



**New Hampshire
Employment
Security**

www.nhes.nh.gov

"We're working to keep New Hampshire working"

ADMINISTRATIVE OFFICE

32 SOUTH MAIN STREET
CONCORD, NH 03301-4857



GEORGE N. COPADIS, COMMISSIONER

RICHARD J. LAVERS, DEPUTY COMMISSIONER

February 19, 2014

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

Requested Action

Authorize New Hampshire Employment Security (NHES) to enter into a one-year contract with FIAI, Inc. dba Cross Insurance, Manchester, NH (Vendor #169834) to purchase commercial property and general liability coverage for nineteen (19) NHES properties. The term of the agreement is effective April 1, 2014 through March 31, 2015 with a total cost of \$91,226. (Source of funds: 100% Federal Funds.)

Funds are available in the account for Fiscal Years 2014 and 2015 as follows 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:

| DEPARTMENT OF EMPLOYMENT SECURITY | | <u>FY14</u> | <u>FY15</u> |
|--|-----------|-------------|-------------|
| 02-27-27-270010-8040 NHES | Insurance | \$45,613 | \$45,613 |
| 10-02700-80400000-020-500250 | | | |

Explanation

NHES is requesting approval of the attached one year contract for property and general liability insurance coverage of NHES property at nineteen (19) NHES locations statewide and any additional properties that may come under NHES control during the contract period.

FIAI, Inc. was the State's producer in this insurance purchase in accordance with its contract with the Department of Administrative Services Risk Management Unit (RMU) for Producer Services for Property and Casualty Insurance in effect from July 1, 2013 through June 30, 2015. Meredith Hendershot, the account executive from FIAI, Inc., and Sarah Tilton, the State's Risk Manager, discussed NHES' insurance needs.

In order to secure coverage for the 2014 to 2015 term, Mrs. Hendershot marketed the account to ten (10) insurance carriers. FIAI received three quotes, including one from the incumbent, Acadia Insurance Company (Acadia). Seven (7) carriers declined to submit proposals either because they could not compete with the existing premium and/or because they were unable and unwilling to underwrite the exposure.

Hartford Insurance (Hartford) provided the low bid. Hartford's quote offers an annual premium of \$91,226. The expiring premium through Acadia was \$61,193. The premium increase is a direct result of an increase in the statement of values due to the addition of four (4) locations over the past policy period coupled with the addition of a vacancy permit endorsement. Due to the addition of four (4) locations the statement of values increased from \$18,411,000 to \$37,161,000. The vacancy permit endorsement suspends coverage restrictions that apply to buildings that have been vacant for more than the specified time period allowable per policy terms, sixty (60) days. The quoted premium is void of agency fee or commission.

The vacancy permit endorsement is necessary once Tobey Building renovations are complete. Upon completion, several NHES offices will relocate to the Tobey Building. As a result of this consolidation the vacated properties will remain unoccupied until such time the properties are rented, leased or sold.

Hartford's quote provides coverage at a composite cost of \$0.12 per \$100 total insured value (TIV) for occupied locations and \$0.305 per \$100 TIV for unoccupied buildings. The increased rate for unoccupied buildings will not apply until a building is vacant for sixty (60) days and is prorated in proportion to the number of days remaining in the policy period at the time the vacancy is reported.

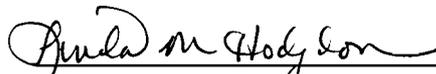
The policy covers the blanket agreed upon value of \$37,161,000 for scheduled buildings and \$9,632,358 in business personal property value as well as liability exposure in the amount of \$1,000,000 per occurrence and \$2,000,000 in aggregate for potential claims NHES becomes legally liable to pay. The policy also provides business income coverage, terrorism coverage, ordinance and law and boiler and machinery coverage. In addition, NHES may increase or decrease the blanket and agreed upon value to adjust for fluctuations in value due to changes in building and/or contents ownership.

Mrs. Hendershot recommends securing insurance coverage with Hartford. The RMU concurs with Mrs. Hendershot's recommendation. This contract will result in an efficient and cost effective method of meeting NHES commercial property and general liability insurance needs.

We respectfully request your approval.



George N. Copadis
Commissioner, NH Department of
Employment Security



Linda M. Hodgdon
Commissioner, NH
Department of
Administrative Services

**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**

**ACCOUNT EXECUTIVE: Meredith Hendershot
TELEPHONE NUMBER: 603-669-3218
FAX NUMBER: 603-645-4331
EMAIL ADDRESS: mhendershot@crossagency.com
DATE OF PROPOSAL: February 10, 2014**

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

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:mhenderson@crossagency.com)

Grady Crews
Account Executive
Direct T# 603-206-9912
gcrews@crossagency.com

Carrie Morgan
Account Manager
Direct T# 603-206-0950
cmorgan@crossagency.com

Lisa DeGrace
Claims Manager
Direct T#: 603-206-9930
ldegrace@crossagency.com

Request Certificates at: ManchCertificates@crossagency.com

Agency Main T#: 603-669-3218

Agency Fax #: 603-645-4331

Visit our Website at: 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

Policy Term: 4/01/2014 - 4/01/2015

COVERAGE/LIMITS

| Coverage | Acadia | Hartford | Philadelphia |
|----------------------------------|-----------|-----------|--------------|
| General Aggregate | 2,000,000 | 2,000,000 | 2,000,000 |
| Products/Completed Ops Aggregate | 2,000,000 | 2,000,000 | 2,000,000 |
| Personal & Advertising Injury | 1,000,000 | 1,000,000 | 1,000,000 |
| Each Occurrence | 1,000,000 | 1,000,000 | 1,000,000 |
| Fire Damage | 250,000 | 300,000 | 100,000 |
| Medical Expense | 15,000 | 10,000 | 5,000 |
| Expansion Endorsement | INCLUDED | INCLUDED | INCLUDED |

RATING INFORMATION BASED ON OFFICE EXPOSURE, CLASS CODE 61226

| Loc # | Classification | Exposure |
|-------|---------------------------------------|--------------|
| 01 | 300 Hanover St. Manchester NH | 20,000 |
| 02 | 298 Hanover Manchester NH | 10,000 |
| 03 | 6 Townsend West, Nashua, NH | 12,000 |
| 04 | 646 Union St. Suite 100 Littleton, NH | NOT REQUIRED |
| 05 | 151 Pleasant St. Berlin NH | 5,312 |
| 06 | 404 Washington St. Claremont NH | 5,300 |
| 07 | 10 West St. Concord, NH | 20,520 |
| 08 | 32 So. Main St. Concord, NH | 21,902 |
| 09 | 426 Union Ave. Laconia, NH | 9,560 |
| 10 | 243 Rte. 108 Somersworth, NH | 10,000 |
| 11 | 518 White Mtn. Highway Conway, NH | 5,307 |
| 12 | 2000 Lafayette Rd Portsmouth, NH | 7,500 |
| 13 | 29 So Broadway Salem NH | 5,504 |
| 14 | 109 Key Rd. Keene, NH | NOT REQUIRED |
| 15 | 11 Stickney Ave. Concord NH | NOT REQUIRED |
| 16 | 45 S Fruit St Concord, NH | 77,000 |
| -+ | Franklin Public Library Franklin, NH | 120 |
| 18 | St Vincent De Paul Society Exeter, NH | 180 |
| 19 | NH Voc Rehab Lebanon, NH | 150 |



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

Policy Term: 4/01/2014- 4/01/2015

SUBJECT OF INSURANCE

| Subject | ACADIA | | HARTFORD | | PHILADELPHIA | |
|--|------------|--------|-------------|--------|--------------|--------|
| | Limit | Ded | Limit | Ded | Limit | Ded |
| Blanket, Agreed Amount | Yes | | Yes | | Yes | |
| Blanket Building & Personal Property | 46,793,762 | 1,000 | 46,793,762 | 2,500 | 46,793,762 | 1,000 |
| Blanket Equipment Breakdown | 46,793,762 | 1,000 | 46,793,762 | 2,500 | 46,793,762 | 1,000 |
| Blanket Business Income & Extra Expense | 1,000,000 | 72 Hrs | 1,000,000 | NONE | 1,000,000 | 72 Hrs |
| Utility Services – BI includes overhead transmission | No | | 250,000 | 24 hrs | No | |
| Utility Services – PD includes overhead transmission | No | | 250,000 | 2,500 | No | |
| Ordinance or Law – Coverage A | \$50,000 | | Full Limit | | Full Limit | |
| Ordinance or Law B & C Combined | \$50,000 | | \$1,000,000 | | \$250,000 | |
| Per Location Aggregate | YES | | YES | | YES | |
| Debris Removal | 25,000 | 1,000 | 250,000 | 2,500 | 250,000 | 1,000 |
| Sewer Backup | 10,000 | 1,000 | Included | 2,500 | 0 | 0 |
| Terrorism – can be declined | Included | | Included | | Included | |
| Property Enhancement Endorsement | Included | | Included | | Included | |

Limits reflected above are based on Statement of Values provided by Sarah Tilton on 2/3/2014

Property quotes are subject to sprinkler report for 45 S Fruit Street, Concord, NH

Acadia 's policy provides three separate blanket limits

1. Blanket of Building \$37,161,000
2. Business Personal Property \$9,632,762
3. Business Income \$1,000,000

Acadia provided optional quote based on \$5,000 deductible

Flood Coverage not requested but is available for quote

Earthquake Coverage not requested but is available for quote



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

RENEWAL MARKETING RESULTS

| DESCRIPTION OF COVERAGE | RESULT |
|---|---|
| Hartford | \$ 59,875 plus \$1,498 optional Terrorism Insurance Coverage |
| Hartford with Vacant Building Endorsement | \$ 59,875 plus \$29,853 vacant building endorsement (.305/100 Rate) plus \$1,498 optional Terrorism Insurance Coverage |
| Philadelphia | \$ 68,000 plus \$1,658 optional Terrorism Insurance Coverage |
| Acadia - \$1,000 deductible | \$ 69,196 plus \$1,729 optional Terrorism Insurance Coverage Includes a 3-year, 5% rate increase renewal agreement, subject to loss ratio being below 45%. |
| Acadia - \$5,000 deductible | \$ 62,902 plus \$1,573 optional Terrorism Insurance Coverage Includes a 3-year, 5% rate increase renewal agreement, subject to loss ratio being below 45%. |
| Cincinnati | Declined to Quote: Type of Exposure |
| Travelers | Declined to Quote: Public Entity |
| Peerless | Declined to Quote: Can't compete with pricing |
| Central Insurance | Declined to Quote: Type of Exposure |
| Hanover | Declined to Quote: Can't compete with pricing |
| Arbella | Declined to Quote: Type of Exposure |
| CNA | Declined to Quote: Type of Exposure |

FIAI, Inc arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property and Casualty Insurance. Meredith Hendershot, the senior account executive from FIAI, Inc made inquiries to specific insurance markets about the program. Three markets were interested and provided quotes. Seven markets declined to provide a quote based on either the class of business or their inability to compete with current pricing structure. Mrs Hendershot recommends securing Insurance coverage with Hartford Insurance because they presented the most competitive and comprehensive terms in comparison to other markets approached.



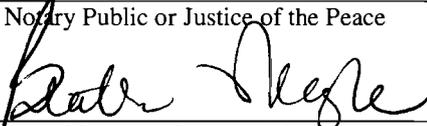
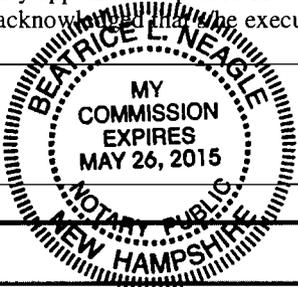
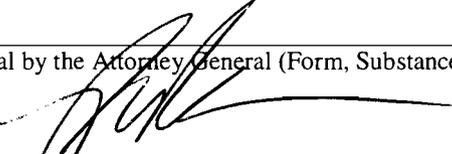
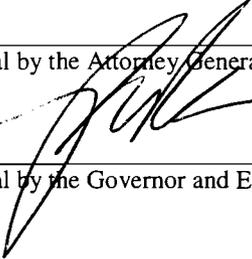
Higher limits may be available upon request.
Refer to policy forms for additional terms, conditions and endorsements.

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>Dept. of Administrative Services ~ Risk Management Unit</u> | | 1.2 State Agency Address <u>25 Capitol Street, 1st Flr., Rm 102 ~ Concord, NH 03301-6312</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, 2015</u> | 1.8 Price Limitation <u>\$91,226</u> |
| 1.9 Contracting Officer for State Agency <u>Sarah Tilton</u> | | 1.10 State Agency Telephone Number <u>(603) 271-2223</u> | |
| 1.11 Contractor Signature  | | 1.12 Name and Title of Contractor Signatory <u>Meredith Hendershot, Senior Account Executive</u> | |
| 1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>February 10, 2014</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 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]  | |  | |
| 1.13.2 Name and Title of Notary or Justice of the Peace <u>Beatrice L. Neagle</u> | | | |
| 1.14 State Agency Signature  | | 1.15 Name and Title of State Agency Signatory <u>George N. Copadis, 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>2/24/14</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.

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
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, 2014 through March 31, 2015. Coverage consists of (1) general liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate for an annual premium of \$9,984; and (2) real property insurance coverage for a blanket building and contents limit of \$46,793,762 for an annual premium of \$47,567, with a \$2,500 deductible; (3) business income and extra expense coverage of \$1,000,000 per occurrence and aggregate for an annual premium of \$689; (4) boiler and machinery coverage, aka system breakdown coverage, with a limit of \$46,793,762 for an annual premium of \$1,635; (5) Terrorism Risk Insurance Act (TIA) coverage with statutory limits for an annual premium of \$1,498 and (6) Vacancy Endorsement in the amount of \$29,853 for the anticipation of four vacated premises until such time the properties are rented, leased or sold. The premiums reflected above are based upon current values and square footage provided by New Hampshire Employment Security at policy inception notwithstanding any changes during the policy term that would adjust the underwritten exposure.

Contractor's Initials 

Date 2/10/14

**Insurance Coverage for
The Department of Employment Security
Contract Agreement Between
The Department of Employment Security
and FIAI, Inc.**

Exhibit B – Price and Method of Payment

The annual premium effective April 1, 2014 through April 1, 2015 is \$91,226.

The annual premium of \$91,226 is made up of \$47,567 for property, \$9,984 for general liability, \$689 for business income and extra expense, \$1,635 for system breakdown, \$1,498 for TRIA and a vacancy endorsement in the amount of \$29,853.

The premium payment of \$61,373 is due within thirty days from the date of contract approval by Governor and Council. The premium payment for any billable endorsements is due within thirty days from the date of notification to the State Agency.

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

10-270-80400000-020-500250

FY2014 \$ 45,613

FY2015 \$ 45,613

100% Federal Funds

Contractor's Initials 

Date 2/10/14

**Insurance Coverage for
The Department of Employment Security
Contract Agreement Between
The Department of Employment Security
and FIAI, Inc.**

Exhibit C – Special Provisions

Form P-37, section 14 Insurance, is amended per the attached certificate of insurance from FIAI, Inc. 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

Contractor's Initials 

Date 2/10/14

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 a certificate of authority to do business in this state was issued to FIAI, Inc., a(n) Maine corporation, on January 12, 2007. I further certify that all fees required by the Secretary of State's office have been paid.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 14th day of February, 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.

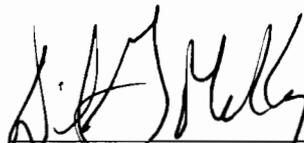
2. The following is a true and correct copy of resolutions duly adopted by the board of directors of the Corporation on February 7, 2014, and such resolutions have not been rescinded, modified or amended and remain in full force and effect as of the date hereof:

RESOLVED: That Meredith Hendershot, the Senior Account Executive for FIAI, Inc., acting singly, is duly authorized and directed to enter into an Agreement for Commercial Property and Casualty Insurance for New Hampshire Employment Security (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 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 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 10th day of February, 2014.



Daniel G. McKay, Clerk



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
2/3/2014

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. dba Cross Insurance - Manchester P O Box 1388 Bangor ME 04402 | INSURER A Hanover Insurance Group, Inc. | | 22292 |
| | INSURER B Maine Employers Mutual Ins Co. | | |
| | INSURER C Utica Mutual Ins Co | | |
| | INSURER D National Union Fire Ins Co | | |
| | INSURER E : | | |
| INSURER F : | | | |

COVERAGES CERTIFICATE NUMBER: CL142302127 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 | | | ZDP687501710 | 7/21/2013 | 7/21/2014 | 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 - COM/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 | | | ABP472889019 ADP915322603 | 7/21/2013 | 7/21/2014 | 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 \$ | | | BE7251220 | 7/21/2013 | 7/21/2014 | 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 | 10/1/2013 | 10/1/2014 | <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 | | | 4179150EO | 5/1/2013 | 5/1/2014 | Each Loss Limit \$10,000,000 |
| A | Crime/Fidelity | | | BDP1834885 | 7/21/2013 | 7/21/2014 | Limit \$500,000 |

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

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

