



# State of New Hampshire

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

25 *dm*

LINDA M. HODGDON  
Commissioner  
(603) 271-3201

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

December 4, 2013

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

### REQUESTED ACTION

Authorize the Department of Administrative Services (DAS) to enter into a three-year contract with FIAI, Inc. dba Cross Insurance, Manchester, NH (Vendor #169834) to purchase commercial property, general liability and umbrella insurance coverage for the Franklin, Derry and Jaffrey District Courthouses at an annual cost of \$11,669. The term of the agreement is for the period effective January 14, 2014 through January 14, 2017 with a total cost of \$35,007. **100% General Funds**

Funds are available in the account for Fiscal Years 2014 and 2015, as follows and pending budget approval for Fiscal Years 2016 and 2017:

#### DEPARTMENT OF ADMINISTRATIVE SERVICES: BUREAU OF COURT FACILITIES

		<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>
010-14-14-14-141510-	Insurance and	\$5,834.50	\$11,669	\$11,669	\$5,834.50
20450000-020-500250	Bond Premiums				

### EXPLANATION

The State of New Hampshire has Lease/Purchase agreements with the Town of Derry for the Derry District Court, the City of Franklin for the Franklin District Court and the County of Cheshire for the Jaffrey District Court. The State of New Hampshire is required to carry commercial property, general liability and umbrella insurance on these courthouses as part of the lease/purchase agreements. The State is the named insured on the policy with the Town of Derry, City of Franklin and County of Cheshire named as additional insureds and Certificates of Insurance are provided accordingly.

FIAI, Inc. was the State's producer in this insurance purchase in accordance with its contract with RMU for Producer Services for Property and Casualty Insurance in effect from July 1, 2013 through June 30, 2015. Grady Crews, the account executive from FIAI, Inc., and

Sarah Tilton, the State's Risk Manager, discussed the district court lease/purchase agreements insurance requirements.

In order to secure coverage for the 2014 to 2017 term, Mr. Crews marketed the account to eight insurance carriers. FIAI received three quotes, including one from the incumbent, Cincinnati Insurance Company (Cincinnati). Six carriers declined to submit proposals either because they could not compete with the existing premium and/or because they were unable and unwilling to replicate the conditions and coverage endorsements in the policy.

Cincinnati's bid offers an annual premium of \$11,669 that is guaranteed for the three year contract term. The quoted premium is void of agency fee or commission and a \$0 composite rate increase from the previous year's policy premium. Meaning, the rate charged per unit of coverage remains unaffected upon renewal. The quoted premium does, however, reflect a premium increase.

The premium increase is a direct result of an increase in coverage. Throughout the term of the Lease/Purchase agreements, the State is required to maintain insurance limits equal to 100% of the building's replacement cost value. Based on the lease requirement, the statement of values (SOV) was adjusted to reflect the current augmented replacement cost. This adjustment resulted in an increase in the SOV total reported to the carriers. In addition, ordinance and law coverage was not provided under the expiring policy and is included in Cincinnati's bid. The ordinance and law endorsement grants coverage for loss caused by enforcement of ordinances or laws regulating construction and repair of damaged buildings. Structures that are damaged may need upgraded electrical, heating, ventilating, air-conditioning (HVAC) and plumbing units based on current building codes.

The SOV increase coupled with the addition of ordinance and law coverage constitutes the premium increase. The total premium increase equals \$6,116 of which \$2,700 relates to the ordinance and law endorsement. Based on recent appraisal results the SOV increased from \$6,101,888 to \$12,967,500.

Mr. Crews recommends securing insurance coverage with Cincinnati. The RMU concurs with Mr. Crews' recommendation. This contract will result in an efficient and cost effective method of meeting the State's commercial property and liability insurance needs.

The Department of Administrative Services requests the approval of this contract.

Respectfully submitted,



Linda M. Hodgdon  
Commissioner

## **INSURANCE PROPOSAL PREPARED FOR:**

Derry District Courthouse,  
Franklin District Courthouse,  
Jaffrey-Peterborough District Courthouse  
State of New Hampshire  
c/o Risk Management Unit  
25 Capitol Street  
Concord, NH 03301

### **PRESENTED BY:**

**FIAI, Inc. d/b/a/ Cross Insurance**

1100 Elm Street

Manchester, NH 03101

[www.crossagency.com](http://www.crossagency.com)

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

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

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

**EMAIL ADDRESS:** [gcrews@crossagency.com](mailto:gcrews@crossagency.com); [mhendshot@crossagency.com](mailto:mhendshot@crossagency.com)

**DATE OF PROPOSAL:** November 15, 2013

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

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

Insured:  
 Derry, Franklin, Jaffrey-Peterborough District Courthouse  
 State of New Hampshire c/o Risk Mgmt;  
 25 Capitol Street  
 Concord, NH 03301

Presented By:  
 Cross Insurance  
 1100 Elm Street  
 Manchester, NH 03101

## Insurance Proposal

**Description of Operations:**      **Commercial Property, General Liability and Umbrella insurance for the Franklin, Derry and Jaffrey District Courthouses**

**Coverage Provided By:**          **Cincinnati Insurance Company**

**Effective Dates:**                  **1/14/2014 to 1/14/2015**

**Named Insured:**                  **State of New Hampshire, Risk Management Unit  
 The Town of Derry, Cith of Franklin and County of Cheshire**

**Location Schedule:**

Location	Original Limit	Property Limit	Property Notes	Business Income Rental Value	Ded.
Derry District Court 10 Courthouse Lane, Derry, NH 03038	\$2,066,688	\$4,275,000	100% Coin Agreed Value Replacement Cost	\$132,120 90% Coinsurance	\$1,000
Franklin District Court 7 Hancock Terrace, Franklin, NH 03235	\$1,123,200	\$1,852,500	100% Coin Agreed Value Replacement Cost	\$79,262 90% Coinsurance	\$1,000
Jaffrey – Peterborough District Court 84 Peterborough St., Jaffrey, NH	\$2,912,000	\$6,840,000	100% Coin Agreed Value Replacement Cost	\$214,695 90% Coinsurance	\$1,000
Ordinance or Law Coverage A – Undamaged Portion of the Building	Not Provided	Full Limit per location			
Ordinance or Law Coverage B – Demolition Cost	Not Provided	10% of Property Limit per location			
Ordinance or Law Coverage C – Increased Cost of Construction	Not Provided	10% of Property Limit per location			

Insured:  
Derry, Franklin, Jaffrey-Peterborough District Courthouse  
State of New Hampshire c/o Risk Mgmt;  
25 Capitol Street  
Concord, NH 03301

Presented By:  
  
Cross Insurance  
1100 Elm Street  
Manchester, NH 03101

**General Liability Coverage:**

<b>Subject of Insurance</b>	<b>Coverage Limit</b>
General Aggregate Limit	\$2,000,000
Products – Completed Operations Aggregate Limit	\$2,000,000
Personal and Advertising Injury Limit	Included
Each Occurrence Limit	\$1,000,000
Damage to Premises Rented to You	\$250,000
Medical Expense Limit	\$5,000
Extended Liability Endorsement Applies	

**Excess Liability Coverage:**

<b>Subject of Insurance</b>	<b>Coverage Limit</b>
General Aggregate Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000

Insured:  
 Derry, Franklin, Jaffrey-Peterborough District Courthouse  
 State of New Hampshire c/o Risk Mgmt;  
 25 Capitol Street  
 Concord, NH 03301

Presented By:  
  
 Cross Insurance  
 1100 Elm Street  
 Manchester, NH 03101

**MARKETING RESULTS**

FIAI, Inc arranged for this insurance purchase in accordance with its contract with the State for Producer Services for Property and General Liability Insurance Coverage for Commercial Property, General Liability and Umbrella insurance for the Franklin, Derry and Jaffrey District Courthouses. Grady Crews, the account executive from FIAI, Inc made inquiries to specific insurance markets about the program. Three markets were interested and provided quotes. Six markets declined to provide a quote based on the class of business or premium.

Market Approached	RESULTS
Cincinnati	<b>\$ 11,669 Optional \$88 Terrorism Insurance Coverage (\$11,757) Three Year Rate Guarantee Provided</b>
Hanover	\$ 12,931 Optional \$217 Terrorism Insurance Coverage (\$13,148) Did not provide Three Year Rate Guarantee
Peerless	\$27,000
Acadia	Declined to Quote: Couldn't compete with premium
Travelers	Declined to Quote: Type of Exposure
Chubb	Declined to Quote: Type of Exposure
GNV	Declined to Quote: Type of Exposure
Arbella	Declined to Quote: Type of Exposure
Philadelphia	Declined to Quote: Type of Exposure

Subject	Cincinnati	Hanover
Package Including Terrorism	<b>\$11,757</b>	\$12,931
Terrorism - will be declined	<b>\$88</b>	\$217
Total cost	<b>\$11,669</b>	\$13,148

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

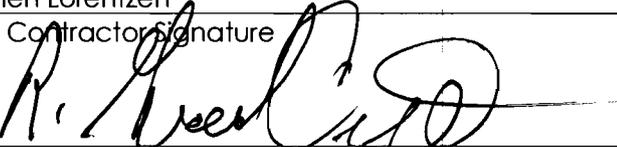
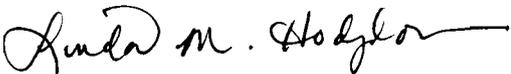
**Subject: Commercial property, general liability and umbrella insurance for the Franklin, Derry and Jaffrey District Courthouses**

**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 Capital Street, Concord, NH 03301	
1.3 Contractor Name FIAI, Inc.		1.4 Contractor Address 1100 Elm Street, Manchester NH 03101	
1.5 Contractor Phone Number 603-206-9912	1.6 Account Number 05-95-40-403010-5855-533-500373	1.7 Completion Date 1/14/2017	1.8 Price Limitation \$35,007
1.9 Contracting Officer for State Agency Stephen Lorentzen		1.10 State Agency Telephone Number 603-271-0945	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory R. Grady Crews, Senior Account Executive	
1.13 Acknowledgement: State of New Hampshire, County of Hillsborough  On November 18, 2017, 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 			
1.13.2 Name and Title of Notary or Justice of the Peace Beatrice Neagle, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Linda Hodgdon, Commission, DAS	
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: 12-4-13			
1.18 Approval by the Governor and Executive Council  By: _____ On: _____			



Contractor's Initials:   
Date: 11/18/2013

**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.

Contractor's Initials:   
Date: 11/18/13

**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 Commercial Property, General Liability and Umbrella Insurance for the  
Franklin, Derry and Jaffrey District Courthouses  
State of New Hampshire, Department of Administrative Services  
and FIAI, Inc.**

**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 Department of Administrative Services, Bureau of Court Facilities (the "State") and FIAI, Inc. ("FIAI"). The purpose of this request is to secure commercial property, general liability and umbrella insurance coverage for the Franklin, Derry and Jaffrey District Courthouses.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: January 14, 2014  
 Expiration Date of Agreement: January 14, 2017  
 12:01AM Standard Time at the address of the State stated herein.

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

ARTICLE 3. Administrative Services Provided by FIAI

A. INSURANCE COVERAGE DETAILS

**PROPERTY**

Location	Original Limit	Property Limit	Property Notes	Business Income Rental Value	Ded.
Derry District Court 10 Courthouse Lane, Derry, NH 03038	\$2,066,688	\$4,275,000	100% Coin Agreed Value Replacement Cost	\$132,120 90% Coinsurance	\$1,000
Franklin District Court 7 Hancock Terrace, Franklin, NH 03235	\$1,123,200	\$1,852,500	100% Coin Agreed Value Replacement Cost	\$79,262 90% Coinsurance	\$1,000
Jaffrey – Peterborough District Court 84 Peterborough St., Jaffrey, NH	\$2,912,000	\$6,840,000	100% Coin Agreed Value Replacement Cost	\$214,695 90% Coinsurance	\$1,000
Ordinance or Law Coverage A – Undamaged Portion of the Building	Not Provided	Full Limit per location			
Ordinance or Law Coverage B – Demolition Cost	Not Provided	10% of Property Limit per location			
Ordinance or Law Coverage C – Increased Cost of Construction	Not Provided	10% of Property Limit per location			

Contractor's Initials:   
 Date: 11/18/13

**LIMITS OF LIABILITY:**

**General Liability Limits of Insurance**

General Aggregate Limit	\$ 2,000,000
Products and Completed Operations Aggregate	\$ 2,000,000
Personal & Advertising Injury Limit	\$ 1,000,000 Any One Person or Organization
Each Occurrence – Bodily Injury and Property Damage	\$ 1,000,000
Damage to Premises Rented to You Limit	\$ 250,000 Any One Premises
Medical Expense Limit	\$ 5,000 Any One Person

**Commercial Umbrella Coverage Limits**

Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$1,000,000
Products-Completed Operations Aggregate Limit	\$1,000,000
Bodily Injury by Disease Aggregate Limit	\$1,000,000

**B. ACCOUNT MANAGEMENT**

FIAI shall manage this policy in accordance with the terms and conditions of the Producer Services for Property and Casualty Insurance for the State, effective July 1, 2013.

Contractor's Initials   
Date: 11/18/13

**Insurance Coverage for Commercial Property, General Liability and Umbrella Insurance for the  
Franklin, Derry and Jaffrey District Courthouses  
State of New Hampshire, Department of Administrative Services  
and FIAI, Inc.**

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

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. FIAI 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 \$35,007.00

FIAI, Inc., will receive 1% in commission from The Cininnati Insurance Company which will be credited to the Department of Administrative Services portion of the the broker service fee.

B. INVOICING

FIAI shall submit one invoice to be paid in full at the beginning of the contract term in the amount of \$11,669.00

FIAI shall submit an invoice 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: [sarah.tilton@nh.gov](mailto:sarah.tilton@nh.gov)

The State shall not make payments to FIAI prior to the Agreement effective date of January 14, 2014 subject to Governor & Council approval.

C. PAYMENT

The State shall make payment to FIAI 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.

**Insurance Coverage for Commercial Property, General Liability and Umbrella Insurance for the  
Franklin, Derry and Jaffrey District Courthouses  
State of New Hampshire, Department of Administrative Services  
and FIAI, Inc.**

**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:

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. Errors and Omission insurance coverage with limits of \$10,000,000
5. Crime/Fidelity coverage with limits of \$500,000

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 4<sup>th</sup> day of November, A.D. 2013

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

William M. Gardner  
Secretary of State

**FIAI, INC.**

**CERTIFICATE OF CLERK**

I, Daniel G. McKay, Clerk of FIAI, Inc. (the "Corporation"), do hereby certify as follows:

1. I am the duly elected Clerk of the Corporation.
2. The following is a true and correct copy of resolutions duly adopted by the board

of directors of the Corporation on October 30, 2013, and such resolutions have not been rescinded, modified or amended and remain in full force and effect as of the date hereof:

**RESOLVED:** That R. Grady Crews, the Senior Account Executive for FIAI, Inc., acting singly, is duly authorized and directed to enter into an Agreement for Commercial Property Insurance for the Derry, Franklin and Jaffrey-Peterborough District Courthouses (the "Agreement") with the State of New Hampshire and is further authorized to execute any documents which may in his judgment be desirable or necessary in order to effect the purpose of this vote.

**RESOLVED:** That R. Grady Crews, in his 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 R. Grady Crews to act on behalf of the Corporation for the purposes specified above.

The undersigned has executed and delivered this certificate in his capacity as Clerk of FIAI, Inc. this 18<sup>th</sup> day of November, 2013.



\_\_\_\_\_  
Daniel G. McKay, Clerk



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/11/2013

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

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

<b>PRODUCER</b> Cross Insurance 74 Gilman Road P.O. Box 1388 Bangor ME 04401	<b>CONTACT NAME:</b> Woodrow Cross, II <b>PHONE (A/C, No, Ext):</b> (207) 947-7345 <b>FAX (A/C, No):</b> <b>E-MAIL ADDRESS:</b> w2cross@crossagency.com													
	<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A Hanover Insurance Group, Inc.</td> <td>22292</td> </tr> <tr> <td>INSURER B Maine Employers Mutual Ins Co.</td> <td></td> </tr> <tr> <td>INSURER C Utica Mutual Ins Co</td> <td></td> </tr> <tr> <td>INSURER D National Union Fire Ins Co</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A Hanover Insurance Group, Inc.	22292	INSURER B Maine Employers Mutual Ins Co.		INSURER C Utica Mutual Ins Co		INSURER D National Union Fire Ins Co		INSURER E :		INSURER F :
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INSURER D National Union Fire Ins Co														
INSURER E :														
INSURER F :														
<b>INSURED</b> Cross Financial Corp. & FIAI, Inc. dba Cross Insurance - Manchester P O Box 1388 Bangor ME 04402														

**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	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			ZDP687501709	7/21/2013	7/21/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ \$
	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			ABP472889018 ADP915322602	7/21/2013	7/21/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			BE7251220	7/21/2013	7/21/2014	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N <input type="checkbox"/> N/A	5101800114	10/1/2013	10/1/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
C	<b>Errors &amp; Omissions</b>			4179150E0	5/1/2013	5/1/2014	Each Loss Limit \$10,000,000
A	<b>Crime/Fidelity</b>			BDP1834885	7/21/2013	7/21/2014	Limit \$500,000

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

<b>CERTIFICATE HOLDER</b>  State of New Hampshire 25 Capitol Street 1st Floor, Room 102 Concord, NH 03301-6312	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  Melanie Campbell/MJC <i>Melanie G. Campbell</i>
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