excluded
Each Professional Incident Limit	Excluded
Sexual Molestation Coverage	\$25,000 each claim \$25,000 Aggregate Defense Coverage Only
Property Damage to Foster Parents Property : Coverage applies regardless of negligence	\$5,000 per foster home \$5,000 per claim \$300,000 aggregate

\$250 Deductible applies to General Liability

B. CLAIMS ADMINISTRATION

FIAI shall administer all reported claims from October 11, 2014 for the contract period until the claims are closed.

1. Claim Reporting

RMU shall report claims from designated personnel at DCYF to FIAI's designated claims adjuster. FIAI shall send a letter of acknowledgment of claim to the RMU electronically or via US mail.

2. Claim Reserving.

FIAI shall establish and maintain timely and adequate reserves. FIAI shall revise reserve estimates whenever developments occur which change the ultimate loss exposure and maintain supporting documentation. Reserves shall be adequately funded by FIAI in a matter consistent with established industry practice.

3. Litigation Management.

FIAI shall ensure that all cases are properly prepared prior to conference, hearing or trial. The RMU shall be notified of any claims that involve legal proceedings, including but not limited to, conferences, hearings or trials. The RMU reserves the right to attend any hearing, conference, appeal or trial. If a conference, hearing or trial is to be handled by an attorney, ensure timely delivery of the file material for preparation. FIAI shall document the attorney's receipt of claim file and the attorney's opinion about the merits of the issues to be litigated and the probable outcome of the litigation. If an adverse finding is made, the attorney should comment about the costs and the merits of the appeal, including the potential impact on future claims costs. FIAI shall review attorney bills to ensure that they are accurate and reasonable.

4. Payment Control.

All claim payments shall be made by FIAI in accordance with New Hampshire statutory provisions and regulations. See Insurance Rules 1002. Documentation detailing the payee, type of payment and payment amount shall be provided to the RMU.

5. Claims Settlements and Loss Runs

FIAI shall advise RMU of any settlement of twenty thousand dollars (\$20,000) or greater. FIAI shall issue loss run reports within thirty days of RMU's request.

C. ACCOUNT MANAGEMENT

FIAI shall manage this policy in accordance with the terms and conditions of the Producer Services for Property and Casualty Insurance for the State, effective July 1, 2013.

**Insurance Coverage for Foster Parents of DCYF Children
State of New Hampshire, Department of Health and Human Services
and FIAI, Inc.**

Exhibit B – Price and Method of Payment

This EXHIBIT B, Contract Price, Limitation on Price, Payment is made a part of the Agreement and is made according to the terms of paragraph 5 of the Form P-37.

A. CONTRACT PRICE. FIAI hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the price below for the term of the contract ("contract price"). The total Contract Price for the term of the Agreement as shown in block 1.8 of the P-37 is \$59,707.15

B. INVOICING

FIAI shall submit one invoice to be paid in full at the beginning of the contract term in the amount of \$59,707.15.

FIAI shall submit an invoice to:

The State of New Hampshire
Department of Administrative Services
Risk Management Unit
25 Capitol Street, Rm 412
Concord, NH 03301
Or via email to: jason.dexter@nh.gov

The State shall not make payments to FIAI prior to the Agreement effective date of October 11, 2014.

C. PAYMENT

The State shall make payment to FIAI electronically or by check mailed to the address in Section 1.4 of the P-37. Payment terms are net thirty days subject to approval of the submitted invoice.

**Insurance Coverage for Foster Parents of DCYF Children
State of New Hampshire, Department of Health and Human Services
and FIAI, Inc.**

Exhibit C – Special Provisions

This EXHIBIT C, Special Provisions, is made a part of the Agreement and is made according to the terms of paragraph 22 of the Form P-37.

A. INSURANCE. Delete Paragraph 14.1.1 and substitute the following:

1. General Liability coverage with limits of \$1,000,000 per occurrence/\$2,000,000 in the aggregate
2. Automobile Insurance coverage with combined single limits of \$1,000,000 per accident
3. Excess/umbrella insurance coverage with limits of \$10,000,000 per occurrence and in the aggregate
4. Errors and Omission insurance coverage with limits of \$10,000,000
5. Crime/Fidelity coverage with limits of \$500,000

B. There are no other special provisions for this contract.

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FIAI, Inc. a(n) Maine corporation, is authorized to transact business in New Hampshire and qualified on January 12, 2007. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 8th day of May, A.D. 2014

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

FIAI, INC.

CERTIFICATE OF CLERK

I, Daniel G. McKay, Clerk of FIAI, Inc. (the "Corporation"), do hereby certify as follows:

1. I am the duly elected Clerk of the Corporation.
2. The following is a true and correct copy of resolutions duly adopted by the board

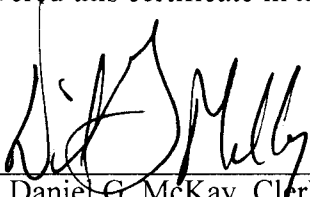
of directors of the Corporation on July 30, 2014, and such resolutions have not been rescinded, modified or amended and remain in full force and effect as of the date hereof:

RESOLVED: That Meredith L. Hendershot, the Senior Account Executive for FIAI, Inc., acting singly, is duly authorized and directed to enter into an Agreement for Insurance Coverage for the Foster Parents' Liability Insurance Coverage (the "Agreement") with the State of New Hampshire and is further authorized to execute any documents which may in her judgment be desirable or necessary in order to effect the purpose of this vote.

RESOLVED: That Meredith L. Hendershot, in her capacity as Senior Account Executive of the Corporation, hereby is duly authorized and directed to act as the Corporation's agent for the limited purpose of executing and delivering the Agreement and all documents contemplated thereunder or otherwise authorized by these resolutions.

RESOLVED: That the Clerk of the Corporation hereby is authorized to execute and deliver one or more Certificates certifying as to the adoption of the foregoing resolutions and as to the authority of Meredith L. Hendershot to act on behalf of the Corporation for the purposes specified above.

The undersigned has executed and delivered this certificate in his capacity as Clerk of FIAI, Inc. this 18th day of August, 2014.



Daniel G. McKay, Clerk



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/17/2014

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 Cross Insurance 74 Gilman Road P.O. Box 1388 Bangor ME 04401	CONTACT NAME: Woodrow Cross, II PHONE (A/C No. Ext): (207) 947-7345 E-MAIL ADDRESS: w2cross@crossagency.com	FAX (A/C No.):	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Cross Financial Corp / FIAI, Inc. 74 Gilman Road P O Box 1388 Bangor ME 04402	INSURER A: Hanover Insurance Group, Inc.		22292
	INSURER B: National Union Fire Ins Co LA		32298
	INSURER C: Maine Employers Mutual Ins Co.		
	INSURER D: Utica Mutual Ins Co		
	INSURER E:		
	INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** CL147713649 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			ZBP687501711	7/21/2014	7/21/2015	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$
A	AUTOMOBILE LIABILITY			ABP472889020	7/21/2014	7/21/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS		ADP915322604	7/21/2014	7/21/2015	BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			BE7251220	7/21/2014	7/21/2015	EACH OCCURRENCE \$ 10,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 10,000,000
	<input type="checkbox"/> DED	<input type="checkbox"/> RETENTION \$					\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			5101800114 3102802556	10/1/2014 10/1/2014	10/1/2015 10/1/2015	WC STATUTORY LIMITS OTH-ER
	<input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$ 500,000
	<input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 500,000
							E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Errors & Omissions			4179150EO	5/1/2014	5/1/2015	Each Loss Limit \$10,000,000
A	Crime/Fidelity			BDP1834885	7/21/2014	7/21/2015	Limit \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER State of New Hampshire 25 Capitol St., 1st Flr Rm 102 Concord, NH 03301	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 Woodrow Cross, II/WC1 <i>Woodrow Cross II</i>