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State of New Hampshire

DEPARTMENT OF SAFETY
OFFICE OF THE COMMISSIONER
33 HAZEN DR. CONCORD, NH 03305
603/271-2791

JOHN J. BARTHELMES
COMMISSIONER

September 28, 2012

His Excellency, Governor John H. Lynch
and the Honorable Council
State House
Concord, New Hampshire 03301

Requested Action

Pursuant to RSA 21-I:7-c, authorize the Department of Safety, Division of State Police and the Department of Administrative Services, Risk Management to enter into a contract with Ferdinando Insurance Associates, Inc. (FIAI, Inc.), Manchester, NH, (VC #169834), in an amount not to exceed $11,172.00 for the provision of insurance coverage on the State Police Aircraft. Effective for the period of November 1, 2012 through November 1, 2013. Funding source: 81% Highway and 19% Turnpike.

The funding is available in the SFY 2013 operating budget as follows.

02-23-23-234010-40060000	Dept. of Safety – Division of State Police – Aircraft Traffic Surveillance	
020-500250		FY 2013
Current Expenses – Insurance and Bond Premiums		$11,172.00

Explanation

This request is necessary in order to have continued insurance coverage on the State Police aircraft. FIAI, Inc. is the State's producer in this insurance purchase in accordance with its contract with the State for Producer Services for Property and Casualty Insurance in effect from July 1, 2011 through June 30, 2013. Grady Crews, the account executive from FIAI, Inc., and Rebecca White, the State's Risk Manager, discussed the Department of Safety's ("Safety") aviation insurance needs. Safety's management indicated to Ms. White that the aviation insurance needs have not changed from last year and they were interested in securing the same terms and conditions as the current insurance contract for a lower premium if possible.

Mr. Crews secured insurance coverage based upon Safety's direction. He approached four insurance carriers for quotations and received the following liability insurance quotations:

Company	Quote
• Berkley Aviation, aka Star Net Insurance Company	$15,900.00
• Starr Aviation:	$15,331.00
• Chartis Aviation:	$ 9,292.00

An additional quote was received from Peerless Insurance Company since the above-mentioned companies did not provide inland marine coverage. Peerless submitted a quotation for inland marine coverage in the amount of $1,880. Due to the competitive prices and A ratings by AM Best, Ms. White recommended that Safety obtain liability insurance through Chartis Aviation and Peerless. The total premium for both coverages from the November 1, 2012 to November 1, 2013 is 11,172.00. This is $7,948.00 less than the previous term's premium of $19,120.00, with the same coverage levels and deductible.

The current insurance coverage was secured through the State's bidding process. The Risk Management Unit (RMU) issued a Request for Bid to insurance companies and agencies for the coverage for November 5, 2009 to November 1, 2012. RMU received one bid from FIAI, with quotations from two insurance carriers for liability coverage: Star Net and State National Insurance Company and one quotation for inland marine insurance from Peerless.

Upon receiving G&C approval, Mr. Crews plans to bind coverage with Chartis Aviation and Peerless. This contract should result in an efficient and cost effective method of meeting the aviation insurance needs for Safety.

Respectfully submitted,

John J. Barthelmes
Commissioner of Safety

Concur:

Linda M. Hodgdon
Commissioner, Administrative Services

Subject: Insurance Coverage for State Owned Aircraft

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Department of Safety, Division of State Police		1.2 State Agency Address 33 Hazen Drive, Concord, NH 03305	
1.3 Contractor Name FIAI, Inc.		1.4 Contractor Address 1100 Elm Street, Manchester NH 03101	
1.5 Contractor Phone Number 603-206-9912	1.6 Account Number 02-23-23-234010-4006 – 020-500250	1.7 Completion Date 11/1/2013	1.8 Price Limitation $11,172.00
1.9 Contracting Officer for State Agency		1.10 State Agency Telephone Number	
1.11 Contractor Signature		1.12 Name and Title of Contractor Signatory Grady Crews, Senior Account Executive	

1.13 Acknowledgement: State of NH, County of Hillsborough

On 9/28/12, 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

KIMBERLY H. GUTEKUNST, NOTARY PUBLIC

1.14 State Agency Signature	1.15 Name and Title of State Agency Signatory John Beardmore, Dir. of Admin

1.16 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)*

By: Director, On:

1.17 Approval by the Attorney General (Form, Substance and Execution)

By: On: Oct 5, 2012

1.18 Approval by the Governor and Executive Council

By: On:

Contractor's Initials:
Date: 9-28-12

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

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

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

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

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

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

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

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

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

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

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The

Contractor's Initials: RAC

Date: 9-28-12

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 Complefion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treot 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.

Contractor's Initials: RC
Date: 9-28-12

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

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

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

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than $250,000 per claim and $2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A *("Workers' Compensation")*.

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s)

Contractor's Initials: RDC
Date: 9-28-12

thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor's Initials: RAC
Date: 9-28-12

Insurance Coverage for Aircraft Liability and Inland Marine
State of New Hampshire, Department of Safety
and FIAI, Inc.

Exhibit A - Scope of Services

ARTICLE 1. SCOPE OF SERVICES

This EXHIBIT A, Scope of Services, is made a part of the P-37 Agreement (the "Agreement") and is made according to the terms of paragraph 2 of the Form P-37. This EXHIBIT A to the Agreement is between the State of New Hampshire Department of Safety, Division of State Police ("Safety") and FIAI, Inc. ("FIAI"). The purpose of this request is to provide aircraft liability and inland marine coverage for Safety's aircraft fleet.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: November 1, 2012
Expiration Date of Agreement: November 1, 2013
12:01AM Standard Time at the address of the State stated herein.

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

ARTICLE 3. Administrative Services Provided by FIAI

A. INSURANCE COVERAGE DETAILS

Description of Insurance	**Coverage Limit**
One Helicopter:	
Aircraft Liability - Combined Single Limit of Bodily Injury and Property Damage including Passenger Liability	$4,000,000 per occurrence
Medical Expense – Including Crew	$10,000 per passenger $70,000 per occurrence
One Aircraft:	
Aircraft Liability - Combined Single Limit of Bodily Injury and Property Damage including Passenger Liability	$4,000,000 per occurrence
Medical Expense – Including Crew	$10,000 per passenger $70,000 per occurrence
Inland Marine equipment on aircraft	$261, 068 value with $1,000 deductible

Contractor's Initials: R.L.
Date: 9-28-12

B. CLAIMS ADMINSTRATION

FIAI shall administer all reported claims from November 1, 2012 for the contract period until the claims are closed.

1. Claim Reporting

RMU shall report claims from designated personnel at Safety to FIAI's designated claims adjuster. FIAI shall send a letter of acknowledgment of claim to the RMU electronically or via US mail.

2. Claim Reserving.

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

3. Litigation Management.

FIAI 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. FIAI 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. FIAI shall review attorney bills to ensure that they are accurate and reasonable.

4. Payment Control.

All claim payments shall be made by FIAI 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.

5. Claims Settlements and Loss Runs

FIAI shall advise RMU of any settlement of twenty thousand dollars ($20,000) or greater. FIAI shall issue loss run reports within thirty days of RMU's request.

C. ACCOUNT MANAGEMENT

FIAI shall manage this policy in accordance with the terms and conditions of the Producer Services for Property and Casualty Insurance for the State, effective July 1, 2011.

Contractor's Initials: R.L.C.
Date: 9-28-12

Insurance Coverage for Aircraft Liability and Inland Marine
State of New Hampshire, Department of Safety
and FIAI, Inc.

Exhibit B – Price and Method of Payment

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

A. CONTRACT PRICE. FIAI hereby agrees to provide the services in complete compliance with the terms and conditions specified in Exhibit A at the price below for the term of the contract ("contract price"). The total Contract Price for the term of the Agreement as shown in block 1.8 of the P-37 is $11,172.00. The liability premium for the helicopter and aircraft is $9,292.00 and the inland marine premium for the aircraft is $1,880.

B. INVOICING

FIAI shall submit one invoice to be paid in full at the beginning of the contract term in the amount of $11,172.00.

FIAI shall submit an invoice to:

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

The State shall not make payments to FIAI prior to the Agreement effective date of November 1, 2012.

C. PAYMENT

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

Contractor's Initials: RAC
Date: 9-28-12

Insurance Coverage for Aircraft Liability and Inland Marine
State of New Hampshire, Department of Safety
and FIAI, Inc.

Exhibit C – Special Provisions

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

A. INSURANCE. Delete Paragraph 14.1.1 and substitute the following:

1. General Liability coverage with limits of $1,000,000 per occurrence/$2,000,000 in the aggregate
2. Automobile Insurance coverage with combined single limits of $1,000,000 per accident
3. Excess/umbrella insurance coverage with limits of $10,000,000 per occurrence and in the aggregate
4. Errors and Omission insurance coverage with limits of $10,000,000
5. Crime/Fidelity coverage with limits of $500,000

B. There are no other special provisions for this contract.

Contractor's Initials: R.L.C.
Date: 9-28-12

STATE OF NEW HAMPSHIRE - DEPARTMENT OF SAFETY			
MARKETING REPORT BY FIAI, IC.			
AVIATION INSURANCE POLICY 11/1/12-11/1/13	**INSURANCE CARRIERS PROVIDING QUOTATIONS**		
	BERKLEY AVIATION	**STARR AVIATION**	**CHARTIS AVIATION**
AVIATION LIABILITY	**Coverage Limit**	**Coverage Limit**	**Coverage Limit**
Description of Insurance			
One Helicopter:	NO HULL	NO HULL	NO HULL
Aircraft Liability - Combined Single Limit of Bodily Injury and Property Damage including Passenger Liability	$4,000,000 per occurrence	$4,000,000 per occurrence	$4,000,000 per occurrence
	$10,000 per passenger	$10,000 per passenger	$10,000 per passenger
Medical Expense – Including Crew	$70,000 per occurrence	$70,000 per occurrence	$70,000 per occurrence
One Aircraft:	NO HULL	NO HULL	NO HULL
Aircraft Liability - Combined Single Limit of Bodily Injury and Property Damage including Passenger Liability	$4,000,000 per occurrence	$4,000,000 per occurrence	$4,000,000 per occurrence
	$10,000 per passenger	$10,000 per passenger	$10,000 per passenger
Medical Expense – Including Crew	$40,000 per occurrence	$70,000 per occurrence	$70,000 per occurrence
AVIATION LIABILITY	**$15,900**	**$15,331**	**$9,292**
Optional War, Highjacking and other perils liability	Automatically Included	$766	$929
TOTAL ANNUAL AVIATION LIABILITY	**$15,900**	**$16,097**	**$10,221**
INLAND MARINE			**PEERLESS INSURANCE**
Description of Insurance			**Coverage Limit**
1) FLIR Systems Inc- Forward Looking Infrared			$261, 068 total value
2) Spectrolab Night Sun			
INLAND MARINE PREMIUM			**$1,880**
DEDUCTIBLE FOR INLAND MARINE ONLY			$1,000
TOTAL ANNUAL AVIATION LIABILITY AND INLAND MARINE PREMIUM			**$11,172**

State of New Hampshire
Department of State

CERTIFICATE

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

In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 28th day of August, A.D. 2012

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE/CERTIFICATE OF AUTHORITY

I, Daniel G. McKay, hereby certify that I am duly elected Clerk of FIAI, Inc. I hereby certify that the following is a true copy of a vote taken at a meeting of the Board of Directors of FIAI, Inc., duly called and held on October 1, 2012, at which a quorum of the Board of Directors was present and voting.

VOTED: That R. Grady Crews, the Senior Account Executive for FIAI, Inc., acting singly, is duly authorized to enter into the Insurance Coverage for State Owned Aircraft contract ("State Owned Aircraft Insurance contract") with The State of New Hampshire, Department of Safety, Division of State Police, executed by Mr. Crews on September 28, 2012. The Board of Directors ratifies and accepts the execution of the State Owned Aircraft Insurance contract by Mr. Crews on September 28, 2012.

I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of October 1, 2012, and that R. Grady Crews is duly elected Senior Account Executive of FIAI, Inc.

DATED: October 1, 2012

ATTEST: _____
Daniel G. McKay, Clerk

(Affix Corporate Seal)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 9/27/2012

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

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

PRODUCER
Cross Insurance
74 Gilman Road
P.O. Box 1388
Bangor ME 04401

CONTACT NAME: Woodrow Cross, II
PHONE (A/C, No, Ext): (207)947-7345 FAX (A/C, No):
E-MAIL ADDRESS: w2cross@crossagency.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Hanover Insurance Group, Inc.	22292
INSURER B: Maine Employers Mutual Ins Co.	
INSURER C: Utica Mutual Ins Co	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED
Cross Financial Corp. & FIAI, Inc.
dba Cross Insurance - Manchester
P O Box 1388
Bangor ME 04402

COVERAGES **CERTIFICATE NUMBER:** CL128270078 **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			ZDP687501709	7/21/2012	7/21/2013	EACH OCCURRENCE	$	1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$	300,000
							MED EXP (Any one person)	$	5,000
							PERSONAL & ADV INJURY	$	
							GENERAL AGGREGATE	$	2,000,000
							PRODUCTS - COMP/OP AGG	$	
								$	
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			ABP472889018 ADP915322602	7/21/2012	7/21/2013	COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
							BODILY INJURY (Per person)	$	
							BODILY INJURY (Per accident)	$	
							PROPERTY DAMAGE (Per accident)	$	
								$	
A	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			UHP433098218	7/21/2012	7/21/2013	EACH OCCURRENCE	$	10,000,000
							AGGREGATE	$	10,000,000
								$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		5101800114	10/1/2012	10/1/2013	X WC STATU-TORY LIMITS OTH-ER		
							E.L. EACH ACCIDENT	$	500,000
							E.L. DISEASE - EA EMPLOYEE	$	500,000
							E.L. DISEASE - POLICY LIMIT	$	500,000
C	Errors & Ommissions			4179150	5/1/2012	5/1/2013	Each Loss Limit		$10,000,000
A	Crime/Fidelity			BDP1834885	7/21/2012	7/21/2013	Limit		$500,000

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

CERTIFICATE HOLDER

State of New Hampshire
25 Capitol Street
1st Floor, Room 102
Concord, NH 03301-6312

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Melanie Campbell/MJC Melanie G. Campbell

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TITLE I
THE STATE AND ITS GOVERNMENT

CHAPTER 21-I
DEPARTMENT OF ADMINISTRATIVE SERVICES

General Provisions

Section 21-I:7-c

21-I:7-c Risk Management. – There is established within the office of the commissioner of administrative services a risk management unit, which shall be under the supervision of such staff as may be employed by the commissioner of administrative services. The risk management unit shall be responsible for the following functions, in accordance with applicable laws:

I. Identifying loss exposure for all state real and personal property and for personal injury, except as otherwise provided by law, on a continuing basis.

II. Developing and operating risk reduction programs, in accordance with the loss prevention guidelines adopted pursuant to RSA 21-I:14, II.

III. Identifying cost-effective means for protecting against various types of losses, including self-funding, commercial insurance purchases and risk assumption, and recommending to the governor and the general court actions to be taken through the budget process to implement such means.

IV. Preparing bid specifications for use by the state when seeking commercial insurance.

V. After consultation with, and approval by the commissioner of administrative services, purchasing liability insurance under a fleet policy covering the operation of state-owned vehicles and motorboats, and such other insurance and surety bonds as any state department, agency or official may now or hereafter be legally authorized to secure, or required to furnish; provided, that approval shall not be granted for any such insurance or surety bonds unless the same have been negotiated for, are procured from and the premium therefor is to be paid to a resident agent of an insurance company registered and licensed to do business in this state. With the exception of any risk located outside the state, no such insurance company or resident agent, personally or by another, shall allow, give or pay, directly or indirectly, to any nonresident agent or nonresident broker any part of the commission on the sale of such insurance or surety bonds. The insurance commissioner may suspend or revoke the license of any resident agent or insurance company violating the provisions hereof.

Source. 2006, 70:3, eff. June 24, 2006.