


Memorandum



Date: February 2, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Resolution Approving Retroactive Deductive Change Order No. 1 for Master Pump Station No. 3 to Poole & Kent Company of Florida; Contract No. S-852

Agenda Item No. 8(0)(2)

Recommendation

It is recommended that the Board of County Commissioners (Board) approve Retroactive Deductive Change Order No. 1 to Contract No. S-852 between Miami-Dade County and Poole & Kent Company of Florida (P&K) for the construction of Master Pump Station No. 3. The project is currently being constructed in the Brickell area of the County bounded by the Miami River to the north, I-95 to the west, SW 21 Street to the south, and Biscayne Bay to the east.

This retroactive deductive change order was negotiated by the Miami-Dade Water and Sewer Department (WASD) and P&K to resolve a dispute regarding the number of project delays in days caused by P&K and the number of project delays in days caused by WASD. The negotiations resulted in the following:

- A monetary reduction of the base contract amount by \$500,000.00, from \$19,110,000.00 to \$18,610,000.00.
- A non-compensable time extension of 254 days, extending the contract's substantial completion date from May 27, 2015 to February 5, 2016.

Scope

The project is being constructed at 1100 SW 3 Avenue in County Commission District 5, which is represented by Commissioner Bruno A. Barreiro.

Fiscal Impact/Funding Source

This deductive change order will reduce the base contract amount by \$500,000.00 and grant a 254-day non-compensable time extension.

Track Monitor/Monitor

WASD's Deputy Director of Capital Improvements and Regulatory Compliance, Hardeep Anand, will oversee the implementation of this deductive change order.

Background

The Board awarded this construction contract to P&K on February 19, 2014 per Resolution No. R-173-14 to improve the sewer facilities in the Brickell area as they are inadequate to serve increased usage in existing buildings, new buildings under construction, and future construction including sewer service to the Brickell City Center development. The contract was awarded in the total amount of \$21,976,500.00 with a contract term of 495 days, including a contingency period of 45 days. The Notice to Proceed was issued on April 14, 2014.

The scope of work for the project consists of furnishing all materials, labor, and equipment necessary to construct a multilevel pump station building and a dedicated generator building. On March 19, 2014, WASD authorized P&K to mobilize to the project site to prepare for the construction of the foundation for the pump station building. Shortly after drilling began to install multiple 36-inch steel king piles and sheet piling for the foundation, P&K started the excavation process to dig two cofferdams, one for the pump station, and the other for the 48-inch influent pipe that will carry wastewater flows to the pump station. It was at this juncture in the project schedule that various delays began due to 1) equipment failure, 2) generator switchgear modifications, 3) electrical room revisions, 4) procurement changes for the pump equipment, and 5) unavailability of utility power to perform critical tests on the switchgear and the controls of the pump station.

Negotiations with P&K

P&K submitted requests for extensions of time due to the delays. In order to settle the differences of opinion between P&K and WASD regarding the number of project delays in days attributable to each party, WASD and P&K entered into negotiations. Both parties agreed that the delay at the excavation site for the pump station cofferdam impeded the progress of the project and that the delays caused by WASD were in part concurrent. Subsequently, both parties agreed to a \$500,000.00 credit to the County which will be deducted from the base contract amount, and to a 254-day non-compensable time extension. P&K committed to having the project reach substantial completion by February 5, 2016 at which time new and existing customers can begin receiving sewer disposal service from Master Pump Station No. 3. If P&K fails to meet the February 5, 2016 deadline, liquidated damages of \$5,000.00 per day will commence.

Miami-Dade County's Small Business Enterprise established a construction participation goal of 2.59 percent as part of the original construction contract. To date, P&K has complied with all the threshold requirements of the assigned participation goal. A copy of the SBD memorandum is attached.



Jack Osterholt
Deputy Mayor

Memorandum



Date: October 19, 2015

To: Lester Sola, Director
Miami-Dade Water and Sewer Department

From: Gary T. Hartfield, Director
Small Business Development Division
Internal Services Department

Subject: Project No. S-852, Master Pump Station No. 3

A handwritten signature in black ink, appearing to read "Gary T. Hartfield", written over the "From:" field.

The subject project was reviewed for compliance with the 2.59% Small Business Enterprise – Construction (SBE-Construction) goal, \$592,159.70 SBE-Construction Make-up Plan and Responsible Wages and Benefits requirements. The prime, Poole & Kent Company of Florida (P&K), has paid the SBE-Construction firm meeting the 2.59% goal a total of \$551,714.08 in excess of the \$531,494 goal, and has completed the make-up plan. There are two (2) subcontractors with open wage violations. Small Business Development has notified the subcontractors of the compliance issues and will notify the department when they are resolved.

Please do not hesitate to contact Alice Hidalgo-Gato, SBD Section Chief, at 305-375-3153 if you need additional information.

- c: Doug Yoder, Deputy Director, WASD
Margaret Moss, Chief, Small Business Initiatives, WASD
Edith Brown, Acting Chief, Contract Compliance Division, WASD
Augustin J. Durand, Project Manager, WASD
Patty David, Chief of Intergovernmental Affairs, WASD
Alice Hidalgo-Gato, SBD Section Chief, ISD



MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: February 2, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 8(O)(2)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor

Agenda Item No. 8(0)(2)

Veto _____

2-2-16

Override _____

RESOLUTION NO. _____

RESOLUTION APPROVING RETROACTIVE DEDUCTIVE CHANGE ORDER NO. 1 WITH POOLE AND KENT COMPANY OF FLORIDA FOR A REDUCTION IN THE BASE CONTRACT OF \$500,000.00 AND A NON-COMPENSABLE TIME EXTENSION OF 254 DAYS FOR CONSTRUCTION OF MASTER PUMP STATION NO. 3, CONTRACT NO. S-852; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO EXECUTE SAME AND EXERCISE PROVISIONS CONTAINED THEREIN

WHEREAS, the Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves Retroactive Deductive Change Order No. 1 to construction Contract No. S-852 between Miami-Dade County and Poole & Kent Company of Florida for Master Pump Station No. 3 to authorize a reduction in the base contract amount of \$500,000.00 and a non-compensable time extension of 254 days to February 5, 2016, in substantially the form attached hereto and made a part hereof; and authorizes the County Mayor or County Mayor's designee to execute same for and behalf of Miami-Dade County and to exercise the provisions contained therein.

The foregoing resolution was offered by Commissioner who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

- | | |
|-------------------------------------|----------------------|
| Jean Monestime, Chairman | |
| Esteban L. Bovo, Jr., Vice Chairman | |
| Bruno A. Barreiro | Daniella Levine Cava |
| Jose "Pepe" Diaz | Audrey M. Edmonson |
| Sally A. Heyman | Barbara J. Jordan |
| Dennis C. Moss | Rebeca Sosa |
| Sen. Javier D. Souto | Xavier L. Suarez |
| Juan C. Zapata | |

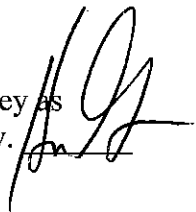
The Chairperson thereupon declared the resolution duly passed and adopted this 2nd day of February, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Henry N. Gillman

Time Justification (Continued):

Shortly after drilling began to install multiple 36-inch steel king piles and sheet piling for the foundation, P&K started the excavation process to dig two cofferdams, one for the pump station, and the other for the 48-inch influent pipe that will carry wastewater flows to the pump station. It was at this juncture in the project schedule that various delays began due to 1) equipment failure, 2) generator switchgear modifications, 3) electrical room revisions, 4) procurement changes for the pump equipment, and 5) unavailability of utility power to perform critical tests on the switchgear and the controls of the pump station.

P&K submitted requests for extensions of time due to the delays. In order to settle the differences of opinion between P&K and WASD regarding the number of project delays in days attributable to each party, WASD and P&K entered into negotiations. Both parties agreed that the delay at the excavation site for the pump station cofferdam impeded the progress of the project and that the delays caused by WASD were in part concurrent. Subsequently, both parties agreed that P&K would compensate the County by issuing a \$500,000 credit which will be deducted from the base contract amount, in addition, both parties agreed that the County would grant P&K a 254 day non-compensable time extension. P&K committed to having the project reach substantial completion by February 5, 2016 at which time new and existing customers can begin receiving sewer disposal service from Master Pump Station No. 3. If P&K fails to meet the February 5, 2016 deadline, liquidated damages of \$5,000 per day will commence.

The Small Business Enterprise – Construction participation goal of 2.59 percent was established as a part of the original construction contract. To date, P&K has complied with all the threshold requirements of the assigned participation goal. A copy of the SBD memorandum is attached.

Nothing herein waives the County's right to credits relating to the pump and motor energy efficiencies.


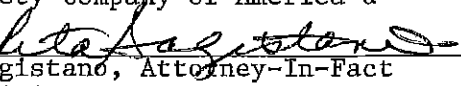
This Retroactive Deductive Change Order is to decrease the base contract amount by \$500,000 from \$19,110,000 to \$18,610,000. As a consequence of reducing the base contract amount, the Dedicated Allowance Account will be reduced by \$25,000 from \$955,500 to \$930,500, and the Contingency Allowance Account will be reduced by \$50,000 from \$1,911,000 to \$1,861,000. This Retroactive Deductive Change Order will also extend the duration of the project by 254 days from the currently authorized substantial completion date of May 27, 2015, to February 5, 2016. Therefore, it is recommended that the Board authorize Retroactive Deductive Change Order No. 1 to construction Contract No. S-852 between Miami-Dade County and P&K for a project entitled "Proposed Master Pump Station No. 3".

CHANGE ORDER NO: 1

CONTRACT NO: S-852

DATE: 12/9/2015

Accepted By:

<u>Organization</u>	<u>Name</u>	<u>Title</u>	<u>Date</u>
Poole & Kent Co. of Florida		Contractor	12/10/15
Travelers Casualty And Surety Company of America & Federal Insurance Company Surety	 Rita Sagistano, Attorney-In-Fact	Surety	December 11, 2015

Bond no. 106003192 / 82335191

<u>Title</u>	<u>Name</u>	<u>Date</u>
Approved By: <u>County Attorney</u> (for legal sufficiency)	_____	_____
Approved By: <u>County Mayor</u>	_____	_____
Attested By: <u>Clerk of the Board</u>	_____	_____



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 229701

Certificate No. 006551202

KNOW ALL MEN BY THESE PRESENTS: That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Thomas Bean, Rita Sagistano, Gerard S. Macholz, Susan Lupski, Robert T. Pearson, Camille Maitland, George O. Brewster, Colette R. Chisholm, Vincent A. Walsh, Lee Ferrucci, Desiree Cardlin, Nelly Renchiwich, and Mia Woo-Warren

of the City of Uniondale, State of New York, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 9th day of October, 2015.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
Robert L. Raney, Senior Vice President

On this the 9th day of October, 2015, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
HARTFORD, CT. 06183**

**ATTORNEY-IN-FACT JUSTIFICATION
PRINCIPAL'S ACKNOWLEDGMENT — IF A CORPORATION**

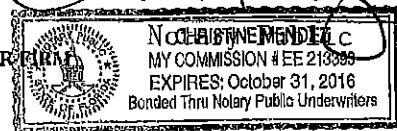
Florida
State of New York, County of **Miami-Dade**) ss.

On this **14th** day of **December**, 20 **15**, before me personally appeared **Patrick H. Carr** to me known, who, being by me duly sworn, deposes and says: That he/she resides in the City of **Miami** that he/she is the **President & CEO** of **Poole & Kent Company of Florida**, a corporation described in and which executed the within instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like order.

PRINCIPAL'S ACKNOWLEDGMENT — IF INDIVIDUAL OR FIRM

State of New York, County of) ss.

On this _____ day of _____, 20 _____, before me personally appeared _____ (to me known to be (the individual) (one of the firm of _____) described in and who executed the within instrument, and he/she thereupon duly acknowledged to me that he/she executed the same (as the act and deed of said firm).



SURETY COMPANY'S ACKNOWLEDGMENT

State of New York, County of **Nassau**) ss.

On this **11th** day of **December**, 20 **15**, before me personally appeared **Rita Sagistano** to me known, who, being by me duly sworn, did depose and say: That he/she resides in ~~XXXXXX~~ **Nassau County, NY**; that he/she is Attorney-in-Fact of **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**, the corporation described in and which executed the within instrument; that he/she knows the corporate seal of said Company; that the seal affixed to said instrument is such corporate seal; and that he/she signed said instrument as Attorney-in-Fact by authority of the Board of Directors of said Company; and affiant did further depose and say that the Superintendent of Insurance of the State of New York has, pursuant to Chapter 882 of the Laws of the State of New York for the year 1939, constituting chapter 28 of the Consolidating Laws of the State of New York as the Insurance Law as amended, issued in **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA** his/her certificate that said Company is qualified to become and be accepted as surety or guarantor on all bonds, undertakings, recognizances, guaranties, and other obligations required or permitted by law; and that such certificate has not been revoked.

Camille Maitland

Notary Public

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Hartford, Connecticut 06183**

**FINANCIAL STATEMENT AS OF DECEMBER 31, 2014
AS FILED WITH THE INSURANCE DEPT. OF THE STATE OF NEW YORK
CAPITAL STOCK \$ 6,480,000**

**CAMILLE MAITLAND
Notary Public, State of New York
No. 01MA6006044
Qualified in Kings County
Commission Expires April 20, 2018**

ASSETS		LIABILITIES	
CASH AND INVESTED CASH	\$ 127,187,283	UNEARNED PREMIUMS	\$ 855,349,712
BONDS	3,411,436,837	LOSSES	680,158,443
STOCKS	328,931,879	LOSS ADJUSTMENT EXPENSES	358,911,823
INVESTMENT INCOME DUE AND ACCRUED	46,277,103	COMMISSIONS	34,142,048
OTHER INVESTED ASSETS	4,819,416	TAXES, LICENSES AND FEES	11,534,868
PREMIUM BALANCES	209,982,904	OTHER EXPENSES	40,097,405
NET DEFERRED TAX ASSET	82,839,844	CURRENT FEDERAL AND FOREIGN INCOME TAXES	24,133,680
REINSURANCE RECOVERABLE	17,397,751	REMITTANCES AND ITEMS NOT ALLOCATED	11,062,682
SECURITIES LENDING REINVESTED COLLATERAL ASSETS	8,224,684	AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	41,744,898
RECEIVABLES FROM PARENT, SUBSIDIARIES AND AFFILIATES	9,057,199	RETROACTIVE REINSURANCE RESERVE ASSUMED	853,430
OTHER ASSETS	3,078,055	POLICYHOLDER DIVIDENDS	7,378,899
		PROVISION FOR REINSURANCE	3,418,505
		ADVANCE PREMIUM	1,327,118
		PAYABLE FOR SECURITIES	4,590,766
		PAYABLE FOR SECURITIES LENDING	8,224,684
		CEDED REINSURANCE NET PREMIUMS PAYABLE	28,084,142
		ESCHEAT LIABILITY	1,138,046
		OTHER ACCRUED EXPENSES AND LIABILITIES	421,157
		TOTAL LIABILITIES	\$ 2,110,578,190
		CAPITAL STOCK	\$ 6,480,000
		PAID IN SURPLUS	433,803,769
		OTHER SURPLUS	1,874,373,715
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 2,114,657,475
TOTAL ASSETS	\$ 4,225,233,665	TOTAL LIABILITIES & SURPLUS	\$ 4,225,233,665

Securities carried at \$8,170,697 in the above statement are deposited with public authorities, as required by law.



**Chubb
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint Thomas Bean, George O. Brewster, Desiree Cardlin, Colette R. Chisholm, Susan Lupski, Gerard S. Macholz, Camille Maitland, Robert T. Pearson, Nelly Renchiwich, Rita Sagistano, Vincent Walsh and Mia Woo-Warren of Uniondale, New York

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations. In Witness Whereof, said **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this 20th day of July, 2015.

Dawn M. Chloros, Assistant Secretary

David B. Norris, Jr., Vice President



STATE OF NEW JERSEY
County of Somerset

On this 20th day of July, 2015 before me, a Notary Public of New Jersey, personally came Dawn M. Chloros, to me known to be Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros, being by me duly sworn, did depose and say that she is Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that she signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that she is acquainted with David B. Norris, Jr., and knows him to be Vice President of said Companies; and that the signature of David B. Norris, Jr., subscribed to said Power of Attorney is in the genuine handwriting of David B. Norris, Jr., and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



**KATHERINE J. ADELAAR
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 16, 2019**

Notary Public

CERTIFICATION

Extract from the By-Laws of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**:

"Except as otherwise provided in these By-Laws or by law or as otherwise directed by the Board of Directors, the President or any Vice President shall be authorized to execute and deliver, in the name and on behalf of the Corporation, all agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation's own account or in a fiduciary or other capacity, and the seal of the Corporation, if appropriate, shall be affixed thereto by any of such officers or the Secretary or an Assistant Secretary. The Board of Directors, the President or any Vice President designated by the Board of Directors may authorize any other officer, employee or agent to execute and deliver, in the name and on behalf of the Corporation, agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation's own account or in a fiduciary or other capacity, and, if appropriate, to affix the seal of the Corporation thereto. The grant of such authority by the Board or any such officer may be general or confined to specific instances."

I, Dawn M. Chloros, Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in the U.S. Virgin Islands, and Federal is licensed in Guam, Puerto Rico, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 11th day of December, 2015



Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 803-3493 Fax (908) 903-3856 e-mail: surety@chubb.com

ACKNOWLEDGMENT OF SURETY COMPANY

STATE OF ...New York..... }
COUNTY OF ...Nassau..... } SS

On this**December 11, 2015**....., before me personally came Rita Saglstando
to me known, who, being by me duly sworn, did depose and say; that he/she resides in
..... Nassau County....., State ofNY....., that he/she is the Attorney-In-Fact of the
..... Federal Insurance Company..... the corporation described in which executed the
above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is
such corporate seal; that it was so affixed by the Board of Directors of said corporation; and that he/she signed
his/her name thereto by like order; and the affiant did further depose and say that the Superintendent of
Insurance of the State of New York, has, pursuant to Section 1111 of the Insurance Law of the State of New
York, issued to Federal Insurance Company..... (Surety) his/her certificate of
qualification evidencing the qualification of said Company and its sufficiency under any law of the State of New
York as surety and guarantor, and the propriety of accepting and approving it as such; and that such certificate
has not been revoked.

Camille Maitland
.....

Notary Public
CAMILLE MAITLAND
Notary Public, State of New York
No. 01MA6006044
Qualified in Kings County
Commission Expires April 20, 2016

NY acknowledgement

FEDERAL INSURANCE COMPANY

STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

DECEMBER 31, 2014

(in thousands of dollars)

<i>ASSETS</i>		<i>LIABILITIES AND SURPLUS TO POLICYHOLDERS</i>	
Cash and Short Term Investments.....	\$ 110,484	Outstanding Losses and Loss Expenses	\$ 12,181,139
United States Government, State and Municipal Bonds	10,245,402	Unearned Premiums.....	3,654,861
Other Bonds.....	4,927,443	Ceded Reinsurance Premiums Payable.....	339,466
Stocks.....	1,066,355	Provision for Reinsurance	46,470
Other Invested Assets.....	<u>1,365,367</u>	Other Liabilities.....	<u>1,434,018</u>
 TOTAL INVESTMENTS	 <u>17,715,051</u>	 TOTAL LIABILITIES	 <u>17,655,954</u>
 Investments in Affiliates:			
Chubb Investment Holdings, Inc.....	3,565,038	Capital Stock.....	20,980
Pacific Indemnity Company.....	2,922,214	Paid-In Surplus.....	3,106,809
Executive Risk Indemnity Inc.....	1,258,019	Unassigned Funds	<u>11,700,594</u>
Chubb Insurance Investment Holdings Ltd....	1,162,709		
CC Canada Holdings Ltd.....	652,880	 SURPLUS TO POLICYHOLDERS.....	 <u>14,828,383</u>
Chubb Insurance Company of Australia Ltd.	480,068		
Great Northern Insurance Company	476,969		
Vigilant Insurance Company.....	292,313		
Chubb European Investment Holdings SLP ..	287,633		
Other Affiliates	517,330		
Premiums Receivable	1,679,148		
Other Assets	<u>1,474,965</u>		
 TOTAL ADMITTED ASSETS	 <u>\$ 32,484,337</u>	 TOTAL LIABILITIES AND SURPLUS TO POLICYHOLDERS.....	 <u>\$ 32,484,337</u>

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners. At December 31, 2014, investments with a carrying value of \$518,199,884 were deposited with government authorities as required by law.

State, County & City of New York, — ss:

Yvonne Baker, Assistant Secretary _____ of the Federal Insurance Company

being duly sworn, deposes and says that the foregoing Statement of Assets, Liabilities and Surplus to Policyholders of said Federal Insurance Company on December 31, 2014 is true and correct and is a true abstract of the Annual Statement of said Company as filed with the Secretary of the Treasury of the United States for the 12 months ending December 31, 2014.

Subscribed and sworn to before me
this March 11, 2015.

Jeanette Shipsey

Notary Public

JEANETTE SHIPSEY
Notary Public, State of New York
No. 02SH5074142
Qualified in Nassau County
Commission Expires March 10, 2019

Yvonne Baker

Assistant Secretary

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