



# TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, including back up information, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

## MEETING INFORMATION

Date Submitted: 7/6/2016

Date of Meeting: 7/21/2016

Submitted by: Town Manager Eileen Cabanel & Finance Director Paul T. Micali

Department:

Time Required: 15 minutes

Speakers: Finance Director Paul T. Micali

Background Info. Supplied: Yes:  No:

## CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Appointment:	<input type="checkbox"/>	Recognition/Resignation/Retirement:	<input type="checkbox"/>
<b>Public Hearing:</b>	<input type="checkbox"/>	Old Business:	<input type="checkbox"/>
New Business:	<input checked="" type="checkbox"/>	Consent Agenda:	<input type="checkbox"/>
Nonpublic:	<input type="checkbox"/>	Other:	<input type="checkbox"/>

## TITLE OF ITEM

Contribution Assurance Program (CAP) - Workers' Compensation Program & Property-Liability Program

## DESCRIPTION OF ITEM

The Town Council to consider signing a Guaranty Maximum Agreement for Property Liability and Workers Compensation with Primex.

## REFERENCE (IF KNOWN)

RSA:	Warrant Article:
Charter Article:	Town Meeting:
Other:	N/A

## EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

Projector:	<input type="checkbox"/>	Grant Requirements:	<input type="checkbox"/>
Easel:	<input type="checkbox"/>	Joint Meeting:	<input type="checkbox"/>
Special Seating:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Laptop:	<input type="checkbox"/>	None:	<input type="checkbox"/>

## CONTACT INFORMATION

Name:	<u>Eileen Cabanel</u>	Address	<u>6 Baboosic Lake Road</u>
Phone Number	<u>424-2331</u>	Email Address	<u>ecabanel@merrimacknh.gov</u>

## APPROVAL

**Memo**

**TO:** Town Council  
**Thru:** Town Manager Eileen Cabanel  
**FROM:** Finance Director Paul T. Micali  
**DATE:** July 12, 2016



**RE: Primex Cap Program**

I received a letter from Primex asking if the Town was interested in signing up for a guaranty maximum (CAP) on both our Property Liability (P&L) and Workers Comp for a three year period. The last time we went out to bid for both these services were January 2011 for the fiscal year beginning July 2011. We have been currently under a CAP for these two programs since 2011. The last CAP agreement was for a three year period. Below is a chart of the CAP verse the Actual increase/(decrease).

<b>Workers Comp</b>		
	<b>CAP</b>	<b>Actual</b>
<b>July 2013</b>	<b>8.0%</b>	<b>0.1%</b>
<b>July 2014</b>	<b>8.0%</b>	<b>(8.6%)</b>
<b>July 2015</b>	<b>8.0%</b>	<b>(8.6%)</b>
<b>July 2016</b>	<b>8.0%</b>	<b>(7.7%)</b>

<b>P&amp;L</b>		
	<b>CAP</b>	<b>Actual</b>
<b>July 2013</b>	<b>7.0%</b>	<b>7.0%</b>
<b>July 2014</b>	<b>7.0%</b>	<b>7.0%</b>
<b>July 2015</b>	<b>7.0%</b>	<b>7.0%</b>
<b>July 2016</b>	<b>7.0%</b>	<b>7.0%</b>

Currently Primex is offering the CAP program for another three years at 9% for P&L and 10% for Workers Comp.

Bow Brook Place  
46 Donovan Street  
Concord, NH 03301-2624

(603) 225-2841  
(800) 698-2364

[www.nhprimex.org](http://www.nhprimex.org)

June 9, 2016

Paul T. Micali, Finance Director  
Town of Merrimack  
6 Baboosic Lake Road  
Merrimack, NH 03054

RE: **Contribution Assurance Program (CAP)** for FY 2018 and FY 2019 for the Workers' Compensation Program

Dear Paul:

Primex<sup>3</sup> is pleased to offer the **Merrimack, Town of** the option of participating in the **Contribution Assurance Program (CAP)** for the next two coverage period years. **For members who have demonstrated commitment to the Primex<sup>3</sup> pool, CAP provides stability by creating a limit on your Workers' Compensation contributions for future renewals.**

The following years qualify for the Workers' Compensation **Contribution Assurance Program (CAP)**:

**FY 2018 July 1, 2017 to June 30, 2018**

(maximum 10% increase over July 1, 2016 to June 30, 2017 contribution)

**FY 2019 July 1, 2018 to June 30, 2019**

(maximum 10% increase over July 1, 2017 to June 30, 2018 contribution)

Based on your performance, we are pleased to offer you a **CAP Agreement** that provides you the opportunity to participate in **CAP** until June 30, 2019. (See enclosed **CAP Agreement and Resolution**.) **Please return your executed CAP Agreement and Resolution on or before July 29, 2016** to ensure budgetary peace of mind for the next two renewals.

The percentage listed is a maximum. Actual increases will not exceed that percentage, but could actually be lower, based on each member's and the pool's risk management performance and exposure changes. Performance still impacts contribution amounts, so it remains important for both Primex<sup>3</sup> and our members to leverage our partnership to effectively manage risks and any claims that occur.

Our goal has always been to provide members with the best programs at the best value. Now, add the best long-term contribution assurance and you have a commitment like no other. **CAP** provides predictable contributions in the Workers' Compensation Program that you and your taxpayers can count on for budgetary stability.

Please contact me or your Member Services Consultant with questions at 800-698-2364.

Sincerely,



Carl Weber  
Director of Member Services

**Workers' Compensation Program  
Contribution Assurance Program (CAP) Agreement  
THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT  
PLEASE READ CAREFULLY**

Primex<sup>3</sup> is offering members in our **Workers' Compensation Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (**CAP**). **CAP** is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (**CAP Period**). By signing this Agreement, you agree to extend your Membership Agreement for **two (2) years** and Primex<sup>3</sup> agrees to guarantee that your annual contribution increase will not exceed ten percent (10%) of the prior year's contribution. Because performance matters with Primex<sup>3</sup>, you may realize an annual increase that is less than the **CAP** through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex<sup>3</sup> Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex<sup>3</sup> programs. Participation in **CAP** for each year of the **CAP Period** is conditioned upon a two-year commitment to participation in the Primex<sup>3</sup> Workers' Compensation Program.

The following **CAP Period** years qualify for the Contribution Assurance Program (**CAP**):

**FY 2018 July 1, 2017 to June 30, 2018**

(maximum 10% increase over July 1, 2016 to June 30, 2017 contribution)

**FY 2019 July 1, 2018 to June 30, 2019**

(maximum 10% increase over July 1, 2017 to June 30, 2018 contribution)

By signing this Agreement, the **Town of Merrimack** agrees to extend its risk pool membership and participation in the Primex<sup>3</sup> **Workers' Compensation Program** for two coverage period years, through **June 30, 2019**. The Merrimack, Town of agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **Town of Merrimack** agrees that the ten percent (10%) maximum increase currently available for this **CAP Period** does not apply to any other year or period of years, and upon expiration of the **CAP Period** in this Agreement, any subsequent participation in a Primex<sup>3</sup> **CAP** will be subject to underwriting review, membership criteria, **CAP** criteria, determination of contribution and the maximum increase in place for the subsequent **CAP Period**.

The **Town of Merrimack** further acknowledges that by extending its Membership Agreement for two (2) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) of the two (2) year term, as there is no right to cancel or terminate during year one (1) but shall be reinstated for the end of year two (2).

**Town of Merrimack**

May 26, 2016

WC-2019-10-2

The **Town of Merrimack** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex<sup>3</sup> Workers' Compensation Program, but not continuation of **CAP** which must be separately offered and accepted.

Primex<sup>3</sup> acknowledges that the Member is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The Member also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the Member by notice to Primex<sup>3</sup> made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The Member, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the Member agrees to return the difference between the **CAP** increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the Town of Merrimack with legal authority to contractually bind the **Town of Merrimack** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex<sup>3</sup> risk management pool and participation in the Workers' Compensation Program.

\_\_\_\_\_  
Authorized Representative  
of the Governing Body

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**Town of Merrimack**  
May 26, 2016  
WC-2019-10-2



**RESOLUTION TO ENTER PRIMEX<sup>3</sup>  
Workers' Compensation Contribution Assurance Program (CAP)**

**RESOLVED:** To hereby accept the offer of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) to enter into its **Workers' Compensation Contribution Assurance Program (CAP)** as of the date of the adoption of this resolution, and to be contractually bound to all of the terms and conditions of Primex<sup>3</sup> risk management pool membership during the term of the **Workers' Compensation Contribution Assurance Program (CAP)**. The coverage provided by Primex<sup>3</sup> in each year of membership shall be as then set forth in the Coverage Documents of Primex<sup>3</sup>.

I attest that the foregoing is a true copy of the Resolution of the Governing Board of the Town of Merrimack adopted on \_\_\_\_\_.

Board: \_\_\_\_\_

Title of Board

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ duly authorized

Date: \_\_\_\_\_

**Town of Merrimack**

May 26, 2016

WC-2019-10-2



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[www.nhprimex.org](http://www.nhprimex.org)

June 9, 2016

Paul T. Micali, Finance Director  
Town of Merrimack  
6 Baboosic Lake Road  
Merrimack, NH 03054

RE: **Contribution Assurance Program (CAP)** for FY 2018 and FY 2019 for the Property & Liability Program

Dear Paul:

Primex<sup>3</sup> is pleased to offer the **Merrimack, Town of** the option of participating in the **Contribution Assurance Program (CAP)** for the next two coverage period years. **For members who have demonstrated commitment to the Primex<sup>3</sup> pool, CAP provides stability by creating a limit on your Property & Liability contributions for future renewals.**

The following years qualify for the Property & Liability **Contribution Assurance Program (CAP)**:

**FY 2018 July 1, 2017 to June 30, 2018**

(maximum 9% increase over July 1, 2016 to June 30, 2017 contribution)

**FY 2019 July 1, 2018 to June 30, 2019**

(maximum 9% increase over July 1, 2017 to June 30, 2018 contribution)

Based on your performance, we are pleased to offer you a **CAP Agreement** that provides you the opportunity to participate in **CAP** until June 30, 2019. (See enclosed **CAP Agreement and Resolution**.) **Please return your executed CAP Agreement and Resolution on or before July 29, 2016** to ensure budgetary peace of mind for the next two renewals.

The percentage listed is a maximum. Actual increases will not exceed that percentage, but could actually be lower, based on each member's and the pool's risk management performance and exposure changes. Performance still impacts contribution amounts, so it remains important for both Primex<sup>3</sup> and our members to leverage our partnership to effectively manage risks and any claims that occur.

Our goal has always been to provide members with the best programs at the best value. Now, add the best long-term contribution assurance and you have a commitment like no other. **CAP** provides predictable contributions in the Property & Liability Program that you and your taxpayers can count on for budgetary stability.

Please contact me or your Member Services Consultant with questions at 800-698-2364.

Sincerely,

Carl Weber  
Director of Member Services

**Property & Liability Program  
Contribution Assurance Program (CAP) Agreement  
THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT  
PLEASE READ CAREFULLY**

Primex<sup>3</sup> is offering members in our **Property & Liability Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (**CAP**). **CAP** is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (**CAP Period**). By signing this Agreement, you agree to extend your Membership Agreement for **two (2) years** and Primex<sup>3</sup> agrees to guarantee that your annual contribution increase will not exceed nine percent (9%) of the prior year's contribution. Because performance matters with Primex<sup>3</sup>, you may realize an annual increase that is less than the **CAP** through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex<sup>3</sup> Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex<sup>3</sup> programs. Participation in **CAP** for each year of the **CAP Period** is conditioned upon a two-year commitment to participation in the Primex<sup>3</sup> Property & Liability Program.

The following **CAP Period** years qualify for the Contribution Assurance Program (**CAP**):

**FY 2018 July 1, 2017 to June 30, 2018**

(maximum 9% increase over July 1, 2016 to June 30, 2017 contribution)

**FY 2019 July 1, 2018 to June 30, 2019**

(maximum 9% increase over July 1, 2017 to June 30, 2018 contribution)

By signing this Agreement, the **Town of Merrimack** agrees to extend its risk pool membership and participation in the Primex<sup>3</sup> **Property & Liability Program** for two coverage period years, through **June 30, 2019**. The **Town of Merrimack** agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **Town of Merrimack** agrees that the nine percent (9%) maximum increase currently available for this **CAP Period** does not apply to any other year or period of years, and upon expiration of the **CAP Period** in this Agreement, any subsequent participation in a Primex<sup>3</sup> **CAP** will be subject to underwriting review, membership criteria, **CAP** criteria, determination of contribution and the maximum increase in place for the subsequent **CAP Period**.

The **Town of Merrimack** further acknowledges that by extending its Membership Agreement for two (2) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) of the two (2) year term, as there is no right to cancel or terminate during year one (1) but shall be reinstated for the end of year two (2).

The **Town of Merrimack** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex<sup>3</sup> Property & Liability Program, but not continuation of **CAP** which must be separately offered and accepted.

Primex<sup>3</sup> acknowledges that the Member is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The Member also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the Member by notice to Primex<sup>3</sup> made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The Member, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the Member agrees to return the difference between the **CAP** increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the **Town of Merrimack** with legal authority to contractually bind the **Town of Merrimack** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex<sup>3</sup> risk management pool and participation in the Property & Liability Program.

\_\_\_\_\_  
Authorized Representative  
of the Governing Body

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

**Town of Merrimack**  
May 27, 2016  
PL-2019-09-2

**RESOLUTION TO ENTER PRIMEX<sup>3</sup>  
Property & Liability Contribution Assurance Program (CAP)**

**RESOLVED:** To hereby accept the offer of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) to enter into its **Property & Liability Contribution Assurance Program (CAP)** as of the date of the adoption of this resolution, and to be contractually bound to all of the terms and conditions of Primex<sup>3</sup> risk management pool membership during the term of the **Property & Liability Contribution Assurance Program (CAP)**. The coverage provided by Primex<sup>3</sup> in each year of membership shall be as then set forth in the Coverage Documents of Primex<sup>3</sup>.

I attest that the foregoing is a true copy of the Resolution of the Governing Board of the **Town of Merrimack** adopted on \_\_\_\_\_.

Board: \_\_\_\_\_

Title of Board

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ duly authorized

Date: \_\_\_\_\_



# TOWN COUNCIL – AGENDA REQUEST FORM

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, including back up information, 8 days prior to the requested meeting date. **Public Hearing requests must be submitted 20 days prior to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

## MEETING INFORMATION

Date Submitted: 9/19/2013  
Submitted by: Town Manager Eileen Cabanel &  
Finance Director Paul Micali  
Department:

Date of Meeting: 9/26/13

Speakers: Finance Director Paul Micali

Time Required: 15 minutes  
Background Info. Supplied: Yes:  No:

## CATEGORY OF BUSINESS (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

- |                        |                                     |                                     |                          |
|------------------------|-------------------------------------|-------------------------------------|--------------------------|
| Appointment:           | <input type="checkbox"/>            | Recognition/Resignation/Retirement: | <input type="checkbox"/> |
| <b>Public Hearing:</b> | <input type="checkbox"/>            | Old Business:                       | <input type="checkbox"/> |
| New Business:          | <input checked="" type="checkbox"/> | Consent Agenda:                     | <input type="checkbox"/> |
| Nonpublic:             | <input type="checkbox"/>            | Other:                              | <input type="checkbox"/> |

## TITLE OF ITEM

Workers Compensation / Property-Liability Cap

## DESCRIPTION OF ITEM

The Town Council to consider signing a Guaranty Maximum Agreement for Property Liability and Workers Compensation for the next 3 years with Primex.

## REFERENCE (IF KNOWN)

RSA:	Warrant Article:
Charter Article:	Town Meeting:
Other:	N/A

## EQUIPMENT REQUIRED (PLEASE PLACE AN "X" IN THE APPROPRIATE BOX)

- |                  |                          |                     |                          |
|------------------|--------------------------|---------------------|--------------------------|
| Projector:       | <input type="checkbox"/> | Grant Requirements: | <input type="checkbox"/> |
| Easel:           | <input type="checkbox"/> | Joint Meeting:      | <input type="checkbox"/> |
| Special Seating: | <input type="checkbox"/> | Other:              | <input type="checkbox"/> |
| Laptop:          | <input type="checkbox"/> | None:               | <input type="checkbox"/> |

## CONTACT INFORMATION

Name:	Address
Phone Number	Email Address

## APPROVAL

Town Manager: Yes  No:  Chair/Vice Chair: Yes  No:

Memo

TO: Town Council  
Thru: Town Manager Eileen Cabanel  
FROM: Finance Director Paul T. Micali  
DATE: September 18, 2013



RE: **Primex Cap Program**

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I received a letter from Primex asking if the Town was interested in signing up for a guaranty maximum (CAP) on both our Property Liability (P&L) and Workers Comp for a three year period. The last time we went out to bid for both these services were January 2011 for the fiscal year beginning July 2011. In reviewing the contract for the prior three years, the CAP rate was set at 7% for P&L and 8% for Workers Comp. I have inserted the minutes from that discussion:

**New Business**

**1. Insurance Bid Review Submitted by Finance Director Paul Micali**

Mr. Paul Micali presented his recommendations to the Town Council for approval of the Town Insurance carriers for the 2011/12 budget. Mr. Micali advised the Council that the Local Government Center (LGC) has submitted a bid that is \$131,000 lower than the current health insurance provider, Primex. He stated that Primex submitted the lowest bid for Property Liability. LGC submitted the lowest bid for Workers Compensation, but as a 3 year package plan Primex is the best choice for Property Liability and Workers Compensation. He stated that in the first year Primex would give a \$27,000 discount. Mr. Micali advised the Council that the health insurance budgetary savings by switching from Primex to LGC is \$114,000. He recommended awarding the bid to Primex for Property Liability and Workers Compensation with \$14,700 in budgetary savings. Mr. Micali is currently reviewing the dental insurance bids.

Councilor Yakuboff inquired if by locking in for 3 years with Primex for Property Liability and Workers Compensation would that affect future health insurance rates. Mr. Micali stated that it would not. Chairman Koenig asked for clarification on the 3 year discount. Mr. Micali stated that the Primex offered a 5% multi-year discount on each of the years. Mr. Micali recommends reviewing the agreement after the 3<sup>rd</sup> year. He will contact Primex regarding any penalty for going out to bid in the 3<sup>rd</sup> year.

**MOTION** was made by Councilor Yakuboff and seconded by Councilor McCarthy to award the health insurance contract to the Local Government Center and to authorize the Town Manager to sign necessary paperwork. **MOTION CARRIES 5-0-0**

**MOTION** was made by Councilor Yakuboff and seconded by Councilor Dwyer to award the Property Liability and Workers Compensation 3 year insurance contract to Primex and to authorize the Town Manager to sign necessary paperwork. **MOTION CARRIES 5-0-0**

Currently Primex is offering the CAP program for another three years at 7% for P&L and 8% for Workers Comp.

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46 Donovan Street  
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(800) 698-2364

www.nhprimex.org

July 31, 2013

Town of Merrimack  
Paul Micali, Finance Director  
6 Baboosic Lake Road  
Merrimack, NH 03054

RE: **Contribution Assurance Program (CAP)** for FY2015-2017 for the Workers' Compensation Program

Dear Paul:

Primex<sup>3</sup> is pleased to offer [Member Name] the option of participating in the **Contribution Assurance Program (CAP)** for the next three years. **For members who have demonstrated commitment to the Primex<sup>3</sup> pool, CAP provides stability by creating a limit on your Workers' Compensation contributions for future renewals.**

The following years qualify for the **Contribution Assurance Program (CAP)**:

**FY 2015 July 1, 2014 to June 30, 2015**

(maximum 8% increase over July 1, 2013 to June 30, 2014 contribution)

**FY 2016 July 1, 2015 to June 30, 2016**

(maximum 8% increase over July 1, 2014 to June 30, 2015 contribution)

**FY 2017 July 1, 2016 to June 30, 2017**

(maximum 8% increase over July 1, 2015 to June 30, 2016 contribution)

Based on your performance, we are pleased to offer you a **CAP Agreement** that provides you the opportunity to participate in **CAP** until June 30, 2017. (See enclosed **CAP Agreement and Resolution**.) **Please return your executed CAP Agreement and Resolution by October 1, 2013.**

Our goal has always been to provide members with the best programs at the best value. Now, add the best long-term contribution assurance and you have a commitment like no other. **CAP** provides predictable contributions in the Workers' Compensation program that you and your taxpayers can count on for budgetary stability.

Please contact your Member Services Consultant or myself with questions at 800-698-2364.

Sincerely,



Carl Weber  
Director of Member Services

**Workers' Compensation Program  
Contribution Assurance Program (CAP) Agreement  
THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT  
PLEASE READ CAREFULLY**

Primex<sup>3</sup> is offering members in our **Workers' Compensation Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (CAP). CAP is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (CAP Period). By signing this Agreement, you agree to extend your Membership Agreement for **three (3) years** and Primex<sup>3</sup> agrees to guarantee that your annual contribution increase will not exceed eight percent (8%) of the prior year's contribution. Because performance matters with Primex<sup>3</sup>, you may realize an annual increase that is less than the CAP through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex<sup>3</sup> Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex<sup>3</sup> programs. Participation in CAP for each year of the CAP Period is conditioned upon a three-year commitment to participation in the Primex<sup>3</sup> Workers' Compensation Program.

The following CAP Period years qualify for the Contribution Assurance Program (CAP):

**FY 2015 July 1, 2014 to June 30, 2015**  
(maximum 8% increase over July 1, 2013 to June 30, 2014 contribution)

**FY 2016 July 1, 2015 to June 30, 2016**  
(maximum 8% increase over July 1, 2014 to June 30, 2015 contribution)

**FY 2017 July 1, 2016 to June 30, 2017**  
(maximum 8% increase over July 1, 2015 to June 30, 2016 contribution)

By signing this Agreement, the **Town of Merrimack** agrees to extend its risk pool membership and participation in the Primex<sup>3</sup> **Workers' Compensation Program** for three coverage period years, through **June 30, 2017**. The **Town of Merrimack** agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **Town of Merrimack** agrees that the eight percent (8%) maximum increase currently available for this CAP Period does not apply to any other year or period of years, and upon expiration of the CAP Period in this Agreement, any subsequent participation in a Primex<sup>3</sup> CAP will be subject to underwriting review, membership criteria, CAP criteria, determination of contribution and the maximum increase in place for the subsequent CAP Period.

The **Town of Merrimack** further acknowledges that by extending its Membership Agreement for three (3) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) and year two (2) of the three (3) year term, as there is no right to cancel or terminate during year one (1) and year (2) but shall be reinstated for the end of year three (3).

The **Town of Merrimack** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex<sup>3</sup> Workers' Compensation Program, but not continuation of CAP which must be separately offered and accepted.

Primex<sup>3</sup> acknowledges that the Member is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The Member also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the Member by notice to Primex<sup>3</sup> made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The Member, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the Member agrees to return the difference between the CAP increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the **Town of Merrimack** with legal authority to contractually bind the **Town of Merrimack** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex<sup>3</sup> risk management and participation in the Workers' Compensation Program. Attached hereto is a duly executed governing body Resolution to Enter Workers' Compensation Contribution Assurance Program (CAP).

\_\_\_\_\_  
Authorized Representative  
of the Governing Body

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name



**RESOLUTION TO ENTER PRIMEX<sup>3</sup>  
Workers' Compensation Contribution Assurance Program (CAP)**

**RESOLVED:** To hereby accept the offer of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) to enter into its **Workers' Compensation Contribution Assurance Program (CAP)** as of the date of the adoption of this resolution, and to be contractually bound to all of the terms and conditions of Primex<sup>3</sup> risk management pool membership during the term of the **Workers' Compensation Contribution Assurance Program (CAP)**. The coverage provided by Primex<sup>3</sup> in each year of membership shall be as then set forth in the Coverage Documents of Primex<sup>3</sup>.

I attest that the foregoing is a true copy of the Resolution of the Governing Board of the **Town of Merrimack** adopted on \_\_\_\_\_.

Board: \_\_\_\_\_  
Title of Board

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ duly authorized

Date: \_\_\_\_\_

Bow Brook Place  
46 Donovan Street  
Concord, NH 03301-2624

(603) 225-2841  
(800) 698-2364

www.nhprimex.org

September 6, 2013

Town of Merrimack  
Paul Micali, Finance Director  
6 Baboosic Lake Road  
Merrimack, NH 03054

RE: **REVISED Contribution Assurance Program (CAP) Agreement (FY 2015-2017)** for the Property & Liability Program

Dear Paul:

In August, Primex<sup>3</sup> was pleased to offer the Town of Merrimack the option of participating in the **Contribution Assurance Program (CAP)** for the next three years and sent both an agreement and letter for your review.

Unfortunately, there was an error in the date listed in the agreement. Both the letter and the agreement listed the correct years eligible for CAP (See Below), but the paragraph below the dates read "June 30, 2016" instead of "June 30, 2017". We want to make sure that the **Town of Merrimack** is eligible for all three years of the **CAP** program.

The following years qualify for the **Contribution Assurance Program (CAP)**:

**FY 2015 July 1, 2014 to June 30, 2015**

(maximum 7% increase over July 1, 2013 to June 30, 2014 contribution)

**FY 2016 July 1, 2015 to June 30, 2016**

(maximum 7% increase over July 1, 2014 to June 30, 2015 contribution)

**FY 2017 July 1, 2016 to June 30, 2017**

(maximum 7% increase over July 1, 2015 to June 30, 2016 contribution)

We apologize for this mistake and are pleased to offer you a **REVISED CAP Agreement and Resolution** that provides you the opportunity to participate in CAP until June 30, 2017. (See enclosed **REVISED CAP Agreement and Resolution**.) **Please return your executed CAP Agreement and Resolution by October 1, 2013.**

Our goal has always been to provide members with the best programs at the best value. Now, add the best long-term contribution assurance and you have a commitment like no other. **CAP** provides predictable contributions in the Property & Liability program that you and your taxpayers can count on for budgetary stability. Please contact your Member Services Consultant or myself with questions at 800-698-2364.

Sincerely,



Carl Weber  
Director of Member Services

**Property & Liability Program**  
**Contribution Assurance Program (CAP) Agreement**  
**THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT**  
**PLEASE READ CAREFULLY**

Primex<sup>3</sup> is offering members in our **Property & Liability Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (CAP). CAP is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (CAP Period). By signing this Agreement, you agree to extend your Membership Agreement for **three (3) years** and Primex<sup>3</sup> agrees to guarantee that your annual contribution increase will not exceed seven percent (7%) of the prior year's contribution. Because performance matters with Primex<sup>3</sup>, you may realize an annual increase that is less than the CAP through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex<sup>3</sup> Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex<sup>3</sup> programs. Participation in CAP for each year of the CAP Period is conditioned upon a three-year commitment to participation in the Primex<sup>3</sup> Property & Liability Program.

The following CAP Period years qualify for the Contribution Assurance Program (CAP):

**FY 2015 July 1, 2014 to June 30, 2015**  
(maximum 7% increase over July 1, 2013 to June 30, 2014 contribution)

**FY 2016 July 1, 2015 to June 30, 2016**  
(maximum 7% increase over July 1, 2014 to June 30, 2015 contribution)

**FY 2017 July 1, 2016 to June 30, 2017**  
(maximum 7% increase over July 1, 2015 to June 30, 2016 contribution)

By signing this Agreement, the **Town of Merrimack** agrees to extend its risk pool membership and participation in the Primex<sup>3</sup> **Property & Liability Program** for three coverage period years, through **June 30, 2017**. The **Town of Merrimack** agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **Town of Merrimack** agrees that the seven percent (7%) maximum increase currently available for this CAP Period does not apply to any other year or period of years, and upon expiration of the CAP Period in this Agreement, any subsequent participation in a Primex<sup>3</sup> CAP will be subject to underwriting review, membership criteria, CAP criteria, determination of contribution and the maximum increase in place for the subsequent CAP Period.

The **Town of Merrimack** further acknowledges that by extending its Membership Agreement for three (3) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) and year two (2) of the three (3) year term, as there is no right to cancel or terminate during year one (1) and year (2) but shall be reinstated for the end of year three (3).

The **Town of Merrimack** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex<sup>3</sup> Property & Liability Program, but not continuation of CAP which must be separately offered and accepted.

Primex<sup>3</sup> acknowledges that the Member is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The Member also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the Member by notice to Primex<sup>3</sup> made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The Member, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the Member agrees to return the difference between the CAP increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the **Town of Merrimack** with legal authority to contractually bind the **Town of Merrimack** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex<sup>3</sup> risk management and participation in the Property & Liability Program. Attached hereto is a duly executed governing body Resolution to Enter Property & Liability Contribution Assurance Program (CAP).

\_\_\_\_\_  
Authorized Representative  
of the Governing Body

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name



**RESOLUTION TO ENTER PRIMEX<sup>3</sup>  
Property & Liability Contribution Assurance Program (CAP)**

**RESOLVED:** To hereby accept the offer of the New Hampshire Public Risk Management Exchange (Primex<sup>3</sup>) to enter into its **Property & Liability Contribution Assurance Program (CAP)** as of the date of the adoption of this resolution, and to be contractually bound to all of the terms and conditions of Primex<sup>3</sup> risk management pool membership during the term of the **Property & Liability Contribution Assurance Program (CAP)**. The coverage provided by Primex<sup>3</sup> in each year of membership shall be as then set forth in the Coverage Documents of Primex<sup>3</sup>.

I attest that the foregoing is a true copy of the Resolution of the Governing Board of the **Town of Merrimack** adopted on \_\_\_\_\_.

Board: \_\_\_\_\_  
Title of Board

Signature \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_ duly authorized

Date: \_\_\_\_\_