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ADMINISTRATIVE OFFICE

45 SOUTH FRUIT STREET
CONCORD, NH 03301-4857



GEORGE N. COPADIS, COMMISSIONER
RICHARD J. LAVERS, DEPUTY COMMISSIONER

February 23, 2015

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) in an amount not to exceed \$64,876 to purchase commercial property and general liability coverage effective April 1, 2015 through March 31, 2016. 100% Federal Funds.

Federal funds are available in the account for Fiscal Years 2015 and 2016 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>FY15</u>	<u>FY16</u>
02-27-27-270010-8040 NHES	Insurance	\$59,876	\$5,000
10-02700-80400000-020-500250			

Explanation

NHES is requesting approval of the attached one year contract for commercial property and general liability insurance coverage for NHES property at eighteen (18) NHES locations statewide and any additional properties that may come under NHES control during the contract period. FIAI, Inc. (FIAI) arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property and Casualty Insurance. The State's Risk Management Unit (RMU) coordinated with NHES to secure the same coverage terms and conditions as in the previous policy year.

FIAI marketed this policy extensively in the prior policy year and spoke with 10 insurance companies this year about offering coverage for the upcoming policy year. Hartford presented the most comprehensive terms and competitive premium of the companies approached. Hartford's renewal quote of \$59,876 represents a slight decrease to the base annual premium from the prior policy year. The quoted premium is void of agency fee or commission. The policy covers the agreed upon value of \$33,873,000 for scheduled buildings and \$11,274,488 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. The total contract price of \$64,876 includes the premium quote of \$59,876 plus a contingency of \$5,000 to address potential fluctuations based on changes to building and/or contents ownership.

NHES respectfully recommends approval of the contract as submitted.

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

**INSURANCE PROPOSAL
PREPARED FOR:**

**State Of New Hampshire
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 L. Hendershot
TELEPHONE NUMBER: 603-669-3218
FAX NUMBER: 603-645-4331
EMAIL ADDRESS: mhendershot@crossagency.com
DATE OF PROPOSAL: February 23, 2015**

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 L. Hendershot, CIC
Account Executive
Direct T# 603-206-9917
mhendershot@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: 4/01/2015 - 4/01/2016

COVERAGE/LIMITS

Coverage	Hartford
General Aggregate	2,000,000
Products/Completed Ops Aggregate	2,000,000
Personal & Advertising Injury	1,000,000
Each Occurrence	1,000,000
Fire Damage	300,000
Medical Expense	10,000
Expansion Endorsement	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 VACANT	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 VACANT	20,520
08	426 Union Ave. Laconia, NH	9,560
09	243 Rte. 108 Somersworth, NH	10,000
10	518 White Mtn. Highway Conway, NH	5,307
11	2000 Lafayette Rd Portsmouth, NH	7,500
12	29 So Broadway Salem NH	5,504
13	109 Key Rd. Keene, NH	NOT REQUIRED
14	11 Stickney Ave. Concord NH	NOT REQUIRED
15	45 S Fruit St Concord, NH	77,000
16	Franklin Public Library Franklin, NH	120
17	St Vincent De Paul Society Exeter, NH	180
18	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: 4/01/2015- 4/01/2016

SUBJECT OF INSURANCE

Subject	HARTFORD	
	Limit	Ded
Blanket, Agreed Amount	Yes	
Total Insured Building & Personal Property	45,147,488	2,500
Blanket Building & Personal Property	39,551,670	2,500
Equipment Breakdown	Included	2,500
Business Income & Extra Expense	1,000,000	NONE
Utility Services – BI includes overhead transmission	250,000	24 hrs
Utility Services – PD includes overhead transmission	250,000	2,500
Ordinance or Law – Coverage A	Full Limit	
Ordinance or Law B & C Combined	\$1,000,000	
Per Location Aggregate	YES	
Debris Removal	250,000	2,500
Sewer Backup	Included	2,500
Terrorism – can be declined	Included	
Property Enhancement Endorsement	Included	

Total Insured Valued reflects Statement of Values provided by Jason Dexter on 12/9/14 \$45,147,488

Blanket limit does not include vacant buildings at location #2 and #7. Therefore coverage is limited to amount stated on Statement of Values.

Hartford 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

NOTE: Business Interruption coverage is not subject to the dollar deductible indicated in the schedule above. A Waiting Period may apply to Business Income coverages; refer to the Business Income Waiting Period schedule below. For certain causes of loss and certain additional coverages, a separate dollar deductible or waiting period may apply to Business Income and will be specifically referenced in the quote below. No deductible or waiting period applied to Extra Expense.



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

Business Income Waiting Periods	
Coverage	Waiting Period
Web Sites	12 Hours
Civil Authority	72 Hours
Dependent Property	72 Hours
Utility Services BI/RI	24 Hours
Ingress/Egress	24 Hours

Electronic Vandalism

Electronic Vandalism provides coverage for loss or damage to electronic data and media and loss of Business Income when caused by the willful or malicious destruction of electronic data, introduction of malicious code or virus, and denial of service attacks.

Coverage	Limit of Insurance	Deductible and Waiting Period*
Electronic Vandalism (EV) – Physical Damage	\$100,000	\$2,500
Electronic Vandalism (EV) – Business Interruption	\$100,000	6 Hours
Good Faith Advertising	\$25,000 max any one Policy Year	\$2,500
Denial Of Service	\$25,000	12 Hours

*Waiting periods and deductibles do not apply to Extra Expense. The waiting period is in addition to the deductible.

Additional Endorsements/Exclusions/Limitations

Exclusions will apply per The Hartford's standard policy forms and endorsements and as may be contained in the additional endorsements set forth below.

- PC 00 01 – Property Choice Coverage Part Declarations
- PC 00 02 – Property Choice Schedule of Premises and Coverages
- PC 00 03 – Property Choice Policy Declarations
- PC 00 10 – Property Choice Coverage Form
- PC 00 90 – Property Choice Conditions and Definitions
- PC 00 91 – Property Choice Quick Reference
- PC 10 10 – Property Choice Covered Causes of Loss and Exclusions Form
- PC 20 23 – Green Choice Additional Coverages

Various state amendatory endorsements as required.



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

TERRORISM

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Terrorism Coverage and Premium

In accordance with the federal Terrorism Risk Insurance Act (as amended "TRIA"), we are required to make coverage available under your policy for "certified acts of terrorism." The actual coverage provided by your policy(ies) will be limited by the terms, conditions, exclusions, limits, and other provisions of your policy(ies), as well as any applicable rules of law.

The portion of your premium attributable to this terrorism coverage is shown in the premium section(s) of this quote proposal or binder.

Definition of Certified Act of Terrorism

A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:

1. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
2. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
3. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Disclosure of Federal Share of Terrorism Losses

The United States Department of the Treasury will reimburse insurers for 85% of that portion of insured losses attributable to certified acts of terrorism that exceeds the applicable insurer deductible. However, if aggregate industry insured losses under TRIA exceed \$100 Billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

Cap on Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 Billion in a Program Year (January 1 through December 31), and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.



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 - \$2,500 deductible	\$ 59,876 includes optional Terrorism Insurance Coverage 2014-15 Expiring Policy Premium is \$64,195
Hartford - \$5,000 deductible	\$ 58,783 includes optional Terrorism Insurance Coverage

Based on our extensive marketing results from 2014 and specific verbal inquiries to 10 Insurance Companies in 2015 we recommend that insurance be renewed with The Hartford. In addition, there has been no material change in the insurance market place with regards to exposures which include government entities, especially those with vacant buildings.

FIAI, Inc. arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property and Casualty Insurance. Mrs. Hendershot recommends securing insurance coverage with Hartford Insurance because they presented the most competitive and comprehensive terms in comparison to other markets approached.



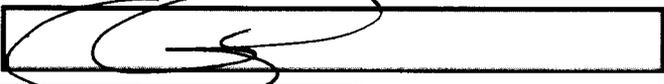
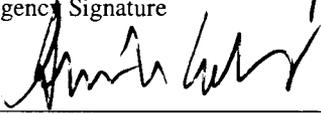
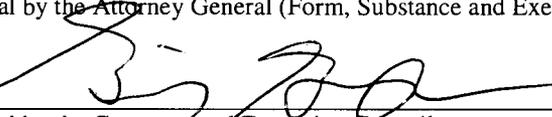
Higher limits may be available upon request.
Refer to policy forms for additional terms, conditions and endorsements.

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>NH Employment Security</u>		1.2 State Agency Address <u>45 South Fruit St, 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, 2016</u>	1.8 Price Limitation <u>\$64,876.00</u>
1.9 Contracting Officer for State Agency <u>Helen Dinsmore, NHES</u>		1.10 State Agency Telephone Number <u>603-228-2338</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>2/23/2015</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] 			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Kari A. Seasholtz, Notary</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>2/24/15</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 
Date 2/23/15

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, 2015 through March 31, 2016. Coverage consists of (1) general liability coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate for an annual premium of \$9,510; and (2) real property insurance coverage for a total agreed upon building and contents limit of \$45,147,489 for an annual premium of \$46,388, 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 \$527; (4) boiler and machinery coverage, aka system breakdown coverage, with a limit of \$45,147,489 for an annual premium of \$1,980; and (5) Terrorism Risk Insurance Act (TIA) coverage with statutory limits for an annual premium of \$1,471. The rates 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 Initials 
Date 8/8/15

**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, 2015 through March 31, 2016 is \$59,876 with an additional amount of \$5,000 in contingency funds to address the potential for changes in scheduled property or additional premium necessary for unoccupied buildings prior to sale.

The annual premium of \$59,876 is made up of \$46,388 for property, \$9,510 for general liability, \$527 for business income and extra expense, \$1,980 for system breakdown and \$1,471 for TRIA.

The premium payment of \$59,876 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

FY2015 \$ 59,876

100% Federal Funds

Contractor Initials

Date 2/23/15

**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 Initials

Date 2/23/15

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 9th day of January, A.D. 2015

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

William M. Gardner
Secretary of State

FIAI, INC.

CERTIFICATE OF CLERK

I, Sarah S. Zmistowski, 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 9, 2015, and such resolutions have not been rescinded, modified or amended and remain in full force and effect as of the date hereof:

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

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

The undersigned has executed and delivered this certificate in her capacity as Clerk of FIAI, Inc. this 23th day of February, 2015.



Sarah S. Zmistowski, Clerk

