



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

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**Roger A. Sevigny
Commissioner**

**Alexander K. Feldvebel
Deputy Commissioner**

May 4, 2016

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

REQUESTED ACTION

Authorize the New Hampshire Insurance Department (NHID) to enter into a contract with Risk Management Solutions, Inc., Newark, California (Vendor # TBD) in the amount of \$40,000.00 to assist the Department in performing analyses to determine the amount of insurance reserves that should be held in an Insurance Reserve Account established for the NH Turnpike System effective upon Governor & Council approval through June 30, 2016. 100% Other Funds.

Funding is available in account titled Department of Insurance Administration as follows:

	<u>FY2016</u>
02-24-24-240010-25200000-102-500731 Contracts for Program Services	\$40,000

EXPLANATION

The New Hampshire Insurance Department released a Request for Proposals (RFP) seeking assistance in performing analyses to determine the amount of insurance reserves that should be held in an Insurance Reserve Account established for the NH Turnpike System. The Insurance Reserve Account was established under the provisions of the General Bond Resolution authorizing the issuance of State of New Hampshire Turnpike System Revenue Bonds. The revenue bonds provide funding for capital improvements of the Turnpike System pursuant to RSA 237-A.

Section 4.5(a) of the General Resolution states that: "The State shall at all times maintain such insurance with respect to the System, either through insurance reserves or insurance policies, as it determines necessary or prudent to protect the interests of the State and the Bondholders."

Section 4.5(b) of the General Resolution states that: "There is hereby established a special trust fund of the State to be held and administered by the Treasurer and to be known as the Turnpike System Insurance Reserve Account. Upon delivery of the first series of bonds issued under the Resolution the State shall deposit the sum of \$3,000,000 into the Insurance Reserve Account, which amount will be available to insure against risks that would otherwise be covered by policies of insurance. The State, acting through its Department of Insurance, shall annually review the kinds and amounts of insurance policies and self-insurance maintained by the State with respect to the System and no later than 60 days after the end of each fiscal year shall deliver to the Treasurer a report describing the insurance then in effect and a certificate from the Commissioner of Insurance of the State setting forth the Insurance Reserve requirement for the next fiscal year or any portion thereof; provided however that the Insurance Reserve Requirement shall at all times be no less than \$3,000,000."

The New Hampshire Insurance Department (NHID) requested proposals from qualified risk assessment professionals to perform an analysis to help determine the amount of reserve needed under the General Resolution to insure against risks that would otherwise be covered by policies of insurance for fiscal year 2017 and a methodology for determining the reserve in future years.

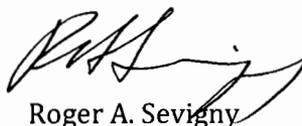
After reviewing the bid responses, the Commissioner selected Risk Management Solutions, Inc.'s proposal as the most responsive and cost effective to the RFP. The RFP was posted on the Department's website March 28, 2016 and sent to companies doing work in this field. Two bids were received. Bids were evaluated by a team including staff from the NHID, the NHDOT, and the NH State Treasury using a scoring system included in the RFP.

The major deliverable for RMS

1. A probabilistic analysis of the risk of catastrophic losses to the turnpike system from physical damage and business interruption.

The Department respectfully requests that the Governor and Council authorize funding for this consulting work. Your consideration of the request is appreciated.

Respectfully submitted,



Roger A. Sevigny

NH Turnpike RFP Evaluation Committee

Evaluation Committee members: Sally MacFadden (NHID), Christian Citarella (NHID), Chiara Doicino (NHID), Danielle Chandonnet (DOT), Rachel Miller (Treasury)

Meeting Date: 4/5/2016

Clarity	Experience & Qualifications	Approach to the Assignment	Timeline	Cost for the analyses	Weighted Score
	<p>Experience and Qualifications of the firm will be assessed in performing similar types of analysis and reporting for other states and insurance entities. The firm shall provide evidence of experience with cost management, copyrights including, and revenue analysis.</p> <p>The proposal must include a listing of references of recent engagements that are appropriate to this project and reflect the skills appropriate for work on this project, including any work performed for State Agencies, in NJ or elsewhere. The proposal must include a summary of experience of key personnel including current resumes of all personnel that might be assigned to these duties. The proposal shall specify the expected number of hours for each staff member that will be assigned to the project.</p>	<p>Approach to the Assignment including a description of the steps the firm will take to complete the assignment, the planned research for the assignment and the methodologies that the bidder intends to use.</p>	<p>The proposal must specify a timeline, including critical path, and milestones, to which the entity commits to delivering the completed, negotiable study and analysis to the Department.</p> <p>The NRE requires the final report by June 30, 2016.</p>	<p>The proposal should include the hourly or daily rate for individuals, and an estimate of the amount of time each person might be expected to spend on the project. The proposal must also include a budget for the total expenses and must include tabled amount bills. The review submission will include proposals based on the tabled amount bill, as their amount will be used in the P-27 with Contracts. The responses required pursuant to this part shall be sufficiently detailed to create a general specification of the costs anticipated.</p> <p>The NHID expects the project to cost around \$41,000.</p>	<p>100%</p>
Aff	80	85	100	60,000	0.80
Cost	80	100	85	60,000	0.80
Average	80	85	85	60,000	0.80

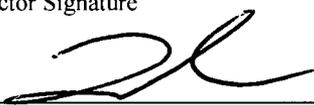
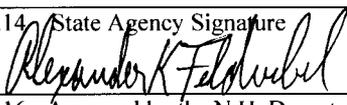
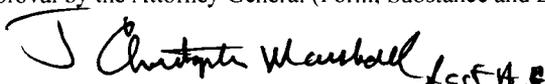
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Insurance Department		1.2 State Agency Address 21 South Fruit St, Suite 14, Concord NH 03301	
1.3 Contractor Name Risk Management Solutions, Inc.		1.4 Contractor Address 7575 Gateway Boulevard, Newark, California, 94560	
1.5 Contractor Phone Number 510-505-2500	1.6 Account Number	1.7 Completion Date June 30, 2016	1.8 Price Limitation US\$40,000
1.9 Contracting Officer for State Agency Alex Feldvebel, Deputy Commissioner		1.10 State Agency Telephone Number 603-271-7973	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Thien Dinh VP & Deputy General Counsel	
1.13 Acknowledgement: State of _____, County of _____ On _____, before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace SEE ATTACHED ACKNOWLEDGMENT			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Alexander K. Feldvebel, Deputy Commissioner	
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: 5/4/16			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>See Attached</i>			
1.13.2 Name and Title of Notary or Justice of the Peace SEE ATTAC			
1.14 State Agency Signature <i>Alexander K Feldvebel</i> Date: <i>5/4/16</i>		Agency Signatory <i>rel, Deputy Commissioner</i>	
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: <i>J Christopher Marshall</i> <i>J.S.F.A.E.</i> On: <i>5/4/16</i>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

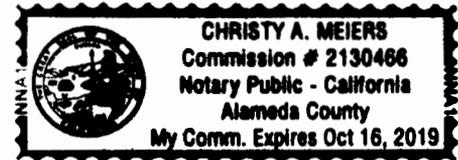
State of California)
County of ALAMEDA)

On MAY 2, 2016 before me, CHRISTY A MEIERS, NOTARY PUBLIC,
(here insert name and title of the officer)

personally appeared THIEN DINH

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature Christy A Meiers

(Seal)

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of STATE OF NEW HAMPSHIRE FORM P-37 containing 4 pages, and dated MAY 2, 2016

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-Fact
- Corporate Officer(s) _____ Title(s)
- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: DEPUTY GENERAL COUNSEL

representing: RISK MANAGEMENT SOLUTIONS, INC
Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
 form(s) of identification credible witness(es)

Notarial event is detailed in notary journal on:

Page # _____ Entry # _____

Notary contact: _____

Other

- Additional Signer(s)
- Signer(s) Thumbprint(s)
- _____

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 TID.
Date 5/2/16

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block I.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.

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.



EXHIBIT A SERVICES

The Contractor shall provide the following Services:

Analyses of State's exposures consisting of assets pertaining to the New Hampshire Turnpike System in order to assist the NHID in determining the amount of insurance reserves it chooses to hold in an Insurance Reserve Account established for the New Hampshire Turnpike System (the "Analysis"), itemized below:

The Analysis will include:

- A probabilistic analysis of the risk of catastrophic losses to the turnpike system from physical damage and business interruption.

To complete the Analysis, the Contractor will undertake to following:

Exposure Audit and Verification

Contractor will work with the State to gather the necessary exposure data. Contractor will review the detailed exposure data provided by or on behalf of the State and the total exposures and any related assumptions will be summarized in an Assumption Document. If the data provided by State requires significant cleansing to prepare the data for import into the EDM data format, Contractor may request State to improve the data format or quality. Contractor may provide guidance on what modifications are required to improve the data format or quality.

Exposure Data Manipulation & Geocoding

Using the data provided by State, Contractor will manipulate the data into an Exposure Data Module ("EDM") format. This proprietary format is required for the Analysis of exposure data using RMS' proprietary software and RMS Models.

Assumptions Document

Once the data has been converted into an EDM format, Contractor will provide an assumptions document ("Assumptions Document") for State's review. The Assumptions Document will summarize the exposure provided and outline any adjustments Contractor made to the data. State shall, within five (5) business days following receipt of the Assumptions Document identify any questions or concerns about the Assumptions Document. If State does not notify Contractor of any questions or concerns about the Assumptions Document within such five (5) day period, the Assumptions Document shall be deemed accepted by State.

Exposure Modeling and Analysis

The assets of the New Hampshire Turnpike System included in the data submission will be analyzed using the RMS Models as described in this Exhibit A.

The models utilized to complete the Analysis will include:

Windstorm

The most current release of RMS' RiskLink® (v15) Windstorm detailed loss model (the "Windstorm DLM Model") in distributed mode with loss amplification and the RMS Medium Term event rates.

Storm Surge

The most current release of RMS' RiskLink® (v15) Storm Surge detailed loss model (the "Storm Surge DLM Model") in distributed mode with loss amplification and the RMS Medium Term event rates.

Earthquake

The most current release of RMS' RiskLink® (v15) Earthquake detailed loss model (the "Earthquake DLM Model") with loss amplification and the RMS stochastic event rates.



Severe Convective Storm

The most current release of the RMS' RiskLink® (v15) Severe Convective Storm Detailed Loss Module (the "Severe Convective Storm DLM Model") with standard settings used in insurance analyses.

Winterstorm

The Contractor will use the most current release of RMS' RiskLink® (v15) Winterstorm Detailed Loss Module (the "Winterstorm DLM Model") with loss amplification and the RMS Medium Term event rates.

Deliverables – these shall be delivered by the Contractor by the Completion Date, which is June 30, 2016, provided that the State supplies the Contractor with information relating to (i) cost per mile for roadways and (ii) exposure information for bridges by May 30, 2016.

RMS Report in PDF format to include:

1. Exposure summary, including geographic summary and geocoding resolution
2. Exposure map of total insured value (TIV)
3. Combined peril risk analysis, reporting the Occurrence Exceedance Probability ("OEP") of five key return period losses (50, 100, 250, 500, 1000 RPLs)
4. Combined peril risk analysis, reporting the Aggregate Exceedance Probability ("AEP") five key return period losses (50, 100, 250, 500, 1000 RPLs)
5. Combined peril combined view of OEP exceedance probability curve
6. Combined peril combined view of AEP exceedance probability curve
7. Combined peril Average Annual Loss ("AAL"), with Standard Deviation, and Coefficient of Variation
8. Map of the top five largest loss causing historical events

Analysis Support

Contractor shall provide State with up to a maximum of five hours of remote post-Analysis analytical support and deliverables ("Support").

Support will include responding to State's questions relating to understanding the Model technical documentation for purposes of model validation/acceptance and the analytics/methodology used by Contractor to perform the Analysis. Support shall expire thirty days after the delivery of the Deliverables. Support shall only include providing interpretative support directly related to the Services, as applicable.

Any analysis requiring a re-run due to an error in modeling or interpretation of the requirements of the Services performed under this Exhibit A will be performed at no charge to State. Discussions relating to identifying or investigating the re-run will not be applied towards the five hours of Support. In addition, any re-run will receive preferential treatment and Contractor will utilize commercially reasonable efforts to return the results to State in a timely manner.

State Obligations

a. Data

State shall provide Contractor with the required data in a format specified by Contractor.

b. State Representative

State shall appoint a representative ("Representative") to be Contractor's point of contact and to be available to answer questions about the data provided and to provide any other assistance reasonably required by Contractor during performance of the Services including maintaining and updating the data dictionaries.

The Representative shall provide responses to all queries raised by Contractor within two business days of receipt of such query. State shall provide Contractor with any assistance reasonably required by Contractor to perform the Services.

T.D.
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**EXHIBIT B
PAYMENT SCHEDULE**PAYMENT

The fees for the Services are US\$40,000 ("Fees").

On or after the Effective Date, Contractor shall issue the State an invoice in respect of the Fees and payment in full is due upon State's receipt of invoice and is past due 30 days from the date of invoice.



EXHIBIT C ADDITIONAL AND AMENDING PROVISIONS TO THE AGREEMENT

1. DEFINITIONS

- 1.1. "Agreement" means the executed Form Number P 37, together with Exhibits A, B and C.
- 1.2. "Completion Date" means June 30, 2016.
- 1.3. "Deliverables" means the report to be delivered by the Contractor and as further described in Exhibit A.
- 1.4. "RMS Technology" means Contractor's proprietary software, models, data and methodologies.
- 1.5. "Services" means the work described in Exhibit A together with the Deliverables.
- 1.6. This Section 1 survives termination of the Agreement.

2. ARCHITECTURE

- 2.1. The Agreement becomes effective upon the date detailed at Section 1.18 of the Agreement ("Effective Date"). Defined terms in the Agreement shall have the same meaning in the Exhibits.
- 2.2. This Section 2 survives termination of the Agreement.

3. STATE INFORMATION

State agrees to provide to Contractor all information necessary for Contractor to perform the Services ("State Information"). State understands and agrees that (i) it is solely responsible for the accuracy, completeness and sufficiency of State Information; and that (ii) Contractor will rely on State to ensure the accuracy, completeness and sufficiency of such Information.

4. OWNERSHIP

- 4.1. Contractor may use RMS Technology as it deems necessary to perform the Services. Notwithstanding Section 9.1 of the Agreement, Contractor retains all Intellectual Property Rights in and to RMS Technology, including any derivative works and improvements made thereto.
- 4.2. State retains all Intellectual Property Rights in and to State Information. State grants to Contractor a non-exclusive, perpetual, irrevocable, transferable, sublicensable, worldwide, paid-up right and license to State Information incorporated into or used to perform the Services. Except as otherwise set forth in this Exhibit C, such license shall extend solely to the use of State Information by Contractor in the course of performing the Services.
- 4.3. Subject to Section 4.4 below, the Contractor hereby assigns to State absolutely with full title guarantee the entire copyright subsisting in the Deliverables.
- 4.4. State's solicitation of proposals and Contractor's bid for the Services was for the purpose of assisting the Commissioner in fulfilling obligations under Section 4.5 of the General Bond Resolution Authorizing the Issuance of State of New Hampshire Turnpike System Revenue Bonds as described in Section 10.3 below. Therefore, State shall only use the Deliverables for the sole purpose of determining the amount of insurance reserves that might be held in an Insurance Reserve Account established for the NH Turnpike System. State agrees that it shall not use, and it shall not permit use of, the Deliverables in connection with any other purpose, including without limitation in connection with: (i) a securitization or any other private or public capital or debt markets transaction or offering other than to comply with Section 4.5 of the General Bond Resolution (ii) placement of (as opposed to the decision of whether to explore) insurance or reinsurance; or (iii) to inform prioritization, cost-justification, and execution of any resilience-building or maintenance strategies.
- 4.5. State shall include the following disclaimer in any disclosure:



“This report, and the analyses, models and estimates contained herein ("Information"), are based on data provided by The State of New Hampshire and compiled using proprietary computer risk assessment technology of Risk Management Solutions, Inc. ("RMS"). The technology and data used in providing this Information is based on the scientific data, mathematical and empirical models, and encoded experience of scientists and specialists (including without limitation: earthquake engineers, wind engineers, structural engineers, geologists, seismologists, meteorologists, geotechnical specialists and mathematicians). As with any model of physical systems, particularly those with low frequencies of occurrence and potentially high severity outcomes, the actual losses from catastrophic events may differ from the results of simulation analyses. Furthermore, the accuracy of loss estimates and other modelled output depends largely on the accuracy and quality of the data supplied by The State of New Hampshire. The recipient of this Information is further advised that RMS is not engaged in the insurance, reinsurance, or related industries, and that the Information provided is not intended to constitute professional advice. The recipient of this Information acknowledges that the Information is provided to the State for the sole purpose of determining the amount of insurance reserves that might be held in an Insurance Reserve Account established for the NH Turnpike System. Furthermore, this Information may only be used for that specific business purpose and for no other purpose, and may not be used, without limitation, under any circumstances in connection with (i) the development or calibration of any product or service offering that competes with RMS; (ii) the placement of (as opposed to the decision of whether to explore) insurance or reinsurance; or (iii) a securitization or any other public or private capital or debt markets transaction or offering other than to comply with Section 4.5 of the General Bond Resolution Authorizing the Issuance of State of New Hampshire Turnpike System Revenue Bonds”

RMS SPECIFICALLY DISCLAIMS ANY AND ALL RESPONSIBILITIES, OBLIGATIONS AND LIABILITY WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE INFORMATION OR USE THEREOF, INCLUDING ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL RMS (OR ITS PARENT, SUBSIDIARY, OR OTHER AFFILIATED COMPANIES) BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY DECISIONS OR ADVICE MADE OR GIVEN AS A RESULT OF THE CONTENTS OF THIS INFORMATION OR USE THEREOF.”

4.6. Under no circumstances will State at any time: (i) sell to, trade with, or receive fees from any third party for the Deliverables, except for customary costs for copying the Deliverables, or (iii) use the Deliverables to provide services to any third party.

4.7. This Section 4 survives termination of the Agreement.

5. PAYMENT TERMS

5.1. The Agreement is not funded in any part by monies of the United States and consequently the Contractor does not 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.

5.2. State will pay US\$40,000 (“Fees”) for the Services. Payment in full is due upon State’s receipt of invoice and is past due 30 days from the date of invoice.

5.3. This Section 5 survives termination of the Agreement.

6. TERMINATION

6.1. This Exhibit C terminates upon the termination of the Agreement.

6.2. The Contractor may terminate the Agreement upon written notice to the State for any material breach not cured within 30 days of receipt of a notice specifying in detail the grounds upon which the Contractor alleges that the State has breached the Agreement.

7. ACCEPTANCE

Services are deemed accepted upon performance.

T.D.
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8. PERSONNEL & SUB-CONTRACTING

8.1. Section 7.2 of the Agreement does not preclude Contractor from hiring any employee or official who respond independently to a general advertisement.

8.2. The Contractor's representative is specified in block 1.12, or is his successor. In the event of a dispute concerning the interpretation of the Agreement, the Contractor's representative's decision shall be final for the Contractor.

8.3. The State hereby consents that the Services or parts thereof may be contracted to Raymond James & Associates, Inc., with its principal place of business located at 880 Carillon Parkway, St. Petersburg, Florida 33716..

9. PERFORMANCE

9.1. EXCEPT AS OTHERWISE EXPRESSLY STATED BELOW, THE SERVICES ARE PROVIDED "AS IS," WITHOUT ANY WARRANTY OF ANY KIND. THE CONTRACTOR DISCLAIMS ANY OTHER EXPRESS OR IMPLIED WARRANTY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Without expanding the foregoing, State agrees and acknowledges that the RMS Technology and the Deliverables, are based on the scientific data, mathematical and empirical models, and encoded experience of scientists and specialists (including without limitation, earthquake engineers, wind engineers, structural engineers, geologists, seismologists, meteorologists, geotechnical specialists and mathematicians). As with any complex model, the Deliverables may differ from actual results or results derived from use of other models. Furthermore, the accuracy of the Deliverables and analyses based on the Deliverables depends wholly or in part on the accuracy and quality of State's input. Accordingly, the Contractor does not make any representation or warranty as to the accuracy, completeness, or certainty of the Services.

9.2. Contractor shall perform the Services satisfactorily. In the context of the Agreement and this Exhibit C, "satisfactorily" means that the Services, which includes the Deliverables, substantially conform to any specifications in Exhibit A.

9.3. Contractor's sole liability and State's sole remedy for Services not meeting the warranty in Section 9.2 is for Contractor to (i) repair the non-conforming Services; (ii) replace or modify the non-conforming Services with Services conforming substantially to the applicable warranty; or if, in Contractor's sole discretion, (i) and (ii) are not commercially reasonable, then (iii) promptly refund to State the amount paid for any non-conforming Services.

9.4. This Section 9 survives termination of the Agreement.

10. LIABILITY AND WAIVER OF CERTAIN DAMAGES

10.1. Each Party's total liability to the other Party, whether in contract, tort, negligence, strict liability or by statute or otherwise, arising out of or relating to formation and performance of this Agreement does not exceed the fees payable to Contractor for the Services which gave rise to the cause of action. All liability is cumulative and not per incident. This limitation shall not apply to the Contractor's obligations under the Indemnity Provisions as set forth at Section 13 of the P-37. This limitation will apply notwithstanding any failure of essential purpose of any limited remedy provided herein. The foregoing limitation of liability does not limit either Party's liability for any cause of action for death, bodily injury, or damage to tangible property caused by such Party's negligence. The Parties stipulate and agree that Section 10 was part of the consideration for any agreed-upon fees.

10.2. Neither Party is liable to the other, whether in contract, tort, negligence, strict liability or by statute or otherwise, for any indirect, special, incidental, exemplary, punitive or consequential damages, damages for loss of profits, loss of business, loss of use or corruption of data or information, interruption of business or loss of anticipated savings arising out of or relating to formation and performance of the Agreement, even if the Parties have been advised of the possibility of such damages. This limitation shall not apply to the Contractor's obligations under the Indemnity Provisions as set forth at Section 13 of the P-37 The Parties stipulate and agree that Section 10 was part of the consideration for any agreed-upon fees.

T.D.
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10.3. This Agreement is issued to assist the state in fulfilling its obligations as set forth in Section 4.5 of the *General Bond Resolution Authorizing the Issuance of State of New Hampshire Turnpike System Revenue Bonds*. Section 4.5 provides that: “The State shall at all times maintain such insurance with respect to the System, either through insurance reserves or through insurance policies, as it determines is prudent or necessary to protect the interests of the State and the Bondholders.” Section 4.5 further provides that “the State, acting through its Department of Insurance, shall annually review the kinds and amounts of insurance policies and self-insurance maintained by the State with respect to the System and no later than sixty days after the end of each Fiscal Year shall deliver to the Treasurer a report describing the insurance then in effect and a certificate from the Commissioner of Insurance of the State setting forth the Insurance Reserve Requirement for the next Fiscal Year.”

The Insurance Commissioner has determined it is advisable to open an examination under authority of RSA 400-A:2 and 3 and RSA 400-A:37 for the purpose of ascertaining compliance with the insurance reserve requirements set forth in the bond and for the purpose of obtaining data and information concerning the insurance reserve requirements, all to assist the state in the determination of the prudent or necessary insurance or insurance reserves.

In accordance with the provisions of RSA 400-A:10, and RSA 400-A:37,II(d), the commissioner has determined to enter into this Agreement with the Contractor to obtain and secure technical and professional services required to discharge his duties.

In accordance with RSA 400-A:37, IX no cause of action shall arise nor shall any liability be imposed against the Contractor, the commissioner’s appointed examiner, for any statements made by the Contractor, or conduct performed by the Contractor in good faith under the terms of this Agreement, and no cause of action shall arise, nor shall any liability be imposed against the Contractor for the act of communicating or delivering information or data to the commissioner pursuant to this examination, if the act of communication or delivery was performed by the Contractor in good faith and without fraudulent intent or the intent to deceive.

In accordance with RSA 400-A:37, IX, the Contractor shall be entitled to an award of attorney's fees and costs if the Contractor is the prevailing party in a civil cause of action for libel, slander or any other relevant tort arising out of its activities as examiner and the party bringing the action was not substantially justified in doing so.

10.4. This Section 10 survives termination of the Agreement.

11. INSURANCE AND WORKERS’ COMPENSATION

11.1. The State has seen the Contractor’s certificate of insurance and is satisfied that the Contractor has sufficient insurances required by the State.

11.2. Appended to this Exhibit C is a signed letter by the Contractor detailing that the Contractor is exempt from the requirements of RSA chapter 281-A.

T.D.
5/3/16

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 Risk Management Solutions, Inc., a(n) California corporation, is authorized to transact business in New Hampshire and qualified on May 2, 2016. I further certify that all fees 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 2nd day of May, A.D. 2016

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

I, Eric Drattell, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Risk Management Solutions, Inc.
(Corporation Name)

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on N/A:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire Insurance Department, for the provision of
risk modelling software services.

RESOLVED: That the VP & Deputy General Counsel
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 3rd day of May, 2016.
(Date Contract Signed)

4. Thien Dinh is the duly elected VP & Deputy General Counsel
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.



(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of _____

The forgoing instrument was acknowledged before me this _____ day of _____, 20____,

By _____
(Name of Clerk of the Corporation)

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: _____



**CORPORATE
HEADQUARTERS**

7575 Gateway Blvd.
Newark, CA 94560
Tel: 1.510.505.2500
Fax: 1.510.505.2501

**EUROPEAN
HEADQUARTERS**

Risk Management
Solutions Ltd
Peninsular House
30 Monument Street
London EC3R 8NB UK
Tel: 44.20.7444.7600
Fax: 44.20.7444.7601

www.rms.com

April 29, 2016

Chiara Dolcino
General Counsel
New Hampshire Insurance Department
21 South Fruit Street
Suite 14
Concord, NH 03301

**Re: The Agreement by and between Risk Management Solutions, Inc.
("Contractor") and the State of New Hampshire ("State")**

Dear Ms. Dolcino,

The purpose of this letter is to formally document that the Contractor is exempt from the requirements of RSA ch. 281-A (Workers' Compensation) because it maintains no office in the State of New Hampshire, hires no employees in the State and has no other business presence in the State.

Its only contact with the State is its undertaking to perform the services described in a proposed contract with the N H Department of Insurance all of which services will be performed outside the State. It does not plan to travel to or attend meetings in the State.

If you have any questions or concerns, please contact Daniel Stander at +44 (207) 444-7735.

Sincerely,

A handwritten signature in black ink, appearing to be "Thien Dinh", written in a cursive style.

Thien Dinh
V.P. and Deputy General Counsel