



State of New Hampshire

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DEPARTMENT OF ADMINISTRATIVE SERVICES
OFFICE OF THE COMMISSIONER
25 Capitol Street – Room 120
Concord, New Hampshire 03301

LINDA M. HODGDON
Commissioner
(603) 271-3201

JOSEPH B. BOUCHARD
Assistant Commissioner
(603) 271-3204

May 16, 2013

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

REQUESTED ACTION

Authorize the Department of Administrative Services, Risk Management Unit (RMU), to enter into an agreement with FIAI Inc dba Cross Insurance, Manchester, N.H. (Vendor 169834) to purchase a Blanket Position Schedule Bond including faithful performance and fidelity coverage for State employees at an annual cost of \$6,352 and a total cost not to exceed \$31,760 upon Governor & Council approval, for the period effective July 1, 2013 through June 30, 2018. **38.5% General Funds, 61.5% Agency Income (from other state agencies).**

Funding is anticipated to be budgeted in the following, contingent upon availability and continued appropriations, with the authority to adjust encumbrances in each of the state fiscal years through the Budget Office if needed and justified.

01-14-14-140010-13750000 Dept of Administrative Serv Risk Management Unit
210-500756 Insurance and Bonding

| | | |
|----------------|----------------|-----------------------|
| FY2014 \$6,352 | FY2015 \$6,352 | FY2016 \$6,352 |
| FY2017 \$6,352 | FY2018 \$6,352 | Total \$31,760 |

EXPLANATION

The Department of Administrative Services is required to purchase a Blanket State Officials and Employees Bond per RSA 93-B. The Blanket Position Schedule Bond includes faithful performance and fidelity coverage that meets the State's requirements. The bond covers all public employees and certain senior public officials of the State. The bond provides the State indemnification against losses through failure of State officers, clerks and employees to faithfully perform their duties or to account properly for all moneys or property received by virtue of their positions or employment. The bond further provides indemnification for fraudulent or dishonest acts committed by State officers, clerks and employees. The bond also provides indemnification for court employees for the above mentioned losses and for any errors and omissions committed in their capacities as court employees. The coverage limit is \$200,000 each for all State officials and employees with a \$5,000 deductible. There are excess limits for some senior level state employees ranging from \$300,000 to \$500,000.

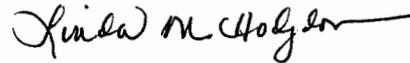
RMU worked with Cross Insurance who arranged for this insurance purchase in accordance with their contract with the State for Producer Services for property and casualty Insurance. Cross Insurance and RMU reviewed the bond insurance coverage needs, employee inventory list and prior claims. The State has not filed any claims on this policy since 2008.

Grady Crews, Senior Account Executive for Cross Insurance made inquiries to specific insurance markets about this type of coverage for the State. The incumbent, National Grange Mutual Insurance Company (NGM) supplied a quotation of \$6,352 annually for five years and agreed to keep all terms and conditions per the expiring policy. Significant changes in employee count, bond limits or adverse loss experience may impact the annual premiums in FY15 through FY18. One other market indicated it was unable to compete with current pricing or commit to more than one year of coverage. The attached marketing results worksheet provides the quotation details. NGM is A+ rated by A.M. Best.

Mr. Crews recommends securing insurance coverage with NGM Insurance Company as they presented the most competitive and comprehensive terms in comparison to the other market approached. The Risk Management Unit agrees with Mr. Crews' recommendation.

The Department of Administrative Services requests the approval of this contract.

Respectfully submitted,



Linda M. Hodgdon
Commissioner

**State of New Hampshire
Blanket Public Official and Blanket Position Official
and Faithful Performance of Duty Bond**

MARKETING RESULTS

FIAI, Inc dba Cross Insurance arranged for this insurance purchase in accordance with its contract with the State for Producer Services for property & casualty Insurance. The insurance policy for the Blanket Public Official and Blanket Position Official and Faithful Performance of Duty Bond is among the insurance policies included in this contract.

Grady Crews, the Senior Account Executive from FIAI, Inc dba Cross Insurance made inquiries to specific insurance markets about the bond program. One market provided a quote which matched the current pricing. One market provided an indication which was unable to compete with current pricing or commit to provide more than one year of coverage.

| Market Approached | RESULTS |
|---|---|
| National Grange Mutual Insurance Company | \$6,352 annually for five (5) years \$31,760 total |
| Liberty Surety | \$15,201 annually for one year |

Mr. Crews recommends securing insurance coverage with National Grange Mutual as they presented the most competitive and comprehensive terms in comparison to the other market approached. The Risk Management Unit agrees with Mr. Crews' recommendation.

Subject: Blanket Public Official, Blanket Position Official Bond & Faithful Performance FORM NUMBER P-37 (version 1/09)

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 Administrative Services | | 1.2 State Agency Address 25 Capitol Street, Concord NH 03301 | |
| 1.3 Contractor Name FIAI Inc., dba Cross Insurance | | 1.4 Contractor Address 1100 Elm Street Manchester, NH 03101 | |
| 1.5 Contractor Phone Number 603-669-3218 | 1.6 Account Number 01001413750000210500756 | 1.7 Completion Date June 30, 2018 | 1.8 Price Limitation \$31,760 |
| 1.9 Contracting Officer for State Agency Catherine A. Keane, Administrator of Risk & Benefits | | 1.10 State Agency Telephone Number 603-271-3180 | |
| 1.11 Contractor Signature <i>A. Russell</i> | | 1.12 Name and Title of Contractor Signatory R. Grady Crews, Senior Account Manager | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>May 13, 2013</u> , 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 indicated in block 1.12. | | | |
| 1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>Beatrice Neagle</i> | | | |
| 1.13.2 Name and Title of Notary or Justice of the Peace <u>Beatrice Neagle</u> | | | |
| 1.14 State Agency Signature <i>Linda M. Hodgdon</i> | | 1.15 Name and Title of State Agency Signatory Linda M. Hodgdon, Commissioner | |
| 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: <i>Mark Brun</i> On: <i>5/20/13</i> | | | |
| 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.

**Blanket Public Official Bond and Blanket Position Official Bond
and Faithful Performance of Duty Bond
Contract Agreement Between
The Department of Administrative Services
and FIAI Inc., dba Cross Insurance**

Exhibit A - Scope of Services

FIAI Inc., dba Cross Insurance hereinafter called the Contractor, agrees to provide Blanket Public Official Bond and Blanket Position Official Bond and Faithful Performance of Duty Bond coverage on an annual basis from July 1, 2013 through June 31, 2018, all as more particularly described in Specific Services. The coverage limit is \$200,000 each for all State of New Hampshire Officials and Employees with a \$5,000 deductible. There are excess limits for some senior level state employees ranging from \$300,000 to \$500,000.

In addition to providing a policy of insurance, the Contractor agrees to provide claims administration and issue loss run reports upon request by the Department of Administrative Services, Risk Management Unit.

Contractor Initials: AKC
Date: 5/13/13

**Blanket Public Official Bond and Blanket Position Official Bond
and Faithful Performance of Duty Bond
Contract Agreement Between
The Department of Administrative Services
and FIAI Inc., dba Cross Insurance**

SPECIFIC SERVICES

- 1) The contractor agrees to furnish bond which provides blanket public official coverage for all State held positions up to \$200,000 as well as a public official position bond covering specific high level positions in the amounts of up to \$500,000.

The specific excess limits requested for the high level positions and their departments are as follows:

- | | |
|--|-----------|
| • Commission Chairman – Sweepstakes Commission | \$500,000 |
| • Executive Director – Sweepstakes Commission | \$500,000 |
| • Treasurer/Custodian – Employment Compensation Funds, Department of Employment Security | \$300,000 |

These positions will fall under the Blanket Public Official Bond and Faithful Performance of Duty Bond in the amount of \$200,000:

- Director, Division of Financial Data Management – Department of Administrative Services
- Commissioner – Department of Employment Security
- Deputy Commissioner – Department of Employment Security
- Director of Administrative Assistants – Department of Safety
- State Treasurer

- 2) The contractor agrees to provide the bond with a \$5,000 annual deductible.
- 3) The contractor agrees to furnish bond form and riders which are standard forms as promulgated by Surety Association of America or the equivalent approved by the New Hampshire Department of Insurance, except the definition of "Employee" contained in the bond shall be amended as follows:
- 4) Employee as used in this bond means a person while in the employ of the Insured during the bond period and who is a member of the staff or personnel of the Insured.
- 5) The Definition of Employee is to include the State Treasurer as a covered employee under this bond.
- 6) The Obligee shall be the State of New Hampshire.
- 7) The bond shall require the notification of potential losses as soon as possible, but shall not impose any time constraints greater than this.
- 8) The bond shall protect the interests of the State of New Hampshire and its various agencies and instrumentalities.

Contractor's Initials: 
Date: 5/13/13

**Blanket Public Official Bond and Blanket Position Official Bond
and Faithful Performance of Duty Bond
Contract Agreement Between
The Department of Administrative Services
and FIAI Inc., dba Cross Insurance**

Exhibit B – Price and Method of Payment

The price for the Scope of Services detailed in Exhibit A is guaranteed for the five year term at a total cost of \$31,760. The premium for one year, beginning July 1, 2013 and ending on June 30, 2013 is \$6,352. There is an annual deductible of \$5,000. The premium breakdown is detailed in the attached pricing worksheet issued by the Contractor attached hereto as Attachment 1.

The first premium payment of \$6,352 is due within thirty days from the date of contract approval by Governor and Council.

The appropriate account number for the P-37 form, section 1.6 is listed below:

010-014-13750000-210-500756

| FY | Bond Period | Invoice Date | Amount |
|---------------|----------------|----------------|-----------------|
| <u>FY2014</u> | 7/1/13-6/30/14 | 7/1/13 | \$ 6,352 |
| <u>FY2015</u> | 7/1/14-6/30/15 | 7/1/14 | \$ 6,352 |
| <u>FY2016</u> | 7/1/15-6/30/16 | 7/1/15 | \$ 6,352 |
| <u>FY2017</u> | 7/1/16-6/30/17 | 7/1/16 | \$ 6,352 |
| <u>FY2018</u> | 7/1/17-6/30/18 | 7/1/17 | <u>\$ 6,352</u> |
| | | Contract total | \$31,760 |

100% General Funds

Contractor Initials: RAC
Date: 5/13/13

**Blanket Public Official Bond and Blanket Position Official Bond
and Faithful Performance of Duty Bond
Contract Agreement Between
The Department of Administrative Services
and FIAI Inc., dba Cross Insurance**

PRICING WORKSHEET

**BINDING PRICE OFFER BEARING AUTHORIZED SIGNATURE OF VENDOR
VENDOR'S DETAILED QUOTED COST ON BLANKET PUBLIC EMPLOYEES BOND**

| POSITION | TOTAL AMOUNT OF COVERAGE | ANNUAL PREMIUM | FIVE YEAR PREMIUM |
|---|---------------------------------|-----------------------|--------------------------|
| Chairman, NH Lottery Commission | \$ 500,000 | \$118 | \$590 |
| Executive Director, NH Lottery Commission | \$ 500,000 | \$118 | \$590 |
| Treasurer/Custodian - Employment Compensation Funds - Dept of Employment Security | \$ 300,000 | \$108 | \$540 |
| Director, Financial Data Management- Dept of Administrative Services | \$ 200,000 | \$80 | \$400 |
| Commissioner, Employment Security | \$200,000 | \$80 | \$400 |
| Deputy Commissioner, Employment Security | \$200,000 | \$80 | \$400 |
| Director of Administrative Assistance - Department of Safety | \$200,000 | \$80 | \$400 |
| State Treasurer | \$200,000 | \$80 | \$400 |
| All Remaining State Officials and Employees | \$200,000 | \$5608 | \$28040 |

| Annual Deductible Amount | Annual Premium | Five Year Premium |
|---------------------------------|-----------------------|--------------------------|
| \$5,000 deductible | \$6352 | \$31,760 |


Signature

R. Grady Crews, Account Executive
Name and Title of Vendor Representative

**Blanket Public Official Bond and Blanket Position Official Bond
and Faithful Performance of Duty Bond
Contract Agreement Between
The Department of Administrative Services
and FIAI Inc., dba Cross Insurance**

Exhibit C – Special Provisions

Form P-37, section 14 Insurance, is amended per the attached certificate of insurance from FIAI Inc., dba Cross Insurance to include the following coverage enhancements:

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. Workers compensation coverage with statutory limits and Employers' Liability with limits of \$500,000 per accident and \$500,000 policy limit
5. Errors and Omissions liability insurance coverage with limits of \$10,000,000
6. Crime/Fidelity coverage with limits of \$500,000

Contractor Initials: AJC
Date: 5/13/13

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 15th day of May, A.D. 2013

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE/CERTIFICATE OF AUTHORITY

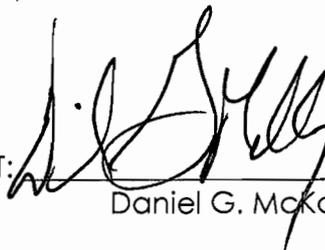
I, Daniel G. McKay, hereby certify that I am duly elected Clerk Pro Tempore of FIAI, Inc. I hereby certify that the following is a true copy of a vote taken at a meeting of the Board of Directors of FIAI, Inc., duly called and held on May 9, 2013, at which a quorum of the Board of Directors was present and voting.

VOTED: That R. Grady Crews, the Senior Account Executive for FIAI, Inc., acting singly, is duly authorized to enter into a specific contract namely Blanket Public Official Bond and Blanket Position Official Bond and Faithful Performance of Duty Bond with The State of New Hampshire and further authorized to execute any documents which may in his judgment be desirable or necessary to effect the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of May 13, 2013, and that R. Grady Crews is duly elected Senior Account Executive of FIAI, Inc.

DATED: May 13, 2013

ATTEST:



Daniel G. McKay, Clerk

(Affix Corporate Seal)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/5/2013

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 FAX (A/C. No.): E-MAIL ADDRESS: w2cross@crossagency.com | | | | | | | | | | | | | |
|---|--|-------------------------------|--------|--|-------|---|--|--------------------------------------|--|--------------------|--|--------------------|--|--------------------|
| | <table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A Hanover Insurance Group, Inc.</td> <td>22292</td> </tr> <tr> <td>INSURER B Maine Employers Mutual Ins Co.</td> <td></td> </tr> <tr> <td>INSURER C Utica Mutual Ins Co</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table> | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A Hanover Insurance Group, Inc. | 22292 | INSURER B Maine Employers Mutual Ins Co. | | INSURER C Utica Mutual Ins Co | | INSURER D : | | INSURER E : | | INSURER F : |
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| INSURER E : | | | | | | | | | | | | | | |
| INSURER F : | | | | | | | | | | | | | | |
| INSURED Cross Financial Corp. & FIAI, Inc. dba Cross Insurance - Manchester P O Box 1388 Bangor ME 04402 | | | | | | | | | | | | | | |

COVERAGES CERTIFICATE NUMBER: CL128270078 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 <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | ZDP687501709 | 7/21/2012 | 7/21/2013 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ \$ |
| | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | ABP472889018 ADP915322602 | 7/21/2012 | 7/21/2013 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| A | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | UHP433098218 | 7/21/2012 | 7/21/2013 | EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | Y/N N/A | 5101800114 | 10/1/2012 | 10/1/2013 | <input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000 |
| C | Errors & Omissions | | | 4179150 | 5/1/2012 | 5/1/2013 | Each Loss Limit \$10,000,000 |
| A | Crime/Fidelity | | | BDP1834885 | 7/21/2012 | 7/21/2013 | Limit \$500,000 |

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

CERTIFICATE HOLDER **CANCELLATION**

State of New Hampshire
 25 Capitol Street
 1st Floor, Room 102
 Concord, NH 03301-6312

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
 Melanie Campbell/MJC *Melanie G. Campbell*