



ADMINISTRATIVE OFFICE  
32 SOUTH MAIN STREET  
CONCORD, NH 03301-4857



19A

GEORGE N. COPADIS, COMMISSIONER

March 7, 2013

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

**Requested Action**

To authorize New Hampshire Employment Security (NHES) to enter into a contract with FIAI, Inc. dba Cross Insurance (VC# 169834-B001), Manchester, NH, in the amount not to exceed \$61,193 for property (building and contents) insurance and liability coverage for NHES properties statewide from April 1, 2013 through March 31, 2014. 100% Federal funds.

Federal funds available for these services will be expended as follows contingent upon availability and continued appropriations for fiscal years 2013 forward with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified.

02-27-27-270010-8040 Department of Employment Security	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
10-02700-80400000-020-500250 Insurance	\$47,643	\$13,550	\$61,193
Vendor Code: 169834-B001 FIAI, Inc.			
RQ#: 135721			

**Explanation**

NHES is requesting approval of the attached one year contract for property insurance coverage of NHES property including buildings and contents at fifteen (15) NHES locations statewide and any additional properties that may come under NHES control during the contract period, as well as, liability insurance at the twelve (12) NHES owned properties. The remaining properties include three rental properties that are insured by the owners of the property.

This contract has a current base amount of \$47,643 with an additional amount of \$5,000 as an allowance for additional coverage. This request also includes \$8,550 to provide three months of property insurance coverage for the Tobey Facility, where NHES anticipates moving in early 2014 prior to the end of the contract term.

The contract provides property replacement cost coverage for over \$27,000,000 in NHES' twelve (12) owned buildings and contents at fifteen (15) NHES locations statewide. The policy covers the blanket agreed upon value of \$18,411,000 in building value and \$9,032,358 in business personal property value. The policy also provides liability coverage of \$1,000,000 per occurrence, \$2,000,000 in aggregate for potential claims against NHES at its twelve (12) owned locations statewide based upon 132,905 square feet of office space.

*NHES is a proud member of America's Workforce Network and NH Works. NHES is an Equal Opportunity Employer and complies with the Americans with Disabilities Act. Auxiliary Aids and Services are available on request of individuals with disabilities*

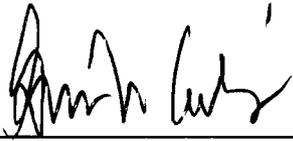
Telephone (603) 224-3311 Fax (603) 228-4145 TDD/TTY Access: Relay 1-800-735-2964 Web site: www.nhes.nh.gov

Notwithstanding any changes to the property schedule, the policy provides for insurance coverage at a composite cost of approximately \$358 per 1,000 square feet for the existing NHES properties, as compared to a cost of \$372 per 1,000 square feet over the prior contract. The prior contract was for a three year term, however due to shifts in the insurance industry, insurers were unwilling to provide a rate guarantee for a contract longer than a one year term.

The policy also provides business income coverage, Terrorism coverage and boiler and machinery coverage. NHES may increase or decrease the blanket and agreed upon value to adjust for changes in value due to changes in building and/or contents ownership.

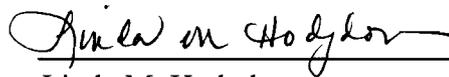
FIAI, Inc. arranged for the current insurance purchase in accordance with its contract with the State for Producer Services for Property and Liability Insurance. FIAI, Inc. is the contractor because due to insurance company restrictions, NHES cannot directly contract with the insurance company. Grady Crews, the account executive from FIAI, Inc made inquiries to specific insurance markets about this coverage. Of the seven (7) insurance markets contacted by FIAI, Inc., only two (2) quotes were received. Five (5) markets declined to provide a quote based on either the class of business or their inability to compete with current pricing structure. The lowest responding bidder was selected.

Respectfully submitted,



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George N. Copadis  
Commissioner, NH Department of  
Employment Security



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Linda M. Hodgdon  
Commissioner, NH Department of  
Administrative Services

## MARKETING RESULTS

FIAI, Inc arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property and Casualty Insurance. Grady Crews, the account executive from FIAI, Inc made inquiries to specific insurance markets about the program. Two markets were interested and provided quotes. Five markets declined to provide a quote based on either the class of business or their inability to compete with current pricing structure.

Market Approached	RESULTS
<b>Acadia</b>	<b>\$ 47,643 plus \$547 optional Terrorism Insurance Coverage (\$48,190)</b>
Philadelphia	\$ 52,419 plus \$937 optional Terrorism Insurance Coverage (\$53,356)
CNA	Declined to Quote: Not Competitive
Travelers	Declined to Quote: Not Competitive
Peerless	Declined to Quote: Type of Exposure
Hartford	Declined to Quote: Type of Exposure
Central Insurance	Declined to Quote: Type of Exposure

Subject	Acadia	Philadelphia
Property Insurance Coverage	<b>\$35,557</b>	\$34,845
General Liability Insurance Coverage	<b>\$12,613</b>	\$18,511
Total- including terrorism	<b>\$48,190</b>	\$53,356
Terrorism – will be declined	<b>\$ 547</b>	\$ 937
Total cost	<b>\$47,643</b>	\$52,419

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

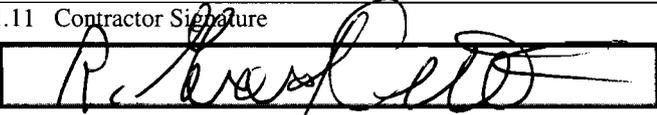
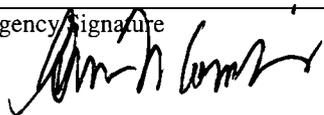
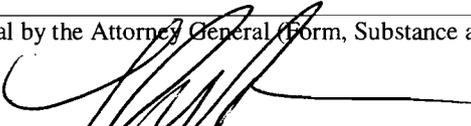
Subject: NH Employment Security Property Insurance Policy FORM NUMBER P-37 ( version 1/09)

**AGREEMENT**

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

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

1.1 State Agency Name <u>NH Department of Employment Security</u>		1.2 State Agency Address <u>32 South Main Street, Concord, NH 03301</u>	
1.3 Contractor Name <u>FIAI, Inc</u>		1.4 Contractor Address <u>1100 Elm Street Manchester, NH 03101</u>	
1.5 Contractor Phone Number <u>603-669-3218</u>	1.6 Account Number <u>010-027-8040-020-0250</u>	1.7 Completion Date <u>March 31, 2014</u>	1.8 Price Limitation <u>\$61,193</u>
1.9 Contracting Officer for State Agency <u>George N. Copadis, Commissioner</u>		1.10 State Agency Telephone Number <u>603-228-4000</u>	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory <u>R. Grady Crews</u>	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>2/21/2013</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] 		MARNEEAN BETKE Notary Public - New Hampshire My Commission Expires October 3, 2017	
1.13.2 Name and Title of Notary or Justice of the Peace <u>Marneean, Betke</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>NHES, Commissioner</u>	
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:  On: <u>3/6/13</u>			
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.

Contractor Initials ARC  
Date 2/21/13

**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.**

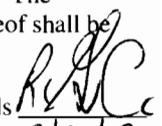
14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

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

Contractor Initials   
Date 2/21/13

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.

Contractor Initials   
Date 2/21/13

**Insurance Coverage for  
New Hampshire Employment Security  
Contract Agreement Between  
New Hampshire Employment Security  
and FIAI, Inc. dba Cross Insurance**

**EXHIBIT A – Scope of Services**

FIAI, Inc. dba Cross Insurance, hereinafter called Contractor, agrees to provide general liability, property, business income, boiler and machinery and terrorism coverage for New Hampshire Employment Security from April 1, 2013 through March 31, 2014. Coverage consists of (1) general liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate using a guaranteed rate of .094 per square foot; and (2) real property insurance coverage for a blanket building and contents limit of \$27,443,358 using a guaranteed rate of .128 per \$100, with a \$1,000 deductible; (3) business income and extra expense coverage of \$1,000,000 per occurrence and aggregate; (4) boiler and machinery coverage, aka system breakdown coverage, with a limit of \$27,443,358; and (5) Terrorism Risk Insurance Act (TIA) coverage with statutory limits. The rates above are based upon current values and square footage provided by New Hampshire Employment Security at policy inception not withstanding any changes during the policy term that would adjust the underwritten exposure.

**Insurance Coverage for  
New Hampshire Employment Security  
Contract Agreement Between  
New Hampshire Employment Security  
and FIAI, Inc. dba Cross Insurance**

**Exhibit B – Price and Method of Payment**

The annual premium effective April 1, 2013 through March 31, 2014 is \$47,643 with an additional amount of \$5,000.00 as an allowance for additional coverage as well as a contingent amount of \$8,550 for the anticipated addition of the Tobey Building, with a total of \$61,193. Real property coverage for additional properties would be at the guaranteed insured rate, namely .128 per \$100. General liability coverage for additional properties would be at the guaranteed insured rate, namely .094 per square foot.

The annual premium of \$47,643 is made up of \$31,250 for property, \$12,506 for general liability, \$868 for business income and extra expense, \$3,019 for system breakdown and \$547 for TRIA.

The premium payment of \$47,643 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:

10-270-80400000-020-500250

FY 2013      \$61,193

100% Federal Funds

**Insurance Coverage for  
New Hampshire Employment Security  
Contract Agreement Between  
New Hampshire Employment Security  
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. Professional liability insurance coverage with limits of \$10,000,000
6. Crime/Fidelity coverage with limits of \$500,000

**RENEWAL INSURANCE PROPOSAL  
PREPARED FOR:**

**State Of New Hampshire  
Department of Employment Security  
25 Capitol St., Rm 412  
Concord, NH 03301**

**PRESENTED BY:**

**FIAI, Inc. d/b/a Cross Insurance Agency  
1100 Elm Street  
Manchester, NH 03101  
[www.crossagency.com](http://www.crossagency.com)**

**ACCOUNT EXECUTIVE: Grady Crews / Meredith Hendershot**

**TELEPHONE NUMBER: 800-969-3218 603-669-3218**

**FAX NUMBER: 603-645-4331**

**EMAIL ADDRESS: mhendershot@crossagency.com**

**DATE OF PROPOSAL: February 21, 2013**

This is a coverage summary, not a legal contract. This proposal is provided to facilitate your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage. In suggesting policy limits, terms and conditions, we are depending on complete and accurate data provided by you and this proposal may not contain all insurance coverage that you may need. If there are areas that need to be evaluated prior to binding coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, please inform us so proper coverage can be secured. We assume no response means no changes.

Please note this quotation as offered by the insurance company must be accepted by the effective date of coverage, otherwise it will be subject to renegotiation and may result in higher cost.

## ACCOUNT SERVICE TEAM

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No matter how comprehensive or price competitive your insurance program is, it's still people who must service it to ensure that the coverage will respond when it's needed. We feel our people are our greatest asset – courteous professionals who know that you expect and deserve the very best.

### These are the people that handle your account:

Meredith Hendershot  
Account Executive  
Direct T# 603-206-9917  
[mhendershot@crossagency.com](mailto:mhendershot@crossagency.com)

Grady Crews  
Account Executive  
Direct T# 603-206-9912  
[gcrews@crossagency.com](mailto:gcrews@crossagency.com)

Carrie Morgan  
Account Manager  
Direct T# 603-206-0950  
[cmorgan@crossagency.com](mailto:cmorgan@crossagency.com)

Lisa DeGrace  
Claims Manager  
Direct T#: 603-206-9930  
[ldegrace@crossagency.com](mailto:ldegrace@crossagency.com)

### For a Personal Insurance Quote please contact:

Lisa Brodeur Direct T#: 603-206-9942  
Colleen Dinardi Direct T#: 603-206-0965

[lbrodeur@crossagency.com](mailto:lbrodeur@crossagency.com)  
[cdinardi@crossagency.com](mailto:cdinardi@crossagency.com)

### For a Benefits Quote please contact:

[eben@crossagency.com](mailto:eben@crossagency.com)

### Request Certificates at:

[ManchCertificates@crossagency.com](mailto:ManchCertificates@crossagency.com)

Agency Main T#: 603-669-3218

Agency Fax #: 603-645-4331

Visit our Website at: [www.crossagency.com](http://www.crossagency.com)



Higher limits may be available upon request.  
Refer to policy forms for additional terms, conditions and endorsements.

## GENERAL LIABILITY

Named Insured: State of New Hampshire, Department of Employment Security

Coverage Provided By: Acadia Ins Co

Policy Term: 4/01/2013 - 4/01/2014

### COVERAGE/LIMITS

Coverage	Acadia Limit	Philadelphia Limit
General Aggregate	2,000,000	2,000,000
Products/Completed Ops Aggregate	2,000,000	2,000,000
Personal & Advertising Injury	1,000,000	1,000,000
Each Occurrence	1,000,000	1,000,000
Fire Damage	250,000	300,000
Medical Expense	15,000	20,000
General Liability Expansion Endorsement	INCLUDED	INCLUDED
Terrorism- Can be declined	INCLUDED	INCLUDED

### RATING INFORMATION BASED ON OFFICE EXPOSURE, CLASS CODE 61226

Loc #	Classification	Exposure
01	300 Hanover St. Manchester NH	20000
02	298 Hanover Manchester NH	10000
03	6 Townsend West, Nashua, NH	12000
04	646 Union St. Suite 100 Littleton, NH	NO COVERAGE
05	151 Pleasant St. Berlin NH	5312
06	404 Washington St. Claremont NH	5300
07	10 West St. Concord, NH	20520
08	32 So. Main St. Concord, NH	21902
09	426 Union Ave. Laconia, NH	9560
10	243 Rte. 108 Somersworth, NH	10000
11	518 White Mtn. Highway Conway, NH	5307
12	2000 Layfayette Rd Portsmouth, NH	7500
13	29 So Broadway Salem NH	5504
14	109 Key Rd. Keene, NH	NO COVERAGE
15	11 Stickney Ave. Concord NH	NO COVERAGE



Higher limits may be available upon request.  
Refer to policy forms for additional terms, conditions and endorsements.

## PROPERTY

Named Insured: State of New Hampshire, Department of Employment Security  
 Coverage Provided By: Acadia Ins Co  
 Policy Term: 4/01/2013 - 4/01/2014

### SUBJECT OF INSURANCE

Subject	ACADIA		PHILADELPHIA	
	Limit	Ded	Limit	Ded
Blanket Building. & Personal Property, Agreed Value	27,443,358	1,000	27,071,358	1,000
Blanket Boiler & Machinery	27,443,358	1,000	27,071,358	1,000
Business Income & Extra Expense	1,000,000	72 Hrs	1,000,000	72 Hrs
Spoilage- per location	250,000	1,000	25,000	1,000
Property Enhancement Endorsement	Included		Included	
Terrorism – can be declined	Included		Included	

Values used on the 2/22/13 Statement of Values were provided to both markets.

Acadia kept all building values as per the 4/1/12 – 4/1/13 term except for 32 South Main Street, which was adjusted to reflect \$3,288,000.

Philadelphia quoted as per 2/22/13 Statement of Values

Flood Coverage not provided

Earthquake Coverage not provided



Higher limits may be available upon request.  
 Refer to policy forms for additional terms, conditions and endorsements.

## RENEWAL MARKETING RESULTS

DESCRIPTION OF COVERAGE	RESULT
Acadia	<b>\$ 47,643 plus \$547 optional Terrorism Insurance Coverage</b>
Philadelphia	<b>\$ 52,419 plus \$937 optional Terrorism Insurance Coverage</b>
CNA	Declined to Quote: Not Competitive
Travelers	Declined to Quote: Not Competitive
Peerless	Declined to Quote: Type of Exposure
Hartford	Declined to Quote: Type of Exposure
Central Insurance	Declined to Quote: Type of Exposure

We are providing an estimated quote for anticipated addition of The Tobey Building located at 48 South Fruit St, Concord, NH 03301. Based on a building value of \$22,000,000, we estimate the annual premium at \$25,100 for the building and \$9,100 for the general liability resulting in an annual premium estimate at \$34,200. I did not factor in Business Personal Property or Business Income as they will shift from the 298 & 300 Hanover St Manchester, 10 West Street Concord & 32 S. Main Street Concord locations to 48 South Fruit St Concord, NH.

Based on construction estimates given by the Department of Employment Security, it was stated that the building may be ready for occupancy as early as January, 2014. This would result in a pro-rated premium of \$2,850 per month. We are recommending the Department of Employment Security create a contingency in the P-37 in the amount of \$13,550 to allow for potential additional premium for The Tobey Building as well as any property enhancements.

Please note, this is an estimate. The addition of the building would be subject to approval of loss control inspection and Insurance to Value calculations.

FIAI, Inc arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property and Casualty Insurance. Grady Crews, the account executive from FIAI, Inc made inquiries to specific insurance markets about the program. Two markets were interested and provided quotes. Five markets declined to provide a quote based on either the class of business or their inability to compete with current pricing structure. Building updates were provided by the Department of Employment Security but we were only able to change the building value for 32 S. Main Street from \$3,500,000 to \$3,288,000 per the Department's request. The remaining buildings did not meet Insured To Value guidelines previously established with Acadia, so we could not make those changes. Mr. Crews recommends securing insurance coverage with Acadia Insurance because they presented the most competitive and comprehensive terms in comparison to other markets approached.



Higher limits may be available upon request.  
Refer to policy forms for additional terms, conditions and endorsements.

**Statement of Values for Property from Acadia**

# Loc./Bld.	Address	Actual Cost	Replacement Cost
		What Was Requested	What Acadia Quoted
		Real Property	Real Property
		Personal Property	Personal Property
Location #1	300 Hanover Street	2,219,000.00	2,300,000.00
Bus Personal Property	Manchester, NH	845,906.54	845,906.54
Location #2	298 Hanover Street	1,146,000.00	1,200,000.00
Bus Personal Property	Manchester, NH	369,733.93	369,733.93
Location #3	6 Townsend West	1,791,000.00	1,791,000.00
Bus Personal Property	Nashua, NH	407,543.88	407,543.88
Location #4	646 Union Street, Suite 10	Rent ***	Rent***
Bus Personal Property	Littleton, NH	161,214.18	161,214.18
Location #5	151 Pleasant Street	700,000.00	700,000.00
Bus Personal Property	Berlin, NH	159,832.90	159,832.90
Location #6	404 Washington Street	722,000.00	722,000.00
Bus Personal Property	Claremont, NH	158,292.04	158,292.04
Location #7	10 West Street	2,763,000.00	3,000,000.00
Bus Personal Property	Concord, NH	1,026,085.16	1,026,085.16
Location #8	32 South Main Street	3,288,000.00	3,288,000.00
Bus Personal Property	Concord, NH	4,168,718.25	4,168,718.25
Location #9	426 Union Ave	1,340,000.00	1,340,000.00
Bus Personal Property	Laconia, NH	325,118.76	325,118.76
Location #10	243 Rte 108	1,252,000.00	1,252,000.00
Bus Personal Property	Somersworth, NH	345,344.01	345,344.01
Location #11	518 White Mtn Highway	700,000.00	700,000.00
Bus Personal Property	Conway, NH	231,765.66	231,765.66
Location #12	2000 Lafayette Road	1,264,000.00	1,264,000.00
Bus Personal Property	Portsmouth, NH	220,609.60	220,609.60
Location #13	29 South Broadway	854,000.00	854,000.00
Bus Personal Property	Salem, NH	170,843.27	170,843.27
Location #14	109 Key Road	Rent ***	Rent***
Bus Personal Property	Keene, NH	204,780.03	204,780.03
Location #15	MAW	Rent***	Rent***
Bus Personal Property	11 Stickney Ave	236,570.10	236,570.10

\$ 27,071,358.31 \$ 27,443,358.31

Replacement Cost - Please see rows highlighted in yellow.

Building values were previously underinsured.

Acadia increased building values 4% in order to reflect a closer insured to value ratio.

  
 \_\_\_\_\_  
 Commissioner

3/5/13  
 \_\_\_\_\_  
 Date

# 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 26<sup>th</sup> day of February, A.D. 2013

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

William M. Gardner  
Secretary of State

**CERTIFICATE OF VOTE/CERTIFICATE OF AUTHORITY**

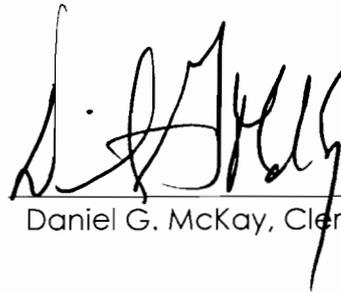
I, Daniel G. McKay, hereby certify that I am duly elected Clerk of FIAI, Inc. I hereby certify that the following is a true copy of a vote taken at a meeting of the Board of Directors of FIAI, Inc., duly called and held on February 15, 2013, at which a quorum of the Board of Directors was present and voting.

VOTED: That R. Grady Crews, the Senior Account Executive for FIAI, Inc., acting singly, is duly authorized to enter into the NH Employment Security Property Liability Insurance Coverage contract ("NH DES Property contract") with The State of New Hampshire, Department of Employment Security, to be executed by Mr. Crews on or about February 21, 2013. The Board of Directors authorizes and directs the execution of the NH DES Property contract by Mr. Crews on or about said date.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of February 21, 2013, and that R. Grady Crews is duly elected Senior Account Executive of FIAI, Inc.

DATED: February 21, 2013

ATTEST:



Daniel G. McKay, Clerk

{Affix Corporate Seal}



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
2/1/2013

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).

<b>PRODUCER</b> Cross Insurance 74 Gilman Road P.O. Box 1388 Bangor ME 04401	<b>CONTACT NAME:</b> Woodrow Cross, II <b>PHONE (A/C, No, Ext):</b> (207) 947-7345 <b>FAX (A/C, No):</b> <b>E-MAIL ADDRESS:</b> 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 F:														
<b>INSURED</b> Cross Financial Corp. 74 Gilman Road P O Box 1388 Bangor ME 04402														

**COVERAGES**                      **CERTIFICATE NUMBER:** CL1272469555                      **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	<b>GENERAL LIABILITY</b> <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 \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED 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	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in Nh) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N <input type="checkbox"/> N/A	5101800114	10/1/2012	10/1/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
C	<b>Errors &amp; Omissions</b>			4179150	5/1/2012	5/1/2013	Each Loss Limit \$10,000,000
A	<b>Crime/Fidelity</b>			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)  
**NAMED INSURED LIST CONTINUED:**  
 FIAI, Inc. dba Cross Insurance - Manchester

<b>CERTIFICATE HOLDER</b>  State of New Hampshire Risk Manager's Office 25 Capitol St. Concord, NH 03301	<b>CANCELLATION</b>  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 <i>Melanie A. Campbell</i>
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