



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

CHARLES M. ARLINGHAUS
Commissioner
(603)-271-3201

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

April 11, 2018

His Excellency, Governor Christopher Sununu
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 contract with The Rowley Agency, Concord, NH (Vendor #154464) in an amount not to exceed \$30,944 for the purchase of insurance for state-owned watercraft upon Governor and Executive Council approval for the period effective June 4, 2018 through June 4, 2019.

Funding is available in FY2018 through individual agency expenditures and is anticipated to be available upon the continued appropriation of funds in the FY19 operating budget with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified.

EXPLANATION

The procurement of liability insurance for state-owned watercraft is required by RSA 21-1:7-c (V) and hull insurance on high-value vessels is sought to limit exposure to financial loss. This policy services six agencies and provides liability coverage for five hundred thirty-five (535) vessels and hull coverage for ten of those vessels.

The Rowley Agency (Rowley) arranged for this purchase in accordance with its contract with the State for *Producer Services for Property and Casualty Insurance*. Rowley made inquiries to four insurance markets about the program. Two markets declined because they could not offer competitive pricing and a third market declined because it does not fit within their marine program guidelines. The incumbent International Marine Underwriters (IMU) offered a renewal premium of \$25,944 with the same rates for Hull coverage but an increase to liability rates resulting in a 4.3% increase over the expiring premium.

The marine insurance market is now experiencing widespread premium rate increases after a long period of decreases driven by competition. Significant losses related to major weather events are behind the increase in premium rates. See attached Marine Insurance

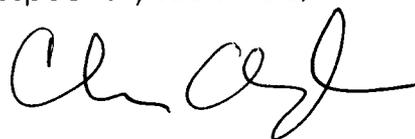
excerpt from the *Marketplace Realities 2018* report published by Willis Towers Watson. IME has also experienced an increase in claims related to its liability business which led them to revisit its liability premium rate structure. As a result, IME increased liability premium rates on larger vessels (e.g., Large Bin, Large BOUT, and Bin Inboard) that have the potential to cause more significant damage in a collision. The premium rates charged by IME for the three previous policy years had remained flat.

The liability insurance offered covers all state-owned watercraft, including non-motorized vessels like kayaks and canoes, and offers specific protection against third-party claims for damage caused by our vessel to any other vessel, hull to hull, or to property, vessel to object. The liability coverage limits are \$1 million per occurrence with a \$1 million aggregate and is subject to a \$1,000 deductible. The hull insurance offered covers physical damage to scheduled state-owned vessels subject to a \$2,500 deductible. Four agencies choose to purchase hull insurance to cover higher value and/or specialty vessels at a total scheduled value of \$1,315,405.

The quoted premium is void of agency fee or commission. The total contract price of \$30,944 for the term of the agreement includes the quoted premium of \$25,944 for existing watercraft and \$5,000 in contingency funds to allow coverage for newly acquired watercraft or additional requests for hull coverage.

We respectfully request your approval.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Charles M. Arlinghaus', written in a cursive style.

Charles M. Arlinghaus
Commissioner

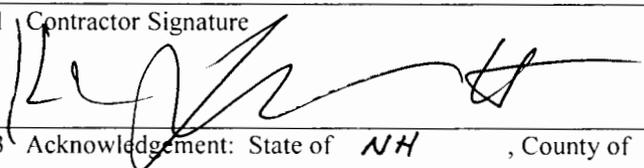
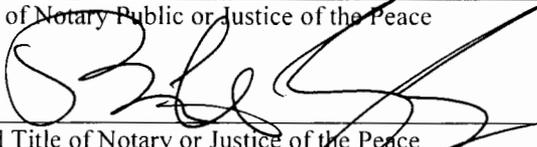
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

I. 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 The Rowley Agency		1.4 Contractor Address 45 Constitution Avenue, Concord, NH 03301	
1.5 Contractor Phone Number 603-224-2562	1.6 Account Number Individual Agency Expenditures	1.7 Completion Date June 4, 2019	1.8 Price Limitation \$ 30,944
1.9 Contracting Officer for State Agency Catherine A. Keane, Deputy Commissioner		1.10 State Agency Telephone Number 603-271-2059	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Robert C. Simpson, II, Vice President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>MERRIMACK</u> On <u>APRIL 5, 2018</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 			
1.13.2 Name and Title of Notary or Justice of the Peace [Seal] <u>ANDREW N. LANGLEY, Notary Public</u> State of New Hampshire My Commission Expires <u>October 15, 2022</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Date: <u>4/16/18</u> <u>Charles Arlinghaus, 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) (if applicable) By:  On: <u>4/16/18</u>			
1.18 Approval by the Governor and Executive Council (if applicable) 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, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 (“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. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. 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

Contractor Initials RC S
Date 4/5/18

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 notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and 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 \$1,000,000 per occurrence and \$2,000,000 aggregate ; and
- 14.1.2 special cause of loss coverage form 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.

Contractor Initials JCS
Date 4/5/18

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 thirty (30) 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 provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) 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 unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

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.

Contractor Initials RC S
Date 4/5/18

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 The Rowley Agency (Rowley) for insurance coverage for state-owned watercraft.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: 06/04/2018

Expiration Date of Agreement: 06/04/2019

12:01AM Standard Time at the address of the State stated herein.

Rowley hereby agrees to provide insurance coverage for state-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 Rowley thirty (30) days advance written notice.

ARTICLE 3. ADMINISTRATIVE SERVICES PROVIDED BY THE ROWLEY AGENCY

A. COVERAGE FOR HULL INSURANCE

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

- American Institute Coastwise and Inland Hull Clauses (11/2/72)

B. COVERAGE FOR PROTECTION AND INDEMNITY INSURANCE

Coverage is required as follows: 535 vessels for protection and indemnity (P&I) coverage under the following categories.

LARGE BIN	Watercraft, inboard motor (3)
LARGE BOUT	Watercraft, outboard motor (7)
BIN	watercraft, inboard motor (12)
BOUT	watercraft, outboard motor (199)
BNO	watercraft, no motor (314)

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 (6/2/83)
- Pollution Exclusion Clause and Buy Back Endorsement No. 1
- Exclusion of Certified Acts of Terrorism Endorsement No. 2
- Chemical, Biological, Bio-Chemical and Electromagnetic Weapon Exclusion
- AIMU Extended Radioactive Contamination Exclusion Clause with USA Endorsement (03/1/03)
(coverage for fire resulting from nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that fire)
- American Institute Cyber Exclusion Clause (11/06/2015)

C. CLAIMS ADMINISTRATION

IMU shall administer all reported claims from June 4, 2018 for the contract period until the claims are fully-resolved and 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, 2018.

2. *Claim Reporting:* Designated state employees will report claims to Rowley's designated claims personnel. Rowley will in turn report the claim to IMU. IMU shall send a letter of acknowledgment of claim to Rowley and the RMU electronically or via US mail.

3. *Claim Reserving:* IMU shall establish and maintain timely and adequate reserves. IMU shall revise reserve estimates whenever developments occur which change the ultimate loss exposure and maintain supporting documentation. Reserves shall be adequately funded by IMU in a matter consistent with established industry practice.

4. *Litigation Management:* IMU 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. IMU 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. IMU shall review attorney bills to ensure that they are accurate and reasonable.

5. *Payment Control:* All claim payments shall be made by IMU 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:* IMU shall advise RMU of any settlement of twenty thousand dollars (\$20,000) or greater. IMU shall issue loss run reports within thirty days of RMU's request.

D. ACCOUNT MANAGEMENT

Rowley 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 required specifications

Rowley shall at its own expense provide all personnel, materials and resources necessary to perform the services under the contract. Rowley 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. Rowley personnel shall have a strong dedication to excellent customer service in all aspects of its dealings with the State. Rowley personnel shall return telephone calls promptly, be professional and maintain confidentiality when communicating with State employees.

The State reserves the right to require Rowley 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).

Contractor's Initials: RCS
Date: 4/5/18

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: Rowley 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 \$30,944 which includes \$5,000 contingency funds to allow for the acquisition of insurance for any newly acquired watercraft or additional requests for hull coverage.

Description	6/4/18 – 6/4/2019
	Hull Premium
1. Hull coverage for DES 2003 Winninghof with agreed value of \$169,648	\$1,866
2. Hull coverage for DES 2006 Eastern Bay with agreed value of \$189,183	\$2,081
3. Hull coverage for DES 2003 Skimmer with agreed value of \$202,400	\$2,200
4. Hull coverage for DES 1995 Skimmer with agreed value of \$70,081	\$708
5. Hull coverage for DES 2007 30' Silver Ships with agreed value of \$117,407	\$1,172
6. Hull coverage for F&G 2004 Osmond with agreed value of \$243,805	\$2,682
7. Hull coverage for Port Authority 2008 Munson with agreed value of \$214,387	\$3,097
8. Hull coverage for Port Authority 2013 Zodiac with agreed value of \$21,179	\$223
9. Hull coverage for Port Authority 1998 McKee Craft with agreed value of \$39,995	\$440
10. Hull coverage for DNCR 2013 24' Stanley Pulsecraft with agreed value of \$47,320	\$478
	P&I Premium
Protection and indemnity insurance for 2003 Winninghof Little Bay II – Responder	\$118.67
Protection and indemnity insurance for 2006 35' Eastern Casco Bay Boat	\$118.67
Protection and indemnity insurance for 2003 JBF Skimmer Hull JBF 420	\$71.57
Protection and indemnity insurance for 1996 JBF Skimmer Hull JBF 420	\$71.57
Protection and indemnity insurance for 2007 30' Silverships Pumpout	\$71.57
Protection and indemnity insurance for 2004 38' Osmond	\$118.67
Protection and indemnity insurance for 2008 30' Munson PackCat	\$71.57

Contractor's Initials: *RC S*
 Date: *4/5/18*

Protection and indemnity insurance for 2013 14' Zodiac	\$71.57
Protection and indemnity insurance for 1998 23' McKee Craft	\$71.57
Protection and indemnity insurance for 2013 24' Stanley Pulsecraft	\$71.57
Protection and indemnity insurance for 12 BIN Rate of \$56.83 times 12 vessels, equals a premium of	\$682
Protection and indemnity insurance for 199 BOUT Rate of \$37.54 times 199 vessels equals a premium of	\$7,474
Protection and indemnity insurance for 314 BNO Rate of \$6.30 times 314 vessels, equals a premium of	\$1,977
Base Premium Price	\$25,944

Terrorism Insurance can be purchased for an additional \$817.00. Terrorism coverage was rejected.

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

B. INVOICING

The Rowley Agency shall submit a separate annual invoice to each agency based upon its watercraft inventory. Copies of all invoices shall be mailed or emailed to:

The State of New Hampshire
 Department of Administrative Services
 Risk Management Unit
 25 Capitol Street, Rm 412
 Concord, NH 03301

Email: diane.caldon@nh.gov

Contractor's Initials: RCJ
 Date: 4/5/18

The State shall not make payments to Rowley prior to the Agreement effective date of June 4, 2018 and not prior to approval by Governor & Council.

C. PAYMENT

The State shall make payment to Rowley via ACH 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.

Contractor's Initials: RCJ
Date: 4/5/18

EXHIBIT C
SPECIAL PROVISIONS

Form P-37, section 14 Insurance, is amended per the attached certificate of insurance from The Rowley Agency Inc. to include the following coverage enhancements:

1. General Liability coverage with limits of \$1,000,000 per occurrence/\$2,000,000 in the aggregate
2. Automobile Insurance coverage with combined single limits of \$1,000,000 per accident
3. Excess/umbrella insurance coverage with limits of \$10,000,000 per occurrence and in the aggregate
4. Workers compensation coverage with statutory limits and Employers' Liability with limits of \$500,000 per accident and \$500,000 policy limit
5. Errors and Omissions liability insurance coverage with limits of \$25,000,000
6. Crime/Fidelity coverage with limits of \$500,000

Contractor's Initials: RCG
Date: 4/5/18

State of New Hampshire

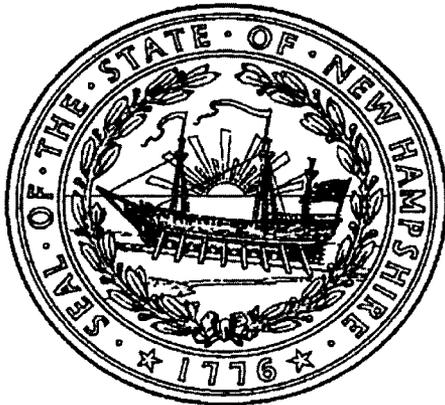
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE ROWLEY AGENCY, INC. is a New Hampshire Profit Corporation registered to transact business in New Hampshire on December 07, 1966. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 14763

Certificate Number : 0004078848



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 10th day of April A.D. 2018.

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

William M. Gardner
Secretary of State

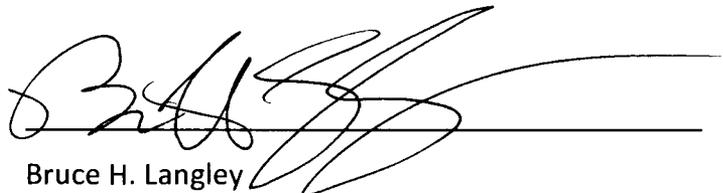
CERTIFICATE OF VOTE/AUTHORITY

CORPORATE RESOLUTION

I, Bruce H. Langley, Assistant Secretary and Treasurer of The Rowley Agency, Inc. a corporation organized and existing under the laws of the State of New Hampshire (the Company), do hereby certify that the following is a true and correct copy of a resolution duly adopted at a meeting of the Board of Directors of the Company duly held and convened on April 5, 2018, at which meeting a duly constituted quorum of the Board of Directors was present and acting throughout, and that such resolution has not been modified, rescinded or revoked, and is at present in full force and effect:

Resolved: That Robert C. Simpson II, Vice President of The Rowley Agency, Inc. is empowered and authorized to execute contracts related to the State of New Hampshire Watercraft coverage.

In Witness Whereof, the undersigned has affixed his signature and the corporate seal of the Company this 5th of April, 2018

A handwritten signature in black ink, appearing to read 'B. Langley', is written over a solid horizontal line. The signature is stylized and cursive.

Bruce H. Langley
Assistant Secretary and Treasurer

WESTPORT INSURANCE CORPORATION

**CERTIFICATE OF INSURANCE
(Claims First Made)**

Issue Date: 4/5/2018

Certificate Holder:
STATE OF NEW HAMPSHIRE
DEPT. OF ADMINISTRATIVE SERVICES
25 CAPITOL STREET
CONCORD, NH 03301

This is to certify that the Named Insured is covered by the insurance policy described below issued by Westport Insurance Corporation of Overland Park, Kansas. Coverage afforded the Named Insured is subject to all terms, exclusions, limitations and conditions of such policy. Limits shown may have been reduced by paid claims. This certificate of insurance is issued as a matter of information only and confers no rights upon the certificate holder. This certificate of insurance does not affirmatively or negatively amend, extend, or alter the coverage afforded by the insurance policy.

TYPE OF INSURANCE: Insurance Agents Errors & Omissions Liability

POLICY NUMBER: WED4NH005998212

NAMED INSURED: THE ROWLEY AGENCY, INC.

OTHER INSURED AS DEFINED IN POLICY:
RE: STATE OWNED WATERCRAFT INSURANCE POLICY 6/04/18-6/04/19

CLAIMS EXPENSES ARE IN ADDITION TO THE LIMIT OF LIABILITY FOR THE COVERAGES PROVIDED BY THE ABOVE POLICY NUMBER

CLAIMS EXPENSES ARE INCLUDED WITHIN THE LIMIT OF LIABILITY FOR THE COVERAGES PROVIDED BY THE ABOVE POLICY NUMBER

Limits of Liability: \$30,000,000 Per Claim
\$30,000,000 Aggregate for the Policy Period

Sublimit of Liability for BREACH OF PERSONAL DATA: NO COVERAGE Per Claim
NO COVERAGE Aggregate for the Policy Period

Deductible: \$ 25,000 Per Claim
\$ 75,000 Aggregate for the Policy Period

Retroactive Date: Full Prior Acts

EFFECTIVE DATE: FROM: February 01, 2018 TO: February 01, 2019

By the issuance of this Certificate, Westport Insurance Corporation assumes no obligation to provide notice of change in or cancellation of the policy.

WESTPORT INSURANCE CORPORATION



Authorized Representative



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/5/2018

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 THE ROWLEY AGENCY INC. 45 Constitution Avenue P.O. Box 511 Concord NH 03302-0511	CONTACT NAME: Peggy Johnson PHONE (A/C, No, Ext): (603) 224-2562 E-MAIL ADDRESS: pjohnson@rowleyagency.com	FAX (A/C, No): (603) 224-8012
	INSURER(S) AFFORDING COVERAGE	
INSURED The Rowley Agency Inc 45 Constitution Ave. P.O. Box 511 Concord NH 03302-0511	INSURER A: Continental Western Insurance	
	INSURER B: Acadia Insurance Company	
	INSURER C: MEMIC Indemnity Company	
	INSURER D: Travelers Cas & Sur Co of Amer	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **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 SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		CPA003817930-NH	2/1/2018	2/1/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS		CAA003817530	2/1/2018	2/1/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Medical payments \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0		CUA003818330	2/1/2018	2/1/2019	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N N/A	3A States: NH,VT,ME 3102802541	2/1/2018	2/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
D	Employee Dishonesty - Crime		105882645	2/1/2016	2/1/2019	\$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 State owned Watercraft insurance policy 6/04/18 - 6/04/19

CERTIFICATE HOLDER State of NH Dept. of Administrative Services 25 Capitol St. Concord, NH 03301	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 Peggy Johnson/PAJ <i>Peggy A Johnson</i>

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Marine

- For the first three quarters of 2017, soft market conditions have continued to create a competitive rating environment for shipowners, operators of ports, terminals and other marine facilities, and for those involved in international logistics or trade involving the shipment of general cargo.
- For the vast majority of insurers, marine business is unprofitable and unsustainable at current pricing levels.
- **In the aftermath of Hurricanes Harvey, Irma and Maria, insurers are trying to estimate their losses plus what additional cost for reinsurance they may need to pay. They are unlikely to be able to absorb these additional costs and will need to pass them on to clients.**
- In this climate of uncertainty most carriers are applying a rule of no reductions on renewal business while looking for increases on business where losses have occurred.
- **It is unclear whether this market hardening will create only a short-term scenario where deals are tougher to negotiate or if it will signal the end of an era of continually declining rates.**
- After another year of reduced rates, principally driven by the continued excess capacity in the market, insurers are now trying to implement underwriting discipline on their existing business while also looking for new opportunities. We are currently seeing more business heavily remarketed, with some owners prepared to pay extra for carrier continuity and others changing carriers to achieve a flat premium or savings.
- Many insurers have evolved their proposition for ports and terminals to include property damage coverage in a package with liability risks. This is advantageous for owners and operators driving efficiencies and cost savings. Excess property requirements can then be placed in the property market.
- Marine liability business continues to be attractive to insurers, with most insurers now having teams in place to write this business following a hiring spree over the past 12-18 months. **We are, however, seeing some influential marine market underwriters imposing standard minimum increases (up to 10%) regardless of record.**
- The marine cargo market has remained soft for most general cargo, but for those in the automobile business, premiums have leapt due to a withdrawal of capacity following significant losses with regard to cars in transit or stored in the open. Terms have also hardened for those involved with satellite launches where capacity has withdrawn following a rocket explosion.

The one thing

With pricing reductions almost impossible to achieve without moving markets, prepare early and present good information about your risks to obtain better outcomes in a more complicated market environment.

Price prediction

Cargo

Flat to +10%

Hull

Flat to +10%

Marine liability

-5% to +10%

Contact

Phil Jacobs

Chief Broking Officer Marine

+44 (0)203124 8877

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