



Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia
 Request for Quotation

Proc Folder: 76005

Doc Description: ADDENDUM NO. 2 - BLANKET BONDING FOR LIMITED VIDEO LOTTERY

Proc Type: Central Master Agreement

Date Issued	Solicitation Closes	Solicitation No	Version
2015-02-26	2015-03-10 13:30:00	CRFQ 0705 LOT1500000005	3

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25305
 US

VENDOR

Vendor Name, Address and Telephone Number:

Margot N. O'Dell Insurance Agency, Inc 614-475-4786/ 800-743-8467
 136 S Stygler Rd
 P O Box 30071
 Gahanna, OH 43230

03/09/15 12:26:18
 WV Purchasing Division

FOR INFORMATION CONTACT THE BUYER

Evelyn Melton
 (304) 558-7023
 evelyn.p.melton@wv.gov

Signature X *Margot N. O'Dell*

FEIN # 31-1011494

DATE 03-06-2015

All offers subject to all terms and conditions contained in this solicitation

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE LOTTERY PO BOX 2067		PURCHASING LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON	WV25327-2067	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	COST PER \$ 1,000.00 OF COVERAGE: NO DEDUCTIBLE	1.00000	UNIT	13.50	217890.00

Comm Code	Manufacturer	Specification	Model #
84000000	Endurance Reinsurance Corporation of America		

Extended Description :
 COST PER \$ 1,000.00 OF COVERAGE: NO DEDUCTIBLE 13.50 217890.00

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE LOTTERY PO BOX 2067		PURCHASING LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON	WV25327-2067	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
2	COST PER \$1000.00 OF COVERAGE: \$10,000.00	1.00000	UNIT	9.00	145260.00

Comm Code	Manufacturer	Specification	Model #
84000000	Endurance Reinsurance Corporation of America		

Extended Description :
 COST PER \$ 1,000.00 OF COVERAGE: \$10,000.00 DEDUCTIBLE 9.00 145260.00

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE LOTTERY PO BOX 2067		PURCHASING LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON	WV25327-2067	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
3	COST PER \$1,000.00 OF COVERAGE: \$25,000.00	1.00000	UNIT	8.00	129120.00

Comm Code	Manufacturer	Specification	Model #
84000000	Endurance Reinsurance Corporation of America		

Extended Description :

COST PER \$ 1,000.00 OF COVERAGE: \$ 25,000.00 DEDUCTIBLE 8.00 129120.00

INVOICE TO		SHIP TO	
ACCOUNTS PAYABLE LOTTERY PO BOX 2067		PURCHASING LOTTERY 900 PENNSYLVANIA AVE	
CHARLESTON	WV25327-2067	CHARLESTON	WV 25302
US		US	

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
4	COST PER \$1,000.00 OF COVERAGE: \$50,000.00	1.00000	UNIT	7.00	112980.00

Comm Code	Manufacturer	Specification	Model #
84000000	Endurance Reinsurance Corporation Of America		

Extended Description :

COST PER \$ 1,000.00 OF COVERAGE: \$ 50,000.00 DEDUCTIBLE 7.00 112980.00

ADDENDUM NO. 2 IS ISSUED:

- TO PROVIDE A SAMPLE OF THE BOND FORM (PLEASE NOTE THAT THIS IS JUST A SAMPLE COPY AND DOES NOT REPRESENT A MANDATORY SPECIFICATION OF THE BOND TO BE USED)

- TO PROVIDE ADDENDUM ACKNOWLEDGMENT

--- END OF ADDENDUM NO. 2 ---

ADDENDUM NO. 1 - ISSUED TO:

1. PROVIDE RESPONSES TO VENDOR'S QUESTIONS REGARDING THE ABOVE SOLICITATION.
2. PROVIDE ADDENDUM ACKNOWLEDGMENT.

LOT1500000005	Document Phase Final	Document Description ADDENDUM NO. 2 - BLANKET BONDING FOR LIMITED VIDEO LOTTERY	Page 4 of 4
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ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions

MARGOT O'DELL INS AGY, INC
PO BOX 30071
GAHANNA OH 43230

State of West Virginia

License No: 100109683

Agency License

MARGOT O'DELL INS AGY, INC

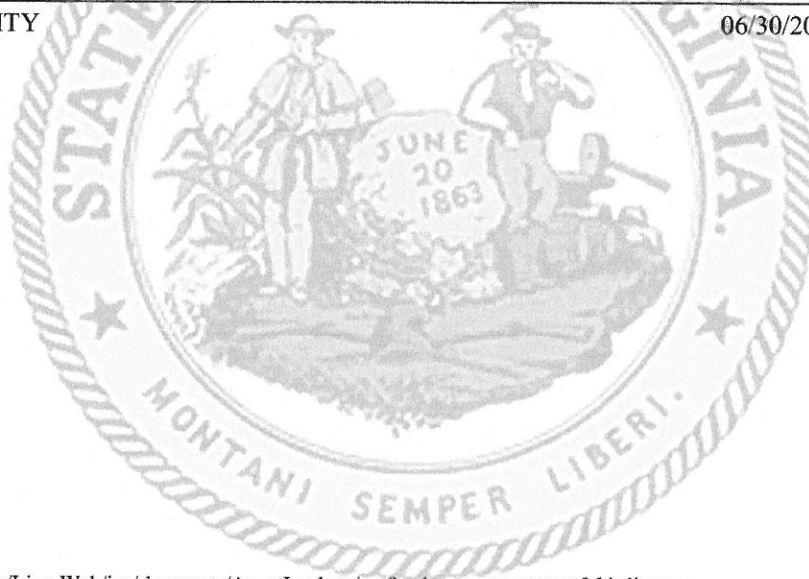
This is to certify that the above named agent is licensed in the State of West Virginia with the following authority(ies):

LICENSE TYPE

LICENSE EXPIRATION DATE

BUSINESS ENTITY

06/30/2015



Please visit sbs-wv.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp for the current status of this license.

State of West Virginia
 Agent License
 License No: 994861 NPN: 994861
MARGOT NUMAN ODELL

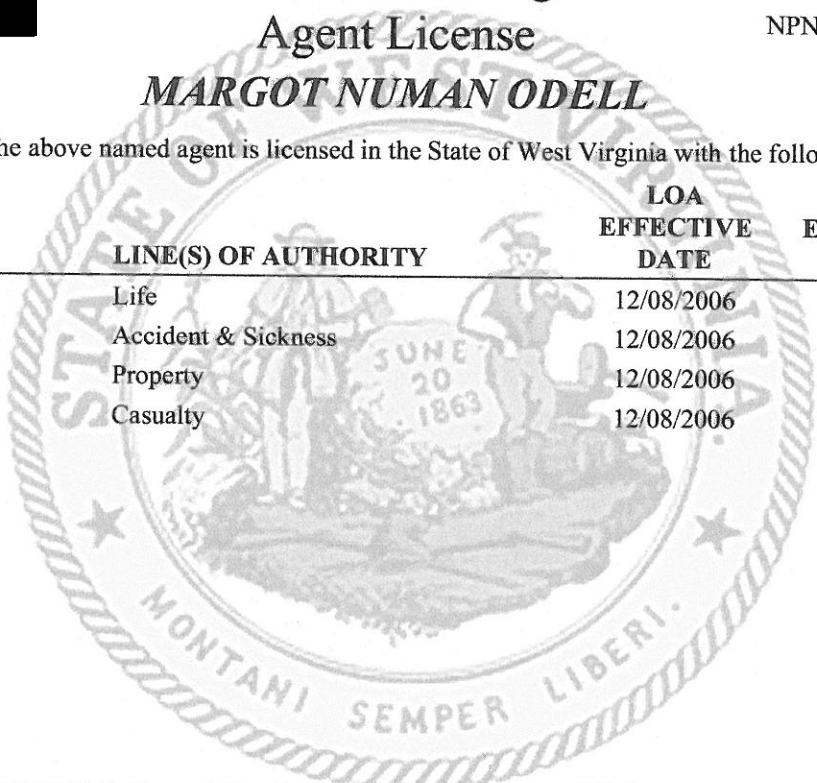
LICENSE TYPE	LINES OF AUTHORITY	LOA EFFECTIVE DATE	LICENSE EXPIRATION DATE
PRODUCER	Life	12/08/2006	02/29/2016
	Accident & Sickness	12/08/2006	
	Property	12/08/2006	
	Casualty	12/08/2006	

MARGOT NUMAN ODELL
 [Redacted]

State of West Virginia
 License No: [Redacted] Agent License NPN: 994861
MARGOT NUMAN ODELL

This is to certify that the above named agent is licensed in the State of West Virginia with the following authority(ies):

LICENSE TYPE	LINE(S) OF AUTHORITY	LOA EFFECTIVE DATE	LICENSE EXPIRATION DATE
PRODUCER	Life	12/08/2006	02/29/2016
	Accident & Sickness	12/08/2006	
	Property	12/08/2006	
	Casualty	12/08/2006	



Please visit sbs-wv.naic.org/Lion-Web/jsp/sbsreports/AgentLookup.jsp for the current status of this license.

OHIO LICENSE CERTIFICATION

MARGOT N ODELL

National Producer ID [REDACTED]

John R. Kasich, Governor
Mary Taylor, Lt. Governor/Director of Insurance
This is an official certification issued by the State of Ohio, valid without signature and seal.

Sent To:

MARGOT N ODELL
PO BOX 30071
GAHANNA, OH 43230

The licensee holds the following licenses as of the date of this certification: 02-23-2015

License Number	License Type	Status	Status Date	Renewal Date
11990	Major Lines	Active	03-01-2012	02-29-2016
	Qualification Type	Status	Active Date	
	Accident & Health	Active	07-01-1974	
	Variable	Active	11-21-1974	
	Life	Active	07-01-1974	
	Casualty	Active	10-12-1976	
	Property	Active	10-12-1976	
201426	Solicitor	Cancelled	10-12-1976	04-12-1977
	Qualification Type	Status	Active Date	
977336	Surplus Lines	Active	02-01-2013	01-31-2016
	Qualification Type	Status	Active Date	
	Surplus Lines	Active	11-13-2012	

CERTIFICATION

This letter certifies that on the date it was produced the referenced licensee was actively licensed by the Ohio Insurance Department.

All agents must pass a written exam for the lines of Life/Accident and Health/Variable Products, Accident and Health-HIC, Property and Casualty, Personal Lines, Variable Annuity, Title, and Public Adjuster. These individuals must also complete a pre-licensing education course (except Title and Public Adjuster) before taking the qualifying examination.

Ohio is an appointment state, i.e., all agents or agencies not only must be licensed by the State of Ohio, but must be appointed with the insurance company for which they transact business.

All licensees (except limited authority agents) are required to complete bi-annual continuing education hours.

OHIO LICENSE CERTIFICATION

MARGOT N O'DELL INS AGENCY INC

National Producer ID [REDACTED]

John R. Kasich, Governor

Mary Taylor, Lt. Governor/Director of Insurance

This is an official certification issued by the State of Ohio, valid without signature and seal.

Sent To:

MARGOT N O'DELL INS AGENCY INC

PO BOX 30071

GAHANNA, OH 43230

The licensee holds the following licenses as of the date of this certification: 02-23-2015

License Number	License Type	Status	Status Date	Renewal Date
1343	Major Lines	Active	10-01-2012	09-30-2016
	Qualification Type	Status	Active Date	
	Accident & Health	Active	08-17-1982	
	Variable	Active	07-01-2000	
	Life	Active	08-27-1982	
	Casualty	Active	08-17-1982	
	Property	Active	08-17-1982	

CERTIFICATION

This letter certifies that on the date it was produced the referenced licensee was actively licensed by the Ohio Insurance Department.

All agents must pass a written exam for the lines of Life/Accident and Health/Variable Products, Accident and Health-HIC, Property and Casualty, Personal Lines, Variable Annuity, Title, and Public Adjuster. These individuals must also complete a pre-licensing education course (except Title and Public Adjuster) before taking the qualifying examination.

Ohio is an appointment state, i.e., all agents or agencies not only must be licensed by the State of Ohio, but must be appointed with the insurance company for which they transact business.

All licensees (except limited authority agents) are required to complete bi-annual continuing education hours.

INSTRUCTIONS TO VENDORS SUBMITTING BIDS

1. **REVIEW DOCUMENTS THOROUGHLY:** The attached documents contain a solicitation for bids. Please read these instructions and all documents attached in their entirety. These instructions provide critical information about requirements that if overlooked could lead to disqualification of a Vendor's bid. All bids must be submitted in accordance with the provisions contained in these instructions and the Solicitation. Failure to do so may result in disqualification of Vendor's bid.
2. **MANDATORY TERMS:** The Solicitation may contain mandatory provisions identified by the use of the words "must," "will," and "shall." Failure to comply with a mandatory term in the Solicitation will result in bid disqualification.
3. **PREBID MEETING:** The item identified below shall apply to this Solicitation.

A pre-bid meeting will not be held prior to bid opening.

A **NON-MANDATORY PRE-BID** meeting will be held at the following place and time:

A **MANDATORY PRE-BID** meeting will be held at the following place and time:

All Vendors submitting a bid must attend the mandatory pre-bid meeting. Failure to attend the mandatory pre-bid meeting shall result in disqualification of the Vendor's bid. No one person attending the pre-bid meeting may represent more than one Vendor.

An attendance sheet provided at the pre-bid meeting shall serve as the official document verifying attendance. The State will not accept any other form of proof or documentation to verify attendance. Any person attending the pre-bid meeting on behalf of a Vendor must list on the attendance sheet his or her name and the name of the Vendor he or she is representing. Additionally, the person attending the pre-bid meeting should include the Vendor's E-Mail address, phone number, and Fax number on the attendance sheet. It is the Vendor's responsibility to locate the attendance sheet and provide the required information. Failure to complete the attendance sheet as required may result in disqualification of Vendor's bid.

All Vendors should arrive prior to the starting time for the pre-bid. Vendors who arrive after the starting time but prior to the end of the pre-bid will be permitted to sign in, but are charged with knowing all matters discussed at the pre-bid.

Questions submitted at least five business days prior to a scheduled pre-bid will be discussed at the pre-bid meeting if possible. Any discussions or answers to questions at the pre-bid meeting are preliminary in nature and are non-binding. Official and binding answers to questions will be published in a written addendum to the Solicitation prior to bid opening.

4. **VENDOR QUESTION DEADLINE:** Vendors may submit questions relating to this Solicitation to the Purchasing Division. Questions must be submitted in writing. All questions must be submitted on or before the date listed below and to the address listed below in order to be considered. A written response will be published in a Solicitation addendum if a response is possible and appropriate. Non-written discussions, conversations, or questions and answers regarding this Solicitation are preliminary in nature and are non-binding. Submitted e-mails should have solicitation number in the subject line.

Question Submission Deadline: February 18, 2015 - end of business

Submit Questions to: Evelyn P. Melton
 2019 Washington Street, East
 Charleston, WV 25305
 Fax: (304) 558-4115 (Vendors should not use this fax number for bid submission)
 Email: evelyn.p.melton@wv.gov

5. **VERBAL COMMUNICATION:** Any verbal communication between the Vendor and any State personnel is not binding, including verbal communication at the mandatory pre-bid conference. Only information issued in writing and added to the Solicitation by an official written addendum by the Purchasing Division is binding.
6. **BID SUBMISSION:** All bids must be submitted electronically through wvOASIS or signed and delivered by the Vendor to the Purchasing Division at the address listed below on or before the date and time of the bid opening. Any bid received by the Purchasing Division staff is considered to be in the possession of the Purchasing Division and will not be returned for any reason. The Purchasing Division will not accept bids, modification of bids, or addendum acknowledgment forms via e-mail. Acceptable delivery methods include electronic submission via wvOASIS, hand delivery, delivery by courier, or facsimile. The bid delivery address is:

Department of Administration, Purchasing Division
 2019 Washington Street East
 Charleston, WV 25305-0130

A bid that is not submitted electronically through wvOASIS should contain the information listed below on the face of the envelope or the bid may be rejected by the Purchasing Division.:

SEALED BID:
 BUYER:
 SOLICITATION NO.:
 BID OPENING DATE:
 BID OPENING TIME:
 FAX NUMBER:

In the event that Vendor is responding to a request for proposal, and chooses to respond in a manner other than by electronic submission through wvOASIS, the Vendor shall submit one original technical and one original cost proposal plus convenience copies of each to the Purchasing Division at the address shown above. Additionally, if Vendor does not submit its bid through wvOASIS, the Vendor should identify the bid type as either a technical or cost proposal on the face of each bid envelope submitted in response to a request for proposal as follows:

BID TYPE: (This only applies to CRFP)

Technical

Cost

7. **BID OPENING:** Bids submitted in response to this Solicitation will be opened at the location identified below on the date and time listed below. Delivery of a bid after the bid opening date and time will result in bid disqualification. For purposes of this Solicitation, a bid is considered delivered when confirmation of delivery is provided by wvOASIS (in the case of electronic submission) or when the bid is time stamped by the official Purchasing Division time clock (in the case of hand delivery).

Bid Opening Date and Time: March 10, 2015 - Tuesday @ 1:30 P.M.
 Bid Opening Location: Department of Administration, Purchasing Division
 2019 Washington Street East
 Charleston, WV 25305-0130

8. **ADDENDUM ACKNOWLEDGEMENT:** Changes or revisions to this Solicitation will be made by an official written addendum issued by the Purchasing Division. Vendor should acknowledge receipt of all addenda issued with this Solicitation by completing an Addendum Acknowledgment Form, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

9. **BID FORMATTING:** Vendor should type or electronically enter the information onto its bid to prevent errors in the evaluation. Failure to type or electronically enter the information may result in bid disqualification.
10. **ALTERNATES:** Any model, brand, or specification listed in this Solicitation establishes the acceptable level of quality only and is not intended to reflect a preference for, or in any way favor, a particular brand or vendor. Vendors may bid alternates to a listed model or brand provided that the alternate is at least equal to the model or brand and complies with the required specifications. The equality of any alternate being bid shall be determined by the State at its sole discretion. Any Vendor bidding an alternate model or brand should clearly identify the alternate items in its bid and should include manufacturer's specifications, industry literature, and/or any other relevant documentation demonstrating the equality of the alternate items. Failure to provide information for alternate items may be grounds for rejection of a Vendor's bid.
11. **EXCEPTIONS AND CLARIFICATIONS:** The Solicitation contains the specifications that shall form the basis of a contractual agreement. Vendor shall clearly mark any exceptions, clarifications, or other proposed modifications in its bid. Exceptions to, clarifications of, or modifications of a requirement or term and condition of the Solicitation may result in bid disqualification.
12. **COMMUNICATION LIMITATIONS:** In accordance with West Virginia Code of State Rules §148-1-6.6, communication with the State of West Virginia or any of its employees regarding this Solicitation during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited without prior Purchasing Division approval. Purchasing Division approval for such communication is implied for all agency delegated and exempt purchases.
13. **REGISTRATION:** Prior to Contract award, the apparent successful Vendor must be properly registered with the West Virginia Purchasing Division and must have paid the \$125 fee, if applicable.
14. **UNIT PRICE:** Unit prices shall prevail in cases of a discrepancy in the Vendor's bid.
15. **PREFERENCE:** Vendor Preference may only be granted upon written request and only in accordance with the West Virginia Code § 5A-3-37 and the West Virginia Code of State Rules. A Vendor Preference Certificate form has been attached hereto to allow Vendor to apply for the preference. Vendor's failure to submit the Vendor Preference Certificate form with its bid will result in denial of Vendor Preference. Vendor Preference does not apply to construction projects.
16. **SMALL, WOMEN-OWNED, OR MINORITY-OWNED BUSINESSES:** For any solicitations publicly advertised for bid, in accordance with West Virginia Code §5A-3-37(a)(7) and W. Va. CSR § 148-22-9, any non-resident vendor certified as a small, women-owned, or minority-owned business under W. Va. CSR § 148-22-9 shall be provided the

same preference made available to any resident vendor. Any non-resident small, women-owned, or minority-owned business must identify itself as such in writing, must submit that writing to the Purchasing Division with its bid, and must be properly certified under W. Va. CSR § 148-22-9 prior to contract award to receive the preferences made available to resident vendors. Preference for a non-resident small, women-owned, or minority owned business shall be applied in accordance with W. Va. CSR § 148-22-9.

17. **WAIVER OF MINOR IRREGULARITIES:** The Director reserves the right to waive minor irregularities in bids or specifications in accordance with West Virginia Code of State Rules § 148-1-4.6.

GENERAL TERMS AND CONDITIONS:

1. **CONTRACTUAL AGREEMENT:** Issuance of a Award Document signed by the Purchasing Division Director, or his designee, and approved as to form by the Attorney General's office constitutes acceptance of this Contract made by and between the State of West Virginia and the Vendor. Vendor's signature on its bid signifies Vendor's agreement to be bound by and accept the terms and conditions contained in this Contract.
2. **DEFINITIONS:** As used in this Solicitation/Contract, the following terms shall have the meanings attributed to them below. Additional definitions may be found in the specifications included with this Solicitation/Contract.
 - 2.1. "Agency" or "Agencies" means the agency, board, commission, or other entity of the State of West Virginia that is identified on the first page of the Solicitation or any other public entity seeking to procure goods or services under this Contract.
 - 2.2. "Contract" means the binding agreement that is entered into between the State and the Vendor to provide the goods or services requested in the Solicitation.
 - 2.3. "Director" means the Director of the West Virginia Department of Administration, Purchasing Division.
 - 2.4. "Purchasing Division" means the West Virginia Department of Administration, Purchasing Division.
 - 2.5. "Award Document" means the document signed by the Agency and the Purchasing Division, and approved as to form by the Attorney General, that identifies the Vendor as the contract holder.
 - 2.6. "Solicitation" means the official notice of an opportunity to supply the State with goods or services that is published by the Purchasing Division.
 - 2.7. "State" means the State of West Virginia and/or any of its agencies, commissions, boards, etc. as context requires.
 - 2.8. "Vendor" or "Vendors" means any entity submitting a bid in response to the Solicitation, the entity that has been selected as the lowest responsible bidder, or the entity that has been awarded the Contract as context requires.

3. **CONTRACT TERM; RENEWAL; EXTENSION:** The term of this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below:

Term Contract

Initial Contract Term: This Contract becomes effective on upon award and extends for a period of one (1) year(s).

Renewal Term: This Contract may be renewed upon the mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any request for renewal should be submitted to the Purchasing Division thirty (30) days prior to the expiration date of the initial contract term or appropriate renewal term. A Contract renewal shall be in accordance with the terms and conditions of the original contract. Renewal of this Contract is limited to three (3) successive one (1) year periods or multiple renewal periods of less than one year, provided that the multiple renewal periods do not exceed 36 months in total. Automatic renewal of this Contract is prohibited. Notwithstanding the foregoing, Purchasing Division approval is not required on agency delegated or exempt purchases. Attorney General approval may be required for vendor terms and conditions.

Delivery Order Limitations: In the event that this contract permits delivery orders, a delivery order may only be issued during the time this Contract is in effect. Any delivery order issued within one year of the expiration of this Contract shall be effective for one year from the date the delivery order is issued. No delivery order may be extended beyond one year after this Contract has expired.

Fixed Period Contract: This Contract becomes effective upon Vendor's receipt of the notice to proceed and must be completed within _____ days.

Fixed Period Contract with Renewals: This Contract becomes effective upon Vendor's receipt of the notice to proceed and part of the Contract more fully described in the attached specifications must be completed within _____ days. Upon completion, the vendor agrees that maintenance, monitoring, or warranty services will be provided for one year thereafter with an additional _____ successive one year renewal periods or multiple renewal periods of less than one year provided that the multiple renewal periods do not exceed _____ months in total. Automatic renewal of this Contract is prohibited.

One Time Purchase: The term of this Contract shall run from the issuance of the Award Document until all of the goods contracted for have been delivered, but in no event will this Contract extend for more than one fiscal year.

Other: See attached.

4. **NOTICE TO PROCEED:** Vendor shall begin performance of this Contract immediately upon receiving notice to proceed unless otherwise instructed by the Agency. Unless otherwise specified, the fully executed Award Document will be considered notice to proceed.
5. **QUANTITIES:** The quantities required under this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below.
- Open End Contract:** Quantities listed in this Solicitation are approximations only, based on estimates supplied by the Agency. It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract, whether more or less than the quantities shown.
- Service:** The scope of the service to be provided will be more clearly defined in the specifications included herewith.
- Combined Service and Goods:** The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.
- One Time Purchase:** This Contract is for the purchase of a set quantity of goods that are identified in the specifications included herewith. Once those items have been delivered, no additional goods may be procured under this Contract without an appropriate change order approved by the Vendor, Agency, Purchasing Division, and Attorney General's office.
6. **PRICING:** The pricing set forth herein is firm for the life of the Contract, unless specified elsewhere within this Solicitation/Contract by the State. A Vendor's inclusion of price adjustment provisions in its bid, without an express authorization from the State in the Solicitation to do so, may result in bid disqualification.
7. **EMERGENCY PURCHASES:** The Purchasing Division Director may authorize the Agency to purchase goods or services in the open market that Vendor would otherwise provide under this Contract if those goods or services are for immediate or expedited delivery in an emergency. Emergencies shall include, but are not limited to, delays in transportation or an unanticipated increase in the volume of work. An emergency purchase in the open market, approved by the Purchasing Division Director, shall not constitute a breach of this Contract and shall not entitle the Vendor to any form of compensation or damages. This provision does not excuse the State from fulfilling its obligations under a One Time Purchase contract.
8. **REQUIRED DOCUMENTS:** All of the items checked below must be provided to the Purchasing Division by the Vendor as specified below.

BID BOND: All Vendors shall furnish a bid bond in the amount of five percent (5%) of the total amount of the bid protecting the State of West Virginia. The bid bond must be submitted with the bid.

PERFORMANCE BOND: The apparent successful Vendor shall provide a performance bond in the amount of _____. The performance bond must be received by the Purchasing Division prior to Contract award. On construction contracts, the performance bond must be 100% of the Contract value.

LABOR/MATERIAL PAYMENT BOND: The apparent successful Vendor shall provide a labor/material payment bond in the amount of 100% of the Contract value. The labor/material payment bond must be delivered to the Purchasing Division prior to Contract award.

In lieu of the Bid Bond, Performance Bond, and Labor/Material Payment Bond, the Vendor may provide certified checks, cashier's checks, or irrevocable letters of credit. Any certified check, cashier's check, or irrevocable letter of credit provided in lieu of a bond must be of the same amount and delivered on the same schedule as the bond it replaces. A letter of credit submitted in lieu of a performance and labor/material payment bond will only be allowed for projects under \$100,000. Personal or business checks are not acceptable.

MAINTENANCE BOND: The apparent successful Vendor shall provide a two (2) year maintenance bond covering the roofing system. The maintenance bond must be issued and delivered to the Purchasing Division prior to Contract award.

INSURANCE: The apparent successful Vendor shall furnish proof of the following insurance prior to Contract award and shall list the state as a certificate holder:

Commercial General Liability Insurance: In the amount of _____ or more.

Builders Risk Insurance: In an amount equal to 100% of the amount of the Contract.

The apparent successful Vendor shall also furnish proof of any additional insurance requirements contained in the specifications prior to Contract award regardless of whether or not that insurance requirement is listed above.

LICENSE(S) / CERTIFICATIONS / PERMITS: In addition to anything required under the Section entitled Licensing, of the General Terms and Conditions, the apparent successful Vendor shall furnish proof of the following licenses, certifications, and/or permits prior to Contract award, in a form acceptable to the Purchasing Division.

INSURANCE LICENSE AND IN GOOD STANDING WITH THE

cont'n: **INSURANCE COMMISSIONER**

The apparent successful Vendor shall also furnish proof of any additional licenses or certifications contained in the specifications prior to Contract award regardless of whether or not that requirement is listed above.

9. WORKERS' COMPENSATION INSURANCE: The apparent successful Vendor shall comply with laws relating to workers compensation, shall maintain workers' compensation insurance when required, and shall furnish proof of workers' compensation insurance upon request.

10. LITIGATION BOND: The Director reserves the right to require any Vendor that files a protest of an award to submit a litigation bond in the amount equal to one percent of the lowest bid submitted or \$5,000, whichever is greater. The entire amount of the bond shall be forfeited if the hearing officer determines that the protest was filed for frivolous or improper purpose, including but not limited to, the purpose of harassing, causing unnecessary delay, or needless expense for the Agency. All litigation bonds shall be made payable to the Purchasing Division. In lieu of a bond, the protester may submit a cashier's check or certified check payable to the Purchasing Division. Cashier's or certified checks will be deposited with and held by the State Treasurer's office. If it is determined that the protest has not been filed for frivolous or improper purpose, the bond or deposit shall be returned in its entirety.

11. LIQUIDATED DAMAGES: Vendor shall pay liquidated damages in the amount of _____
for _____

This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other available remedy.

12. **ACCEPTANCE/REJECTION:** The State may accept or reject any bid in whole, or in part. Vendor's signature on its bid signifies acceptance of the terms and conditions contained in the Solicitation and Vendor agrees to be bound by the terms of the Contract, as reflected in the Award Document, upon receipt.
13. **FUNDING:** This Contract shall continue for the term stated herein, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise made available, this Contract becomes void and of no effect beginning on July 1 of the fiscal year for which funding has not been appropriated or otherwise made available.
14. **PAYMENT:** Payment in advance is prohibited under this Contract. Payment may only be made after the delivery and acceptance of goods or services. The Vendor shall submit invoices, in arrears.
15. **TAXES:** The Vendor shall pay any applicable sales, use, personal property or any other taxes arising out of this Contract and the transactions contemplated thereby. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
16. **CANCELLATION:** The Purchasing Division Director reserves the right to cancel this Contract immediately upon written notice to the vendor if the materials or workmanship supplied do not conform to the specifications contained in the Contract. The Purchasing Division Director may also cancel any purchase or Contract upon 30 days written notice to the Vendor in accordance with West Virginia Code of State Rules § 148-1-7.16.2.
17. **TIME:** Time is of the essence with regard to all matters of time and performance in this Contract.
18. **APPLICABLE LAW:** This Contract is governed by and interpreted under West Virginia law without giving effect to its choice of law principles. Any information provided in specification manuals, or any other source, verbal or written, which contradicts or violates the West Virginia Constitution, West Virginia Code or West Virginia Code of State Rules is void and of no effect.
19. **COMPLIANCE:** Vendor shall comply with all applicable federal, state, and local laws, regulations and ordinances. By submitting a bid, Vendor acknowledges that it has reviewed, understands, and will comply with all applicable law.
20. **PREVAILING WAGE:** On any contract for the construction of a public improvement, Vendor and any subcontractors utilized by Vendor shall pay a rate or rates of wages which shall not be less than the fair minimum rate or rates of wages (prevailing wage), as established by the West Virginia Division of Labor under West Virginia Code §§ 21-5A-1 et seq. and available at <http://www.sos.wv.gov/administrative-law/wagerates/Pages/default.aspx>. Vendor shall be responsible for ensuring compliance with

prevailing wage requirements and determining when prevailing wage requirements are applicable. The required contract provisions contained in West Virginia Code of State Rules § 42-7-3 are specifically incorporated herein by reference.

21. **ARBITRATION:** Any references made to arbitration contained in this Contract, Vendor's bid, or in any American Institute of Architects documents pertaining to this Contract are hereby deleted, void, and of no effect.
22. **MODIFICATIONS:** This writing is the parties' final expression of intent. Notwithstanding anything contained in this Contract to the contrary, no modification of this Contract shall be binding without mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). No Change shall be implemented by the Vendor until such time as the Vendor receives an approved written change order from the Purchasing Division.
23. **WAIVER:** The failure of either party to insist upon a strict performance of any of the terms or provision of this Contract, or to exercise any option, right, or remedy herein contained, shall not be construed as a waiver or a relinquishment for the future of such term, provision, option, right, or remedy, but the same shall continue in full force and effect. Any waiver must be expressly stated in writing and signed by the waiving party.
24. **SUBSEQUENT FORMS:** The terms and conditions contained in this Contract shall supersede any and all subsequent terms and conditions which may appear on any form documents submitted by Vendor to the Agency or Purchasing Division such as price lists, order forms, invoices, sales agreements, or maintenance agreements, and includes internet websites or other electronic documents. Acceptance or use of Vendor's forms does not constitute acceptance of the terms and conditions contained thereon.
25. **ASSIGNMENT:** Neither this Contract nor any monies due, or to become due hereunder, may be assigned by the Vendor without the express written consent of the Agency, the Purchasing Division, the Attorney General's office (as to form only), and any other government agency or office that may be required to approve such assignments. Notwithstanding the foregoing, Purchasing Division approval may or may not be required on certain agency delegated or exempt purchases.
26. **WARRANTY:** The Vendor expressly warrants that the goods and/or services covered by this Contract will: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; (b) be merchantable and fit for the purpose intended; and (c) be free from defect in material and workmanship.
27. **STATE EMPLOYEES:** State employees are not permitted to utilize this Contract for personal use and the Vendor is prohibited from permitting or facilitating the same.
28. **BANKRUPTCY:** In the event the Vendor files for bankruptcy protection, the State of West Virginia may deem this Contract null and void, and terminate this Contract without notice.

- 29. CONFIDENTIALITY:** The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/default.html>.
- 30. DISCLOSURE:** Vendor's response to the Solicitation and the resulting Contract are considered public documents and will be disclosed to the public in accordance with the laws, rules, and policies governing the West Virginia Purchasing Division. Those laws include, but are not limited to, the Freedom of Information Act found in West Virginia Code §§ 29B-1-1 et seq. and the competitive bidding laws found West Virginia Code §§ 5A-3-1 et seq., 5-22-1 et seq., and 5G-1-1 et seq.

If a Vendor considers any part of its bid to be exempt from public disclosure, Vendor must so indicate by specifically identifying the exempt information, identifying the exemption that applies, providing a detailed justification for the exemption, segregating the exempt information from the general bid information, and submitting the exempt information as part of its bid but in a segregated and clearly identifiable format. Failure to comply with the foregoing requirements will result in public disclosure of the Vendor's bid without further notice. A Vendor's act of marking all or nearly all of its bid as exempt is not sufficient to avoid disclosure and **WILL NOT BE HONORED**. Vendor's act of marking a bid or any part thereof as "confidential" or "proprietary" is not sufficient to avoid disclosure and **WILL NOT BE HONORED**. A legend or other statement indicating that all or substantially all of the bid is exempt from disclosure is not sufficient to avoid disclosure and **WILL NOT BE HONORED**. Additionally, pricing or cost information will not be considered exempt from disclosure and requests to withhold publication of pricing or cost information **WILL NOT BE HONORED**.

Vendor will be required to defend any claimed exemption for nondisclosure in the event of an administrative or judicial challenge to the State's nondisclosure. Vendor must indemnify the State for any costs incurred related to any exemptions claimed by Vendor. Any questions regarding the applicability of the various public records laws should be addressed to your own legal counsel prior to bid submission.

- 31. LICENSING:** In accordance with West Virginia Code of State Rules §148-1-6.1.7, Vendor must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agency or political subdivision. Upon request, the Vendor must provide all necessary releases to obtain information to enable the Purchasing Division Director or the Agency to verify that the Vendor is licensed and in good standing with the above entities.

32. **ANTITRUST:** In submitting a bid to, signing a contract with, or accepting a Award Document from any agency of the State of West Virginia, the Vendor agrees to convey, sell, assign, or transfer to the State of West Virginia all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to Vendor.
33. **VENDOR CERTIFICATIONS:** By signing its bid or entering into this Contract, Vendor certifies (1) that its bid or offer was made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, person or entity submitting a bid or offer for the same material, supplies, equipment or services; (2) that its bid or offer is in all respects fair and without collusion or fraud; (3) that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; and (4) that it has reviewed this Solicitation in its entirety; understands the requirements, terms and conditions, and other information contained herein. Vendor's signature on its bid or offer also affirms that neither it nor its representatives have any interest, nor shall acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency. The individual signing this bid or offer on behalf of Vendor certifies that he or she is authorized by the Vendor to execute this bid or offer or any documents related thereto on Vendor's behalf; that he or she is authorized to bind the Vendor in a contractual relationship; and that, to the best of his or her knowledge, the Vendor has properly registered with any State agency that may require registration.
34. **PURCHASING CARD ACCEPTANCE:** The State of West Virginia currently utilizes a Purchasing Card program, administered under contract by a banking institution, to process payment for goods and services. The Vendor must accept the State of West Virginia's Purchasing Card for payment of all orders under this Contract unless the box below is checked.
- Vendor is not required to accept the State of West Virginia's Purchasing Card as payment for all goods and services.
35. **VENDOR RELATIONSHIP:** The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this Contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents. Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this Solicitation and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever. Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but

not limited to, Workers' Compensation and Social Security obligations, licensing fees, etc. and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing. Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

- 36. INDEMNIFICATION:** The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the Contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner not authorized by the Contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage and hour laws.
- 37. PURCHASING AFFIDAVIT:** In accordance with West Virginia Code § 5A-3-10a, all Vendors are required to sign, notarize, and submit the Purchasing Affidavit stating that neither the Vendor nor a related party owe a debt to the State in excess of \$1,000. The affidavit must be submitted prior to award, but should be submitted with the Vendor's bid. A copy of the Purchasing Affidavit is included herewith.
- 38. ADDITIONAL AGENCY AND LOCAL GOVERNMENT USE:** This Contract may be utilized by and extends to other agencies, spending units, and political subdivisions of the State of West Virginia; county, municipal, and other local government bodies; and school districts ("Other Government Entities"). This Contract shall be extended to the aforementioned Other Government Entities on the same prices, terms, and conditions as those offered and agreed to in this Contract. If the Vendor does not wish to extend the prices, terms, and conditions of its bid and subsequent contract to the Other Government Entities, the Vendor must clearly indicate such refusal in its bid. A refusal to extend this Contract to the Other Government Entities shall not impact or influence the award of this Contract in any manner.
- 39. CONFLICT OF INTEREST:** Vendor, its officers or members or employees, shall not presently have or acquire an interest, direct or indirect, which would conflict with or compromise the performance of its obligations hereunder. Vendor shall periodically inquire of its officers, members and employees to ensure that a conflict of interest does not arise. Any conflict of interest discovered shall be promptly presented in detail to the Agency.
- 40. REPORTS:** Vendor shall provide the Agency and/or the Purchasing Division with the following reports identified by a checked box below:
- Such reports as the Agency and/or the Purchasing Division may request. Requested reports may include, but are not limited to, quantities purchased, agencies utilizing the contract, total contract expenditures by agency, etc.

- Quarterly reports detailing the total quantity of purchases in units and dollars, along with a listing of purchases by agency. Quarterly reports should be delivered to the Purchasing Division via email at purchasing.requisitions@wv.gov.

- 41. BACKGROUND CHECK:** In accordance with W. Va. Code § 15-2D-3, the Director of the Division of Protective Services shall require any service provider whose employees are regularly employed on the grounds or in the buildings of the Capitol complex or who have access to sensitive or critical information to submit to a fingerprint-based state and federal background inquiry through the state repository. The service provider is responsible for any costs associated with the fingerprint-based state and federal background inquiry.

After the contract for such services has been approved, but before any such employees are permitted to be on the grounds or in the buildings of the Capitol complex or have access to sensitive or critical information, the service provider shall submit a list of all persons who will be physically present and working at the Capitol complex to the Director of the Division of Protective Services for purposes of verifying compliance with this provision.

The State reserves the right to prohibit a service provider's employees from accessing sensitive or critical information or to be present at the Capitol complex based upon results addressed from a criminal background check.

Service providers should contact the West Virginia Division of Protective Services by phone at (304) 558-9911 for more information.

- 42. PREFERENCE FOR USE OF DOMESTIC STEEL PRODUCTS:** Except when authorized by the Director of the Purchasing Division pursuant to W. Va. Code § 5A-3-56, no contractor may use or supply steel products for a State Contract Project other than those steel products made in the United States. A contractor who uses steel products in violation of this section may be subject to civil penalties pursuant to W. Va. Code § 5A-3-56. As used in this section:

- a. "State Contract Project" means any erection or construction of, or any addition to, alteration of or other improvement to any building or structure, including, but not limited to, roads or highways, or the installation of any heating or cooling or ventilating plants or other equipment, or the supply of and materials for such projects, pursuant to a contract with the State of West Virginia for which bids were solicited on or after June 6, 2001.
- b. "Steel Products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed, or processed by a combination of two or more or such operations, from steel made by the open heath, basic oxygen, electric furnace, Bessemer or other steel making process. The Purchasing Division Director may, in writing, authorize the use of foreign steel products if:
 - c. The cost for each contract item used does not exceed one tenth of one percent (.1%) of the total contract cost or two thousand five hundred dollars (\$2,500.00), whichever is greater.

For the purposes of this section, the cost is the value of the steel product as delivered to the project; or

- d. The Director of the Purchasing Division determines that specified steel materials are not produced in the United States in sufficient quantity or otherwise are not reasonably available to meet contract requirements.

43. PREFERENCE FOR USE OF DOMESTIC ALUMINUM, GLASS, AND STEEL: In Accordance with W. Va. Code § 5-19-1 et seq., and W. Va. CSR § 148-10-1 et seq., for every contract or subcontract, subject to the limitations contained herein, for the construction, reconstruction, alteration, repair, improvement or maintenance of public works or for the purchase of any item of machinery or equipment to be used at sites of public works, only domestic aluminum, glass or steel products shall be supplied unless the spending officer determines, in writing, after the receipt of offers or bids, (1) that the cost of domestic aluminum, glass or steel products is unreasonable or inconsistent with the public interest of the State of West Virginia, (2) that domestic aluminum, glass or steel products are not produced in sufficient quantities to meet the contract requirements, or (3) the available domestic aluminum, glass, or steel do not meet the contract specifications. This provision only applies to public works contracts awarded in an amount more than fifty thousand dollars (\$50,000) or public works contracts that require more than ten thousand pounds of steel products.

The cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than twenty percent (20%) of the bid or offered price for foreign made aluminum, glass, or steel products. If the domestic aluminum, glass or steel products to be supplied or produced in a "substantial labor surplus area", as defined by the United States Department of Labor, the cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than thirty percent (30%) of the bid or offered price for foreign made aluminum, glass, or steel products.

This preference shall be applied to an item of machinery or equipment, as indicated above, when the item is a single unit of equipment or machinery manufactured primarily of aluminum, glass or steel, is part of a public works contract and has the sole purpose or of being a permanent part of a single public works project. This provision does not apply to equipment or machinery purchased by a spending unit for use by that spending unit and not as part of a single public works project.

All bids and offers including domestic aluminum, glass or steel products that exceed bid or offer prices including foreign aluminum, glass or steel products after application of the preferences provided in this provision may be reduced to a price equal to or lower than the lowest bid or offer price for foreign aluminum, glass or steel products plus the applicable preference. If the reduced bid or offer prices are made in writing and supersede the prior bid or offer prices, all bids or offers, including the reduced bid or offer prices, will be reevaluated in accordance with this rule.

SPECIFICATIONS

1. **PURPOSE AND SCOPE:** The West Virginia Purchasing Division is soliciting bids on behalf of the West Virginia Lottery and any other state agency that desires to utilize this contract to establish an open-end contract for Blanket Bonding of Permit Holders. The Contract may be utilized by West Virginia State agencies and all political subdivisions of the State in all 55 counties.

2. **DEFINITIONS:** The terms listed below shall have the meanings assigned to them below. Additional definitions can be found in section 2 of the General Terms and Conditions.
 - 2.1 "Desired Item" or "Desired Items" means the list of items identified in Section III, Subsection 1 below.

 - 2.2 "Pricing Section" means the schedule of prices, estimated order quantity, and totals.

 - 2.3 "RFQ" means the official RFQ published by the Purchasing Division and identified as CRFQ_LOT1500000005.

3. **GENERAL REQUIREMENTS:**
 - 3.1 **Desired Items and Mandatory Requirements:** Vendor shall provide Agency with the Desired Items listed below on an open-end and continuing basis. Desired Items must meet or exceed the mandatory requirements as shown below.

3.1.1 BACKGROUND AND GENERAL REQUIREMENT:

House Bill 102 was enacted in April 2001. Included in the Bill was the establishment of new Article 29-22B which is known as the Limited Video Lottery Act. The Act provided for up to 9,000 Limited Video Lottery (LVL) terminals to be placed in limited licensed retailer areas restricted for adult amusement.

In addition to licensing persons and activities, the Act provides for two kinds of permits. A limited video lottery "permit" is a document that allows the holder to purchase a specified number of video lottery terminals for use in licensed retail locations. Both retailers and operators may be permit holders.

Licensed "operators" (sometimes called "distributors" or "route operators" in other gaming states) are able to own up to 675 video lottery terminals through the permit process. These operators enter into contracts with bars and fraternal clubs for the placement and operation of the video lottery terminals and are liable for the net gaming revenue generated by their video lottery terminals and owed to the State Lottery Commission each month. This is the relationship that applies to most of the operating limited video lottery terminals.

The Act also allows bars and fraternal clubs to acquire permits and with them the ownership of limited video lottery terminals in their establishments. Retailers normally are limited to five video lottery terminals, but fraternal and veteran clubs may operate up to ten video lottery terminals. All Limited Video Lottery retailers have security cameras located on site for surveillance of the video lottery machines.

Credit and criminal background checks of each applicant are performed annually. Majority ownership of the retailer location must have West Virginia residency.

Permit holders are liable for their own net gaming revenue owed to the State Lottery Commission each month. The West Virginia Lottery processes sweeps of the permit holder's bank accounts for the collection of the lottery admin fee and the state share of revenue on the tenth day of each month. If the sweep returns NSF, the Lottery Commission is notified and fines are assessed. If the debt is not paid in a timely manner, the machines will be turned off.

A retailer's first NSF results in a NSF fee and interest until the sweep is collected. If a retailer NSF's a second time, they face the NSF fee and interest along with a possible 100% civil penalty at the discretion of the Lottery Commission. A third NSF in a twelve month period will result in an NSF fee, interest, up to 100% civil penalty and possible loss of LVL license at the discretion of the Lottery Commission.

In the event that the Lottery is unable to collect the debt for 3 months, the file is turned over to Ross Taylor with the State Finance Division who will utilize a third party collection agency to collect the debt. In the event the third party collection agency is unable to collect the debt, it is at the discretion of the Lottery Director to file the debt against the bond. There have not been any losses under the bond since the inception of the program.

As prescribed in LVL Rule 179-5-5.1.a., each permit holder was initially required to post a \$1,500 bond per terminal issued to each permit holder, and the permit holder paid the premium cost of such bond. LVL Rule

179-5-5.1.b. provides that the West Virginia Lottery is to acquire a blanket bond for at least \$2,000 per video lottery terminal to become effective March 1, 2006.

The West Virginia Lottery is soliciting quotes through this Request For Quotation (CRFQ) to bond its LVL permit holders under a blanket bond. Four (4) separate quotes are being solicited with only one being awarded. They are as follows:

1. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage.
2. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage. The Lottery will be responsible for the first \$10,000 of total losses.
3. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage. The Lottery will be responsible for the first \$25,000 of total losses.
4. Quote should be made on the premium cost per one thousand dollars (\$1,000) of coverage. The Lottery will be responsible for the first \$50,000 of total losses.

It is the Lottery's intention to purchase a minimum of \$2,000 of coverage for each LVL permit.

The maximum number of permits that can be held by one permit holder is 675. Therefore, the maximum exposure for any one permit holder would be \$1,350,000 (675 X \$2,000).

The requirements for a bond are statutory and all previous successful bidders have been able to provide an acceptable bond document. The successful vendor will execute a master bond containing a computerized list supplied by the Lottery, of all covered LVL permit holders indicating the number of video lottery terminals for each permit holder and a total of all video lottery terminals. This listing will serve as a basis for calculation of the premium to be paid by the Lottery from collections received from LVL permit holders. This listing will be updated on a quarterly basis to reflect all changes and/or deletions. A new master listing will be generated by the Lottery on a quarterly basis (March 1, June 1, September 1, and December 1 of each year).

Bidder must be licensed to do business in the State of West Virginia and in good standing with the Insurance Commissioner's Office in West Virginia.

The Bidder must be a Best's "A+" or "A" rated insurance company and must maintain that rating throughout the term of the contract.

Each bidder's quote should include:

1. The names, address, telephone number, and contact person for the bidder.
2. The names, addresses and telephone numbers of three current or past client references who the Lottery may contact.
3. Letter of good standing from the Office of the State Insurance Commissioner of the State of domicile.
4. Copy of the Best Trend Report for the current year.

This contract becomes effective on July 1, 2015, and extends for a period of one (1) year or until such "reasonable time" thereafter as is necessary to obtain a new contract or renew the original contract. The "reasonable time" period shall not exceed twelve (12) months. The contract may be renewed upon the mutual written consent of the spending unit and vendor, submitted to the Director of Purchasing thirty (30) days prior to the expiration date. Such renewal shall be in accordance with the terms and conditions of the original contract and shall be limited to two (2) one (1) year periods.

4. CONTRACT AWARD:

- 4.1 **Contract Award:** The Contract is intended to provide Agencies with a purchase price on all Desired Items. The Contract shall be awarded to the Vendor that provides the Desired Items meeting the required specifications for the lowest overall total cost as shown on the Pricing Section.
- 4.2 **Pricing Section:** Vendor should complete the Pricing Section by filling in the dollar value of each commodity line item. Vendor should complete the Pricing Section in their entirety as failure to do so may result in Vendor's bids being disqualified.

Notwithstanding the foregoing, the Purchasing Division may correct errors at its discretion. Vendor should type or electronically enter the information into the Pricing Section to prevent errors in the evaluation.

5. ORDERING AND PAYMENT:

- 5.1 **Ordering:** Vendor shall accept orders by regular mail, facsimile, e-mail, or any other written forms of communication. Vendor may, but is not required to, accept on-line orders through a secure internet ordering portal/website. If Vendor has the ability to accept on-line orders, it should include in its response a brief description of how Agencies may utilize the on-line ordering system. Any on-line ordering

system must have the capability to restrict prices and available items to conform to the schedule of prices originally submitted with this RFQ. Vendor shall ensure that its on-line ordering system is properly secured prior to processing Agency orders on-line.

- 5.2 **Payment:** Vendor shall accept payment in accordance with the payment procedures of the State of West Virginia. Methods of acceptable payment must include the West Virginia Purchasing Card. Payment in advance is not permitted under this Contract.

6. DELIVERY AND RETURN:

- 6.1 **Delivery Time:** Vendor shall deliver standard orders upon immediately. Vendor shall deliver emergency orders upon request. Vendor shall ship all orders in accordance with the above schedule and shall not hold orders until a minimum delivery quantity is met.
- 6.2 **Late Delivery:** The Agency placing the order under this Contract must be notified in writing if orders will be delayed for any reason. Any delay in delivery that could cause harm to an Agency will be grounds for cancellation of the delayed order, and/or obtaining the items ordered from a third party.

Any Agency seeking to obtain items from a third party under this provision must first obtain approval of the Purchasing Division.

- 6.3 **Delivery Payment/Risk of Loss:** Standard order delivery shall be F.O.B. destination to the Agency's location. Vendor shall include the cost of standard order delivery charges in its bid pricing/discount and is not permitted to charge the Agency separately for such delivery. The Agency will pay delivery charges on all emergency orders provided that Vendor invoices those delivery costs as a separate charge with the original freight bill attached to the invoice.
- 6.4 **Return of Unacceptable Items:** If the Agency deems the Desired Items to be unacceptable, the Desired Items shall be returned to Vendor at Vendor's expense and with no restocking charge. Vendor shall either make arrangements for the return within five (5) days of being notified that items are unacceptable, or permit the Agency to arrange for the return and reimburse Agency for delivery expenses. If the original packaging cannot be utilized for the return, Vendor will supply the Agency with appropriate return packaging upon request. All returns of unacceptable items shall be F.O.B. the Agency's location. The returned product shall either be replaced, or the Agency shall receive a full credit or refund for the purchase price, at the Agency's discretion.

- 6.5 **Return Due to Agency Error:** Items ordered in error by the Agency will be returned for credit within 30 days of receipt, F.O.B. Vendor's location. Vendor shall not charge a restocking fee if returned products are in a resalable condition. Items shall be deemed to be in a resalable condition if they are unused and in the original packaging. Any restocking fee for items not in a resalable condition shall be the lower of the Vendor's customary restocking fee or 5% of the total invoiced value of the returned items.

7. MISCELLANIOUS:

- 7.1 **Reports:** Vendor shall provide quarterly reports and annual summaries to the Agency showing the Agency's items purchased, quantities of items purchased, and total dollar value of the items purchased. Vendor shall also provide reports, upon request, showing the items purchased during the term of this Contract, the quantity purchased for each of those items, and the total value of purchases for each of those items. Failure to supply such reports may be grounds for cancellation of this Contract.
- 7.2 **Contract Manager:** During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract.

Contract Manager: Margot N. O'Dell
Vendor's Address: 136 S Stygler Rd
Gahanna, OH 43230
Telephone Number: 614 475 4786
Fax Number: 614 475 7154
Email Address: margotodell@odell-insurance.com

CERTIFICATION AND SIGNATURE PAGE

By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

Margot N. O'Dell Insurance Agency, Inc

(Company)

Margot N. O'Dell Margot N. O'Dell President

(Authorized Signature) (Representative Name, Title)

614-475-4786 614-475-7154 March 06,2015

(Phone Number) (Fax Number) (Date)

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: CRFQ_LOT150000005

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:
(Check the box next to each addendum received)

- | | | | |
|-------------------------------------|----------------|--------------------------|-----------------|
| <input checked="" type="checkbox"/> | Addendum No. 1 | <input type="checkbox"/> | Addendum No. 6 |
| <input checked="" type="checkbox"/> | Addendum No. 2 | <input type="checkbox"/> | Addendum No. 7 |
| <input type="checkbox"/> | Addendum No. 3 | <input type="checkbox"/> | Addendum No. 8 |
| <input type="checkbox"/> | Addendum No. 4 | <input type="checkbox"/> | Addendum No. 9 |
| <input type="checkbox"/> | Addendum No. 5 | <input type="checkbox"/> | Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Margot N. O'Dell Insurance Agency Inc

Company
Margot N. O'Dell
Authorized Signature

03/06/2015

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: LOT1500000005

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

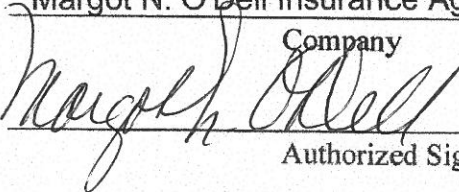
Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input checked="" type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Margot N. O'Dell Insurance Agency, Inc

 Company


 Authorized Signature

 03/06/2015

 Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.
Revised 6/8/2012

CRFQ lot1500000005 Blanket Bonding of Permit Holders

1- Contact Person : Margot N. O'Dell 136 S Stygler Rd Gahanna, OH 43230 Phone 614-475-4786

2 - References Lottery May contact

Louis Schirack
Chief Financial Officer
Flickers USA LLC
228 Byers Rd, Suite 100
Miamisburg, Ohio 45342
(937) 865-9242

Jim Bonnette
Supervisor
Ohio Lottery Commission
615 W Superior
Cleveland, Ohio 44113
(216) 774-5600

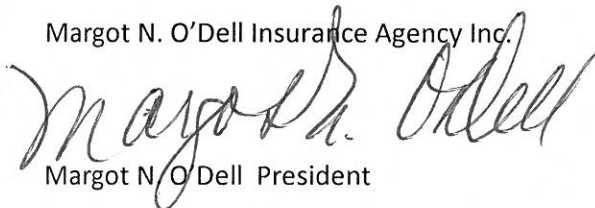
Dergham Ridi
Owner
Stop and Go
5131 W Alexis
Sylvania, Ohio 43560
(419) 320-4250

3-Letters of Good Standing Attached.

4-Best Report Endurance American Insurance Company A Size Category XV

Signed

Margot N. O'Dell Insurance Agency Inc.



Margot N. O'Dell President

012559 - Endurance Reinsurance Corporation of America

Report Revision Date: 05/06/2014

Rating and Commentary ¹	Financial ²	General Information ³
Best's Credit Rating: 05/06/2014 Rating Rationale: 05/06/2014 Report Commentary: 04/10/2013	Time Period: Annual - 2013 Last Updated: 05/01/2014 Status: Quality Cross Checked	Corporate Structure: N/A States Licensed: 06/15/2010 Officers and Directors: 03/17/2014
Best's Credit Rating Methodology	Disclaimer	Best's Rating Guide

Additional Online Resources

Related News	Archived AMB Credit Reports
Rating Activity and Announcements	Corporate Changes & Retirements
Company Overview	AMB Country Risk Reports - United States

¹ The **Rating and Commentary** dates outline the most recent updates to the company's Best's Credit Rating, Rating Rationale, and Report Commentary for key rating and business changes. Report Commentary may include significant changes to the Business Profile, Risk Management, Operating Performance, Balance Sheet Strength, or Reinsurance sections of the report.

² The **Financial** dates reflect the current status of the financial tables and charts found within the AMB Credit Report, including whether the data was loaded "As Received" or had been run through A.M. Best "Quality Cross Checks".

³ The **General Information** dates cover key changes made to Corporate Structure, States Licensed, or Officers and Directors.

Ultimate Parent: Endurance Specialty Holdings Ltd.

Endurance Reinsurance Corporation of America

Wilmington, Delaware, United States 19801
Exec. Office: 333 Westchester Avenue, White Plains, New York, United States 10604

Tel.: 914-468-8000

Web: www.endurance.bm

Fax: 914-997-0331

AMB #: 012559

Ultimate Parent: 051103

NAIC #: 11551

FEIN#: 35-2293075

Best's Credit Ratings

Best's Financial Strength Rating: A

Outlook: Stable

Best's Issuer Credit Rating: a

Outlook: Stable

Rating Effective Date: 05/06/2014

Financial Size Category: XV

Report Revision Date: 05/06/2014

Rating Rationale

Rating Rationale: The ratings of Endurance Specialty Insurance Ltd have been extended to Endurance Reinsurance Corporation of America based on its strategic importance to the group as well as implicit and explicit support provided to this entity.

The following text is derived from A.M. Best's Credit Report on Endurance Specialty Insurance Ltd. (AMB# 084835).

The ratings apply to Endurance Specialty and its operating subsidiaries (collectively, "Endurance") and include Endurance American Insurance Company, Endurance American Specialty Insurance Company, Endurance Reinsurance Corporation of America, Endurance Risk Solutions Assurance Co., Endurance Worldwide Insurance Limited, and American Agri-Business Insurance Company.

The ratings reflect Endurance's strong level of risk-adjusted capitalization, specialty focused, diversified business profile, relatively solid operating performance, experienced management team and its solid enterprise risk management (ERM) program. Endurance continues to execute its strategy of providing specialty insurance and reinsurance, while the management team works towards transforming the company by increasing its scale and market presence. However, there continues to be market challenges that will need to be overcome, as casualty rates remain soft, capacity is abundant, investment yields are low and global economic uncertainty remains part of the landscape. While the market environment remains competitive, Endurance continues to adhere to its underwriting standards and declines business that does not meet its underwriting criteria.

Endurance has built a solid enterprise risk management framework that has evolved with the company and allows the entire organization to absorb significant losses. Nonetheless, operating performance can help drive balance sheet strength or erode it, as such, A.M. Best will continue to monitor Endurance concerning that aspect as part of its overall analysis.

Factors that could lead to rating upgrades and/or a positive outlook include Endurance maintaining strong risk-adjusted capital levels and the continuation of consistently strong operating profitability relative to its peer group. Factors that could lead to rating downgrades and/or a negative outlook include outsized catastrophe and/or investment losses relative to its peer group, unfavorable operating profitability trends and a significant decline in risk-adjusted capital that would not be supportive of the current rating level.

Five Year Rating History

Date	BEST'S	
	FSR	ICR
05/06/2014	A	a
04/10/2013	A	a
03/05/2012	A	a
02/25/2011	A	a
12/21/2009	A	a

[View 25 Year Rating History](#)

Key Financial Indicators

Period Ending	Statutory Data (\$000)					
	Premiums Written		Pre-tax Operating Income	Net Income	Total Admitted Assets	Policyholders' Surplus
	Direct	Net				
2013	8,690	263,240	28,090	28,443	1,489,694	629,049
2012	5,692	239,823	-37,823	-19,903	1,466,574	587,417
2011	4,371	335,143	-42,796	-24,276	1,779,226	598,375
2010	-2,504	317,483	49,169	40,532	1,649,597	628,344
2009	27,078	352,742	30,502	22,363	1,850,776	608,017

Period Ending	Profitability			Leverage			Liquidity	
	Combined Ratio	Investment Yield (%)	Pre-Tax ROR (%)	Non-Affiliated Investment Leverage	NPW to PHS	Net Leverage	Overall Liquidity (%)	Operating Cash-flow (%)
2013	92.6	1.4	11.4	0.1	0.4	1.8	173.1	102.3
2012	123.9	1.8	-15.8	0.3	0.4	1.9	166.9	108.6
2011	121.2	2.4	-12.5	0.2	0.6	2.5	150.7	104.0
2010	91.5	2.5	16.1	1.2	0.5	2.1	161.6	110.1
2009	103.5	3.3	8.0	...	0.6	2.6	149.0	109.9
5-Yr Avg	106.7	2.3	1.8	...	...	...	...	...

(*) Within several financial tables of this report, this company is compared against the Reinsurance Composite.

(*) Data reflected within all tables of this report has been compiled from the company-filed statutory statement.

Business Profile

The following text is derived from A.M. Best's Credit Report on Endurance Specialty Insurance Ltd. (AMB# 084835).

Endurance Specialty Insurance Ltd. (Endurance) is the lead operating company of Endurance Specialty Holdings Ltd. Along with affiliated companies in the United States and United Kingdom, as well as branch offices in Switzerland and Singapore, Endurance writes specialty lines of property and casualty insurance and reinsurance on a global basis, and seeks to create a diversified portfolio of specialty lines of business that have limited correlation with one another. The company's portfolio of specialty lines of business is organized into two business segments, Insurance and Reinsurance.

In the Insurance business segment, the company writes agriculture, casualty and other specialty professional lines and property line of insurance. In the Reinsurance business segment, the company writes catastrophe, property, casualty and other specialty lines of reinsurance.

The Endurance business strategy is based on several elements. The company utilizes a monoline level expertise in each line of business. Endurance has formed teams of highly experienced professionals that manage each specific line of business. Each team is led by a senior executive that is supported by highly experienced and specialized underwriting personnel. Extensive technical analysis is used to manage the portfolio of risks. Catastrophe modeling and dynamic financial analysis techniques provide a quantitative basis for management to analyze risk aggregation and correlation. Endurance requires a significant amount of data in the underwriting and modeling process, and all major accounts are underwritten with a dedicated actuarial staff. The company avoids writing business for which it believes insufficient underwriting data is available. An efficient expense structure is also maintained, allowing for more profitable results and easier deployment of resources to more attractive lines of business. Several factors contribute to the low cost environment, including utilization of variable cost brokerage distribution; a Bermuda presence that targets large insurance and reinsurance programs; an emphasis on high severity, low frequency lines, which require small underwriting teams; and a centralized risk management structure, which limits redundant expenses and systems. Endurance also proactively manages its capital by allocating resources to underwriting opportunities that offer the highest risk-adjusted return on capital.

In April 2002, Endurance Worldwide Insurance Limited (EWIL) was formed in the United Kingdom. EWIL is authorized to write certain lines of reinsurance in the UK. Headquartered in London, EWIL is also authorized to underwrite business in the European Union. In September 2002, Endurance Reinsurance Corporation of America (ERCA) was formed. Licensed in the state of Delaware, ERCA conducts business as a property and casualty working layer reinsurer. The ERCA operating platform provides access to classes of reinsurance business and clients that would not otherwise be effectively accessible from Bermuda. ERCA focuses on business that requires a higher degree of client contact in underwriting, claims, actuarial and accounting reviews. All of the onshore Endurance affiliates are reinsured by Endurance through combinations of quota share, stop loss and excess of loss agreements.

In May 2002, the company purchased the renewal rights to LaSalle Re's property catastrophe business. The transaction was structured as a quota share retrocession agreement and did not include the historical reinsurance liabilities of LaSalle Re. The acquisition of the LaSalle Re book of business was complementary to the company's existing book of business. In May 2003, Endurance purchased the renewal rights to the Hartford Re book of business. This acquisition also did not include any historical liabilities. The acquisition of the Hartford Re book expanded the U.S. Endurance platform into working layer business. In September 2004, Endurance announced the acquisition of the renewal rights to XL Re's surety book and the hiring of Converium's agribusiness underwriting team, which specializes in traditional reinsurance for crops and livestock.

During 2005, Endurance Specialty Holdings Ltd. through ERCA acquired the Traders & Pacific Insurance Company, which was subsequently renamed Endurance American Specialty Insurance Company (EASIC). EASIC is focused on four lines of business: primary casualty, umbrella & excess, working property catastrophe and all risk property for Fortune 1000 clients through the broker market on an excess and surplus lines basis.

In June 2006, Endurance Specialty Holdings Ltd. through ERCA acquired Core Insurance Company and renamed it Endurance American Insurance Company (EAIC). EAIC writes casualty business on an admitted basis through wholesale brokers throughout the United States.

In June 2007, Endurance Specialty Holdings Ltd. through ERCA acquired American Merchants Casualty Company (subsequently renamed to Endurance Risk Solutions Assurance Co.). The company writes standard and non-standard lines of business on an admitted basis focusing initially on commercial general liability, including umbrella, commercial and miscellaneous property, personal injury liability, inland marine, directors and officers liability and employment practices liability.

In the fourth quarter of 2007, Endurance Specialty Holdings Ltd. acquired ARMtech Insurance Services, Inc. (ARMtech) and its affiliates. This acquisition effectively moved Endurance from the role of reinsurer to a primary writer of crop insurance and other related lines of business. An affiliate of ARMtech, American Agri-Business Insurance Company holds the Standard Reinsurance Agreement with the Federal Crop Insurance Corporation (FCIC). ARMtech offers traditional multi-peril crop

Business Profile (Continued ...)

insurance (MPCI), crop hail, livestock risk protection and other agriculture risk management products through its independent agency network.

Scope of Operations

Total Premium Composition & Growth Analysis

Period Ending	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Net Premiums Earned	
	(\$000)	(%Chg)	(\$000)	(%Chg)	(\$000)	(%Chg)	(\$000)	(%Chg)	(\$000)	(%Chg)
2013	8,690	52.7	531,720	9.1	277,170	9.5	263,240	9.8	246,252	2.8
2012	5,692	30.2	487,201	-30.1	253,071	-31.0	239,823	-28.4	239,563	-30.0
2011	4,371	274.5	697,409	5.9	366,637	8.2	335,143	5.6	342,107	11.8
2010	-2,504	-99.9	658,711	-15.3	338,724	-25.1	317,483	-10.0	306,090	-19.4
2009	27,078	-88.4	777,888	-0.8	452,224	-20.9	352,742	-20.8	379,832	-17.2
5-Yr CAGR	XX	-48.2	XX	-7.5	XX	-13.5	XX	-10.0	XX	-11.7

Territory

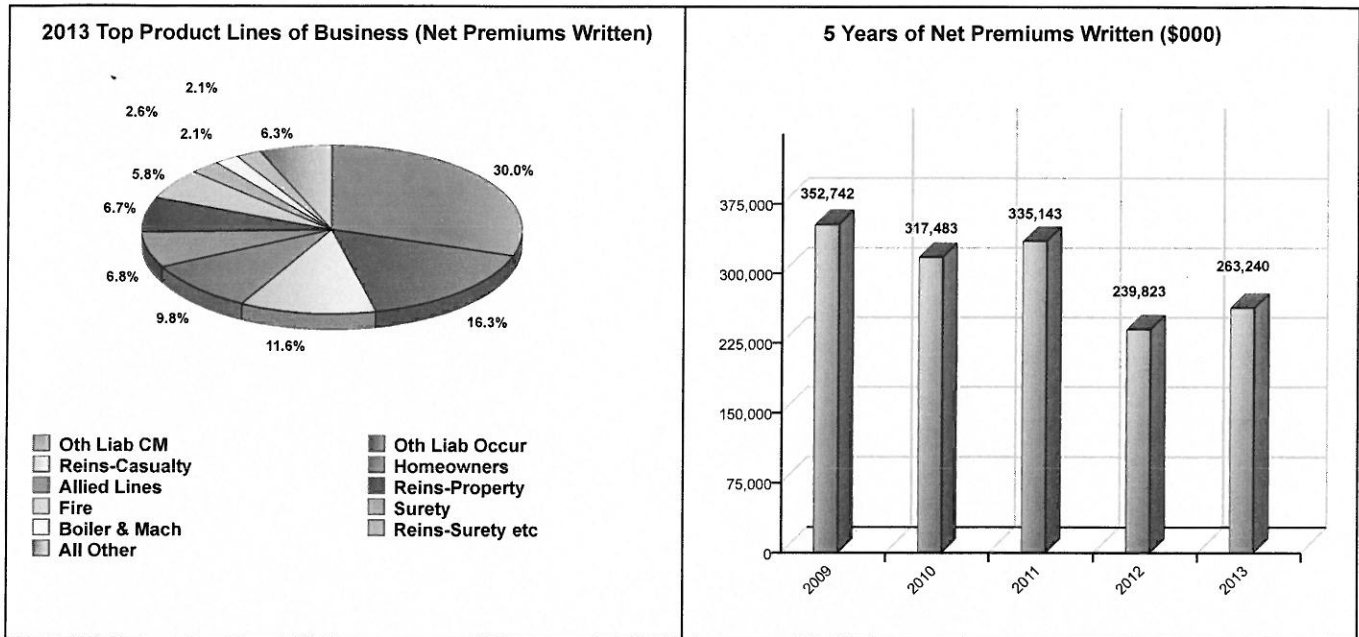
The company is licensed in the District of Columbia, Puerto Rico, AL, AK, AZ, AR, CA, CO, CT, DE, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV and WY. Credit is allowed for reinsurance as a licensed reinsurer in Florida, New Hampshire and Wisconsin.

Business Trends

2013 By-Line Business (\$000)

Product Line	Direct Premiums Written		Reinsurance Premiums Assumed		Reinsurance Premiums Ceded		Net Premiums Written		Business Retention (%)
	(\$000)	(%)	(\$000)	(%)	(\$000)	(%)	(\$000)	(%)	
Oth Liab CM	...	...	158,582	29.8	79,734	28.8	78,848	30.0	49.7
Oth Liab Occur	...	...	86,465	16.3	43,650	15.7	42,815	16.3	49.5
Reins-Casualty	...	...	62,201	11.7	31,561	11.4	30,640	11.6	49.3
Homeowners	...	...	52,053	9.8	26,370	9.5	25,683	9.8	49.3
Allied Lines	804	9.3	36,916	6.9	19,724	7.1	17,997	6.8	47.6
Reins-Property	...	...	37,358	7.0	19,718	7.1	17,640	6.7	47.2
Fire	...	...	31,326	5.9	16,052	5.8	15,274	5.8	48.8
Surety	7,855	90.4	10,240	1.9	11,360	4.1	6,735	2.6	37.2
Boiler & Mach	...	...	11,468	2.2	5,881	2.1	5,586	2.1	48.7
Reins-Surety etc	...	...	11,016	2.1	5,589	2.0	5,426	2.1	49.3
All Other	30	0.3	34,095	6.4	17,529	6.3	16,596	6.3	48.6
Total	8,690	100.0	531,720	100.0	277,170	100.0	263,240	100.0	48.7

Business Trends (Continued ...)



By-Line Reserve (\$000)

Product Line	2013	2012	2011	2010	2009
Oth Liab CM	77,577	71,156	59,284	43,849	24,825
Oth Liab Occur	98,741	89,686	90,149	65,437	55,692
Reins-Casualty	132,723	141,856	147,613	151,032	148,750
Homeowners	9,237	8,529	7,768	3,760	3,359
Allied Lines	20,363	39,754	33,792	59,712	78,315
Reins-Property	25,135	34,712	33,785	35,691	39,466
Fire	21,615	35,575	24,861	18,720	18,511
Surety	16,031	17,615	14,626	17,934	17,150
Boiler & Mach	6,123	11,405	6,933	4,177	3,738
Reins-Surety etc	14,655	14,897	18,151	18,807	21,006
All Other	102,370	107,977	121,013	129,300	165,822
Total	524,569	573,162	557,975	548,419	576,634

Market Share / Market Presence

Market Share / Market Presence (Continued ...)**Geographical Breakdown By Direct Premium Writings (\$000)**

	2013	2012	2011	2010	2009
Puerto Rico	4,059	950	151	-13	-80
Illinois	3,952	2,335	1,197	167	...
California	514	207	960	-2,667	26,099
Colorado	253	236	973	...	...
Wyoming	157	100	177	...	...
North Carolina	145	...	...	...	...
Texas	134	77	222	...	...
Maryland	107	...	...	...	...
Virginia	93	112	3	...	...
Oregon	88	300	359	...	...
All Other	-812	1,375	327	9	1,058
Total	8,690	5,692	4,371	-2,504	27,078

Risk Management

The following text is derived from A.M. Best's Credit Report on Endurance Specialty Insurance Ltd. (AMB# 084835).

Endurance has strived to create a strong risk management culture with the idea in mind that risk management not only helps mitigate downside losses but that risk management serves as a useful tool in maximizing risk-adjusted returns on capital. Endurance's risk management techniques include sophisticated modeling technology and a detailed internal control structure and the company seeks to gain a competitive advantage in managing its underwriting, investment and operational risks across the enterprise. Endurance employs a number of practices and committees at both the board of directors and management levels that foster communication and enhance the coordination of risk management strategies to identify current issues and emerging risks.

Operating Performance

The following text is derived from A.M. Best's Credit Report on Endurance Specialty Insurance Ltd. (AMB# 084835).

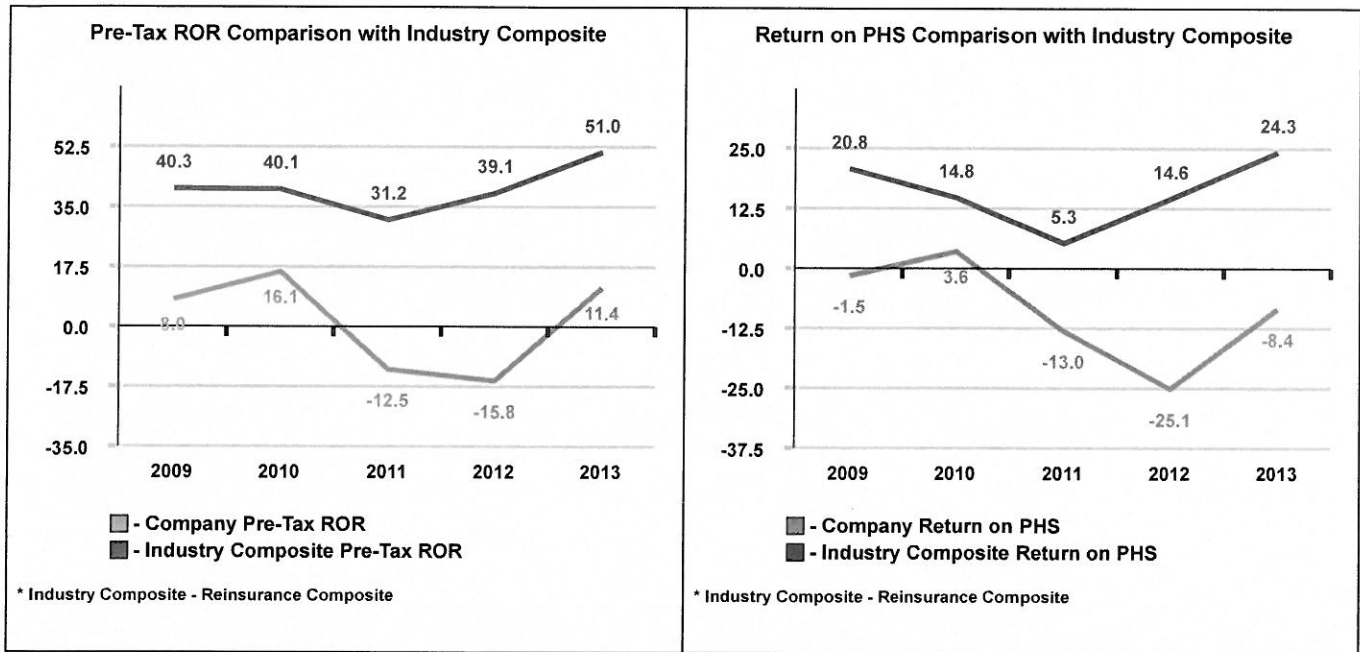
Operating Results: Endurance has produced positive underwriting results over the recent five-year period with the exception of 2011 and 2012. With numerous significant global catastrophes in 2011, including the Japanese and New Zealand earthquakes and flooding in Thailand, it was a challenging year for the reinsurance industry. While Endurance did report an underwriting loss, the losses from global catastrophes were well within expectations. In 2012 a drought in the U.S. led to sizeable crop losses for the insurance industry and that impacted Endurance's results being that agricultural business makes up roughly 30% of the company's premium volume. Historically, crop has been a profitable line of business for Endurance and agriculture insurance is attractive in that its pricing is not tied to the property/casualty pricing cycle and that non-correlation can serve to balance underwriting results. Losses in 2011 and 2012 were manageable for Endurance and well within expectations given the company's risk profile, although they do represent a drag on long-term results. Still, Endurance's ability to handle these losses is a testament to the work the company has done in terms of enterprise risk management. Endurance has enhanced the company's enterprise risk management capabilities to stabilize the company's operating performance and reduce the impact from shock events.

Total returns from investments declined dramatically during 2008 driven by sizable unrealized losses on the company's fixed income portfolio as well as other than temporary impairments on the preferred equity and alternative investment portfolios due to the effects of the global economic turmoil in the third and fourth quarters of the year. Given the current low interest rate environment, A.M. Best expects increased pressure to be placed on underwriting and compression in overall profitability for (re)insurance companies.

Profitability Analysis

Period Ending	Company							Industry Composite		
	Pre-tax Operating Income	After-tax Operating Income	Net Income	Total Return	Pre-Tax ROR	Return on PHS	Operating Ratio	Pre-Tax ROR	Return on PHS	Operating Ratio
2013	28,090	27,445	28,443	-51,308	11.4	-8.4	85.9	51.0	24.3	45.7
2012	-37,823	-29,596	-19,903	-148,982	-15.8	-25.1	115.3	39.1	14.6	58.1
2011	-42,796	-26,656	-24,276	-79,966	-12.5	-13.0	113.4	31.2	5.3	69.4
2010	49,169	33,566	40,532	22,171	16.1	3.6	82.9	40.1	14.8	59.6
2009	30,502	27,142	22,363	-9,150	8.0	-1.5	94.2	40.3	20.8	58.7
5-Yr Avg/Tot	27,141	31,902	47,158	-267,234	1.8	-8.8	98.4	40.5	16.0	58.1

Operating Performance (Continued ...)



Underwriting Results

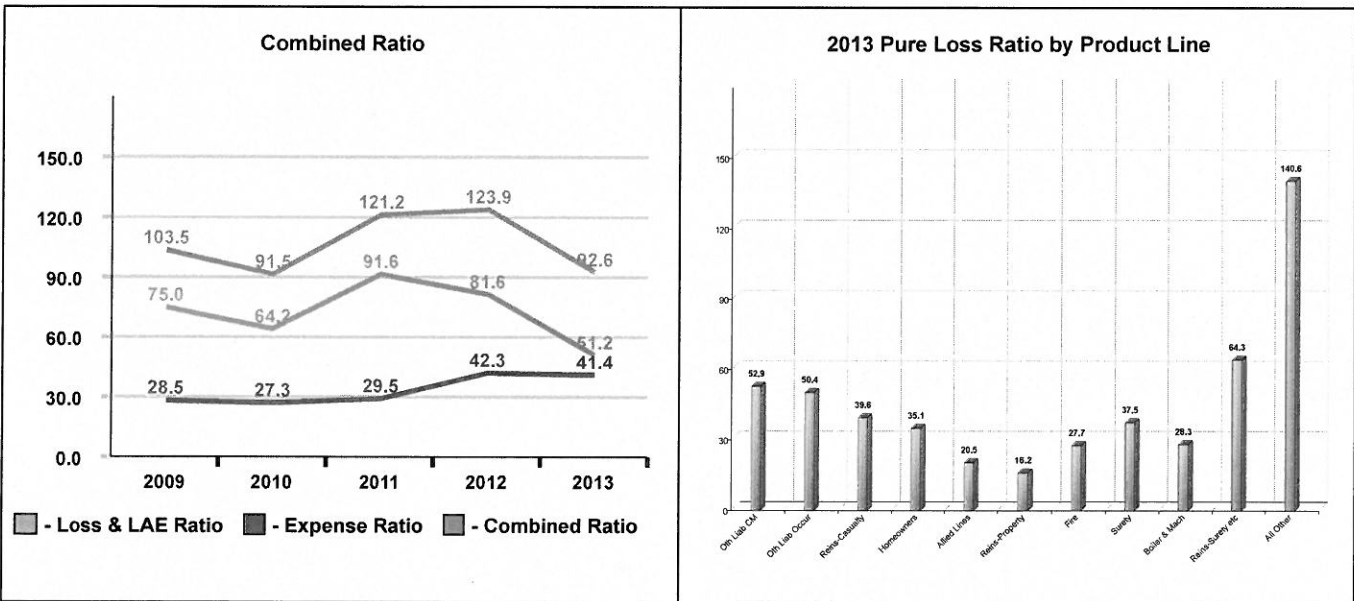
Underwriting Experience

Year	Company								Industry Composite	
	Net Undrw Income (\$000)	Loss Ratios			Expense Ratios			Div. Pol.	Comb. Ratio	Comb. Ratio
		Pure Loss	LAE	Loss & LAE	Net Comm	Other Exp.	Total Exp.			
2013	11,231	46.4	4.8	51.2	26.8	14.5	41.4	...	92.6	83.9
2012	-57,414	72.1	9.5	81.6	26.8	15.6	42.3	...	123.9	94.0
2011	-70,319	84.7	6.9	91.6	15.6	13.9	29.5	...	121.2	109.2
2010	22,772	57.0	7.2	64.2	13.2	14.1	27.3	...	91.5	94.1
2009	-5,653	69.8	5.3	75.0	13.0	15.5	28.5	...	103.5	92.8
5-Yr Avg	-99,384	67.1	6.6	73.8	18.2	14.7	32.9	...	106.7	94.6

Underwriting Results (Continued ...)

Loss Ratio By Line

Product Line	2013	2012	2011	2010	2009	5-Yr. Avg.
Oth Liab CM	52.9	77.4	68.3	57.8	63.0	62.9
Oth Liab Occur	50.4	37.5	115.9	77.0	83.7	67.9
Reins-Casualty	39.6	64.6	56.0	61.8	49.3	54.0
Homeowners	35.1	58.7	99.5	43.8	56.6	55.2
Allied Lines	20.5	99.1	85.8	60.9	74.5	73.2
Reins-Property	16.2	64.4	55.2	33.8	14.0	36.5
Fire	27.7	95.8	88.2	43.5	40.0	59.2
Surety	37.5	61.6	6.5	38.2	26.5	33.1
Boiler & Mach	28.3	98.9	86.5	41.2	39.7	59.0
Reins-Surety etc	64.3	-18.5	23.3	-3.9	94.0	38.9
All Other	140.6	83.7	190.4	181.3	134.4	130.9
Total	46.4	72.1	84.7	57.0	69.8	67.1



Underwriting Results (Continued ...)

Direct Loss Ratios By State

	2013	2012	2011	2010	2009	5-Yr. Avg.
Puerto Rico	20.5	10.0	368.8	-99.9	...	42.4
Illinois	42.4	50.0	27.9	...	...	42.6
California	999.9	999.9	999.9	-99.9	88.8	135.9
Colorado	650.9	999.9	...	...	...	542.6
Wyoming	422.0	999.9	...	...	...	444.5
North Carolina	38.8	...	...	...	...	38.8
Texas	245.5	511.9	-52.4	...	...	71.5
Maryland	37.9	...	...	...	...	37.9
Virginia	29.5	55.6	15.2	...	...	34.0
Oregon	534.7	502.6	5.8	...	...	276.4
All Other	401.9	655.0	999.9	999.9	69.8	983.7
Total	299.9	509.5	999.9	-99.9	88.3	148.2

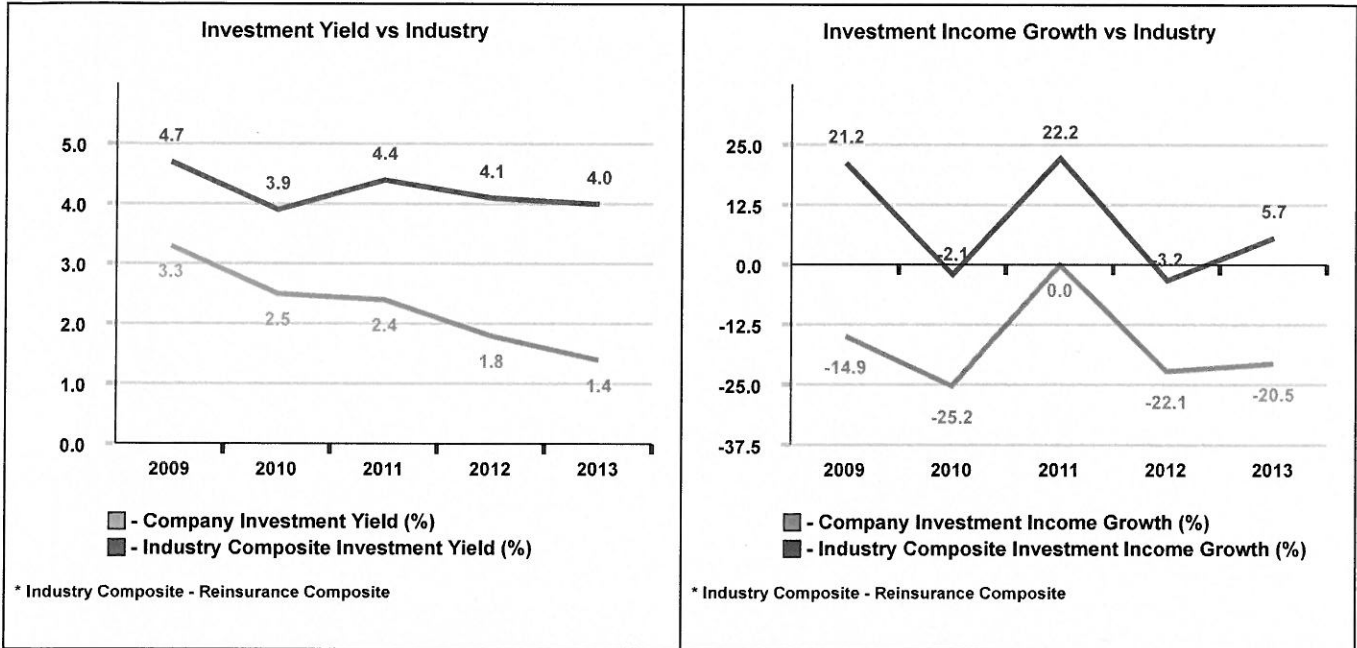
Investment Results

Investment Results: Net investment income returns remain in line with the overall industry. The investment portfolio is managed internally as well as by outside firms, principally Black Rock Inc. and Goldman Sachs Asset Management, and consists primarily of high quality fixed maturity securities. The company's investment strategy is designed to emphasize preservation of invested assets and provide sufficient liquidity for prompt payment of claims. Duration of the portfolio is relatively short, less than three years. Endurance also has a modest investment in a portfolio of alternative funds that invest largely in senior secured distressed debt, derivatives, equity long and short, senior secured bank debt and high yield securities. The allocation to alternative investments is targeted at less than 10%.

Investment Gains (\$000)

Year	Company						Industry Composite		
	Net Investment Income (\$000)	Realized Capital Gains (\$000)	Unrealized Capital Gains (\$000)	Investment Income Growth (%)	Investment Yield (%)	Return on Invested Assets (%)	Total Return (%)	Investment Income Growth (%)	Investment Yield (%)
2013	16,349	998	-79,751	-20.5	1.4	1.5	-5.2	5.7	4.0
2012	20,568	9,692	-129,079	-22.1	1.8	2.7	-8.4	-3.2	4.1
2011	26,404	2,380	-55,689	...	2.4	2.7	-2.4	22.2	4.4
2010	26,405	6,966	-18,361	-25.2	2.5	3.1	1.4	-2.1	3.9
2009	35,301	-4,779	-31,513	-14.9	3.3	2.9	-0.1	21.2	4.7
5-Yr Avg/Tot	125,028	15,256	-314,393	-16.7	2.3	2.6	-3.1	7.7	4.2

Investment Results (Continued ...)



Balance Sheet Strength

Capitalization

The following text is derived from A.M. Best's Credit Report on Endurance Specialty Insurance Ltd. (AMB# 084835).

Capitalization: Endurance maintains a strong level of risk-adjusted capitalization for its current ratings as measured by the Best's Capital Adequacy Ratio (BCAR). The company maintains a diverse capital base, and Endurance has periodically accessed the capital markets for debt and equity. Endurance last accessed the capital markets in May 2011 when the company issued \$230 million of preferred securities. Collectively, having access to the capital markets and maintaining financial flexibility is considered a positive rating attribute.

Net underwriting leverage remains relatively low and is expected to remain at this level over the near term given the soft underwriting environment. The company views cycle management as prudent in order to preserve its capital base over the long term.

Due to its general policy of "net" underwriting, the company has historically purchased minimal reinsurance to protect its capital base. However, reinsurance is purchased on an opportunistic basis to protect against certain identified catastrophes. The ARMtech business utilizes a higher degree of reinsurance relative to Endurance's other lines of business due to the unique nature of the crop business, which is substantially reinsured through the FCIC, an agency of the U.S. Department of Agriculture.

Capital Generation Analysis (\$000)

Year	Source of Surplus Growth							
	Pre-tax Operating Income	Realized Capital Gains	Income Taxes	Unrealized Capital Gains	Net Contributed Capital	Other Changes	Change in PHS	% Change in PHS
2013	28,090	998	644	-79,751	100,000	-7,061	41,631	7.1
2012	-37,823	9,692	-8,228	-129,079	150,000	-11,975	-10,957	-1.8
2011	-42,796	2,380	-16,140	-55,689	55,000	-5,004	-29,970	-4.8
2010	49,169	6,966	15,603	-18,361	...	-1,844	20,327	3.3
2009	30,502	-4,779	3,360	-31,513	...	24,358	15,208	2.6
5-Yr Total	27,141	15,256	-4,761	-314,393	305,000	-1,526	36,240	1.2

Quality of Surplus (\$000)

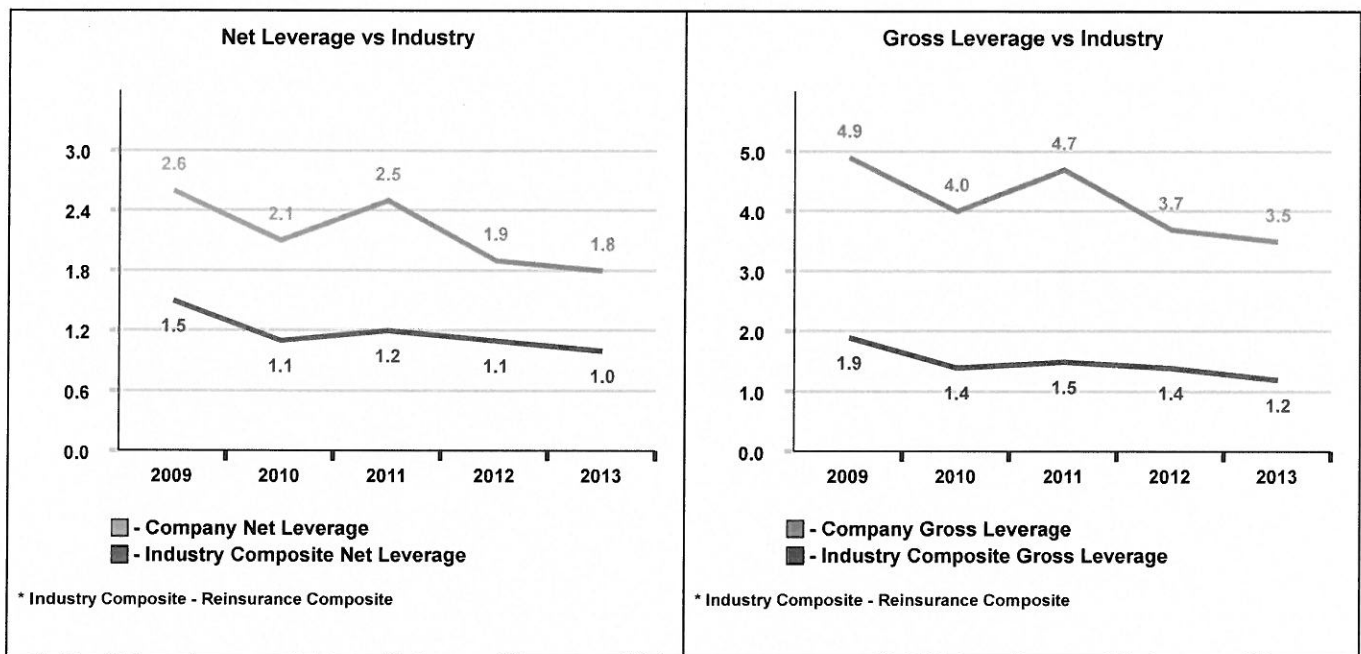
Year	Surplus Notes	Other Debt	Contributed Capital	Unassigned Surplus	Year End Policyholders Surplus	Conditional Reserves	Adjusted Policyholders Surplus
2013	1,019,734	-390,685	629,049	132	629,181
2012	919,734	-332,317	587,417	183	587,600
2011	779,375	-181,000	598,375	218	598,593
2010	728,479	-100,135	628,344	209	628,553
2009	726,798	-118,781	608,017	257	608,274

Underwriting Leverage

Underwriting Leverage (Continued ...)

Leverage Analysis

Year	Company				Industry Composite			
	NPW to PHS	Reserves to PHS	Net Leverage	Gross Leverage	NPW to PHS	Reserves to PHS	Net Leverage	Gross Leverage
2013	0.4	0.8	1.8	3.5	0.2	0.4	1.0	1.2
2012	0.4	1.0	1.9	3.7	0.2	0.5	1.1	1.4
2011	0.6	0.9	2.5	4.7	0.2	0.5	1.2	1.5
2010	0.5	0.9	2.1	4.0	0.2	0.5	1.1	1.4
2009	0.6	0.9	2.6	4.9	0.3	0.7	1.5	1.9



Ceded Reinsurance Analysis (\$000)

Year	Company			Industry Composite			
	Ceded Reinsurance Total	Business Retention (%)	Reinsurance Recoverables to PHS (%)	Ceded Reinsurance to PHS (%)	Business Retention (%)	Reinsurance Recoverables to PHS (%)	Ceded Reinsurance to PHS (%)
2013	1,053,039	48.7	123.3	167.4	85.8	16.7	23.1
2012	1,082,816	48.7	141.3	184.3	87.2	22.8	30.8
2011	1,282,358	74.0	153.0	214.3	87.1	25.9	34.3
2010	1,168,557	70.4	132.1	186.0	84.8	25.5	33.7
2009	1,390,033	75.1	154.2	228.6	83.7	35.4	47.2

Underwriting Leverage (Continued ...)

2013 Reinsurance Recoverables (\$000)

	Paid & Unpaid Losses	Incurred But Not Reported (IBNR) Losses	Unearned Premiums	Other Recoverables *	Total Reinsurance Recoverables
US Affiliates	...	...	...	...	...
Foreign Affiliates	232,501	343,817	176,482	...	752,800
US Insurers	12,020	7,589	1,580	-128	21,061
Other Non-Us	625	1,013	370	...	2,008
Total(ex Us Affils)	245,146	352,419	178,432	-128	775,869
Grand Total	245,146	352,419	178,432	-128	775,869

* Includes Commissions less Funds Withheld

Loss Reserves

Loss Reserves: Since inception, Endurance's prior period net loss reserve development has been consistently favorable. While there is an inherent uncertainty associated with the estimation of loss reserves, the loss reserving philosophy of management has proved to be conservative resulting in favorable prior period loss reserve development. Endurance performs ongoing reserve reviews internally, supported by a loss reserve committee made up of senior management with complementary annual external reviews. Endurance uses both proprietary and commercial models as well as historical industry claims experience for purposes of evaluating trends and providing estimates of ultimate claims costs.

Loss and ALAE Reserve Development: Calendar Year (\$000)

Calendar Year	Original Loss Reserves	Developed Reserves Thru 2013	Development to Original (%)	Development to PHS (%)	Development to NPE (%)	Unpaid Reserves @ 12/2013	Unpaid Reserves to Development (%)
2013	483,152	483,152	...	...	196.2	483,152	100.0
2012	526,221	502,845	-4.4	-4.0	209.9	362,546	72.1
2011	512,634	499,791	-2.5	-2.1	146.1	275,389	55.1
2010	506,108	485,265	-4.1	-3.3	158.5	217,876	44.9
2009	520,126	487,196	-6.3	-5.4	128.3	173,227	35.6
2008	546,999	510,543	-6.7	-6.1	111.3	136,062	26.7

Loss and ALAE Reserve Development: Accident Year (\$000)

Accident Year	Original Loss Reserves	Developed Reserves Thru 2013	Development to Original (%)	Unpaid Reserves @ 12/2013	Accident Year Loss Ratio	Accident Year Comb. Ratio
2013	120,606	120,606	...	120,606	60.8	102.2
2012	154,692	137,970	-10.8	87,157	73.6	115.9
2011	143,039	151,484	5.9	57,513	91.0	120.5
2010	156,806	141,987	-9.5	44,649	67.7	95.1
2009	176,691	169,566	-4.0	37,165	78.7	107.2
2008	237,100	235,468	-0.7	45,289	81.3	104.3

Liquidity

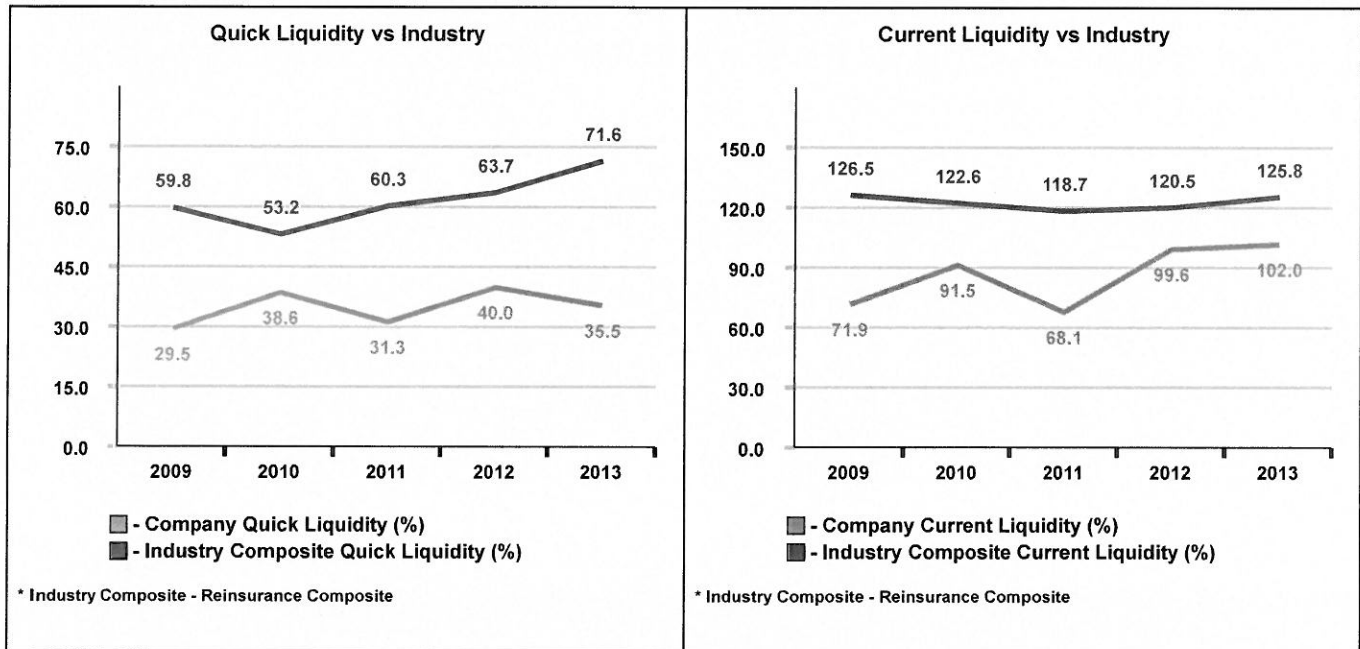
The following text is derived from A.M. Best's Credit Report on Endurance Specialty Insurance Ltd. (AMB# 084835).

Liquidity: Endurance maintains a solid liquidity position as a vast majority of invested assets are made up of cash, cash equivalents, short-term investments or fixed income securities rated A or better. Furthermore, the average duration of the fixed income portfolio is less than three years. The company follows a conservative investment strategy specifically focused on preserving the value of invested assets and providing sufficient liquidity to pay claims promptly. The fixed income portfolio is comprised primarily of high quality corporate and government bonds.

Endurance also maintains a revolving credit facility with a broad syndicate of banks.

Liquidity Analysis

Year	Company				Industry Composite			
	Quick Liquidity (%)	Current Liquidity (%)	Overall Liquidity (%)	Gross Agents Balances to PHS (%)	Quick Liquidity (%)	Current Liquidity (%)	Overall Liquidity (%)	Gross Agents Balances to PHS (%)
2013	35.5	102.0	173.1	2.8	71.6	125.8	224.1	2.9
2012	40.0	99.6	166.9	3.7	63.7	120.5	210.1	4.0
2011	31.3	68.1	150.7	2.4	60.3	118.7	205.5	3.6
2010	38.6	91.5	161.6	3.0	53.2	122.6	208.0	2.9
2009	29.5	71.9	149.0	1.6	59.8	126.5	182.7	4.1



Liquidity (Continued ...)

Cash Flow Analysis (\$000)

Year	Company					Industry Composite	
	Underwriting Cash Flow	Operating Cash Flow	Net Cash Flow	Underwriting Cash Flow (%)	Operating Cash Flow (%)	Underwriting Cash Flow (%)	Operating Cash Flow (%)
2013	-20,160	6,386	-46,567	92.6	102.3	108.9	141.6
2012	-1,307	33,535	50,105	99.7	108.6	115.5	135.9
2011	-21,807	13,233	-28,596	93.4	104.0	109.0	143.0
2010	7,160	35,882	-49,870	102.0	110.1	104.9	133.7
2009	23,695	38,792	14,431	106.4	109.9	112.0	135.8
5-Yr Total	-12,418	127,828	-60,497	...	...	...	...

Investments

Investment Leverage Analysis (% of PHS)

Year	Company						Industry Composite	
	Class 3-6 Bonds	Real Estate / Mortgages	Other Invested Assets	Common Stock	Non - Affiliated Investment Leverage	Affiliated Investments	Class 3-6 Bonds	Common Stock
2013	0.1	...	...	...	0.1	49.3	1.2	50.3
2012	0.3	...	...	...	0.3	49.4	2.0	46.6
2011	0.2	...	...	...	0.2	49.2	2.0	45.9
2010	1.2	...	...	...	1.2	25.6	2.0	35.4
2009	...	...	...	...	...	29.5	2.3	51.2

Investments - Bond Portfolio

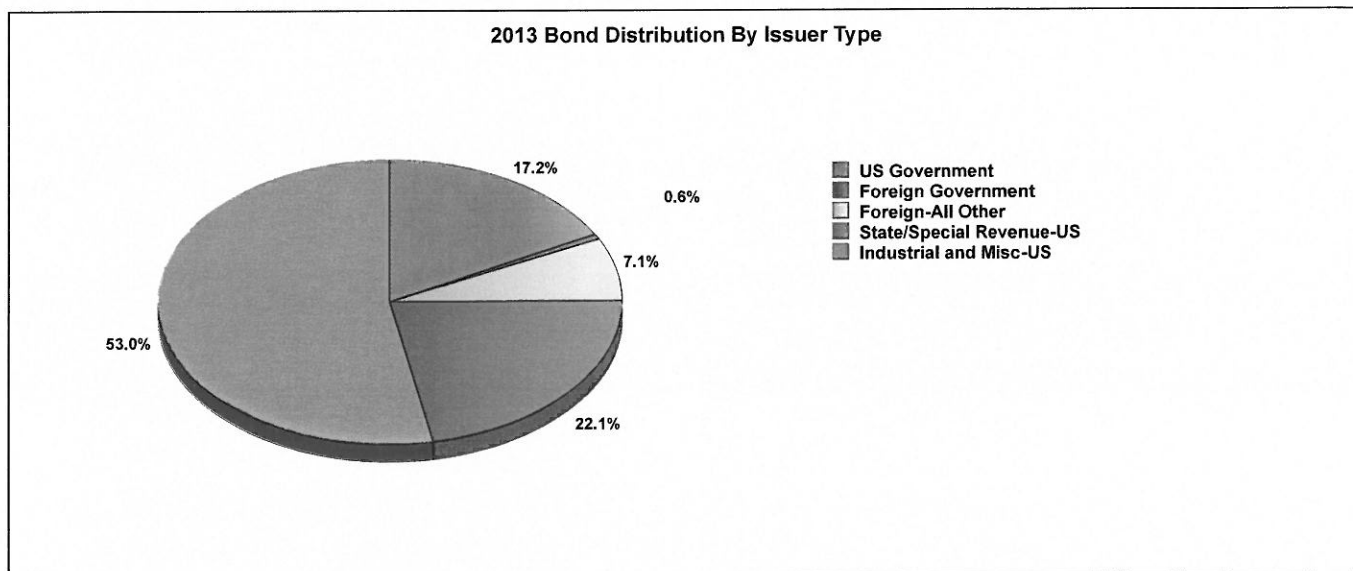
2013 Distribution By Maturity

	Years					Years Average Maturity
	0-1	1-5	5-10	10-20	20+	
Government	1.3	14.5	1.3	0.6	0.1	3.7
Government Agencies & Muni.	5.9	7.6	4.6	2.7	1.3	6.0
Industrial & Misc.	8.9	42.9	7.1	0.9	0.2	3.4
Total	16.1	65.0	13.0	4.2	1.7	4.1

Investments - Bond Portfolio (Continued ...)

Bond Distribution By Issuer Type

	2013	2012	2011	2010	2009
Bonds (\$000)	812,724	762,639	741,969	842,963	752,701
US Government	17.2	21.9	34.4	35.7	22.5
Foreign Government	0.6	0.4	0.3	0.5	1.6
Foreign-All Other	7.1	4.1	3.9	3.7	4.3
State/Special Revenue-US	22.1	24.2	18.0	14.9	23.5
Industrial and Misc-US	53.0	49.4	43.4	45.2	48.2



Bond Percent Private vs Public

	2013	2012	2011	2010	2009
Private Issues	10.7	7.2	3.9	5.0	4.9
Public Issues	89.3	92.8	96.1	95.0	95.1

Bond Quality Percent

	2013	2012	2011	2010	2009
Class 1	92.9	92.9	97.6	99.0	99.2
Class 2	7.0	6.9	2.3	0.1	0.7
Class 3	0.1	0.2	0.1	...	...
Class 5	...	...	...	0.5	...
Class 6	...	...	...	0.3	...

Investments - Equity Portfolio

	2013	2012	2011	2010	2009
Total Stocks (\$000)	311,126	290,189	294,218	160,614	179,471
Affiliated Common	99.7	100.0	100.0	100.0	100.0
Unaffiliated Preferred	0.3	...	...	...	...

Investments - Other Invested Assets

	2013	2012	2011	2010	2009
Total Other Invested Assets (\$000)	60,060	106,422	56,354	84,953	134,872
Cash	99.3	95.2	65.4	58.0	48.8
Short-Term	0.4	4.7	34.5	42.0	51.1
All Other	0.4	...	0.1	0.1	0.1

Officers And Directors

Officers

President: Christopher Donelan
Chief Underwriting Officer: Thomas P. Asquino
Secretary: Daniel Lurie

Treasurer: Stan Osofsky
Actuary: Jeffrey Dollinger

Directors

John V. Del Col
 Jerome Faure (Chairman)

Michael J. McGuire

Regulatory

An examination of the financial condition was made as of December 31, 2003, by the insurance department of New York. The 2013 annual independent audit of the company was conducted by Ernst & Young, LLP. The annual statement of actuarial opinion is provided by Jeffrey Lawrence Dollinger, Chief Reserving Actuary, Edurance Services Limited.

Reinsurance

The following text is derived from A.M. Best's Credit Report on Endurance Specialty Insurance Ltd. (AMB# 084835).

Due to the company's general policy of "net" underwriting, Endurance Specialty Insurance Ltd. purchases minimal third-party reinsurance. However, reinsurance is purchased on an opportunistic basis when utilized. The ARMtech business utilizes a higher degree of reinsurance relative to Endurance's other lines of business due to the unique nature of the crop business, which is substantially reinsured through the FCIC.

Endurance maintains internal reinsurance programs with affiliates ERCA, EWIL, EAIC, EASIC and ERSAC.

Balance Sheet (\$000)

Admitted Assets	12/31/2013	12/31/2012	2013 %	2012 %
Bonds	812,724	762,639	54.6	52.0
Preferred Stock	800	...	0.1	...
Common Stock	...	...	...	...
Cash & Short-Term Invest	59,846	106,413	4.0	7.3
Real estate, investment	...	...	...	...
Derivatives	...	...	...	...
Other Non-Affil Inv Asset	214	9	...	...
Investments in Affiliates	310,326	290,189	20.8	19.8
Real Estate, Offices	...	...	...	...
Total Invested Assets	1,183,910	1,159,250	79.5	79.0
Premium Balances	188,444	180,598	12.6	12.3
Accrued Interest	4,219	4,906	0.3	0.3
All Other Assets	113,120	121,820	7.6	8.3
Total Assets	1,489,694	1,466,574	100.0	100.0
Liabilities & Surplus	12/31/2013	12/31/2012	2013 %	2012 %
Loss & LAE Reserves	524,569	573,162	35.2	39.1
Unearned Premiums	176,482	159,494	11.8	10.9
Conditional Reserve Funds	132	183	...	...
Derivatives	...	...	...	...
All Other Liabilities	159,461	146,317	10.7	10.0
Total Liabilities	860,645	879,157	57.8	59.9
Surplus notes	...	...	...	...
Capital & Assigned Surplus	1,019,734	919,734	68.5	62.7
Unassigned Surplus	-390,685	-332,317	-26.2	-22.7
Total Policyholders' Surplus	629,049	587,417	42.2	40.1
Total Liabilities & Surplus	1,489,694	1,466,574	100.0	100.0

Summary Of 2013 Operations (\$000)

Statement of Income	12/31/2013	Funds Provided from Operations	12/31/2013
Premiums earned	246,252	Premiums collected	252,890
Losses incurred	114,172	Benefit & loss-related pmts	146,190
LAE incurred	11,935		
Undwr expenses incurred	108,914	LAE & undwr expenses paid	126,861
Other expenses incurred	...	Other income / expense	...
Dividends to policyholders	...	Dividends to policyholders	...
Net underwriting income	11,231	Underwriting cash flow	-20,160
		Net transfer	...
Net investment income	16,349	Investment income	24,463
Other income/expense	510	Other income/expense	510
Pre-tax operating income	28,090	Pre-tax cash operations	4,814
Realized capital gains	998		
Income taxes incurred	644	Income taxes pd (recov)	-1,572
Net income	28,443	Net oper cash flow	6,386

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures, the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud, or any specific liability contractually borne by the policy or contract holder. A Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser.

A Best's Debt/Issuer Credit Rating is an opinion regarding the relative future credit risk of an entity, a credit commitment or a debt or debt-like security.

Credit risk is the risk that an entity may not meet its contractual, financial obligations as they come due. These credit ratings do not address any other risk, including but not limited to liquidity risk, market value risk or price volatility of rated securities. The rating is not a recommendation to buy, sell or hold any securities, insurance policies, contracts or any other financial obligations, nor does it address the suitability of any particular financial obligation for a specific purpose or purchaser.

In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. Any and all ratings, opinions and information contained herein are provided "as is," without any express or implied warranty.

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State of West Virginia VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Vendor Preference, if applicable.

1. **Application is made for 2.5% vendor preference for the reason checked:**
 Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,
 Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2. **Application is made for 2.5% vendor preference for the reason checked:**
 Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3. **Application is made for 2.5% vendor preference for the reason checked:**
 Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
4. **Application is made for 5% vendor preference for the reason checked:**
 Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5. **Application is made for 3.5% vendor preference who is a veteran for the reason checked:**
 Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6. **Application is made for 3.5% vendor preference who is a veteran for the reason checked:**
 Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.
7. **Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with *West Virginia Code* §5A-3-59 and *West Virginia Code of State Rules*.**
 Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: Margot N. O'Dell Insurance Agency, Inc. Signed: Margot N. O'Dell

Date: 3/06/2015 Title: President

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

MANDATE: Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: Margot N. O'Dell Insurance Agency, Inc

Authorized Signature: Margot N. O'Dell Date: 3/6/2015

State of Ohio

County of Franklin, to-wit:

Taken, subscribed, and sworn to before me this 6th day of March, 2015.

My Commission expires 3-25, 2015.

AFFIX SEAL HERE

NOTARY PUBLIC Ashraf J. Blue