REQUESTED ACTION

1) Authorize the Department of Administrative Services (DAS) to enter into a contract with USI Insurance Services LLC (Vendor #286651) in an amount not to exceed $2,287,118 for the purchase of fleet insurance coverage for state-owned vehicles upon Governor and Council approval for the period effective November 1, 2019, through November 1, 2022. 100% Agency Funds.

2) Further authorize this contract to include a contingency in the amount of $228,712 (10% of annual premium) available to cover additional premium due to increases in owned or leased fleet vehicle coverage over the three year term as well as planned improvements to the fleet inventory management system which will allow for more accurate inventory reporting. Thus, the total amount of the contract is not to exceed $2,515,830. 100% Agency Funds.

FUNDING

Funding is available in FY2020 for each agency and is anticipated to be available upon the continued appropriation of funds in FY21 and FY22 operating budgets with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified.

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Premiums</td>
<td>$737,968</td>
<td>$767,021</td>
<td>$782,129</td>
<td>$2,287,118</td>
</tr>
<tr>
<td>10% Contingency</td>
<td>$73,797</td>
<td>$76,702</td>
<td>$78,213</td>
<td>$228,712</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$811,765</td>
<td>$843,723</td>
<td>$860,342</td>
<td>$2,515,830</td>
</tr>
</tbody>
</table>
EXPLANATION

The procurement of commercial fleet insurance is required by RSA 21-l:7-c. The fleet policy provides first dollar (no deductible) liability coverage as well as uninsured and underinsured motorist coverage for the state-owned fleet of approximately 3,962 vehicles. The policy also affords physical damage coverage for approximately 126 vehicles and inland marine coverage for 11 pieces of specialty equipment valued at approximately $1,537,538. Additionally, this contract provides claims administration services that include claims handling, claim reviews, subrogation services, and loss control and client services.

USI Insurance Services (USI) arranged for this purchase in accordance with its contract with the State for Producer Services, approved by the Governor and Executive Council on May 16, 2018 (item #73). USI made inquiries to ten insurance markets about the program. Chubb, the incumbent, was the only bidder to respond.

The commercial auto insurance market experienced steady increases over the last three years. While the State’s premiums remained flat during the current three-year contract term, the market increased approximately 5% in 2017, 10% in 2018, and 12% in 2019 and expected to continue to rise. As such, Chubb’s initial quote sought a 12% increase in premiums starting in Year 1. However, USI negotiated to spread the 12% increase over the three years of the contract, with a premium increase of only 6% in Year 1, 4% Year 2, and 2% in Year 3.

Premiums will be allocated based on the number of fleet vehicles reported at the beginning of each policy term by State agencies that have appropriated funds for fleet insurance. The FY20 estimated premium of $811,765 is based on the number of state-owned fleet vehicles reported during the renewal process plus a contingency to account for increases in owned or leased fleet vehicles over the three-year term of the contract.

All quoted premiums are void of agency fee or commission. USI recommends that coverage be secured through Chubb for the three-year term. DAS concurs with that recommendation. I respectfully request your approval.

Respectfully submitted,

Charles M. Arlinghaus
Commissioner
Administrative Services

TDD ACCESS: RELAY NH 1-800-735-2964
This list represents the carriers that were approached to provide a competitive insurance program.

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chubb</td>
<td>Quoted</td>
</tr>
<tr>
<td>Acadia</td>
<td>Declined due to Losses and Loss Development</td>
</tr>
<tr>
<td>CNA</td>
<td>Declined due to class of business</td>
</tr>
<tr>
<td>Travelers</td>
<td>Declined, not a market for Mono-line Auto at this time</td>
</tr>
<tr>
<td>Liberty Mutual</td>
<td>Declined, not a market for Mono-line Auto at this time</td>
</tr>
<tr>
<td>Hanover</td>
<td>Declined Auto would consider Inland Marine</td>
</tr>
<tr>
<td>Zurich</td>
<td>Declined, unable to meet service specifications and would not be competitive with expiring pricing.</td>
</tr>
<tr>
<td>Patriot</td>
<td>Declined, unable to meet service specifications at this time</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>Declined, not a market for Mono-line Auto at this time and losses</td>
</tr>
<tr>
<td>Selective</td>
<td>Declined due to class of business</td>
</tr>
</tbody>
</table>
**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**

<table>
<thead>
<tr>
<th>1. IDENTIFICATION.</th>
<th>1.2 State Agency Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 State Agency Name</td>
<td>25 Capitol Street, Room 412</td>
</tr>
<tr>
<td>Department of Administrative Services</td>
<td>Concord, NH 03301</td>
</tr>
<tr>
<td>1.3 Contractor Name</td>
<td>1.4 Contractor Address</td>
</tr>
<tr>
<td>USI Insurance Services LLC</td>
<td>3 Executive Park Drive, Suite 300</td>
</tr>
<tr>
<td>VC #286651</td>
<td>Bedford, NH 03110</td>
</tr>
<tr>
<td>1.5 Contractor Phone Number</td>
<td>1.6 Account Number</td>
</tr>
<tr>
<td>603-665-6119</td>
<td>Individual Agency Expenditures</td>
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<tr>
<td>1.7 Completion Date</td>
<td>1.8 Price Limitation</td>
</tr>
<tr>
<td>November 1, 2022</td>
<td>$2,515,830</td>
</tr>
<tr>
<td>1.9 Contracting Officer for State Agency</td>
<td>1.10 State Agency Telephone Number</td>
</tr>
<tr>
<td>Joyce L. Pitman, Director of Risk and Benefits</td>
<td>603-271-3080</td>
</tr>
<tr>
<td>1.11 Contractor Signature</td>
<td>Brenda Buck, Account Executive</td>
</tr>
<tr>
<td></td>
<td>USI Insurance Services LLC, New England Region</td>
</tr>
<tr>
<td>1.12 Name and Title of Contractor Signatory</td>
<td></td>
</tr>
<tr>
<td>1.13 Acknowledgement: State of , County of</td>
<td></td>
</tr>
<tr>
<td>On Oct. 7, 2019, 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.</td>
<td></td>
</tr>
<tr>
<td>1.14 State Agency Signature</td>
<td>1.15 Name and Title of State Agency Signatory</td>
</tr>
<tr>
<td>[Seal] Sherri L. Winstlow - Notary</td>
<td>Charles Arlinghaus, Commissioner</td>
</tr>
<tr>
<td>Date: 10/8/19</td>
<td></td>
</tr>
<tr>
<td>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</td>
<td></td>
</tr>
<tr>
<td>By: Director, On:</td>
<td></td>
</tr>
<tr>
<td>1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</td>
<td>10/8/19</td>
</tr>
<tr>
<td>By:</td>
<td></td>
</tr>
<tr>
<td>1.18 Approval by the Governor and Executive Council (if applicable)</td>
<td></td>
</tr>
<tr>
<td>By:</td>
<td>Deputy Secretary of State OCT 23 2019</td>
</tr>
</tbody>
</table>

Page 1 of 4
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 Agreement.

Contractor Initials: [Initials]
Date: 10/7/19
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.
Fleet and Inland Marine Insurance
for State Government
Agreement Between
The Department of Administrative Services
and USI Insurance Services LLC

Exhibit A – Scope of Service

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 ("State") and USI Insurance Services LLC ("USI"). USI, hereinafter called the Contractor, agrees to provide fleet and inland marine insurance coverage for state-owned vehicles as described herein.

ARTICLE 2. EFFECTIVE DATE

Effective Date of Agreement: November 1, 2019
Expiration Date of Agreement: November 1, 2022
12:01 AM Standard Time at the address of the State given herein.

ARTICLE 3. INSURANCE COVERAGE DETAILS

A. Named Insured

The named insured is: The State of New Hampshire, Department of Administrative Services.

B. Policy Form and Rates

The Contractor shall submit specimen declaration pages, policy forms, and endorsements with the Quotation Analysis Report for use with the fleet insurance G&C packet.

The Contractor agrees that the rates to be charged for such policy shall meet all the requirements of the laws of the State of New Hampshire. See RSA chapter 412. The Contractor agrees rates to be charged for the policy are the rates on file with and approved by the New Hampshire Insurance Department.
C. Coverage Requirements:

Required liability limits may be delivered through a primary insurance policy or as a combination of primary and umbrella insurance policies. The required physical damage and inland marine coverage shall be per scheduled fleet unit. The inventory is subject to change throughout the term of the contract.

1. Coverage for Auto Liability Insurance

Coverage is required in accordance with the following:

Auto Liability Insurance with the following limits:
- Bodily Injury per person $250,000
- Bodily Injury per accident $500,000
- Property damage per accident $100,000

Underinsured/uninsured motorist's coverage with the following limits:
- Bodily Injury per person $250,000
- Bodily Injury per accident $500,000
- Property damage per accident $100,000

No deductible shall be offered.

Coverage provisions:

The Contractor shall provide insurance coverage from forms that are published by the Insurance Service Office, Inc. (ISO).

The Contractor shall provide Symbol 1 "Any Auto" coverage as provided by the Description of Coverage Auto Designation Symbols in the standard ISO Business Auto Coverage Form. Symbol 1 coverage includes any auto that is owned, leased, rented, or borrowed by the State. Coverage shall be provided to mobile equipment in the same manner as autos under the Business Auto Coverage Form.

The Contractor shall include the following definition of Covered Auto in the insurance policy:

'Aauto' means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads, including 'mobile equipment' as defined in the policy.

It is agreed that liability coverage does not apply to "bodily injury' or property damage resulting from the operation of any machinery that is on, attached to, or part of any of these vehicles.

The Contractor shall provide coverage for all of the State's Fleet units (approximately 3,962). Fleet units currently include passenger vehicles, trucks,
passenger vans, and specialty vehicles including motorcycles, snowmobiles, all-terrain vehicles (ATV’s), golf carts, trailers, and mobile equipment. The fleet insurance resulting contract may exclude state-owned motorcycles utilized in the Motorcycle Riding Program.

2. Coverage for Physical Damage on Scheduled Vehicles

Physical damage coverage, including both collision and comprehensive coverage, is required for approximately 126 vehicles.

The deductible amounts requested vary based on the value of the vehicle.

3. Coverage for Inland Marine on Scheduled Items

Inland marine coverage is required for equipment on 11 specialty vehicles valued at $1,537,538.

The Contractor shall provide quotes with a deductible of one thousand dollars ($1,000).

Coinsurance: 90%

Valuation: Actual cash value

ARTICLE 4. ACCOUNT MANAGEMENT

USI shall manage this policy in accordance with the terms and conditions of the Producer Services and Safe Driving Program Administration contract, approved by the Governor and Executive Council on May 16, 2018 (item #73), provided as the last item in this packet.
ARTICLE 1. CONTRACT PRICE

USI Insurance Services LLC 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 $2,515,830 which includes $228,712 in contingency funds to cover additional premium due to increases in owned or leased fleet vehicle coverage over the three year term as well as planned improvements to the fleet inventory management system.

The quoted premium is void of agency fee or commission.

ARTICLE 2. INVOICING

USI Insurance Services LLC 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 Risk Manager

The FY20 premium payment of $737,967.61 is due within thirty days from the date of contract approval by Governor and Council. The State shall not make payments to USI prior to the Agreement effective date of November 1, 2019.

ARTICLE 3. PAYMENT

The State shall make payment to USI Insurance Services LLC electronically 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.
Fleet and Inland Marine Insurance
for State Government
Agreement Between
The Department of Administrative Services
and USI Insurance Services LLC

Exhibit C – Special Provisions

Form P-37, Section 14, Insurance, is amended per the attached certificate of insurance from USI Insurance Services LLC 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 $25,000,000 per occurrence and in the aggregate

4. Workers compensation coverage with statutory limits and Employers’ Liability with limits of $1,000,000 per accident and $1,000,000 policy limit

5. Errors and Omissions liability insurance coverage with limits of $10,000,000 and in the aggregate
I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that USI INSURANCE SERVICES LLC is a Delaware Limited Liability Company registered to transact business in New Hampshire on September 24, 2007. 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: 584972
Certificate Number: 0004503927

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire,
this 24th day of April A.D. 2019.

William M. Gardner
Secretary of State
USI INSURANCE SERVICES LLC

(A Delaware Limited Liability Company)

Written Consent of the Manager
Pursuant to the Delaware Limited Liability Company Act

The undersigned, as the sole Manager (the "Manager") of USI Insurance Services LLC, a Delaware Limited Liability Company (the "Company"), does hereby take the following actions and adopts the following resolutions by written consent pursuant to the Delaware Limited Liability Company Act, and hereby waives notice and the holding of a meeting and hereby agrees that such resolutions shall have the same force and effect as if unanimously adopted at a duly convened meeting:

RESOLVED, that it is advisable and in the best interests of the Company that the following individuals be appointed as an authorized signatory empowered and authorized to execute contracts related to the State of New Hampshire Producer Services Contract on behalf of the Company to serve in such capacity until he or she has been removed or their respective successor shall have been duly appointed:

Brenda Buck – USI Insurance Services – New England Region
Phil Cote – USI Insurance Services – New England Region

RESOLVED, that all actions previously taken by any officer, employee or agent of the Company in connection with or related to the matters set forth in or reasonably contemplated or implied by the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Company.

IN WITNESS WHEREOF, the undersigned Manager has executed this consent as of the 7th day of October 2019.

Ernest J. Newborn, II
Manager
**CERTIFICATE OF LIABILITY INSURANCE**

**Date (MM/DD/YYYY)**: 10/03/2019

**Contact Name**: Lynn Owen

**Address**: Lynn.Owen@USI.com

<table>
<thead>
<tr>
<th>PRODUCER</th>
<th>INSURER(S) AFFORDING COVERAGE</th>
<th>NAIC #</th>
</tr>
</thead>
<tbody>
<tr>
<td>USI Insurance Services LLC</td>
<td>INSURER A: XL Specialty Insurance Company</td>
<td>37885</td>
</tr>
<tr>
<td>USI Advantage Corp.</td>
<td>INSURER B:</td>
<td></td>
</tr>
<tr>
<td>100 Summit Lake Drive, Suite 400</td>
<td>INSURER C:</td>
<td></td>
</tr>
<tr>
<td>Valhalla, NY 10595</td>
<td>INSURER D:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INSURER E:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INSURER F:</td>
<td></td>
</tr>
</tbody>
</table>

**INSURED**

USI Advantage Corp.

100 Summit Lake Drive, Suite 400

Valhalla, NY 10595

**COVERAGES CERTIFICATE NUMBER:** ELU15933118 12/31/2018 12/31/2019

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Professional Liability / E&O Liability coverage is extended to all subsidiaries and dba's of USI Advantage Corp. / USI Insurance Services LLC. All USI employees are covered under this policy for the work performed as directed by USI.

**STATE OF NEW HAMPSHIRE**

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

25 Capital Street

Concord, NH 03301

**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**

[Signature]

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#S25797031/M24497934

LAOHD
CERTIFICATE OF LIABILITY INSURANCE

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 have ADDITIONAL INSURED provisions or 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 any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
USI Insurance Services LLC
333 Westchester Ave, Suite 102
White Plains, NY 10604
914 459-6200

E-MAIL: Kim.ryder@usi.com

INSURED
USI Insurance Services, LLC
100 Summit Lake Drive
Suite 400
Valhalla, NY 10595

INSURER(S) AFFORDING COVERAGE

INSCR. LETTER
A
B
C
D

POLICY NUMBER
TB7Z11260203019
ASCZ11260203029
TH7Z11260203049
16WNS60600
16WECPPK850

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

RE: USI Insurance Services, LLC 3 Executive Park Drive, Suite 300, Bedford, NH 03110

The General Liability, Commercial Auto and Umbrella policies include an automatic Additional insured endorsement that provides Additional Insured status to the Certificate Holder, only when there is a written contract that requires such status, and only with regard to work performed on behalf of the Named Insured. (See Attached Descriptions)

CERTIFICATE HOLDER
State of New Hampshire Dept. of Administrative Services
25 Capital Street
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


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ACORD 25 (2016/03) 1 of 2

#S26803077/M24977133

FIKCM
Waiver of Subrogation is provided as required by written contract.
Fleet and Inland Marine Proposal

State of New Hampshire

Phil Cote
Vice President

Date Prepared: October 1, 2019

© 2018 USI Insurance Services. All rights reserved. This is a coverage summary, not a legal contract. This summary is provided to assist in your understanding of your insurance program. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage. Higher limits and additional coverage may be available. Please contact us if you are interested in additional quotes.
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About USI Insurance Services

USI is one of the largest brokerage and consulting firms in the world, delivering property and casualty, employee benefits, personal risk, program and retirement solutions to large risk management clients, middle market companies, smaller firms and individuals. Headquartered in Valhalla, New York, USI connects together over 6,000 industry leading professionals across more than 150 offices to serve clients' local, national and international needs. USI has become a premier insurance brokerage and consulting firm by leveraging the USI ONE Advantage®, an interactive platform that integrates proprietary and innovative client solutions, networked local resources and expertise, and enterprise-wide collaboration to deliver customized results with positive, bottom line impact. USI attracts best-in-class industry talent with a long history of deep and continuing investment in our local communities. For more information, visit usi.com.

The USI ONE Advantage*

What truly distinguishes USI as a leading middle market insurance brokerage and consulting firm is the USI One Advantage, a game-changing value proposition that delivers clients a robust set of risk management and benefit solutions and exclusive resources with financial impact. USI ONE™ represents Omni, Network, Enterprise—the three key elements that create the USI ONE Advantage and set us apart from the competition.

Omni – USI’s Proprietary Analytics
Omni, which means “all,” is USI’s one-of-a-kind solutions platform—real time, interactive, dynamic and evolving, and customized for each client. Built in-house by USI subject matter experts, Omni captures the experience of more than 100,000 clients, thousands of professionals and over 100 years of business activity through our acquired agencies into targeted, actionable solutions.

Network – USI’s Local and National Resources
USI has made a very large investment in local resources and technical expertise, with more than 6,000 professionals networked nationally to build strong vertical capabilities and integrated account teams. Our local and regional experts ensure account team availability, hands-on service, and ongoing diligent follow-through so we can deliver on the solutions we customize for our clients.

Enterprise – USI’s Team Based Strategic Planning
USI’s enterprise planning is a disciplined, focused, analysis centered on our client’s issues and challenges. Highly consultative meetings integrate USI’s Omni analytics with our broad resource network to build a risk management strategy aligned with client business needs. Our enterprise process is a proven method for identifying, quantifying and minimizing client risk exposures.

The USI ONE Advantage—our Omni knowledge engine, with our Network of local and national resources, delivered to our clients through our Enterprise planning process gives USI fundamentally different solutions, the resources to deliver, and a process to bring superior results to our clients.
Service Team

USI Insurance Services LLC
3 Executive Park Drive, Suite 300, Bedford, NH 03110
(855) 874-0123 www.usi.com

Sales Executive
Your Sales Executive is Phil Cote
Direct Number: 603-665-6119
E-Mail: phil.cote@usi.com

Account Manager
Your Account Manager is Brenda Buck CPCU, CIC, CPIW
Direct Number: 603-665-6131
E-Mail: brenda.buck@usi.com

Claims
Report Claims Directly to the Insurance Company
## Market Results

This list represents the carriers that were approached to provide a competitive insurance program for your business.

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chubb</td>
<td>Quoted</td>
</tr>
<tr>
<td>Acadia</td>
<td>Declined due to Losses and Loss Development</td>
</tr>
<tr>
<td>CNA</td>
<td>Declined due to class of business</td>
</tr>
<tr>
<td>Travelers</td>
<td>Declined, not a market for Mono-line Auto at this time</td>
</tr>
<tr>
<td>Liberty Mutual</td>
<td>Declined, not a market for Mono-line Auto at this time</td>
</tr>
<tr>
<td>Hanover</td>
<td>Declined Auto would consider Inland Marine</td>
</tr>
<tr>
<td>Zurich</td>
<td>Declined, unable to meet service specifications and would not be competitive with expiring pricing.</td>
</tr>
<tr>
<td>Patriot</td>
<td>Declined, unable to meet service specifications at this time</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>Declined, not a market for Mono-line Auto at this time and losses</td>
</tr>
<tr>
<td>Selective</td>
<td>Declined due to class of business.</td>
</tr>
</tbody>
</table>
## Premium Summary

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Carrier</th>
<th>AM Best Rating</th>
<th>Proposed Premium 11/1/19-11/1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile</td>
<td>Federal Insurance Co./Chubb</td>
<td>A++</td>
<td>$726,346.21</td>
</tr>
<tr>
<td>Inland Marine</td>
<td>Federal Insurance Co./Chubb</td>
<td>A++</td>
<td>$6,119.40</td>
</tr>
<tr>
<td>Scheduled Contractors Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property In Transit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ESTIMATED ANNUAL PREMIUM</td>
<td></td>
<td></td>
<td>$737,967.61</td>
</tr>
</tbody>
</table>

**Notes:**

*Auto Quote 3 Year Rate Commitment subject to:

a. Agreement by the insured to not market the 2020 & 2021 renewals

b. Key Punch Loss Ratio at the time of quoting the renewal must be 40% or less

**Payment Terms:**

- Agency Bill Annual Prepaid

**Note:**

In evaluating your exposure to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, such as your beginning new operation, hiring employees in new states, buying additional property, etc., please let us know so proper coverage(s) can be discussed.

Higher limits may be available. Please contact us if you would like a quote for higher limits.
Commercial Auto

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Limits of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability</td>
<td>$250,000/$500,000/$100,000</td>
</tr>
<tr>
<td>Uninsured/Underinsured Motorist Coverage</td>
<td>$250,000/$500,000/$100,000</td>
</tr>
<tr>
<td>Physical Damage Coverage</td>
<td></td>
</tr>
<tr>
<td>Comprehensive Deductible</td>
<td>As listed on “Fleet Schedule 6-21-19.xlsx”</td>
</tr>
<tr>
<td>Collision Deductible</td>
<td>As listed on “Fleet Schedule 6-21-19.xlsx”</td>
</tr>
</tbody>
</table>

Rating is based on the following:

Annual Cost of Hire: If Any

<table>
<thead>
<tr>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger/Light Duty Truck</td>
</tr>
<tr>
<td>Medium/Heavy Duty Truck</td>
</tr>
<tr>
<td>Extra Heavy Duty Truck</td>
</tr>
<tr>
<td>Specialized Equipment</td>
</tr>
</tbody>
</table>

Physical Damage: 126 (premium basis is cost new $8,486,373)

Schedule of Automobiles: Per “Fleet Schedule 6-21-19.xlsx”

*3 year rate commitment
subject to Key Punch Loss Ratio at the time of quoting the renewal must be 40% or less.

<table>
<thead>
<tr>
<th>Type</th>
<th>Liability Premium Basis</th>
<th>2019-2020 rate</th>
<th>2020-2021 rate</th>
<th>2021-2022 rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger/Light Duty Truck</td>
<td>Per unit</td>
<td>247.02</td>
<td>256.90</td>
<td>262.04</td>
</tr>
<tr>
<td>Medium/Heavy Duty Truck</td>
<td>Per unit</td>
<td>382.98</td>
<td>398.30</td>
<td>406.27</td>
</tr>
<tr>
<td>Extra Heavy Duty Truck</td>
<td>Per unit</td>
<td>526.75</td>
<td>547.82</td>
<td>558.78</td>
</tr>
<tr>
<td>Specialized Equipment</td>
<td>Per unit</td>
<td>33.99</td>
<td>35.34</td>
<td>36.05</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical Damage</th>
<th>Premium Basis</th>
<th>19-20 rate per $100</th>
<th>20-21 rate per $100</th>
<th>21-22 rate per $100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost New</td>
<td></td>
<td>.275507</td>
<td>.286527</td>
<td>.292258</td>
</tr>
</tbody>
</table>
The following amendments will be attached to your Business Auto Policy:

<table>
<thead>
<tr>
<th>Amendment Number</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-02-0153</td>
<td>01-06</td>
<td>PREMIUM STATEMENT - VARIOUS STATES</td>
</tr>
<tr>
<td>16-0201531</td>
<td>01-06</td>
<td>PREMIUM STATEMENT - VARIOUS STATES</td>
</tr>
<tr>
<td>16-02-0282</td>
<td>02-04</td>
<td>COMPLIANCE W/APPLIC TRADE SANCTION LAWS</td>
</tr>
<tr>
<td>1622514</td>
<td>09-16</td>
<td>SIGNATURE PAGE - FEDERAL INSURANCE CO.</td>
</tr>
<tr>
<td>IL 00 03</td>
<td>09-08</td>
<td>CALCULATION OF PREMIUM</td>
</tr>
<tr>
<td>IL 00 17</td>
<td>11-98</td>
<td>COMMON POLICY CONDITIONS</td>
</tr>
<tr>
<td>IL 00 21</td>
<td>09-08</td>
<td>NUCLEAR ENERGY LIABILITY EXCLUSION ENDT</td>
</tr>
<tr>
<td>IL 01 45</td>
<td>09-08</td>
<td>NEW HAMPSHIRE CHANGES - CIVIL UNION</td>
</tr>
<tr>
<td>IL 01 87</td>
<td>09-07</td>
<td>NH CHNGS CONCEALMENT,MISREPRESENT,FRAUD</td>
</tr>
<tr>
<td>16020214-1</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM DECLARATIONS</td>
</tr>
<tr>
<td>16020214-2</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM DECLARATIONS</td>
</tr>
<tr>
<td>16020214-4</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM DECLARATIONS</td>
</tr>
<tr>
<td>16020214-5</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM DECLARATIONS</td>
</tr>
<tr>
<td>16020214-6</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM DECLARATIONS</td>
</tr>
<tr>
<td>16020214-7</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM DECLARATIONS</td>
</tr>
<tr>
<td>16020214-8</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM DECLARATIONS</td>
</tr>
<tr>
<td>16-10-0196</td>
<td>01-01</td>
<td>REDUCING AUTO LOSSES</td>
</tr>
<tr>
<td>16-10-0254</td>
<td>02-04</td>
<td>ADVISORY NOTICE TO POLICYHOLDERS - OFAC</td>
</tr>
<tr>
<td>99-10-0872</td>
<td>06-07</td>
<td>IMPORTANT NOTICE</td>
</tr>
<tr>
<td>CA 00 01</td>
<td>10-13</td>
<td>BUSINESS AUTO COVERAGE FORM</td>
</tr>
<tr>
<td>CA 01 11</td>
<td>08-15</td>
<td>NEW HAMPSHIRE CHANGES IN POLICY</td>
</tr>
<tr>
<td>CA 02 62</td>
<td>10-13</td>
<td>NH CHANGES CANCELLATION AND NONRENEWAL</td>
</tr>
<tr>
<td>CA 20 18</td>
<td>10-13</td>
<td>PROFESSIONAL SERVICES NOT COVERED</td>
</tr>
<tr>
<td>CA 20 20</td>
<td>10-13</td>
<td>NH SNOWMOBILES</td>
</tr>
<tr>
<td>CA 20 21</td>
<td>07-97</td>
<td>SNOWMOBILES</td>
</tr>
<tr>
<td>CA 21 97</td>
<td>10-13</td>
<td>NH SPLIT UM COVERAGE LIMITS</td>
</tr>
<tr>
<td>CA 23 85</td>
<td>10-13</td>
<td>EXCL OF TERRORISM INVOLVING NUC/BIO/CHEM</td>
</tr>
<tr>
<td>CA 99 27</td>
<td>01-87</td>
<td>SPLIT LIABILITY LIMIT</td>
</tr>
<tr>
<td>CA 99 28</td>
<td>10-13</td>
<td>STATED AMOUNT INSURANCE</td>
</tr>
<tr>
<td>CA 99 40</td>
<td>10-13</td>
<td>EXCL OR EXCESS COV HAZARD OTHERWISE INSD</td>
</tr>
<tr>
<td>MAN-AU00</td>
<td>01-97</td>
<td>COMPOSITE RATE ENDORSEMENT</td>
</tr>
<tr>
<td>MAN-AU00</td>
<td>01-97</td>
<td>RENEWAL PREMIUM STATEMENT</td>
</tr>
<tr>
<td>MAN-AU00</td>
<td>01-97</td>
<td>MOBILE EQUIPMENT PHYSICAL DAMAGE</td>
</tr>
<tr>
<td>MAN-AU00</td>
<td>01-97</td>
<td>CA 21 97 10 13 NH SPLIT UNINSURED MOTORI</td>
</tr>
<tr>
<td>MAN-AU00</td>
<td>01-97</td>
<td>MOBILE EQUIPMENT LIABILITY</td>
</tr>
<tr>
<td>MAN-AU00</td>
<td>01-97</td>
<td>AUTO DECLARATIONS PAGE</td>
</tr>
<tr>
<td>16-02-0292</td>
<td>11-16</td>
<td>COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT</td>
</tr>
</tbody>
</table>
Coverage for terrorism will be excluded.

Changes to the vehicle schedule which we receive subsequent to this quote may affect Experience Rating calculations and, therefore, the premium shown on the Premium Summary page above.
Inland Marine

CONTRACTORS EQUIPMENT

Limits of Insurance:

$1,537,538
Per schedule
any one occurrence, not to exceed:

$1,000
on any one item

Deductible:

$1,000
per occurrence

Rate Schedule: $0.398
per $100 of equipment value

SCHEDULED CONTRACTORS' EQUIPMENT

Coverage Summary

Covered Property: As listed or described on the Schedule of Contractors' Equipment in the policy.

Perils: Direct physical loss or damage from a peril not otherwise excluded.

Valuation: Actual Cash Value, unless otherwise specified.

Additional Coverage

$150,000 Debris Removal
$100,000 Leased, Rented or Borrowed Equipment from Others
$100,000 Newly Acquired (180 days)
$50,000 Pollutant Clean Up (annual aggregate)
$25,000 Fire Department Service Charges
$25,000 Inventory or Appraisals
$25,000 Spare Parts
$10,000 Fire Protective Equipment
Some Unique Features

★ No coinsurance.
★ Valuation includes pro-rated cost for the unused portion of non-refundable extended warranties, maintenance contracts or service contracts purchased, which are no longer valid on lost or damaged equipment that is repaired or replaced.
★ Recoveries from salvage or subrogation accrue to your benefit first to make up the deductible, coinsurance penalty or inadequate limit, before it accrues to our benefit.

Extensions of Coverage

Civil Authority — We pay for direct physical loss caused by or resulting from actions by a civil authority in an attempt to avoid further loss or damage caused by or resulting from a peril not otherwise excluded.

Removal — We pay for the cost to remove contractors’ equipment from a premises to preserve it from loss or damage caused by or resulting from a peril not otherwise excluded.

The above are some features of our policy form 04-02-0581 and are descriptive only. The precise coverage afforded is subject to the terms and conditions of the policy as issued.
### Contractors Equipment Schedule:

<table>
<thead>
<tr>
<th>Category</th>
<th>Model Year</th>
<th>Manufacturer</th>
<th>Equipment Description</th>
<th>VIN Number</th>
<th>Location</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2010</td>
<td>Pemfab</td>
<td>TR1043- Calibration Trailer w/ provers</td>
<td>1P9BU1311AR645010</td>
<td>Concord</td>
<td>$33,847</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2010</td>
<td>Pemfab</td>
<td>TR1042- &quot;the road trailer&quot;</td>
<td>1P9BU1313AR645008</td>
<td>Concord</td>
<td>$22,522</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2005</td>
<td>Pemfab</td>
<td>T292- Trailer holding Calibration Unit</td>
<td>30700000050041804</td>
<td>Concord</td>
<td>$17,995</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2005</td>
<td>Serephin Steel</td>
<td>Equipment (Slip-on Calibration Unit or Prover) on TR292 w/ trailer</td>
<td>30700000050041800</td>
<td>Concord</td>
<td>$30,442</td>
</tr>
<tr>
<td>Admin Services</td>
<td>2015</td>
<td>SDLG 938L</td>
<td>Equipment on the 2001 Kubota Tractor = 2015 SDLG Loader LG 938L Wheel Loader with FFC 228-12 Snowpusher and SDKG 72&quot;x86=5&quot; Forks (VGLG0938LEF0600177) and Mower- INCL rear backup camera w LCD Monitor/does not include covg for the 01 Kubota Tractor</td>
<td>VGLG0938LEF0600177</td>
<td>Concord</td>
<td>$102,397</td>
</tr>
<tr>
<td>Liquor</td>
<td>2009</td>
<td>Freightliner</td>
<td>Equipment in the DWI Mobile Unit</td>
<td>4UZAASDT49CAE9497</td>
<td>Concord</td>
<td>$70,000</td>
</tr>
<tr>
<td>State Police</td>
<td>2016</td>
<td>LDV</td>
<td>Equipment in 2016 Major Crimes Unit Van- C30LAB-10</td>
<td>3BKHM6X9GF495971</td>
<td>Concord</td>
<td>$79,340</td>
</tr>
<tr>
<td>Transportation</td>
<td>2009</td>
<td>Ford Econoline E350</td>
<td>Equipment in Road analyzer 2009 Van (IE Cameras and EDP)</td>
<td>1FTSE34P79DA39239</td>
<td>Concord</td>
<td>$660,000</td>
</tr>
<tr>
<td>Pease Development Authority</td>
<td>2013</td>
<td>Sentinel</td>
<td>Power Sweeper on VIN# CNA034840013</td>
<td>Sentinel - 09633</td>
<td>Portsmouth</td>
<td>$165,995</td>
</tr>
<tr>
<td>DNCR</td>
<td>2016</td>
<td>Prinoth</td>
<td>Bison Park 4 Tier Snow Groomer</td>
<td>Bison Park Tier 4 snow groomer - Snow Cat</td>
<td>Franconia</td>
<td>$330,000</td>
</tr>
<tr>
<td>DNCR</td>
<td>TBD</td>
<td>TBD</td>
<td>23-25 leased golf carts ($33 each)</td>
<td>List provided to Carrier- to be added/removed mid term</td>
<td>various</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

**Total** $1,537,538
PROPERTY IN TRANSIT

Limits of Insurance: $520,000 any one occurrence
$260,000 any one item

Deductible: $2,500 per occurrence

Coverage: Rented Equipment in transit on your own vehicles (trailers)

Policy Rate: $.2751 per $100 of annual values transported

Annual Values Transported: $2,000,000

Covered Property: Rented Equipment in transit on your own vehicles (trailers)

Perils: Direct physical loss or damage from a peril not otherwise excluded.

Additional Coverage

$150,000 Debris Removal
$ 50,000 Pollutant Clean Up (annual aggregate)
$ 25,000 Inventory or Appraisals

Some Unique Features

Valuation also includes the pro-rated cost of the unused portion of non-refundable extended warranties, maintenance contracts or service contracts that you purchased, which are no longer valid on lost or damaged property in transit that you repair or replace.

Brands & Labels Clause: Valuation further includes the cost of replacing labels, capsules, wrappers or containers from damaged property in transit; or the cost of identifying and reconditioning damaged property in transit.

No exclusion for marring, scratching, denting, chipping or breaking.

Recoveries from salvage or subrogation accrue to your benefit first to make up the deductible or inadequate limit, before it accrues to our benefit.

A clause expanding the time frame for reporting claims (90 days) to coincide with the lengthy procedures characteristic of transit insurance.

Extensions of Coverage

F.O.B. Shipments: We will pay for direct physical loss or damage to property in transit which you have sold on “Free of Board” or other similar terms when the title of a shipment passes to the consignee if the consignee refuses to pay because such property is lost or damaged.
Fraud: We will pay for direct physical loss or damage to property in transit caused by or resulting from fraud perpetrated by any person who represents himself to be the proper party to receive goods for shipment or accept delivery.

Refused and Returned Shipments: We will pay for direct physical loss or damage to property in transit, caused by or resulting from a peril not otherwise excluded, which has been refused by the consignee and is being returned

Other exclusions and policy limitations may apply. Please refer to the actual policies for specific terms, conditions, limitations and exclusions that will govern in the event of a loss.

Excluded coverage or other coverages sought may be available: please discuss with USI
USI Disclosures

Information Concerning Our Fees: As a licensed insurance producer, USI is authorized to confer with or advise our clients and prospective clients concerning substantive benefits, terms or conditions of insurance contracts, to sell insurance and to obtain insurance coverages for our clients. You have agreed to pay compensation to USI, for the placement of insurance, pursuant to a written agreement. We may also receive from insurers and insurance intermediaries (which may include USI affiliated companies) additional compensation (monetary and non-monetary) based in whole or in part on the insurance contract we sell, which is contingent on volume of business and/or profitability of insurance contracts we supply to them and/or other factors pursuant to agreements we may have with them relating to all or part of the business we place with those insurers or through those intermediaries. Some of these agreements with insurers and/or intermediaries include financial incentives for USI to grow its business or otherwise strengthen the distribution relationship with the insurer or intermediary. Such agreements may be in effect with one or more of the insurers with whom your insurance is placed, or with the insurance intermediary we use to place your insurance. You may obtain information about the nature and source of such compensation expected to be received by us, and, if applicable, compensation expected to be received on any alternative quotes pertinent to your placement upon your request.

Reviewing Client Contracts DISCLOSURE: As a service to our clients, upon their request, USI will review those portions of your contract regarding the insurance and indemnity requirements as they relate to your insurance program and provide comments and/or recommendations based upon such review. This service should not be taken as legal advice and it does not replace the need for review by the insured’s own legal counsel.
USI Privacy Notice

Our Privacy Promise to You

USI provides this notice to you, our customer, so that you will know what we will do with the personal information, personal financial and health information (collectively referred to as the “protected information”) that we may receive from you directly or receive from your health care provider or receive from another source that you have authorized to send us your protected information. We at USI are concerned about your privacy and assure you that we will do what is required of us to safeguard your protected information.

What types of information will we be collecting?

USI collects information from you required both for our business and pursuant to regulatory requirements. Without it, we cannot provide our products and services for you. We will be collected protected information about you from:

- Applications or other forms, such as name, address, Social Security number, assets and income, employment status and dependent information;
- Your transactions with us or your transactions with others, such as account activity, payment history, and products and services purchased;
- Consumer reporting agencies, such as credit relationships and credit history. These agencies may retain their reports and share them with others who use their services;
- Other individuals, businesses and agencies, such as medical and demographic information; and
- Visitors to our websites, such as information from on-line forms, site visitorhip data and on-line information collection devices, commonly called “cookies.”

What will we do with your protected information?

The information USI gathers is shared within our company to help us maximize the services we can provide to our customers. We will only disclose your protected information as is necessary for us to provide the insurance products and services you expect from us. USI does not sell your protected information to third parties, nor does it sell or share customer lists.

We may also disclose all of the information described above to third parties with which we contract for services. In addition, we may disclose your protected information to medical care institutions or medical professionals, insurance regulatory authorities, law enforcement or other government authorities, or to affiliated or nonaffiliated third parties as is reasonably necessary to conduct our business or as otherwise permitted by law.

Our Security Procedures

At USI, we have put in place the highest measures to ensure the security and confidentiality of customer information. We will handle the protected information we receive by restricting access to the protected information about you to those employees and agents of ours who need to know that information to provide you with our products or services or to otherwise conduct our business, including actuarial or research studies. Our computer database has multiple levels of security to protect against threats or hazards to the integrity of customer records, and to protect against unauthorized access to records that may harm or inconvenience our customers. We maintain physical, electronic, and procedural safeguards that comply with federal and state regulations to safeguard all of your protected information.

Our Legal Use of Information

We retain the right to use ideas, concepts, know-how, or techniques contained in any nonpublic personal information you provide to us for our own purposes, including developing and marketing products and services.

Your Right to Review Your Records

You have the right to review the protected information about you relating to any insurance or annuity product issued by us that we could reasonably locate and retrieve. You may also request that we correct, amend or delete any inaccurate information by writing to us at the above address.
Insurance Carrier Ratings

As a service to our clients, USI is furnishing an assessment by a financial rating service of the insurance companies included in our proposal. We are including the legends used by this service.

All ratings are subject to periodic review, therefore, it is important to obtain updated ratings from each service. Should you desire further information concerning the financial statements of any of the insurance companies being proposed, so that you can make your own assessment of the financial strength of the companies being offered, it is available from USI at your request.

USI has made no attempt to determine independently the financial capacity of the insurance companies that we are including in our proposal as we believe the nationally recognized services are better equipped to comment.

A. M. BEST RATINGS

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FINANCIAL SIZE CATEGORY
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RATING "NOT ASSIGNED" CLASSIFICATIONS

NR-1 Insufficient Data
NR-2 Insufficient Size and/or Operating Experience
NR-3 Rating Procedure Inapplicable
NR-4 Company Request
NR-5 Not Formally Followed
His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Administrative Services, Risk Management Unit (RMU), to enter into a three-year contract with USI Insurance Services, LLC, Bedford, NH (Vendor #286651) in an amount not to exceed $150,000 for property and casualty (P&C) Producer Services and Safe Driving Program Administration for the State, upon Governor and Executive Council approval, for the period effective July 1, 2018 through June 30, 2021.

Funding is available in FY19 through individual agency expenditures and is anticipated to be available upon the continued appropriation of funds in the FY20 and FY21 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 State began purchasing P&C insurance through an exclusive Producer Services contract on July 1, 2011, but excluded fleet insurance. Before the Producer Services contract was in place, the process was for RMU to issue separate bids for the 20 plus P&C insurance policies purchased by the State. Producers complained the former bidding process was problematic because it was too time-consuming to prepare bids for smaller value policies, favored incumbents, and favored the first producer to receive notice of the bid because it enabled them to “block the market”. In 2010, at the request of the Executive Council, RMU convened a meeting with several insurance producers to identify potential solutions. The consensus from the meeting was that the use of a producer for the insurance program would be beneficial to both the State and the insurance producer.

On February 28, 2018, the RMU issued RFB 2019-204 Producer Services and Safe Driving Program Administration seeking bids for P&C producer services including fleet insurance. To prepare for the RFB, similar to the 2010 process of obtaining input from insurance producers, the Risk Manager interviewed two producers that attended the 2010 meeting to discuss the possibility of including fleet insurance in the Producer Services contract. Again, the consensus
was the State could benefit from including fleet insurance, and the safe driving program that is incorporated into the fleet contract, for many of the same reasons the Producer Services contract was initially implemented.

In response to RFB 2019-204, that adds the fleet contract to the Producer Services contract, conforming bids were received from three bidders including USI Insurance Services, LLC (USI), Cross Insurance, and incumbent The Rowley Agency.

USI offered the lowest fixed price for the three-year term. Cross Insurance offered the second most competitive bid with a total contract price of $192,300. The Rowley Agency offered a total contract price of $500,000 but noted a potential $60,000 discount in the event they were the successful bidder for the future Producer Services contract covering the period of 7/1/2021 – 6/30/2024. USI offered a total contract price of $150,000 including a fixed annual fee of $50,000 and ensures the State will not be charged any commission or additional agency fees for the insurance policies purchased through the contract. Comparatively, the current producer’s fixed annual fee is $21,500, and the annual commission paid for fleet insurance is approximately $65,000 (8.5% of premium), for a total of $86,500 per year. The State has generated significant cost savings by incorporating the fleet contract into this Producer Services contract with a fixed annual fee of $50,000.

The contract requires USI as directed by RMU to solicit insurance quotes from insurance carriers and to submit a marketing report with a recommendation for award. The producer will also negotiate with carriers to secure the lowest possible premium rate. USI will administer the insurance account directly with a carrier once each insurance policy is in place. The contract also requires USI to attend annual risk assessment meetings to assist the state in the review and design of its risk management program and to issue a summary report of its recommendations. This contract provides access to invaluable expertise and support from an account executive and a team of insurance professionals resulting in a more efficient and cost effective method of meeting the State’s risk and insurance needs. USI will be responsible for providing services related to fleet insurance including administration of the safe driving program. Finally, USI has agreed to significant performance guarantees to ensure contract standards are met.

We respectfully request your approval of this contract.

Respectfully submitted,

Charles M. Arlinghaus
Commissioner
# STATE OF NEW HAMPSHIRE

Risk Management Unit

Bid # 2019-204

DATE: MARCH 28, 2018 2:00 PM

Producer Services
and Safe Driving Program Administration

<table>
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<tr>
<th>VENDOR</th>
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<tr>
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<tr>
<td>USI Insurance Services</td>
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AGREEMENT

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

GENERAL PROVISIONS

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<th>Identification</th>
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<tr>
<td>1.1 State Agency Name</td>
<td>1.2 State Agency Address</td>
<td>25 Capitol Street, Concord, NH 03301</td>
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<tr>
<td>1.3 Contractor Name</td>
<td>1.4 Contractor Address</td>
<td>3 Executive Park Drive, Suite 300, Bedford, NH 03110</td>
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<tr>
<td>USI Insurance Services, LLC</td>
<td>VC# 286651</td>
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<tr>
<td>1.5 Contractor Phone Number</td>
<td>1.6 Account Number</td>
<td>Individual Agency Expenditures</td>
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<td>June 30, 2021</td>
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<td>1.9 Contracting Officer for State Agency</td>
<td>1.10 State Agency Telephone Number</td>
<td>(603) 271-2059</td>
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<tr>
<td>Catherine, A. Keane, Deputy Director</td>
<td>1.11 Contractor Name</td>
<td>USI Insurance Services, Regional President, New Hampshire</td>
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<tr>
<td>1.12 Name and Title of Contractor Signatory</td>
<td>1.13 Acknowledgement: State of NH</td>
<td>County of Hillsborough</td>
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<tr>
<td>Sean Hood</td>
<td>On April 130, 2018, 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.</td>
<td></td>
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<tr>
<td>1.13.1 Signature of Notary Public or Justice of the Peace</td>
<td>1.13.2 Name and Title of Notary Public or Justice of the Peace</td>
<td>Sherri J. Winslow, Notary</td>
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<tr>
<td>[Seal] Sherri J. Winslow</td>
<td>Notary Public, State of New Hampshire</td>
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<tr>
<td>1.14 State Agency Signature</td>
<td>1.15 Name and Title of State Agency Signatory</td>
<td>Charles M. Arlinghaus, Commissioner</td>
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<tr>
<td>[Signature]</td>
<td>Date: 5/1/18</td>
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<tr>
<td>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</td>
<td>By: Director, On:</td>
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<tr>
<td>1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable)</td>
<td>By: On: 5/3/18</td>
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<tr>
<td>1.18 Approval by the Governor and Executive Council (if applicable)</td>
<td>By: Deputy Secretary of State, May 16, 2018</td>
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2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages the 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. 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, except as noted 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").

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

5.1 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.

5.2 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. Notwithstanding any provision of this Agreement to the contrary, and notwithstanding any law, regulation, or order 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.

6.1 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.

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. 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.

7.1 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 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 Service’s 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 studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial 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 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: [Signature]
Date: [Signature]
14. 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, to 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.
1. **INTRODUCTION**

USI Insurance Services, LLC (hereinafter referred to as the "Contractor") hereby agrees to provide the State of New Hampshire (hereinafter referred to as the "State"), Department of Administrative Services, with producer services for property and casualty insurance and safe driving program administration.

2. **CONTRACT DOCUMENTS**

This Contract consists of the following documents ("Contract Documents") in order of precedence:

A. State of New Hampshire Terms and Conditions, General Provisions Form P-37
B. EXHIBIT A Scope of Services
C. EXHIBIT B Payment Terms
D. EXHIBIT C Special Provisions

3. **TERM OF CONTRACT**

This Contract shall commence upon the approval of Governor and Executive Council and shall terminate on June 30, 2021, a period of approximately three (3) years, unless extended for additional terms.

The Contract may be extended for an additional two (2) one-year terms thereafter under the same terms, conditions and pricing structure upon the mutual agreement between the Contractor and State, and the with the approval of the Governor and Executive Council.

The State of New Hampshire has the right to terminate the contract at any time by giving the Contractor thirty (30) days advance written notice.

4. **OBLIGATIONS AND LIABILITY OF THE CONTRACTOR**

The Contractor shall provide all services in accordance with the specifications described in State's RFB #2019-204 and under the terms of this Contract. In the event of a conflict between the RFB and this Contract, the Contract shall control.

5. **DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

The Contractor certifies, by signature of this Contract, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal Department or Agency.

6. **INSURANCE**

Certificate of insurance amounts must be met and maintained throughout the term of the contract and any extensions as per the P-37, section 14 and cannot be cancelled or modified until the State receives a 10 day prior written notice.
7. **SCOPE OF WORK**

The assigned producer shall act as the broker of record on behalf of the State for soliciting and negotiating property and casualty insurance coverage and providing related services as specified in RFB 2019-204. The State shall contract directly with the producer for insurance coverage, including coverage requiring additional G&C approval, and related services.

The scope of services shall include annual risk assessment meetings, the solicitation of insurance coverage from insurance companies as a representative of the State, general administration of the account for the insurance policies shown in Appendix A, administration of the fleet insurance policy as specified in Paragraphs 8-10, and the safe driving program as specified in Paragraph 11.

Specific responsibilities shall include but not be limited to:

A. **RISK ASSESSMENT**

The producer shall participate in an annual meeting held prior to October 1 of each year to review, identify, evaluate and assess risks facing the State. The State seeks to have the producer give professional advice on the State's total cost of risk, assist RMU with the identification and management of statewide risks and secure coverage based on those needs in a cost-effective manner. The producer shall issue a report after each meeting summarizing recommendations. The State may also request a risk assessment for issues that arise during the course of the contract.

Producer recommendations may include:

1. Identifying, prioritizing and addressing state agency risks. Review of schedules, inventories and property values and any other information the producer and RMU believe would be helpful to the analysis.
2. Presentation of options on policies, coverage, bundling, limits, retention levels, stop-loss limits and deductibles and/or alternative risk mechanisms.
3. Evaluation of appropriateness of alternative financing mechanisms such as partial or total self-funding.
4. Providing benchmarking and best practices on the current state of insurance market for the class of business and line of coverage.

B. **SECURE INSURANCE COVERAGE**

The producer will provide placement and maintenance of all insurance policies covered in this contract term. The producer shall be given a broker of record letter in order to approach the insurance marketplace with the authority to bind insurance coverage on behalf of the State. The producer's authority extends to all insurance policies and G&C approved contracts listed in Appendix A which will expire between the contract effective dates of July 1, 2018 and June 30, 2021.
In particular, the producer shall:

1. Review exposures by identifying changes in schedules, inventories and property values.
2. Request claims history from current carrier.
3. Assist RMU in completion of renewal applications and/or procurement specification documents upon policy expiration.
4. Secure coverage upon policy expiration (coverage(s) shall mirror expiring insurance policy terms, contracts and services unless otherwise agreed).
5. Bundle policies for cost savings and efficiencies whenever possible.
6. Review policy and any endorsements for changes and possible coverage enhancements to be incorporated at renewal.
7. RMU may ask the producer to secure insurance coverage on State risks that are not currently insured and not shown on the insurance policy list in Appendix A. The producer shall secure insurance coverage for these new risks in a timely manner.
8. Keep abreast of changes in policy language through national underwriting organizations and inform RMU of any significant developments that are relevant to the State insurance program.

Specific steps shall include, but not be limited to, the following:

9. Keep within RMU’s timeline in order to meet the G&C deadlines, which are usually 50 days prior to policy commencement date.
10. Once quotes are submitted and any negotiations have taken place, the producer shall analyze, evaluate and recommend insurance options based on the most favorable pricing, coverage terms and limits of liability. The State reserves the right to negotiate with the insurance company.
11. The State will make the final decision on which insurance company to bind coverage and contract with after review of the recommendations.
12. All insurance contracts over $25,000 are subject to G&C approval; however, G&C approval limits are subject to change.
13. The State will work with the producer to prepare the G&C contract packages for approval. RMU will draft the G&C letter and contract. The G&C package contains a cover letter, P-37 contract signed and notarized by a representative of the insurance company, appendices indicating changes to the P-37, the producer’s quotation analysis report, a certificate of authority, a Certificate of Good Standing and a certificate of insurance.
14. The State may require the producer to attend the targeted G&C meeting to assist in answering Councilor’s questions that may arise concerning an insurance item brought before the G&C.
15. Once the contract is approved by G&C, the State will pay the producer according to the terms of the contract.
16. Upon receiving G&C approval, the producer shall bind coverage and maintain coverage through the policy or contract expiration date.
C. MULTI-YEAR CONTRACTS AND POLICY EXPIRATION

The producer will continue to service policies until the expiration of each policy or, if a G&C approved multi-year contract, until the end of the contract term approved by G&C. There will be no interruption of existing insurance policies prior to the expiration date of each particular policy.

Policies in existence prior to this contract shall continue to be serviced by the producer which secured the insurance policy for the State prior to implementation of this contract.

Upon expiration of existing multi-year contracts, the producer will be responsible for placement and maintenance of the following multi-year contracts for the stated periods:

- Cannon Mountain (2/1/2021 to 2/1/2024)
- State-owned Real Property (5/1/2019 to 5/1/2022)
- Trails - OHRV/Snowmobile Programs (1/1/2020 - 1/1/2023)
- Fleet and Safe Driving Program (11/1/2019 to 11/1/2022)

The State does not anticipate entering into additional multi-year contracts at this time but reserves the right to do so during term of the contract.

D. QUOTATION ANALYSIS REPORT

Once quotes from insurance companies are received by the producer, the producer shall issue a quotation analysis report to RMU, for the policies listed in Appendix A which will expire between July 1, 2018 and June 30, 2021, with an annual premium that requires G&C approval (currently $25,000) or upon request, detailing marketing results with a recommendation for award. The State requires the producer access as many viable markets as possible in order to obtain favorable and competitive quotations.

The report shall:

1. Assess insurance company stability, solvency and service records.
2. Be issued no later than 50 days prior to policy expiration unless the Risk Manager grants a written extension for good cause (e.g., finalizing negotiations between carriers). However, if the State fails to deliver required application documents within 80 days of expiration, then the Contractor may request a reasonable extension that shall be granted so long as the State can still meet G&C deadlines.
3. Identify which markets were approached, their quotation or declination and reason, premium, specimen policy language and producer's recommendation.
4. If the producer recommends an insurance company that is not the lowest bidder, the producer shall provide a detailed justification for the recommendation. Factors to be considered in evaluating coverage are the cost, coverage terms and insurance limits.
5. The State will make the final decision on which insurance company to bind coverage and contract with after review of the recommendations.

E. ADMINISTRATION

Administration services shall be provided by the producer in accordance with the standards currently in use by NH producers of comparable size.
The services include but are not limited to:

1. Prepare invoices to RMU and/or state agencies for payment of insurance policy premium.
2. Issue certificates of insurance.
   a. RMU shall have access to USI's CSR24®, enabling Risk Manager to issue standard certificates instantly from any web-based computer.
3. Timely delivery of binders, policies and endorsements in electronic or hard-copy format.
4. Verify the accuracy of policy language, coverage endorsements, exclusions and other terms and conditions consistent with placement noting variations/changes from the previous policy term.
5. Attend meetings with the State upon request to review contract performance.
6. Provide RMU or designee with access to producer's working files on State account upon request and/or upon contract termination.
7. USI shall provide the State's Risk Management Unit with access to the following electronic interfaces:
   a. Risk Management Center (RMC), a comprehensive, risk management, employee safety and compliance platform.
   b. Engage Document Sharing, an online secure storage site for policy documents including custom options.
   c. CSR24®, online, 24/7 access to accounts, with ability to issue auto ID cards and basic certificates of insurance.
   d. Certificate of Insurance Tracker (COI Track®) offers the ability to batch and manage certificate requests simultaneously as well as report on all aspects of the certificate management process (in excel format).

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

The State reserves the right to require the producer 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).
A. GENERAL INSURANCE SPECIFICATIONS

1. NAMED INSURED

   The named insured is: State of New Hampshire, Department of Administrative Services

2. POLICY FORM AND RATES:

   The Contractor shall submit specimen declaration pages, policy forms and endorsements with the Quotation Analysis Report for use with the fleet insurance G&C packet.

   The Contractor agrees that the rates to be charged for such policy shall meet all the requirements of the laws of the State of New Hampshire. See RSA chapter 412. The Contractor agrees rates to be charged for the policy are the rates on file with and approved by the New Hampshire Insurance Department.

3. COVERAGE REQUIREMENTS:

   Required liability limits may be delivered through a primary insurance policy or as a combination of primary and umbrella insurance policies. The required physical damage and inland marine coverage shall be per scheduled fleet unit. The inventory is subject to change throughout the term of the contract.

   a. Coverage for Auto Liability Insurance

      Coverage is required in accordance with the following:

      Required liability limits may be delivered through a primary insurance policy or as a combination of primary and umbrella insurance policies.

      **Auto Liability Insurance with the following limits:**
      - Bodily Injury per person: $250,000
      - Bodily Injury per accident: $500,000
      - Property damage per accident: $100,000

      **Underinsured/uninsured motorist's coverage with the following limits:**
      - Bodily Injury per person: $250,000
      - Bodily Injury per accident: $500,000
      - Property damage per accident: $100,000

      No deductible shall be offered.

      Coverage provisions:
      The Contractor shall provide insurance coverage from forms that are published by the Insurance Service Office, Inc. (ISO).

      The Contractor shall provide Symbol 1 "Any Auto" coverage as provided by the Description of Coverage Auto Designation Symbols in the standard ISO Business Auto Coverage Form. Symbol 1 coverage includes any auto that is owned, leased, rented or borrowed by the State. Coverage shall be provided to mobile equipment in the same manner as autos under the Business Auto Coverage Form.
The Contractor shall include the following definition of Covered Auto in the insurance policy:

'Auto' means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including 'mobile equipment' as defined in the policy.

It is agreed that liability coverage does not apply to "bodily injury" or property damage resulting from the operation of any machinery that is on, attached to or part of any of these vehicles.

The Contractor shall provide coverage for all of the State's Fleet units (approximately 3,975). Fleet units currently include passenger vehicles, trucks, passenger vans, and specialty vehicles including motorcycles, snowmobiles, all-terrain vehicles (ATV's), golf carts, trailers, and mobile equipment. The fleet insurance resulting contract may exclude state-owned motorcycles utilized in the Motorcycle Riding Program.

b. Coverage for Physical Damage on Scheduled Vehicles

Physical damage coverage, including both collision and comprehensive coverage, is required for approximately 132 vehicles.

The deductible amounts requested vary based on the value of the vehicle.

c. Coverage for Inland Marine on Scheduled Items

Inland marine coverage is required for equipment on nine specialty vehicles valued at $1,513,198.

The Contractor shall provide quotes with a deductible of one thousand dollars ($1,000). Coincurrence: 90%

Valuation: Actual cash value
9. SPECIFICATIONS FOR FLEET CLAIMS ADMINISTRATION, LOSS CONTROL AND INVOICING

A. CLAIMS ADMINISTRATION

Claims Administration includes, but is not limited to: claims adjusting services including compensability investigation, reserving practices, claim reviews, litigation management and payment control. It is permissible and expected that the Contractor will deliver its fleet insurance and administration obligations detailed in Paragraphs 8 - 11 in conjunction with a fleet insurance carrier approved by the State and Governor and Executive Council per the terms of this Contract.

Specific Claims to be serviced:

The Contractor shall administer all fleet claims beginning on November 1, 2019 for the proposed contract period up to October 31, 2022 and until the claims are fully resolved. Upon contract expiration, the State may elect to transfer responsibility for servicing these claims. The State currently plans for the Contractor awarded this contract to handle claims until the claim is closed but reserves the right to transfer responsibility for any or all claim files at the time the contract expires or terminates, or any time thereafter.

The Contractor shall have a strong dedication to excellent customer service in all aspects of its dealings with the State. All personnel shall be responsive, return telephone calls promptly, be professional and maintain confidentiality. The Contractor shall assign experienced personnel to the State account that have adequate training, resources and time to service the account. The Contractor shall utilize claims adjusters and attorneys licensed in the State of New Hampshire. See RSA 402-B (Insurance Claims Adjusters) and RSA 311 (Attorney and Counselors).

Claim Administration Services shall include the following:

1. 800# - toll free claim reporting and electronic claim filing
2. File setup
3. Telephonic and face-to-face investigations
4. Location, cause and injury coding, in an amount and format dictated by the State
5. Central Index Bureau participation
6. Subrogation services
7. Representation by trained personnel at hearings, appeals, arbitration/mediation and all other related legal proceedings
8. Claim reserving and reserve management
9. Data collection and trend reporting

B. PROGRAM IMPLEMENTATION

The Contractor shall submit a fleet insurance implementation plan six months prior to November 1, 2019. The implementation plan shall detail the distribution of applicable forms and communication materials to State employees, including auto identification cards and accident report forms, and training on the computerized claim system.

The Contractor shall conduct two to four on-site implementation meetings for agency contacts within 30 days of the initial policy inception date of November 1, 2019.
contractor will provide oral and written instruction on auto identification cards and accident report forms, reporting claims, loss prevention services, subrogation and customer service.

claim forms and accident reporting instructions shall be distributed to state agencies no later than two weeks prior to policy implementation on november 1, 2019.

c. automobile identification cards

the contractor shall issue automobile identification cards directly to state agencies no later than ten (10) business days prior to the november 1 policy inception and november 1 renewals; i.e. if the policy begins on november 1, 2019, the auto id cards shall be received by state agencies no later than october 18, 2019.

requests for automobile identification cards for travel to canada or for newly acquired vehicles shall be handled within two business days.

d. certificates of insurance

requests for certificates of insurance shall be handled within two business days.

e. claim recording & assignment

the contractor shall set up and assign all reported claims within one (1) business day of receipt and document the assignment date. for purposes of these standards, the day following the date of receipt, issuance, or other required action is counted as the first day.

contractor will contact or make "reasonable attempts" to "contact" the following individuals, on all claims per the standards pursuant to ins 1002.05 of the state of new hampshire, department of insurance administrative rules:

1. commence an investigation of any notice of a claim not later than five (5) working days from receipt of the notice of a claim.

2. contact with the claimant not later than five (5) working days from receipt of the notice of a claim, unless the claimant is represented by an attorney.

3. contact with the employer and employee driver not later than five (5) working days from receipt of the notice of a claim.

all actual and attempted contacts will be documented in the contractor's computerized claims system file.

"reasonable attempts" is defined as written documentation, posted in the electronic file of contractor's attempts to contact the claimant, employee driver, and employer.

the contractor shall fully document all file activity either by paper or electronically, and shall include the source of information and dates of activity and copies of police reports, marriage and/or birth certificates, etc. when appropriate.

f. payment control

all claim payments shall be made by the contractor in accordance with new hampshire statutory provisions and regulations. see ins 1002 of the state of new hampshire, department of insurance administrative rules. payment detail shall identify the claim file, employee name,
claimant name, date of injury, type payment, amount, and state agency name and location code.

Upon request by the Risk Manager, the Contractor shall make available within two business days all source documents related to any questioned payment.

The Contractor shall obtain authority from the Risk Manager for any proposed settlement of twenty thousand dollars ($20,000) or greater and, as necessary, coordinate with the Department of Justice on negotiated settlements and litigation.

G. CLAIM RESERVING
The Contractor shall monitor and confirm the fleet insurance carrier has standards and practices in place that adequately fund reserves, in a manner consistent with established industry practice, that ensures financial resources are available to fully pay for all current and projected claims. The Contractor shall make recommendations if standards are not being met.

Proper industry standards include, but are not limited to, establishing initial reserves for fleet liability claims not later than twenty-one (21) working days from receipt of the notice of a claim, revising reserve estimates whenever developments occur which change the ultimate loss exposure, and maintaining documents with worksheets or other appropriate means to support the basis for reserve changes.

H. HEARINGS AND SETTLEMENTS
The Contractor shall ensure that all claims are properly prepared prior to conference, hearing or trial, including but not limited to the following:

1. Notify the Risk Manager and the designated agency contact of the scheduled hearing/appeal date and discuss whether employer representation is appropriate. The Risk Manager reserves the right to attend any hearing, conference, appeal or trial.

2. Have available all necessary witnesses or their depositions prior to formal hearing or trial.

3. If conference, hearing or trial is to be handled by an attorney, ensure timely delivery of the file material for preparation. Document attorney’s receipt of claim file and opinion about the merits of the issues to be litigated and the probable success 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.

4. The Contractor shall notify the agency employer of all hearing and appeal outcomes and provide an explanation of any fiscal impact which results from such decision.

I. CLAIM REVIEWS
The Contractor shall conduct four claim reviews per year, one each calendar quarter, with the State’s Risk Manager, Loss Control Consultant, state agency fleet representatives (if warranted), insurance company account manager, insurance company claims or loss control manager or claims adjuster(s) and insurance agent account manager or designee. At a minimum, open claims with reserves ten thousand dollars ($10,000) and over are reviewed as well as claims in litigation and claims specifically requested by the State.
The Contractor shall coordinate inviting agency fleet representatives to the claim review and determine each agency’s time slot. Printed reports detailing claim runs, claim trends, subrogation results and state agency training will be presented and discussed by the insurance company at each claim review. Claim reports shall be made available to the State and insurance agency contacts no later than one week prior to each claim review.

J. CONTRACTOR’S PERSONNEL

The Contractor shall provide a single point of contact for the State or its representative. The State retains the right to require the Contractor to remove and replace any employee from the State account that is determined by RMU to be unacceptable. The State retains the right to approve any replacement employee(s).

The Contractor shall assign experienced claims and subrogation personnel to the State account that have adequate caseloads, resources and time to service the account. Per Ins 1002.11, the Contractor shall set up a toll free telephone claim reporting line. Reporting online and via facsimile is also acceptable as a backup to the telephone claims reporting. The claims and subrogation personnel shall have a telephone number, email account and access to a fax machine to handle claim issues and inquiries from state personnel. Adjusters shall meet all claims settlement time limits per Ins 1002.05 of the State of New Hampshire, Department of Insurance administrative rules.

The performance of the Contractor’s obligations under the contract shall be the responsibility of the Contractor. The Contractor shall at its own expense provide all personnel, materials and resources necessary to perform the services under the Contract. The Contractor warrants that all personnel engaged in the contract services shall be qualified to perform the services and shall be properly licensed and otherwise authorized to do so under all applicable laws. For example, insurance agents shall possess active producer licenses from the State and claims adjusters assigned to the State account shall possess active licenses from the State. See Ins 1002.10 of the State of New Hampshire, Department of Insurance administrative rules and RSA chapters 402-B and 402-J.

K. SUBROGATION AND CUSTOMER SERVICES

The Contractor shall ensure the fleet insurance carrier(s) provides all subrogation services required under Ins 1002 of the State of New Hampshire, Department of Insurance administrative rules.

Customer Service: The Contractor shall provide customer service to the State and agency personnel to assist the recovery of physical damage caused to state vehicles by responsible third parties. Agency personnel may request assistance via telephone, fax or email. The State does not generally purchase physical damage coverage and seeks assistance with the process of recovering damages from responsible third parties or their insurance carrier. The Contractor shall acknowledge a request for assistance within two business days.

L. LOSS CONTROL SERVICES

The Contractor shall provide loss control services that are included in its price. Required loss control services shall include the following:

1. Training for state employees on fleet topics shall be conducted a minimum of four (4) times each policy year. Topics must be approved by RMU and may include, but are not limited to: CDL topics; Commercial Motor Vehicle (CMV) pre-trip inspection and backing; CMV
safe driving instruction; accident investigation for both passenger vehicles and commercial
motor vehicles; drug and alcohol awareness for CDL drivers; driver safety awareness; newly
enacted federal or state legislation impacting the fleet insurance program or CDL
requirements; Manual of Uniform Traffic Control Devices (MUTCD); NH Rules of the Road;
automobile insurance coverage issues.

2. Attendance at a minimum of four (4) state agency meetings focused on vehicle accident
investigation, fleet safety, or safety.

3. Upon request, provide consultation advice and/or guidelines to state agencies and
employees for fleet loss control topics including accident prevention programs, accident
trends, safety seminars, safety literature, etc.

M. PREMIUM

The liability premium shall include composite rates for the liability coverage applicable to
each vehicle type. The required liability limits may be delivered through a primary insurance
policy or as a combination of primary and umbrella insurance policies. The total annual
liability premium shall be computed by application of composite rates to the total number of
fleet units by vehicle type reported to the Contractor at the inception of each policy term.
(Note exception: Premium for liability coverage on leased golf carts shall be charged a pro-
rated amount of the applicable composite rate for the lease period. This is because lease
periods generally begin after the inception of each policy term.)

The premium for physical damage and inland marine coverage shall be per scheduled fleet
unit. The premium for physical damage and inland marine coverage shall be charged as
scheduled throughout each policy term.

The fleet premium charged shall be void of commission, agency fees, or online safe driving
program costs. The Producer Service Fee detailed in Exhibit B represents the full cost to the
State for all services required. Any fees for services beyond the Producer Service Fee will not
be accepted nor paid by the State at any time.

Premium rates shall be capped and guaranteed for the G&C-approved fleet contract term.
Contractor certifies that all rates to be charged for the fleet policy will be rates on file with and
approved by the New Hampshire Insurance Department.

N. INVOICING PREMIUM

The Contractor shall prepare separate invoices for each state agency and send invoices
directly to agency contacts via email with a copy to the RMU. Invoices shall include the
following details: policy number, policy term, agency, agency location code, breakdown of
the charges, number of units, cost per unit, and total cost.

The state agencies shall make payment to the Contractor via ACH. Terms are net thirty days
subject to approval of the submitted invoice.
A. OBJECTIVE

The State requires the Contractor to utilize a computerized claims system for the purpose of capturing claims data and delivering claim reports as described herein. The Contractor's system should have a high level of data integrity with backup and recovery features.

B. CLAIM INPUT DATA SPECIFICATIONS

Minimum required data for every claim reported to the Contractor:

1. Claim number
2. Date claim reported
3. Employee name (driver)
4. Employee's State agency location code
5. Claimant name, address, contact information, age (if possible)
6. Date of accident
7. Accident description and facts
8. Location of accident
9. Cause of loss
10. Type of loss (liability, physical damage, inland marine)
11. Investigation results
12. Injuries - detailed body part injured
13. Damages sought
14. Third parties involved
15. Liability analysis
16. Legal status with attorneys' name and contact information
17. Plan of action
18. Adjuster name and contact information
19. Incurred loss amounts, paid loss amounts and reserve loss amounts
20. Salvage/subrogation deductible reserve
21. Claim status identified as open or closed

C. CLAIM REPORT SPECIFICATIONS

The Contractor shall produce and distribute claim reports at the request of RMU. The Contractor shall produce summary claim reports by state agency on a quarterly basis, and cumulative data on an annual basis. State access to claims data and reports via an online system is encouraged.

The State requires the following types of claim reports:

1. Claim reports that can be sorted by the following subjects: state agency location, cause of accident, state employee driver, date of loss, policy year.
2. Loss ratio reports
3. Summary claim reports
4. Trending reports (in chart and/or spreadsheet format) by state agency and statewide
5. Frequency and severity reports
6. Training synopsis reports
7. Claim detail report
8. Claim adjuster notes
9. Customized reports
10. Subrogation reports
A. OBJECTIVE

Contractor shall provide and administer a safe driving program for up to one thousand eight hundred and fifty (1,850) state employees each year. The Contractor shall administer the safe driving program concurrently with the fleet insurance coverage period of November 1, 2019 through October 31, 2022. Executive Order 89-2 requires state employees operating state-owned vehicles to complete a defensive driver course and take a refresher course every three years.

The program shall be provided primarily through an online safe driving course focused on passenger vehicles and light trucks. The Contractor shall also provide on-site classroom based training on Commercial Motor Vehicles (CMV) to approximately seventy-five (75) state employees that possess CDL licenses and drive trucks for the State. The Department of Transportation operates its own CMV training program and does not participate in this program.

Contractor shall provide a comprehensive and detailed description of any course upon request. Four months prior to November 1, 2019 Contractor shall provide sample training materials that will allow the State to ensure requirements are met.

Online safe driving instruction shall be provided via the Risk Management Center’s Training Track.

B. SAFE DRIVING INSTRUCTION FOR PASSENGER VEHICLES AND LIGHT TRUCKS

The Contractor shall provide instruction that comprehensively covers defensive driving and safe driving topics specific to passenger vehicles and/or light trucks and should not be primarily focused on Commercial Motor Vehicles. Material focused on the New Hampshire’s Rules of the Road and specific driving conditions is encouraged.

Examples of relevant topics are follows:

1. Risks and hazards on the roadways.
2. Definition of defensive driving including techniques and behaviors associated with defensive driving.
3. Challenging environmental conditions such as light, weather, road (ex. work zones) and traffic (trucks, motorcycles, emergency vehicles, trains, bicycles, pedestrians, animals).
4. Explanations of preventable and non-preventable accidents.
5. Collision prevention, safe and aggressive driving behaviors.
6. Speeding, tailgating, right of way and intersection driving techniques, crossing the center line.
7. Stopping distances for cars and trucks.
8. Adverse driving conditions: inclement weather, rain, hail, sleet, snow, night time driving.
9. Distracted drivers due to cell phone usage, grooming, eating, conversations with passengers, etc.
10. Impaired driving due to alcohol, legal and illegal drugs, sleep deprivation, etc.
11. Challenging physical conditions such as hearing, vision, age, mobility, age, or illness.
12. Occupant restraint systems (seat belts, air bags)
13. Pre-trip inspection of vehicle with requirements for once a week, once a month and every six months.

C. ONLINE INSTRUCTION FOR PASSENGER VEHICLES AND LIGHT TRUCKS

The Contractor shall provide online based training meeting required specifications to state employees with access to the internet and a computer.

The Contractor shall provide on-site or webinar based training and instructions during the initial implementation of the program and ongoing technical support for the product. Additional training on the product shall be conducted by the Contractor upon request.

D. SAFE DRIVING INSTRUCTION FOR COMMERCIAL MOTOR VEHICLE (CMV) DRIVERS

The State requires the Contractor to conduct on-site Commercial Motor Vehicle (CMV) safe driving instruction for approximately seventy-five (75) state employees who operate CMV’s and possess Commercial Drivers Licenses (CDL’s). The State will provide the classroom space, outdoor training location and truck(s). The instruction will take place in Concord, NH and will apply towards the Loss Control Services training requirement located at Paragraph 9, L. The Contractor shall teach a minimum of one class per year.

The Contractor shall develop and implement, in conjunction with the fleet insurance carrier, a CMV course curriculum that is in addition to the safe driving instruction for passenger vehicles and is tailored for on-site CMV training. Hands-on training is needed for required skills such as basic vehicle control skills, safe driving skills, air brake skills and pre-trip inspection skills. Classroom training is needed for required knowledge of safe operations regulations, CMV safety control systems, and safe vehicle control, proper handling of cargo, vehicle inspections, hazardous material knowledge and air brake knowledge. Additional topics shall include, but not be limited to: collision prevention, hazard recognition, the challenges of driving large vehicles and winter driving tips. The course curriculum shall include Federal Motor Carrier Safety Administration required skills and knowledge specified in 49 CFR 383, 49 CFR 383 Subpart G Required Knowledge and Skills – Sample Guidelines. See http://www.fmcsa.dot.gov and Insurance Rules Safety C 900 and 1800.

E. ADMINISTRATION

The Contractor shall maintain an electronic system that includes registration history, course completion dates, report printing capability, ability to upload existing registration history, ability to download registration information in the event of a Contractor change, and ability to upload files from classroom based registration forms. The Contractor shall keep track of program participants and trainers by recording and storing the names of the employees, agency, employee ID number, and the date trained. If the system is not available to RMU via online access, registration reports shall be delivered to RMU upon request within five business days, and separated by agency for distribution.
12. PERFORMANCE GUARANTEES AND PENALTIES

A. PERFORMANCE GUARANTEES

Performance Guarantees are criteria used by the State to measure the Contractor's adherence to the performance standards as well as the Contractor's success or failure to meet the standards.

Performance guarantee metrics may be self-reported, but are subject to independent audit by the State. The performance guarantees shall be measured annually to evaluate the prior year's contract term. The Contractor shall report performance guarantee results to the State within 45 days after July 1, 2019, July 1, 2020 and July 1, 2021.

Any penalty amount will be paid after the annual audit has been completed. Contractor will issue payment for any penalty within thirty days of audit completion. Contractor will not be held to the performance standards identified in this performance guarantee on any case in which State of New Hampshire has not fulfilled its commitments as outlined in the specific performance guarantee provisions. The performance guarantee will become invalid if State of New Hampshire terminates its contract with Contractor.

During the term of this Agreement, the following performance guarantees shall apply:

**Producer Services for Property and Casualty Insurance**

1. Contract Implementation: Successful implementation per the terms of this Contract, including no interruption of insurance coverage. Penalty for non-conformance is $1,000.

2. Risk Assessment Meetings/Reports: Timely completion and delivery. Penalty for non-conformance is $500 per meeting and report.

3. Quotation Analysis Reports: Received no later than 50 days prior to expiration of the applicable policy. Penalty for non-conformance is $100 for each day the report is not delivered timely. Penalty will only apply if State delivers required documents no later than 80 days prior to expiration (e.g., applications, location schedules updated or confirmed, inventory updated or confirmed).

4. Policy Maintenance: Delivery of each policy, without inaccuracies, within 60 days of inception. Premium reimbursements delivered within 45 days of the effective date of change. Penalty for non-conformance is $100 for each untimely delivery.

**Fleet Claims Administration, Loss Control and Safe Driving Program**

5. Fleet Implementation: Clean implementation per the terms of this Contract. Penalty for non-conformance is $5,000.

6. Loss Control Services: Complete required number of loss control trainings during each policy year. Penalty for non-conformance is $1,000 for each training not performed timely.

7. Claims administration – Claims reviews performed timely: Claim reviews shall be performed per the terms of this Contract. Penalty for non-conformance is $1,000 for each claim review not performed timely.

8. Safe Driving Program: The online instructions programs shall be available to state employees by November 1, 2019. Penalty for non-conformance is $5,000.
**CONTRACT PRICE**

The Contractor hereby agrees to provide Producer Services for Property and Casualty Insurance, Fleet Insurance coverage for state-owned vehicles and safe driving program administration in complete compliance with the terms and conditions specified in Exhibit A for an amount not to exceed the price limitation of $150,000.00.

The annual fixed price fee represents the full cost of all services including hourly rates, staffing, administration costs, travel costs and any other applicable costs in performing this contract. The State will not pay commission to the producer for services rendered under this contract and any premium charged to the State shall be void of an agency fee or commission.

**PRICING STRUCTURE**

<table>
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<tr>
<th>Year</th>
<th>ANNUAL FIXED SERVICE FEE</th>
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<tr>
<td>Year 1 (7/1/2018 - 6/30/2019)</td>
<td>$50,000.00</td>
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<tr>
<td>Year 2 (7/1/2019 - 6/30/2020)</td>
<td>$50,000.00</td>
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<tr>
<td>Year 3 (7/1/2020 - 6/30/2021)</td>
<td>$50,000.00</td>
</tr>
<tr>
<td><strong>TOTAL FEE</strong></td>
<td><strong>$150,000.00</strong></td>
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</tbody>
</table>

**INVOICING AND PREMIUM PAYMENTS**

Contractor shall submit quarterly invoices to be paid in equal amounts over the contract term beginning October 1, 2018.

The mailing address is:
State of New Hampshire
Department of Administrative Services
Risk Management Unit
25 Capitol Street, Rm 412
Concord, NH 03301
OR via email to Risk Manager: jason.dexter@nh.gov

Payments shall be made via ACH. Terms are net thirty days subject to approval of the submitted invoice. Use the following link to enroll with the State Treasury:
https://www.nh.gov/treasury/state-vendors/index.htm
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. Words defined in EXHIBIT A shall have the same meaning in this EXHIBIT C unless expressly defined otherwise herein.

ARTICLE 1. INSURANCE

Form P-37, section 14 Insurance, is amended per the attached certificates of insurance from USI Insurance Services, LLC 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 $25,000,000 per occurrence and in the aggregate
4. Workers compensation coverage with statutory limits and Employers' Liability with limits of $1,000,000 per accident and $1,000,000 policy limit
5. Errors and Omissions liability insurance coverage with each loss limit of $10,000,000 per claim and in the aggregate.
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 USI INSURANCE SERVICES LLC is a Delaware Limited Liability Company registered to transact business in New Hampshire on September 24, 2007. 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: 584972
Certificate Number: 0004088274

IN TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 25th day of April A.D. 2018.

William M. Gardner
Secretary of State
USI INSURANCE SERVICES LLC

(A Delaware Limited Liability Company)

Written Consent of the Manager
Pursuant to the Delaware Limited Liability Company Act

The undersigned, as the sole Manager (the “Manager”) of USI Insurance Services LLC, a Delaware Limited Liability Company (the “Company”), does hereby take the following actions and adopts the following resolutions by written consent pursuant to the Delaware Limited Liability Company Act, and hereby waives notice and the holding of a meeting and hereby agrees that such resolutions shall have the same force and effect as if unanimously adopted at a duly convened meeting:

RESOLVED, that it is advisable and in the best interests of the Company that the following individuals be appointed as an authorized signatory empowered and authorized to execute contracts related to the State of New Hampshire Producer Services Contract on behalf of the Company to serve in such capacity until he or she has been removed or their respective successor shall have been duly appointed:

Sean Hood – USI Insurance Services – New England Region

RESOLVED, that all actions previously taken by any officer, employee or agent of the Company in connection with or related to the matters set forth in or reasonably contemplated or implied by the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Company.

IN WITNESS WHEREOF, the undersigned Manager has executed this consent as of the 30th day of April, 2018.

Ernest J. Newborn, II
Manager
**ACORD CERTIFICATE OF LIABILITY INSURANCE**

**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 have additional insured provisions or 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 any rights to the certificate holder in lieu of such endorsement(s).

**Insured:**

USI Insurance Services, LLC  
100 Summit Lake Drive  
Suite 400  
Valhalla, NY 10595

**Producer:**

Deanna Zawistowski  
USI Insurance Services, LLC  
133 Westchester Avenue, Suite 102  
White Plains, NY 10604

**Date:** 3/13/2018

**Coverages:**

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<tr>
<th>TYPE OF INSURANCE</th>
<th>SUBROGATION</th>
<th>LIMITS</th>
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<tbody>
<tr>
<td><strong>COMMERCIAL GENERAL LIABILITY</strong></td>
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<tr>
<td>× CLAIMS MADE</td>
<td>🚧</td>
<td>(Per occurrence)</td>
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<tr>
<td>× OCCUR</td>
<td>🚧</td>
<td>(Per occurrence)</td>
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<td>GEN: AGGREGATE LIMIT APPLIES</td>
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<td>$2,000,000</td>
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<tr>
<td>PRO</td>
<td>🚧</td>
<td>PRODUCT GENERAL LIABILITY</td>
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<td>LOC</td>
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<td>EXCESS LIABILITY</td>
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<td><strong>AUTOMOBILE LIABILITY</strong></td>
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<td>$1,000,000</td>
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<td>× ANY AUTO</td>
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<td>BODILY INJURY (Per person)</td>
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<td>- OWNER</td>
<td>🚧</td>
<td></td>
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<tr>
<td>- AUTOS ONLY</td>
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<td></td>
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<tr>
<td>- Hired</td>
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<td></td>
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<tr>
<td>SCHEDULED AUTOS</td>
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<td></td>
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<tr>
<td>× OPERATOR</td>
<td>🚧</td>
<td></td>
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<tr>
<td>× OCCUR</td>
<td>🚧</td>
<td>PROPERTY DAMAGE (Per accident)</td>
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<td>LOC</td>
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<tr>
<td><strong>UMBRELLA LIABILITY</strong></td>
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<td>× EXCESS LIABILITY</td>
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<td>AGGREGATE</td>
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<tr>
<td>× OCCUR</td>
<td>🚧</td>
<td>PER OCCURRENCE</td>
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<tr>
<td>LOC</td>
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**Description of Operations/Locations/Vehicles:**

Evidence of Liability coverages as respects insurance brokerage operations.

**Certificate Holder:**

Evidence of Insurance

**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

© 1986-2016 ACORD CORPORATION. All rights reserved.
ACORD CERTIFICATE OF LIABILITY INSURANCE

Date (Issuance): 12/14/2017

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 policies must have additional insured provisions or 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 any rights to the certificate holder in lieu of such endorsements.

Producer:
USI Insurance Services LLC
530 Prastbon Avenue
Markland, CT 06450
855 674-0123

Insured:
USI Advantage Corp.
100 Summit Lake Drive, Suite 400
Valhalla, NY 10595

Coverages:

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<th>TYPE OF INSURANCE</th>
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<table>
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<tr>
<td>ALL OCCURRENCES</td>
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Workers Compensation and Employers Liability:

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<th>LIABILITY</th>
<th>LIMITS</th>
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<tbody>
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<tr>
<td>ALL OCCURRENCES</td>
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Professional Liability (E&O):

<table>
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<tr>
<th>LIABILITY</th>
<th>LIMITS</th>
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</thead>
<tbody>
<tr>
<td>EACH OCCURRENCE</td>
<td>1</td>
</tr>
<tr>
<td>ALL OCCURRENCES</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Description of Operations / Locations / Vehicles:

Professional Liability / E&O Liability coverage is extended to all subsidiaries and dba's of USI Advantage Corp. / USI Insurance Services, LLC. All USI employees are covered under this policy for the work performed as directed by USI.

Re: USI Insurance Services LLC

Certificate Holder

Evidence of Coverage

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

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