

**NEW HANOVER COUNTY  
ALCOHOLIC BEVERAGE CONTROL BOARD  
6009 MARKET STREET  
WILMINGTON, NC 28405**

ADDENDA 2

From: Jennifer Stancil  
Project: Commercial Property & Casualty Insurance  
Date: September 14, 2015

1. Please forward loss reports for all line of business. Current term and at least 5 years prior would be preferred, and recently valued.

See Attached.

2. Who are the current carriers for each line of business?

Penn National (Businessowners), Selective (Flood), All Risk (Excess Flood), Allied World (Data Breach), NCIUA (Wind and Hail)

3. Have any markets been assigned to the current broker or any other brokers? **No**. I'm sure you know this, but a carrier will provide a quote to only one broker. Is the Board taking the approach that whomever gets to a carrier first is the broker that will get a quote from that carrier? **Yes**

4. Liquor Sales by Store:

Retail Sales:

SALES WHISKEY-#101	3,813,113.05
SALES WHISKEY-#102	2,036,775.65
SALES WHISKEY-#104	4,513,770.15
SALES WHISKEY-#105	3,212,108.35
SALES WHISKEY-#106	4,727,185.50
SALES WHISKEY-#108	5,124,132.35
SALES WHISKEY-#109	1,213,932.25
SALES WHISKEY-#110	2,818,940.35
	27,459,957.65

Liquor by the Drink Sales (Wholesale):

SALES WHISKEY-#103	3,880,603.95
MIXED BEV TAX 103	839,702.19
103	4,720,306.14
MIXED BEV TAX 105	254,718.76
SALES - 105 LBD	1,065,239.40
105	1,319,958.16
SALES - 107 LBD	3,745,355.70

MIXED BEV TAX 107	827,615.69
107	4,572,971.39
MIXED BEV TAX 110	76,616.25
SALES - 110 LBD	360,953.25
110	437,569.50

5. What is the estimated annual payroll by class code?

Budgeted payroll gross shown below.

Class code 8017	\$2,266,455.00
Class code 7380	\$ 20,000.00
Class code 8810	\$ 152,828.00
Total Budgeted FY2016	\$2,439,283.00

6. On the loss runs there is a claim on 12/9/14 under the BOP I believe and it states "Unknown at this time". Would you let me know the circumstances?

2378 Carolina Beach Rd., a vehicle collided into the building knocking glass out of the exit door and damaging cinder blocks. The drive also backed into a column and damaged a portion of the building's roof.

7. Are there central station alarm systems and surveillance cameras in each location?

Updated on Spreadsheet

8. Do any/all locations have a sprinkler system?

Updated on Spreadsheet

9. The current workers compensation experience modification?

.84

10. Federal ID #

56-6000713

11. # of employees

61 total, 43 FT and 18 PT

12. Are there any ABC Law Enforcement Officers?

No. All contracted with NHC.

13. Does the current property policy (with Penn National) exclude wind and hail with a separate policy for that exposure written through the NC Joint Underwriting Association?

The list of locations will show you which locations have wind excluded and have a separate wind and hail policy.

14. Are there central station alarm systems and surveillance cameras in each location?

Updated on Spreadsheet

15. Do any/all locations have a sprinkler system?

Updated on Spreadsheet

16. Why is the ABC Board going out for RFP? Is it just part of their regular due diligence process or is there an issue they would like to solve with their current broker relationship? Due Diligence. Is it more than just the broker fee? I am not sure if I understand this question. We are not doing a broker fee on this entity. Commission Based.

17. What type of loss control services would the ABC Board like added to their broker services? Standard

18. Have there been any difficult claims with any of the carriers, or problems with claims resolution (particularly those claims that occurred in the last 12-14 months based on the loss runs we received)? No

19. How did the Board arrive at the Data Breach/Network Liability insurance limit?

This needs to be re-evaluated. This was what was first purchased when the policy came out.

20. Are there appraisals available for the properties insured on the schedule? Yes, the properties were just appraised in July. The amounts on the location schedule are the correct amounts.

21. Will there be market assignments or how will market access be determined? No assignments.

22. ALE- The question concerning the ALE was asking if they work under the ABC's payroll by enforcing underage drinking or independently?

The ALE officers are employees of the sheriff. They enforce underage drinking laws in both the capacity of ABC officers and of law officers

23. Any upgrades to location 102 since its original construction of 1965? Electrical, plumbing, hvac, roof, etc:

102 Renovation	4/01/87
Parking Lot Overlay	7/23/93
Vestibule	7/02/93

New Fascia	6/16/94
New Soffit With Lights	6/30/94
New Ceiling & Lights	2/23/95
Install 2 Glass Doors	12/18/95
New Heat Pump	12/18/95
Roof	1/04/96
Columns	12/03/01
Heat & Air Conditioning	8/06/02
Raised Loading Dock and Ramp	5/08/03
Paving & Electrical	2/01/05
Wesco Security System	8/09/05

24. Have there been any difficult claims with any of the carriers, or problems with claims resolution (particularly those claims that occurred in the last 12-14 months based on the loss runs we received)? **No.**

25. Is there a policy for employees driving NHC ABC vehicles and vehicle usage?

**Excerpts from our Personnel Policy “Conditions of Employment” section:**

Mandatory - Equipment & Vehicles (Board-owned or otherwise): Prior to operating the equipment listed below, employees must be trained and certified. Normally, the Purchasing and Logistics Operations Manager will provide this training and certification for employees required to use this equipment/vehicles. If necessary, the Purchasing and Logistics Operations Manager will obtain training/certification from a third-party.

- i. Electronic pallet jack.
- ii. Motorized fork lift.
- iii. Vehicles over 26,000 gross vehicle weight (requires NC Commercial Driver’s License in addition to authorization by the Purchasing and Logistics Operations Manager).

Post-accident: Employees will be tested following an on-the-job accident or other occurrence that involves one or more of the following events: a fatality, a serious injury to an employee or other individual, substantial damage to vehicles or other property, or if the employee receives a citation under state or local law for a moving traffic violation arising from an accident. Employees may also be tested after a series of minor on-the-job accidents or injuries as determined by the CEO or designee.

Following such an accident, the employee must immediately notify his/her supervisor and must submit to a test as soon as is practicable. The supervisor is responsible for transporting the employee to the appropriate testing facility. If a test is conducted by a law enforcement officer at the scene of the accident, the employee is required to immediately contact his/her supervisor to report the test result and to provide the supervisor with the name, badge number, and telephone number of the law enforcement officer who conducted the test. If the employee is hospitalized for injuries, arrangements will be made for the testing to be conducted at the medical facility to which the employee has been admitted.

Post-accident tests will be administered as soon as possible, but ideally not more than eight (8) hours after the accident. An alcohol test should be administered within two (2) hours of an accident. If

unable to test within (2) hours, the supervisor must document the reason(s) for the time delay. If the test is not performed within eight (8) hours, the manager will cease attempts to administer the test and will document the reason(s) why the test was not conducted. The employee must refrain from consuming alcohol for eight (8) hours following an accident or until the alcohol test has been completed, whichever comes first. The employee must remain available for drug and alcohol testing or it will be considered a refusal, unless the employee is seriously injured. Refusal to submit to testing or a positive test-result will cause termination of employment.

Surrender of Drugs, Paraphernalia: If an employee is observed using a suspected substance, the manager must demand that the employee surrender the item and related paraphernalia.

26. Expiring Premiums

Updated on location schedule, under coverage's

27. Other Firms in the Process

Unknown at this time

28. Is anyone bringing in Nationwide? Is anyone bringing in Selective?

I have not heard one way or another yet. Selective is on the Flood.

29. It shows "Liquor by the Drink Sales (Wholesale)." What is this?

They sell bottles to bars and restaurants, and they subsequently sell liquor-by-the-drink.

30. Please provide the details of the 06/19/2015 Electrical loss.

This was a lightning strike not electrical loss.

31. What is the vehicle radius and are any federal or state motor carrier filings required.

50 mile radius weekly, no federal or state filings.

32. Does the insured operate a warehouse or is merchandise shipped directly to individual stores from the state ABC? Operates a warehouse.

33. If they do operate a warehouse, could they describe controls? what is shelving height, are conveyor systems used, are carts, pallet jacks, or fork-lifts used (if so, do they use certified operators?)

No shelving, no conveyors. They do use carts, pallet jacks and fork-lifts. Yes they are certified operators.

34. How is lifting addressed with store employees? For instance, do they use carts, are they provided training, ext? Use Carts and provide Brochures. Training would be given by loss control if needed.

35. It is noted that there is delivery payroll. How many employees is this for and do they check MVRs?

5 f/t drivers, 2 p/t support. Not at this time.

36. What is the insured's take on return to work? Is there a formal or informal program?

Try to get employees back to work as soon as possible. Informal

37. In regards to safety and control, could they briefly describe:

their safety program (safety committees, training, management support for safety, drug program (post accident, random, prehire, for cause), ext.)

management support for safety, drug program in place for post-accident, random, pre-hire and for cause.  
their hiring procedures (applications, interviews, orientation, pre-hire physicals, ext).  
applications, interviews, orientation, pre-hire drug program

37. OCN (original cost new) on the following:

\$85,000 GMC

\$22,000 Chevrolet

\$17,500 Ford

\$83,000 FRLN