

State of New Hampshire

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

16 Bm

LINDA M. HODGDON
Commissioner
(603) 271-3201

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

April 23, 2013

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

Requested Action

Authorize the Department of Administrative Services, Risk Management Unit, to enter into a one year agreement with Ferdinando Insurance Associates Inc. (FIAI Inc.), dba Cross Insurance, Manchester, New Hampshire (Vendor #169834) for insurance coverage for state owned watercraft at a cost of \$21,006.00. The term of the contract is effective June 4, 2013 through June 4, 2014.

Funding will be through individual agency expenditures, contingent upon availability and appropriations for all fiscal years.

Explanation

Pursuant to RSA 21-l: 7-c (V), the Department of Administrative Services, through the Risk Management Unit, purchases insurance for state owned watercraft. The following agencies own a total of four hundred and eighty-three (483) vessels: Department of Transportation, Department of Resources and Economic Development, Department of Environmental Services, Fish and Game, Port Authority and the Department of Safety.

The insurance coverage includes liability insurance (also known as protection and indemnity) and hull insurance. Liability insurance coverage is provided for all state owned watercraft, including those with no motor or registration plates such as kayaks and canoes, to provide coverage in the event someone has an accident and gets injured while on the vessel. Employees are covered under workers compensation, and the liability insurance covers injuries to third parties. Liability insurance also covers damage caused by our vessel to any other vessel or property. The policy's liability coverage limits are \$1 million per occurrence and \$1 million aggregate. Hull insurance covers physical damage to the vessel itself. Agencies obtain hull coverage for their higher value and/or specialty vessels upon request. Hull insurance is currently provided for seven vessels.

Cross Insurance arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property and Casualty Insurance. Grady Crews, the account executive from Cross Insurance, met with Risk Management to review the watercraft insurance coverage needs, inventory list and prior claims. The State has not had any claims on this policy since 2008.

Mr. Crews made inquiries to twelve specific insurance markets to gauge their interest in providing insurance coverage to the State's watercraft. Although a few of the markets were interested in the program, upon review eleven did not supply a quotation because they were not able to

compete with the prior year's pricing, or they were unable to quote based on the type of usage. Two markets approached by Mr. Crews declined to quote on this line of business altogether.

The incumbent insurer, International Marine Underwriters ("IMU"), part of Atlantic Specialty Insurance Company, supplied a quotation of \$21,006 and agreed to keep all terms and conditions per the expiring policy. Atlantic Specialty Insurance Company is A Rated by A.M. Best.

IMU offered to maintain their already favorable liability pricing this term, offering a quotation of \$33 for each motorized vessel matching the previous term's price. The quotation offer this term also remained unchanged from last term for non-motorized vessels at \$5 per vessel.

The quotation for hull coverage is the same flat rate as the last term: premium equaling 10% of the overall value of the vessel. The value of three vessels was decreased this term resulting in a slight decrease in premium for those vessels. State agencies requested hull insurance on one newly acquired vessel for a total premium cost of \$245.00 for this vessel. Even though the insurance rates are flat compared with last term, the addition of fourteen (14) vessels to the liability coverage, one (1) vessel to the hull insurance and the lower liability rate quoted for two high value and specialty vessels lowered the overall premium from last year of \$21,850.00 to \$21,006.00 this year. See attached comparison chart for a breakdown of the current and past policy pricing.

Mr. Crews recommends securing insurance coverage with IMU. He notes that IMU has a strong watercraft insurance program that meets the State's needs. The Risk Management Unit concurs with Mr. Crews' recommendation.

Respectfully submitted,



Linda M. Hodgdon
Commissioner

**SoNH Master Watercraft Policy
Premium Comparison
Policy Years 13-14 vs 12-13**

INVENTORY		2013-2014				2012-2013			
		Count	INVOICING			Count	INVOICING		
Dept	Type		Liability	Hull	Total		*Liability	Hull	Total
Fish & Game	(Lg BIN) 2004 Osmond	1	\$ 33.00	\$ 2,438.00	\$ 2,471.00	*	\$ 2,438.00	\$ 2,438.00	
Environ Svcs	(Lg BIN) 2003 Winninghof	1	\$ 33.00	\$ 1,646.00	\$ 1,679.00	*	\$ 1,696.00	\$ 1,729.00	
Environ Svcs	(Lg BIN) 2006 Eastern	1	\$ 33.00	\$ 1,892.00	\$ 1,925.00	*	\$ 750.00	\$ 1,891.00	
Environ Svcs	(Lg BOUT) 2003 JBF Skimmer	1	\$ 33.00	\$ 2,000.00	\$ 2,033.00	*	\$ 2,095.00	\$ 2,128.00	
Environ Svcs	(Lg BOUT) 1995 JBF Skimmer	1	\$ 33.00	\$ 684.00	\$ 717.00	*	\$ 684.00	\$ 714.00	
Port Authority	(Lg BOUT) 2003 30' Munson	1	\$ 33.00	\$ 2,815.00	\$ 2,848.00	*	\$ 225.00	\$ 2,815.00	
Port Authority	(Lg BOUT) 2012 Zodiac	1	\$ 33.00	\$ 212.00	\$ 245.00				
All Watercraft	Large BIN	3	\$ 99.00	\$ 5,976.00	\$ 6,075.00	3	\$ 750.00	\$ 6,025.00	
All Watercraft	Large BOUT	2	\$ 33.00	\$ 5,871.00	\$ 5,904.00	2	\$ 225.00	\$ 5,890.00	
All Watercraft	BIN	11	\$ 33	\$ 363.00	\$ 363.00	15	\$ 33	\$ 495.00	
All Watercraft	BOUT	230	\$ 33	\$ 7,590.00	\$ 7,590.00	233	\$ 33	\$ 7,689.00	
All Watercraft	BNO	235	\$ 5	\$ 1,175.00	\$ 1,175.00	215	\$ 5	\$ 1,075.00	
Total # of watercraft		483	\$ 9,359.00	\$ 11,647.00	\$ 21,006.00	463	\$ 10,234.00	\$ 11,616.00	
					Total Premium		*Counted in BIN/BOUT Liability counts	Total Premium	

Type	Definition
Lg BIN	Large watercraft with inboard motor that requested Hull Insurance
Lg BOUT	Large watercraft with outboard motor that requested Hull Insurance
BIN	watercraft, inboard motor
BOUT	watercraft, outboard motor
BNO	watercraft, no motor

MARKETING RESULTS

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

Market Approached	RESULTS
International Marine Underwriters (IMU)	Quote Presented \$21,006
Acadia	Declined – Unable to compete with IMU pricing
Arbella	Declined – Unable to quote watercraft line of business
Cincinnati	Declined – Unable to quote watercraft line of business
Chubb	Declined – Unable to compete with IMU pricing
CNA	Declined – Unable to compete with IMU pricing
Hanover Insurance	Declined – Unable to compete with IMU pricing
Hartford Insurance	Declined – Unable to quote based on vessel usage
Marine MGA	Declined – Unable to compete with IMU pricing
Peerless / Liberty	Declined – Limited Hull appetite and would not be competitive
Travelers Insurance	Declined – Unable to compete with IMU pricing
Zurich Insurance	Declined – Unable to quote based on vessel usage and remain competitive

PREMIUM SUMMARY

Subject	International Marine Underwriters
Watercraft Hull and P&I Insurance	\$21,006

OPTIONAL TERRORISM INSURANCE

Subject	International Marine Underwriters
Terrorism Insurance	\$744.00
Revised Annual Premium	\$21,750.00

Mr. Crews recommends securing insurance coverage International Marine Underwriters as they were the only market which presented competitive and comprehensive terms in comparison to other markets approached. The Risk Management Unit agrees with Mr. Crews' recommendation.

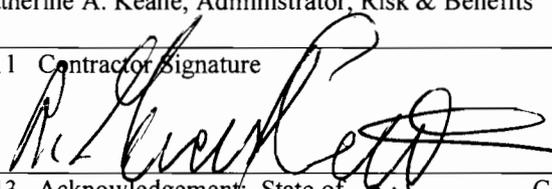
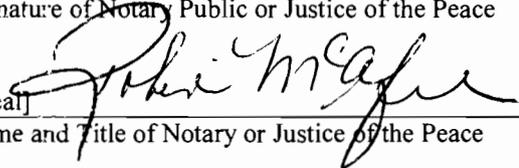
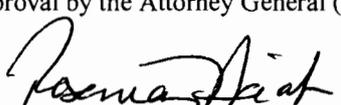
Subject: **Insurance Coverage for State Owned Watercraft**

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Administrative Services		1.2 State Agency Address 25 Capitol Street, Concord NH 03301	
1.3 Contractor Name FIAI Inc. dba Cross Insurance		1.4 Contractor Address 1100 Elm Street Manchester, NH 03101	
1.5 Contractor Phone Number 603-669-3218	1.6 Account Number Individual Agency Expenditures	1.7 Completion Date June 4, 2014	1.8 Price Limitation \$21,006.00
1.9 Contracting Officer for State Agency Catherine A. Keane, Administrator, Risk & Benefits		1.10 State Agency Telephone Number 603 271-2059	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory R. Grady Crews, Senior Account Executive	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>April 12, 2013</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		ROBIN McAFEE Notary Public - New Hampshire My Commission Expires March 24, 2015	
1.13.2 Name and Title of Notary or Justice of the Peace <u>Robin McAfee, Notary Public</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Linda M. Hockley, 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>4-29-13</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.



7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

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.

**EXHIBIT A
SCOPE OF SERVICES**

ARTICLE 1. SCOPE OF SERVICES

This EXHIBIT A – Scope of Services is made a part of the P-37 Agreement (the "Agreement") and is made according to the terms of paragraph 2 of the Form P-37. This EXHIBIT A to the Agreement is between the State of New Hampshire (the "State") and FIAI, Inc. dba Cross Insurance for the insurance coverage for state owned watercraft.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: 06/04/2013
Expiration Date of Agreement: 06/04/2014
12:01AM Standard Time at the address of the State stated herein.

Cross Insurance hereby agrees to provide insurance coverage for Stated-owned Watercraft as described herein.

The State shall have the right to terminate the contract, if a contract is awarded; at any time by giving Cross Insurance thirty (30) days advance written notice.

ARTICLE 3. ADMINISTRATIVE SERVICES PROVIDED BY CROSS INSURANCE

A. COVERAGE FOR HULL INSURANCE

Coverage for seven vessels insured for agreed upon values with deductibles of \$2,500 per vessel. Subject to conditions of policy form (or a form with similar language and intent):

- American Institute Coastwise and Inland Hull Clause

B. COVERAGE FOR PROTECTION AND INDEMNITY INSURANCE

Coverage is required as follows: 483 vessels for protection and indemnity coverage under the following categories.

LARGE BIN	Watercraft, inboard motor (3)
LARGE BOUT	Watercraft, outboard motor (4)
BIN	watercraft, inboard motor (11)
BOUT	watercraft, outboard motor (230)
BNO	watercraft, no motor (235)

Limits of liability are: \$1,000,000 Per occurrence and in the aggregate
Each vessel is deemed separately insured
Deductible of \$1,000 for Bodily Injury and \$1,000 property damage
Details on the vessels can be found in the watercraft inventory.

Subject to conditions of the following policy forms (or forms with similar language and intent):

- AIMU Protection and Indemnity (P&I) Clauses
- Pollution Exclusion clause and buy back endorsement
- Certified terrorism endorsement
- Chemical, Biological, Bio-Chemical and Electromagnetic Weapon Exclusion
- AIMU Extended Radioactive Contamination Exclusion Clause with USA Endorsement (coverage for fire resulting from nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire).

PAI
Date: 4-17-13

C. CLAIMS ADMINISTRATION

Cross Insurance shall administer all reported claims from June 4, 2013 for the contract period until the claims are closed.

1. *Forms:* Claims forms and accident reporting instructions shall be distributed to RMU and designated agency employees no later than two weeks prior to the policy effective date of June 4, 2013.
2. *Claim Reporting:* Designated State employees will report claims to Cross Insurance's designated claims adjuster. Cross Insurance shall send a letter of acknowledgment of claim to the RMU electronically or via US mail.
3. *Claim Reserving:* Cross Insurance shall establish and maintain timely and adequate reserves. Cross Insurance shall revise reserve estimates whenever developments occur which change the ultimate loss exposure and maintain supporting documentation. Reserves shall be adequately funded by Cross Insurance in a matter consistent with established industry practice.
4. *Litigation Management:* Cross Insurance shall ensure that all cases are properly prepared prior to conference, hearing or trial. The RMU shall be notified of any claims that involve legal proceedings, including but not limited to, conferences, hearings or trials. The RMU reserves the right to attend any hearing, conference, appeal or trial. If a conference, hearing or trial is to be handled by an attorney, ensure timely delivery of the file material for preparation. Cross Insurance shall document the attorney's receipt of claim file and the attorney's opinion about the merits of the issues to be litigated and the probable outcome of the litigation. If an adverse finding is made, the attorney should comment about the costs and the merits of the appeal, including the potential impact on future claims costs. Cross Insurance shall review attorney bills to ensure that they are accurate and reasonable.
5. *Payment Control:* All claim payments shall be made by Cross Insurance in accordance with New Hampshire statutory provisions and regulations. See Insurance Rules 1002. Documentation detailing the payee, type of payment and payment amount shall be provided to the RMU.
6. *Claims Settlements and Loss Runs:* Cross Insurance shall advise RMU of any settlement of twenty thousand dollars (\$20,000) or greater. Cross Insurance shall issue loss run reports within thirty days of RMU's request.

D. ACCOUNT MANAGEMENT

Cross Insurance shall provide the following administration services including but not limited to:

- issue certificates of insurance
- timely delivery of binders, policies and endorsements
- verify the accuracy of policy language, coverage endorsements, exclusions and other terms and conditions consistent with the bid specifications

Cross Insurance shall at its own expense provide all personnel, materials and resources necessary to perform the services under the contract. Cross Insurance shall warrant that all personnel engaged in the contract services are qualified to perform the services and are properly licensed and otherwise authorized to perform services under all applicable laws. Cross Insurance personnel shall have a strong dedication to excellent customer service in all aspects of its dealings with the State. Cross Insurance personnel shall return telephone calls promptly, be professional and maintain confidentiality when communicating with State employees.

The State reserves the right to require Cross Insurance to remove and/or reassign any employee, including the lead staff member, from the State account due to unacceptable job performance. The State retains the right to approve any replacement employee(s).

**EXHIBIT B
CONTRACT PRICE AND PAYMENT TERMS**

This EXHIBIT B- Contract Price, Limitation on Price, Payment is made a part of the Agreement and is made according to the terms of paragraph 5 of the Form P-37.

A. CONTRACT PRICE: Cross Insurance hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the price below for the term of the contract ("contract price"). The total Contract Price for the term of the Agreement as shown in block 1.8 of the P-37 is \$21,006.

Description	One Year 6/4/13 – 6/4/2014
Hull coverage for Port Authority Munson with an agreed upon value of \$214,387	\$2,438.00
Hull coverage for DES Winninghof with an agreed upon value of \$164,648	\$1,646.00
Hull coverage for DES Eastern Bay with an agreed upon value of \$189,103	\$1,892.00
Hull coverage for DES 2003 Skimmer with an agreed upon value of \$202,400	\$2,000.00
Hull coverage for DES 1995 Skimmer with an agreed upon value of \$70,081	\$644.00
Hull coverage for F&G Osmond with an agreed upon value of \$214,387	\$2,815.00
Hull coverage for Port Authority 14' Zodiac with an agreed upon value of \$21,179	\$212.00
Protection and indemnity insurance for 2008 30' Munson PackCat	\$33.00
Protection and indemnity insurance for 2003 Winninghof Little Bay II – Responder	\$33.00
Protection and indemnity insurance for 2006 35' Eastern Casco Bay Boat	\$33.00
Protection and indemnity insurance for 2003 JBF Skimmer Hull JBF 420	\$33.00
Protection and indemnity insurance for 1995 JBF Skimmer Hull JBF 420	\$33.00
Protection and indemnity insurance for 2004 Osmond	\$33.00
Protection and indemnity insurance for 2013 14' Zodiac	\$33.00
Protection and indemnity insurance for 11 BIN Rate of \$33.00 times 11 number of vessels, equals a premium of	\$363.00
Protection and indemnity insurance for 230 BOUT Rate of \$33.00 times 230 number of vessels, equals a premium of	\$7,590.00
Protection and indemnity insurance for 235 BNO Rate of \$5 times 235 number of vessels, equals a premium of	\$1,175.00
Contract Price	\$21,006.00

Terrorism can be purchased for an additional \$744.00

Type	Description
BIN	Watercraft with inboard motor
BOUT	Watercraft with outboard motor
BNO	Watercraft with no motor

EXHIBIT B
CONTRACT PRICE AND PAYMENT TERMS CONTINUED

B. INVOICING

Cross Insurance shall submit a separate annual invoice to each agency based upon its watercraft inventory. Copies of all invoices shall be mailed to:

The State of New Hampshire
Department of Administrative Services
Risk Management Unit
25 Capitol Street, Rm 412
Concord, NH 03301
Or via email to: diane.caldon@nh.gov

The State shall not make payments to Cross Insurance prior to the Agreement effective date of June 4, 2013.

C. PAYMENT

The State shall make payment to Cross Insurance electronically or by check mailed to the address in Section 1.4 of the P-37. Payment terms are net thirty days subject to approval of the submitted invoice.

RAC.
4-12-13

EXHIBIT C SPECIAL PROVISIONS

This EXHIBIT C – Special Provisions is made a part of the Agreement and is made according to the terms of paragraph 22 of the Form P-37.

- A. INSURANCE. Delete Paragraph 14.1.1 and substitute the following: 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 \$1,000,000 per occurrence and no less than \$1,000,000 in excess/umbrella liability each occurrence; and errors and omissions liability insurance coverage with limits of \$5 (five) million per claim and \$10 (ten) million in the aggregate.
- B. There are no other special provisions for this contract.

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FIAI, Inc. a(n) Maine corporation, is authorized to transact business in New Hampshire and qualified on January 12, 2007. I further certify that all fees and annual reports required by the Secretary of State's office have been received.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 15th day of April, A.D. 2013

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE/CERTIFICATE OF AUTHORITY

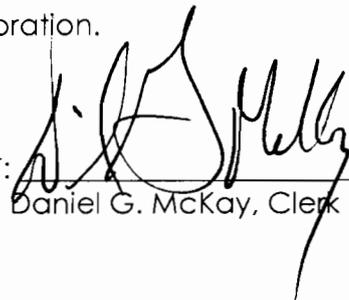
I, Daniel G. McKay, hereby certify that I am duly elected Clerk of FIAI, Inc. I hereby certify the following is a true copy of a vote taken at a meeting of the Board of Directors of the Corporation, duly called and held on April 8, 2013, at which a quorum of the Board was present and voting.

VOTED: That R. Grady Crews, Senior Account Executive, acting singly, is duly authorized to enter into an insurance contract with The State of New Hampshire and further authorized to execute any documents which may in his judgment be desirable or necessary to effect the purpose of this vote.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of April 12, 2013 and that R. Grady Crews is duly elected Senior Account Executive of this Corporation.

DATED: April 12, 2013

ATTEST:



Daniel G. McKay, Clerk

(Affix Corp. Seal)



CERTIFICATE OF LIABILITY INSURANCE

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

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Cross Insurance 74 Gilman Road P.O. Box 1388 Bangor ME 04401	CONTACT NAME: Woodrow Cross, II	
	PHONE (A/C No. Ext): (207) 947-7345	FAX (A/C No.):
E-MAIL ADDRESS: w2cross@crossagency.com		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A Hanover Insurance Group, Inc.		22292
INSURER B Maine Employers Mutual Ins Co.		
INSURER C Utica Mutual Ins Co		
INSURER D:		
INSURER E:		
INSURER F:		

COVERAGES CERTIFICATE NUMBER: CL128270078 REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			ZDP687501709	7/21/2012	7/21/2013	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
							PERSONAL & ADV INJURY \$
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COM/POP AGG \$
							\$
	GEN'L AGGREGATE LIMIT APPLIES PER:						
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY			ABP472889018 ADP915322602	7/21/2012	7/21/2013	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) \$
							\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			UHP433098218	7/21/2012	7/21/2013	EACH OCCURRENCE \$ 10,000,000
	<input type="checkbox"/> EXCESS LIAB	<input checked="" type="checkbox"/> OCCUR					AGGREGATE \$ 10,000,000
		<input type="checkbox"/> CLAIMS-MADE					\$
	DED	RETENTION \$					
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			5101800114	10/1/2012	10/1/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	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
C	Errors & Omissions			4179150	5/1/2012	5/1/2013	Each Loss Limit \$10,000,000
A	Crime/Fidelity			BDP1834885	7/21/2012	7/21/2013	Limit \$500,000

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

CERTIFICATE HOLDER 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 Melanie Campbell/MJC <i>Melanie G. Campbell</i>

