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STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
 OFFICE of the COMMISSIONER

172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856

603-271-2411
 FAX: 603-271-2629

January 15, 2015

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

REQUESTED ACTION

Authorize the Department of Resources and Economic Development, Division of Parks and Recreation and the Department of Administrative Services, Risk Management Unit, to enter into a contract with FIAI, Inc., d/b/a Ferdinando Insurance Associates Inc. (VC # 169834) of Manchester, New Hampshire for a total cost not to exceed \$273,955 for liability insurance coverage for Cannon Mountain Aerial Tramway and Ski Area (Cannon Mountain) effective upon Governor and Executive Council approval, from February 1, 2015 through February 1, 2018. 100% Ski Area Funds

Funding is available in the account titled, Cannon Mountain, as follows and pending budget approval for Fiscal Years 2016 and 2017:

		<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>
03-35-35-351510-37030000-020-500250	Current Expenses	\$83,105	\$95,425	\$95,425

EXPLANATION

Liability insurance coverage is required in accordance with Revised Statutes Annotated (RSA) 225-A:25 and 227:2 for Cannon Mountain. 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 Cannon Mountain management to secure the same coverage terms and conditions as in the previous fiscal year. RMU and Cannon Mountain management prepared and submitted an insurance liability coverage application.

FIAI approached three markets for a quotation: Nova Casualty Company/Wells Fargo Special Risks, Inc., ACE Westchester Specialty Casualty, and Willis of New Hampshire, Inc. Nova Casualty Company/Wells Fargo Special Risks, Inc. quoted a combined rate of \$1.54007 (general liability rate of 1.35338 and excess liability rate of .18669) per \$100 of gross receipts, which equates to a premium of \$83,105 for the February 1, 2015 to February 1, 2016 policy term. Consistent with prior contract approvals the Nova/Wells Fargo is providing a three year rate guarantee as long as the loss ratio for the prior policy term is lower than 50%. The quoted rate is void of agency fee or commission. Willis declined to provide a quotation. ACE Westchester Specialty Casualty estimated a premium slightly higher than Nova/Wells Fargo but indicated it could not provide a guaranteed rate lock for a three year term and would require a higher retention rate, or deductible, of \$5K/\$25K versus the \$1K/\$10K offered by Nova/Wells Fargo. FIAI recommends that coverage be renewed per the terms with the Nova Casualty Company/Wells Fargo Special Risks, Inc. The RMU agrees with FIAI's recommendation.

The Nova/Wells Fargo quotation offers the same combined rate from the previous policy term rate; however, the premium charged from the last policy year will increase by 2.5% based on increased revenue figures for Cannon Mountain. The total contract price of \$273,955 for the three-year term of the

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
January 15, 2015
Page 2 of 3

agreement includes the quoted price of \$83,105 for each policy year and \$12,320 in contingency funds for both the 2nd and 3rd policy year to account for a potential increase in Cannon Mountain revenue.

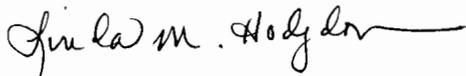
DRED respectfully recommends approval of the contract as submitted.

Respectfully submitted,



Jeffrey J. Rose
Commissioner
Resources and Economic
Development

Concur,



Linda M. Hodgdon
Commissioner
Administrative Services

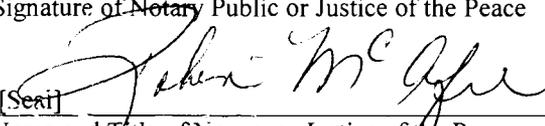
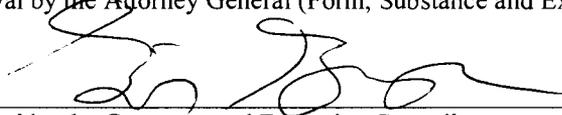
Subject: CANNON MOUNTAIN LIABILITY INSURANCE COVERAGE

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Resources and Economic Development, Division of Parks and Recreation		1.2 State Agency Address 172 Pembroke Road Concord, NH 03302	
1.3 Contractor Name FIAI, Inc.		1.4 Contractor Address 1100 Elm Street, Manchester NH 03101	
1.5 Contractor Phone Number 603-669-3218	1.6 Account Number 03-35-351510-37030000-020-500250	1.7 Completion Date February 1, 2018	1.8 Price Limitation \$273,955
1.9 Contracting Officer for State Agency John DeVivo, General Manager, Cannon Mountain		1.10 State Agency Telephone Number 603-823-7722	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Meredith L Hendershot, Account Executive	
1.13 Acknowledgement: State of New Hampshire , County of Hillsborough On January 9, 2015, 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 ROBIN MCAFEE Notary Public - New Hampshire My Commission Expires March 24, 2015			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: <i>N/A</i> Director, On:			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <i>1/14/15</i>			
1.18 Approval by the Governor and Executive Council By: On:			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.
6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
 - 8.1.2 failure to submit any report required hereunder; and/or
 - 8.1.3 failure to perform any other covenant, term or condition of this Agreement.
- 8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
 - 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
 - 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
 - 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

- 9.1 As used in this Agreement, the word “data” shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.
- 9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.
- 9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

14. INSURANCE.

- 14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:
 - 14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and
 - 14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.
- 14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.
- 14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

Contractor Initials 
Date 1/9/2015

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 PROPOSAL PREPARED FOR:

State of New Hampshire
Department of Resources and Economic Development
Division of Parks & Recreation
Cannon Mountain Aerial Tramway and Ski Area
25 Capitol Street, Room 412
Concord, NH 03301

PRESENTED BY:

Cross Insurance

1100 Elm Street

Manchester, NH 03101

www.crossagency.com.com

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ACCOUNT EXECUTIVE: Meredith L. Hendershot

TELEPHONE NUMBER: 603-206-9917

FAX NUMBER: 603-645-4331

EMAIL ADDRESS: mhendershot@crossagency.com

DATE OF PROPOSAL: January 9, 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.

Prepared For:
 State of New Hampshire
 25 Capitol Street, Room 412
 Concord, NH 03301

Prepared By:
 Cross Insurance - Manchester
 One Wall Street
 Manchester, NH 03104

General Liability

Effective: 2/1/2015 – 2/1/2016
 Carrier: Nova Casualty Company (Admitted, A XIV)
 A Subsidiary of The Hanover Insurance Group, Inc.
 Wholesale Broker: Wells Fargo Special Risks, Inc.
 Coverage Form: 2013 ISO Commercial Liability - Occurrence Form, with resort enhancements

Coverage & Limits

Coverage	Per Occurrence
Each Occurrence	\$1,000,000
General Aggregate	NONE
Products/Completed Operations Aggregate	\$2,000,000
Sexual Abuse/Molestation Liability Aggregate	\$1,000,000
Personal & Advertising Injury (Each Person)	\$1,000,000
Limited Pollution Aggregate	\$1,000,000
Self Insured Retention: Per Occurrence Including Claims Expense	\$1,000
Annual Aggregate	\$10,000

Classifications

Loc #	Classification	Premium Basis	Exposure	Rate
1	Ski Resort	Sales	\$5,396,156	1.353

2.5% increase in revenue from previous year

All premiums subject to audit based on actual gross receipts

Higher Limits are available

Prepared For:
State of New Hampshire
25 Capitol Street, Room 412
Concord, NH 03301

Prepared By:
Cross Insurance - Manchester
One Wall Street
Manchester, NH 03104

General Liability Coverage Continued

Extensions of Coverage - Including but not limited to:

Care, Custody & Control (\$250,000 limit)
Fire Damage Legal Liability (including Standing Timber)
Liquor Legal Liability
Damage to Customers' Autos and Watercraft (\$1,000,000 Limit)
Non-Employment Sexual Abuse/Sexual Molestation Liability
Limited Pollution Liability
Medical Personnel Coverage (including Volunteers)
Blanket Additional Insured (when required by written contract, agreement or lease)

Limitation of Coverage to Designated Premises or Project:

Cannon Mountain Ski Area 9 Franconia Notch, Franconia, NH

Notable Exclusions - Including but not limited to:

Medical Payments
Employment Related Practices
Automobile Liability
Employers Liability
Aircraft Liability
Failure to Supply
Watercraft Not Scheduled
Mobile Equipment Racing (including but not limited to Snowmobile Racing)
(For a complete listing of exclusions/limitations, please refer to the policy.)

Access or Disclosure of Confidential or Personal Information and Data Related Liability

(For a complete listing of exclusions/limitations, please refer to the policy.)

Note: Higher limits are available. If desired, please request quote.

Prepared For:
State of New Hampshire
25 Capitol Street, Room 412
Concord, NH 03301

Prepared By:
Cross Insurance - Manchester
One Wall Street
Manchester, NH 03104

Excess Liability

Location: 9 Franconia Notch Parkway Franconia, NH 03580
Effective: 2/1/2015 – 2/1/2016
Carrier: Nova Casualty Company (Admitted, A XIV)
A Subsidiary of The Hanover Insurance Group, Inc.
Wholesale Broker: Wells Fargo Special Risks, Inc.
Coverage Form: Following Form Excess of Underlying Policy

Coverage & Limits

Coverage	Per Occurrence	Rate
Each Occurrence	\$1,000,000	.187 per \$100 of gross receipts
General Aggregate	\$2,000,000	

Schedule of Controlling Underlying Insurance:

Immediately notify Wells Fargo Special Risks if any underlying insurances listed below are cancelled, non renewed replaced or otherwise terminated, or if the limits or scope of coverage is changed.

**Auto Liability Excess of: NOT COVERED

**Employers Liability Excess of: NOT COVERED

Notable Extension of Coverage:

Sexual Misconduct/Sexual Molestation Limited Liability (Non-Employment)

Exclusions Include but not limited to:

Damage to Premises Rented to you, EXCEPT if rented to you and owned by Government Entity

Total Pollution Exclusion with a building heating cooling and dehumidifying equipment exception and a hostile fire exception

EIFS Exclusion

Radon Exclusion

Cross Claims Suits

Absolute Carcinogen

Directors & Officers Liability

All premiums subject to audit based on actual receipts

Higher Limits are available

Minimum Earned Premium: \$1,400 (\$1,400 per each \$1,000,000 layer)

Prepared For:
 State of New Hampshire
 25 Capitol Street, Room 412
 Concord, NH 03301

Prepared By:
 Cross Insurance - Manchester
 One Wall Street
 Manchester, NH 03104

Premium Summary

DESCRIPTION OF COVERAGE	Rate / 100	2012
General Liability	1.35338	\$73,031.00
Excess Liability	.187	\$10,074.00
Rating Factor \$5,396,156 Gross Receipts		
Total Estimated Premium		\$81,078

Optional General Liability:

Optional SIR Limit: \$5,000/\$25,000 – annual premium \$78,363

Optional Liability Limit \$5,000,000 – annual premium \$96,538

Renewal with Contingency	FY15	FY16	FY17
Sales Exposure	\$5,396,156	TBD	TBD
Premium	\$83,105	\$95,425	\$95,425

Total Three Year Estimated Premium:\$273,955

Premiums above do not reflect audited results

Notes:

Optional Certified Acts of Terrorism is available \$748

Our proposal is void of any and all fee and/or commission.

The Carrier has confirmed a three year rate guarantee contingent on a <50% loss ratio.

Any changes in exposure may result in an increase or decrease in premium. This rate guarantee will expire on 2/1/2018.

Prepared For:
 State of New Hampshire
 25 Capitol Street, Room 412
 Concord, NH 03301

Prepared By:
 Cross Insurance - Manchester
 One Wall Street
 Manchester, NH 03104

MARKETING RESULTS

FIAI, Inc dba Cross Insurance arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property Insurance. Meredith L Hendershot, the account executive from FIAI, Inc made inquiries to specific insurance markets about the program.

Market Approached	RESULTS
Nova Casualty Company / Wells Fargo Special Risks Quote includes three year rate guarantee as long as the loss ratio for the prior policy term is lower than 50%. The quoted rate is void of agency fee or commission	\$83,105
ACE Westchester Specialty Casualty	Not Competitive
Willis of New Hampshire, Inc.	Declined

PREMIUM SUMMARY

Subject	Pricing
Total Liability and Umbrella	\$ 83,105.00
Optional Terrorism Insurance Coverage	\$ 748.00
Total Premium with Options	\$ 83,853.00

Mrs Hendershot recommends securing insurance coverage with Nova Casualty Company as they presented the most competitive and comprehensive terms in comparison to other markets approached. The Risk Management Unit agrees with Mrs Hendershot's recommendation.

**General Liability Insurance Coverage for Cannon Mountain Aerial Tramway and Ski Area
Contract Agreement Between
The Department of Resources and Economic Development,
The Department of Administrative Services, Risk Management Unit, and FIAI, Inc.**

Exhibit A - Scope of Services

FIAI, Inc., hereinafter called the Contractor, agrees to provide general liability coverage for Cannon Mountain from February 1, 2015 through February 1, 2018.

The coverage consists of:

The coverage limits are as follows:

(1) Commercial General Liability insurance with the following limits:

\$1,000,000	Per Occurrence/Bodily Injury and Property Damage
None	General Aggregate /Bodily Injury and Property Damage
\$2,000,000	Products and Completed Operations Aggregate
\$1,000,000	Personal and Advertising Injury (each person)
\$1,000,000	Sexual Abuse/Molestation Liability Aggregate
\$1,000,000	Limited Pollution Liability Aggregate

Self insured retention of \$1,000 per occurrence and \$10,000 annual aggregate.

\$1,000,000	Excess Liability per occurrence
\$2,000,000	Excess Liability aggregate

(2) Claims Administration services.

**General Liability Insurance Coverage for Cannon Mountain Aerial Tramway and Ski Area
Contract Agreement Between
The Department of Resources and Economic Development,
The Department of Administrative Services, Risk Management Unit, and FIAI, Inc.**

Exhibit B – Price and Method of Payment

The annual premium effective February 1, 2015 through February 1, 2016 is \$83,105. The premium rate is \$1.54007 per \$100 of gross receipts of \$5,396,156.

The premium payment 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:
03-35-351510-37030000-020-500250

FY 2015	\$83,105
FY 2016	\$95,425
FY 2017	\$95,425

Funding for fiscal years 2016 and 2017 is contingent upon appropriation and availability of funds.

The insurance carrier is providing a three year rate guarantee as long as the loss ratio for the prior policy term is lower than 50%.

The quoted rate is void of agency fee or commission.

**General Liability Insurance Coverage for Cannon Mountain Aerial Tramway and Ski Area
Contract Agreement Between
The Department of Resources and Economic Development,
The Department of Administrative Services, Risk Management Unit, 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 \$10,000,000 in the aggregate
4. Workers compensation coverage with statutory limits and Employers' Liability with limits of \$500,000 per accident and \$500,000 policy limit
5. Errors and Omissions liability insurance coverage with each loss limit of \$10,000,000 per claim.

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 black ink, 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:

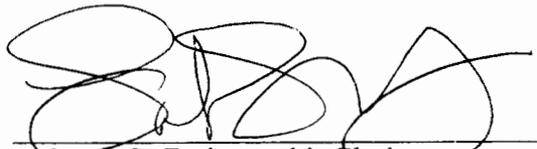
1. I am the duly elected Clerk of the Corporation.
2. The following is a true and correct copy of resolutions duly adopted by the board of directors of the Corporation on January 7, 2015, and such resolutions have not been rescinded, modified or amended and remain in full force and effect as of the date 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 the Cannon Mountain Ski Area (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 9th day of January, 2015.



Sarah S. Zmistowski, Clerk



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
1/7/2015

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.):	
INSURED Cross Financial Corp. 74 Gilman Road P O Box 1388 Bangor ME 04402		INSURER(S) AFFORDING COVERAGE INSURER A: Hanover Insurance Group, Inc. NAIC # 22292 INSURER B: National Union Fire Ins Co IA 32298 INSURER C: Maine Employers Mutual Ins Co. INSURER D: Utica Mutual Ins Co INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** CL1410120231 **REVISION NUMBER:**

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

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

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 FIAI, Inc. dba Cross Insurance - Manchester

Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER State of New Hampshire 25 Capital St. 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>