

STATE OF LOUISIANA – INVITATION FOR BID



PROPOSAL NO.: CR-21

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PROPOSAL MUST BE RECEIVED NO LATER THAN	
TIME: 10:00 A.M.	DATE: March 25, 2009
FOR INFORMATION CONTACT:	
Mona Propes	
PHONE NUMBER: (225) 342-8468	
EMAIL: Mona.Propes@la.gov	

This document constitutes an invitation to submit sealed bids, including prices, from qualified individuals and organizations to furnish those services and/or items described herein.

Proposals **must** be mailed to the Office of the Governor, Division of Administration (D0A), Office of Risk Management or hand carried to its offices at 1201 North 3<sup>rd</sup> Street, Ground Floor, Suite G-192, P. O. Box 91106, Baton Rouge, Louisiana 70821-9106.

**FOR:**

CRIME COVERAGE FOR OPERATIONS, ENDORSED TO PROVIDE BOND COVERAGE FOR SMG EMPLOYEES, AT THE LOUISIANA SUPERDOME AND NEW ORLEANS ARENA

**CONTRACT PERIOD:**

Policy to be effective for the period of 12:01 A.M. July 01, 2009 to 12:01 A.M. July 01, 2010 with two (2) one-year options to continue at the same rates. Bids will be received up to **10:00 A.M., March 25, 2009** by the Administrative Section of the Office of the Governor, Division of Administration, Office of Risk Management, 1201 North 3<sup>rd</sup> Street, Ground Floor, Suite G-192, Baton Rouge, Louisiana. At the same hour of the same day and date bids will be publicly opened and read in the conference room at the Division of Administration, Office of Risk Management address. Bids received after this time will be returned to the bidder/contractor unopened.

**BIDDER/CONTRACTOR INFORMATION/SIGNATURE:**

The bidder hereby agrees to provide the insurance coverage and related services, at the prices quoted, pursuant to the requirements of this document and further agrees that when this document is countersigned by an authorized official of the State of Louisiana, a binding contract, as defined herein, **shall** exist between the bidder and the State of Louisiana.

Insurance Agency Name			
Signature of Designated Authorized Insurance Agency Representative		Print Name	Title
Mailing Address (Bidding Agency)		Telephone	
City	State	Zip Code	

**THE FOLLOWING SECTION IS FOR STATE OF LOUISIANA USE ONLY**

<b>NOTICE OF AWARD:</b>	<b>PROPOSAL NUMBER:→</b>	<b>CR-21</b>
This proposal is accepted by the State of Louisiana as follows:		
STATE RISK UNDERWRITING SUPERVISOR	STATE RISK DIRECTOR	DATE

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**STATE OF LOUISIANA  
OFFICE OF RISK MANAGEMENT (ORM)**

**PART I**

**TERMS AND CONDITIONS OF AN INVITATION FOR BID**

**1. Terminology of an Invitation for Bid (IFB)**

Throughout this document the words "bidder", "contractor", and "policy" may pertain to one or more bidder(s), contractor(s), or policy(ies).

Whenever the following words and expressions appear in an Invitation for Bid document or any amendment, exhibit, or attachment thereto, the definition or meaning described below **shall** apply.

- 1.1 Authorized** - Is an admitted or non-admitted insurance company approved by the Commissioner of Insurance to do business in the State of Louisiana.
- 1.2 Bid Close Date and Time and Similar Expressions** - The exact deadline required by the IFB for the physical receipt of bids by the Division of Administration (DOA), Office of Risk Management in its office.
- 1.3 Bidder** - The person or organization that responds to an IFB with a proposal and prices to provide the service, supplies, or equipment as required in the IFB document. **All provisions contained in this solicitation, which are addressed to the bidder, shall apply equally to the contractor.**
- 1.4 Budget Agency or State Budget Agency** - Any unit of state government in the State of Louisiana for which the policy of insurance and service is being purchased by the OFFICE OF RISK MANAGEMENT sometimes hereinafter referred to as ORM.
- 1.5 Buyer** - The procurement staff member of ORM.
- 1.6 Contractor** - The person or organization who enters into a legally binding contract thereby agreeing to perform a service and/or to furnish supplies or equipment in return for the payment of money and includes the bidding agent or agency and the insuring company whose names appear on the cover sheet and EXHIBIT II of the invitation for bid. **All provisions contained in this solicitation, which are addressed to the contractor, shall apply to the bidder.**
- 1.7 Guaranteed Cost** - Premium charged on a prospective basis, fixed or adjustable, or on a specified rating basis, but never on the basis of loss experience. In other words, the cost is guaranteed to the extent that it will not be adjusted based on the loss experience of the insured during the period of coverage. The rate(s) **must** remain fixed during the contract period.
- 1.8 Invitation for Bid or IFB** - Those procurement documents issued by ORM to potential bidders/contractors for the purchase of insurance coverage and related service as described in the document. The definition includes all attachments, exhibits, schedules, supplemental pages, and/or amendments thereto.
- 1.9 Manuscript Endorsement** - Any unprinted, typed endorsement changing any conditions, agreements, exclusions or warranties of the contract.
- 1.10 Must and Shall** - When these words are used the performance of a certain act is a mandatory condition and **shall** be performed exactly as described.
- 1.11 Designated Authorized Representative** - When used in regards to the insurance company or an incorporated insurance agency, these words mean an elected corporate officer with power of attorney for the insurance company/agency. The requirements of power of attorney are specified in PART IV, Section 3 of these specifications. When used in regards to an unincorporated insurance agency, these words mean the owner of the agency.

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## 2. Open Competition

- 2.1 It is the intent and purpose of ORM that the Invitation for Bid permits free and open competition. However, it **shall** be the bidder's/contractor's responsibility to advise ORM if any language, requirements, etc., or any combination thereof, inadvertently restricts or limits the requirements to a single source or otherwise unduly or unnecessarily prohibits the submission of a bid. The notification **must** be received by ORM within ten (10) calendar days prior to the bid close date and time. Bidders are requested to bring to the attention of ORM any perceived problems with these specifications at the earliest possible opportunity in order to allow clarification or amendment with minimum disruption to the bid process.

## 3. The Invitation for Bid Document (IFB)

- 3.1 The IFB contains two basic types of requirements and information, although it may be organized into several parts. One type consists of the scope of work (technical requirements) and related contractual commitments with which the bidder/contractor **must** comply if awarded a contract. The other type consists of those basic instructions and procedural requirements which **must** be observed and satisfied by the bidder/contractor when submitting a bid for consideration.
- 3.2 The IFB or a Notice to Bidders is mailed to persons and organizations at the address currently on file with the DOA, Purchasing Section. If any portion of the address is incorrect, the bidder/contractor **must** notify the buyer upon receipt of the document. Any subsequent amendment to an IFB will be mailed to the same address as the original IFB unless otherwise notified.
- 3.3 Additional copies of the bid proposal forms, information, specifications and subsequent amendments may be obtained on line at <http://www.state.la.us/orm/uwnewbid.htm>.

## 4. Amendments to an Invitation for Bid

- 4.1 ORM reserves the right to officially modify (or cancel) an IFB after issuance. Such a modification shall be identified as an amendment and numbered in a sequential order as issued.
- 4.2 If bidder/contractor has not received all amendments which have been issued by ORM, it is the bidder's/contractor's responsibility to contact ORM to obtain a copy(ies) of the amendments. If the designated authorized representative of the insurance agency fails to acknowledge receipt of all amendment(s) by signing the amendment(s) in the designated area and returning same with bid response, the bidder's/contractor's submission will not be considered a responsive bid.
- 4.3 The designated authorized representative of the insurance agency may acknowledge the acceptance of the conditions of an amendment by telegraphic notice or electronic mail services if issued to and physically received in the Office of Risk Management - Administrative Section no later than the official bid close date and time. Verbal messages from either a telegraph company or the bidder/contractor **shall** not be permitted or considered as an acceptance of an amendment.

## 5. Questions by Bidders

- 5.1 Any questions related to an IFB **must** be directed to the buyer in ORM whose name appears at the top of the form on page 1. Prior to the award of the IFB, the bidder/contractor **shall** not contact nor ask questions of the State agency for which the required insurance is being procured, unless so stated elsewhere in these specifications. **Questions shall be submitted in writing and will be answered in writing in the form of an amendment and forwarded to all vendors who were mailed an IFB.** Any correspondence related to an IFB should refer to the appropriate IFB number, page and paragraph number, etc. However, do not place the IFB number on the outside of the envelope containing questions since such an envelope will be identified as a sealed bid and will not be opened until after the official bid close date and time. Correspondence should be mailed to the Office of Risk Management, P. O. Box 91106-9106, Baton Rouge, LA 70821-9106.
- 5.2 All questions **must** be received by ORM at least fifteen (15) calendar days prior to the bid opening date. All answers will be mailed to the vendors at least ten (10) calendar days prior to the bid

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opening date.

- 5.3 Questions will also be permitted at Pre-Bid Conferences when scheduled. If scheduled, the IFB will contain the date, time, and location of the Pre-Bid Conference; attendance will be at the bidder's/contractor's expense. The bidder/contractor should bring a **copy** of the IFB since it will serve as the agenda. However, since impromptu questions may be asked and since spontaneous answers may be given, the only official position of ORM or a State agency **shall** be the position or answer issued to bidders/contractors in writing. Transcripts are not made nor issued to bidders/contractors.

6. **Instructions for Submission of Bid(s) by Bidders/Contractors**

- 6.1 A proposal submitted **must** be manually signed in ink by the designated authorized representative of the insurance agency and the insurance company. ORM will accept either the original insurance company designated authorized representative's signature submitted with the bid response or a facsimile copy of the insurance company designated authorized representative's signature on EXHIBIT II in lieu of an original signature. The original of EXHIBIT II containing the insurance company designated authorized representative's original signature **must** be received at ORM's office within ten (10) working days after the bid opening date. Failure to timely submit said original of EXHIBIT II may result in rejection of the bid. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the requirement of a company and an agency signature; however, the submission of a bid bond allows any authorized person from the company and the agency to sign the invitation in lieu of the designated authorized person.

- 6.1.1 The designated authorized representative of the insurance agency **shall** manually sign in ink the following:

6.1.1.1 Form ORM-02

6.1.1.2 Any amendments to the specifications

- 6.1.2 The designated authorized representative of the insurance company **shall** manually sign in ink the following:

6.1.2.1 EXHIBIT II

- 6.2 All attachments **shall** be returned as follows:

6.2.1 **Must** contain all information required by the IFB.

6.2.2 The bid **shall** be priced as required in the IFB.

6.2.3 **Must** be sealed in an envelope or box with security deposit attached, if required.

6.2.4 **Must be delivered to the Office of Risk Management - Administrative Section and officially clocked in no later than the exact time on the date as specified in the IFB.**

6.2.5 **Entire IFB and Amendments (if applicable) shall be returned except as otherwise provided in these specifications.**

- 6.3 **THE SEALED ENVELOPE OR BOX CONTAINING AN IFB SHALL BE CLEARLY MARKED ON THE OUTSIDE BOTTOM LEFT CORNER WITH THE FOLLOWING:**

6.3.1. **THE OFFICIAL IFB PROPOSAL NUMBER.**

6.3.2. **THE OFFICIAL CLOSE DATE AND TIME.**

- 6.4 **Please submit your bid with pages numbered in the bottom right-hand corner of each page in the following manner: 1 of 4, 2 of 4, etc.**

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**7. Proposal Opening**

- 7.1** Shortly after the expiration of the official bid close date and time, bids will be opened. The bidders/contractors and the public are invited, but not required to attend the formal opening of bids. Prices will be read aloud to the public. However, no decisions related to an award of a contract **shall** be made at the opening.
- 7.2** **Due to manpower limitation, buyers shall not repeat prices after an opening via telephone request. Please do not make such requests. However, upon written request a photocopy of the Summary of Quotations shall be mailed to interested bidders/contractors.**

**8. Late Proposals**

- 8.1** Any bid received by the DOA, Office of Risk Management after the exact bid closing date and time **shall** not be opened and **shall** not be evaluated regardless of the reason and mitigating circumstances related to its lateness or degree of lateness.
- 8.2** It is the bidder's/contractor's sole responsibility to insure that the proposal is physically received and officially clocked in as a sealed document by the DOA-Office of Risk Management in its offices no later than the official close date and time. Late bids **shall** be returned to bidders/contractors unopened.

**9. Rejection of Bids**

An invitation for bids, a request for proposals, or other solicitation may be canceled or all bids or proposals may be rejected, if it is determined in writing by the chief procurement officer or his designee that such action is taken in the best interest of the State.

**10. Public Notice of Awards**

- 10.1** ORM has no facilities for furnishing abstracts of bids; a complete record of all bids is on file in this office subject to inspection of any citizen who is interested in investigating, for any purpose, the record of State purchases.
- 10.2** Bidders are permitted to review competitors' bids and evaluate documents in accordance with the provisions of the Public Record Act, Louisiana R.S. 44:1 et. seq. Such review **must** be conducted on site in ORM in accordance with the public records statutes.

**11. Non-Award of Contract Due to Insufficient Funds**

ORM reserves the right to reject the bid for insurance coverage if the insured(s) does/do not have sufficient funds available with which to pay the premium.

**12. Contract Resulting From an IFB**

- 12.1** **The bidder/contractor is advised that the State of Louisiana does not sign standard contract forms.** The IFB document issued by ORM contains signature lines for the designated authorized representative of the insurance agency and of the insurance company which **shall** be signed when submitted as a bid. Immediately below the bidder's/contractor's signature line is a section entitled "Notice of Award" which contains signature lines for officials of the State of Louisiana. To consummate a contract, officials of the State of Louisiana need only to sign the Notice of Award section of the form.
- 12.2** **Be aware that the actual contract between the State of Louisiana and the bidder/contractor shall consist of the following documents: (1) IFB and any amendments issued thereto, (2) the proposal submitted by the bidder/contractor in response to the IFB, (3) the actual policy issued. In the event of a conflict in language between items 1, 2, and 3 referenced above, the provisions and requirements set forth and/or referenced in the IFB shall govern. ORM reserves the right to clarify any contractual relationship in writing and such written clarification shall govern in case of conflict with the applicable requirements stated in the IFB and the bidder's/contractor's proposal. In all other matters not affected by the written**

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**clarification, if any, the IFB shall govern. The refusal of the bidder/contractor to conform to the provisions and requirements set forth and/or referenced in the IFB shall result in the award of the contract to the new lowest bidder/contractor. The bidder/contractor is cautioned that its proposal shall be subject to acceptance by ORM without further clarification. In the event of any discrepancies between the insurance requirements delineated in these bid specifications and the model policy provided herein, the bid specifications shall govern.**

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**PART II**

**TECHNICAL SPECIFICATIONS**

**1. General Specifications**

- 1.1** The bidder/contractor **shall** provide crime coverage for operations, endorsed to provide bond coverage for SMG employees, at the Louisiana Superdome and New Orleans Arena.
- 1.1.1** The bidder/contractor **shall** agree that underwriting information provided in the schedule is believed to be correct and it **shall** not be considered in any way a warranty by ORM and **shall** not impair the rates for the insurance coverage based upon the information provided.
- 1.1.2** Bids submitted by admitted companies (including reinsurance carriers which desire to submit bids for any coverage layer requested or excess of any coverage layer requested) licensed to do business in the State of Louisiana possessing a **Best's Insurance Reports policyholder's current rating of "A++", "A+", "A" or "A-", with a financial rating of Class VIII or higher will be considered first.** Surplus line companies or non-admitted companies possessing a **Best's Insurance Reports policyholder's current rating of "A++", "A+", "A" or "A-", with a financial rating of Class VIII or higher** will be considered and accepted only if acceptable bids are not tendered by an admitted company. The bidding company **shall** meet the qualifications mentioned above without regard to any cut-through endorsements to a higher company. Direct quotations from companies (including reinsurance carriers) **shall** be considered an alternate bid. Mutual companies which write assessable insurance policies are not acceptable and will not be considered for award of the bid.
- 1.2** The contract and policy term **shall** be for the period of time as reflected under EXHIBIT I.
- 1.3** Invoices for policies delivered and accepted **shall** be submitted (in duplicate) by the bidder/contractor on its own form directly to ORM, Division of Administration.
- 1.4** **Premiums for each State budget agency shall be computed separately where policies of insurance cover more than one State budget agency.**
- 1.5** **Contractor shall be required to furnish closure claims settlement notices to ORM, Division of Administration, on all settlements of claims. Contractor shall be required to furnish a quarterly report reflecting claims (cumulatively for policy year, not just activity for the quarter) opened and closed and claims reserved and paid per agency by policy year including all allocated loss adjustment expenses until all claims are closed. Information to be reflected on the quarterly report for each individual claim shall include but not be limited to the following.**
- 1.5.1** **Date of Loss;**
- 1.5.2** **Status of claim** (open, closed, reopened);
- 1.5.3** **Brief Description of Loss;**
- 1.5.4** **Name of State Agency;**
- 1.5.5** **Amount of claim as indicated below** (by coverage code, if coverage code is applicable);
- 1.5.5.1** Total Incurred;
- 1.5.5.2** Amount paid;
- 1.5.5.3** Amount reserved;
- 1.5.5.4** Amount recovered;
- 1.5.5.5** Amount of loss adjustment expenses; and
- 1.5.5.6** Net Incurred
- 1.6** All books and records of transactions under this contract **shall** be maintained by the bidder/contractor for a period of five (5) years from the date of the final payment under the contract.

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- 1.7 ORM will execute any "A" rate form necessary to enable the underwriter to comply with any premium charge quoted and preclude any violation of rating bureau requirements (if applicable).
- 1.8 **The contractor shall make special filings of policy forms with the Louisiana Department of Insurance as needed to comply with coverage requested in these specifications prior to the issuance of the policy.**
- 1.9 At the request of ORM, the insurance policy issued to include coverages as reflected in PART IV, of these specifications will be revised by way of endorsements to the policy extending or deleting coverage as a result of any changes in units of exposure, if needed.
- 1.10 A bidder/contractor offering a direct sale of insurance to the State should have reduced the policy premium by the amount of the commission which would have been paid, as indicated by Louisiana R.S. 39:1631.
- 1.11 "It **shall** be unlawful for an agent (bidder/contractor) to split, pass on or share with any person, group, organization or other agent, except the State of Louisiana, all or any portion of the commission derived from the sale of insurance to the State..." Louisiana R.S. 39:1632.

## 2. General Required Endorsements

The "policy of insurance" as used in this section **shall** mean policy issued by the successful bidder/contractor.

- 2.1 The cancellation provisions of the policy of insurance shall be replaced with the following: **"It is agreed that the guidelines set forth in this policy as regards cancellation of coverage are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:**

**The insured may cancel the policy by returning it to the company or by giving the company advance notice of the date cancellation is to take effect. The company may cancel or non-renew the policy by mailing to the insured by "Certified Mail, Return Receipt Requested" (at the insured's last known address by the company) written notice of cancellation at least:**

**Thirty (30) days before the effective date of cancellation if cancellation is due to nonpayment of premium; or**

**One hundred-twenty (120) days notice if cancellation or non-renewal is due to any other reason.**

**The company may deliver any notice instead of mailing it. A signed return receipt will be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period."**

- 2.2 The policy of insurance **shall** include this endorsement: **"The inclusion of more than one Named Insured in the policy shall not affect the rights of any Named Insured as respects any claim or suit by any other Named Insured or by an employee or such other insured."**
- 2.3 The policy of insurance **shall** include this endorsement unless a "Separation of Insureds" clause is part of the policy: **"The policy shall insure each Named Insured in the same manner as though a separate policy had been issued to each, but nothing contained herein shall operate to increase the company's liability as set forth elsewhere in this policy beyond the amount or amounts for which the company would have been liable if only one insured had been named, without the prior written approval of the Named Insured."**
- 2.4 The policy of insurance **shall** include this endorsement: **"For the insurance afforded herein, the State Risk Director for the Office of Risk Management/Division of Administration, State of Louisiana is authorized to act for all insureds respecting the giving and receiving of notice of cancellation, non-renewal or material change, receiving any return premium or dividend,**

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and changing any provisions of this coverage. Such notice or changes shall be mailed in care of the Office of Risk Management, Division of Administration, Post Office Box 91106, Baton Rouge, LA 70821-9106."

3. **Special Required Endorsements**

Blank

4. **Delivery Dates and Location**

- 4.1 The policy of insurance **shall** be received by ORM within forty-five (45) days from the inception date of the policy and **shall** not be delivered to any other State agency.
- 4.2 Coverage binder **shall** be received by ORM within five (5) days of the date award is made.
- 4.3 **Bidder/Contractor shall issue endorsement(s) to any additional insured(s) as requested by the Named Insured.**
- 4.4 This is a request for a guaranteed cost for one (1) year policy in effect from July 01, 2009 to July 01, 2010 with two (2) one-year options to renew at the same rates.

5. **Claims Service**

- 5.1 The bidder/contractor shall provide claims service for the Crime coverage.
- 5.2 The claims service shall be responsible for the handling of our claims to their conclusion in a professional manner. Should the contract be terminated the bidder/contractor **shall** remain responsible for occurrences that take place during the policy period.

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**PART III**

**GENERAL CONTRACTUAL REQUIREMENTS**

1. Bidder/Contractor **shall** be bound by the provisions of Louisiana R.S. 39:1551, et. seq., (The Louisiana Procurement Code).
2. Unless otherwise provided by law, a contract for services may be entered into for periods of not more than three years. No contract **shall** be entered into for more than one year unless the length of the contract was clearly indicated in these specifications. At the option of the State of Louisiana and upon acceptance by the bidder/contractor, any contract awarded for one year may only be extended for two additional twelve-month periods -- not to exceed a total contract period of thirty-six months.
3. **Appropriation Dependency Clause**
  - 3.1 The continuation of this agreement is contingent upon the appropriation of funds, to fulfill the requirements of the agreement, by the legislature. If the legislature fails to appropriate sufficient monies to provide the continuation of this agreement, or if a lawful gubernatorial order issued in or for any given fiscal year during the term of this agreement, reducing the funds appropriated in such amounts as to preclude making the payments set out herein, the agreement **shall** terminate on the date said funds are no longer available without any liability incurring onto the State other than to make payment for services rendered prior to the termination date.
  - 3.2 However, the State **shall** be under a duty to make such determination only in good faith and not, arbitrarily and without justification, to cancel this agreement for the sole purpose of acquiring from another vendor other products of comparable quality and value, and the State agrees that it will use its best efforts to obtain approval of necessary funds to fulfill the obligations of this agreement by taking the appropriate action to request adequate funds to continue this agreement.
4. Endorsements extending and/or deleting coverage which are issued to the policy of insurance **must** reflect any increases or decreases in the amount of the bidders'/contractors' compensation (premium) and **shall** serve to modify or amend the premium as reflected on EXHIBIT I of these bid specifications. No other method, and/or no other document, including correspondence, acts and oral communications by or from any person, **shall** be construed as a modification or supplementation of the contract except as herein delineated as regards amendments and endorsements.
5. In the event the company or companies originally contracted with by ORM fail(s) to perform, ORM **shall** allow substitution for such company or companies if the parties sought to be substituted meet other criteria established by these specifications. In the event substitution of company or companies occur, company signature pages signed by the replacement company or companies **must** also be submitted to ORM.

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## PART IV

### GENERAL BID INFORMATION

#### 1. Special Instructions to Bidder

- 1.1 The bidder/contractor **must** respond to this IFB by submitting all data required herein in order for this bid to be evaluated and considered for award. Failure to submit such data **shall** be deemed sufficient cause for disqualification of a bid from further consideration of award.
- 1.2 The bidder/contractor **shall** provide Crime Coverage which **must** equal or exceed the coverage provided in the sample policy reflected in Schedule C of these specifications.
- 1.3 Any change or restriction in conditions, warranties, or exclusions from the underlying policy (found elsewhere in these specifications) or from these specifications **must** be completely explained in writing and attached to the bid. Any such deviations which provide less coverage and/or service than that required in the underlying policy and/or these bid specifications **shall** be considered an alternate quotation. Any such change or restriction **shall** be indicated on EXHIBIT IV of these specifications. **Submission of sample policy(ies) and/or service narrative shall not be considered to be in compliance with the above stipulations.**
- 1.4 ORM reserves the right to reject any or all bids.
- 1.5 Bidder/Contractor is bound by all of the terms, prices and conditions of its bid for a term of sixty (60) days after bid opening. No bid may be withdrawn prior to the expiration of that sixty (60) day period.
- 1.6 Bids will be awarded by competitive sealed bidding, pursuant to R.S. 39:1594. Only dollar values stated in EXHIBIT I will be considered for award of the bid. The DOA/ORM reserves the right to award the bid for the option which provides the highest limit of coverage at the lowest premium within the individual budget agency(ies) allocated funding, if applicable.
- 1.7 A contract or order resulting from this invitation **shall** be awarded in response to a bid providing the lowest responsible and responsive bid to the State of Louisiana.
- 1.8 Any award of the contract resulting from this invitation **shall** be made by written notification from ORM.
- 1.9 **As respects this bid, company name and signature of designated authorized representative of the insurance company shall be indicated on EXHIBIT II of these specifications. Submission of a bid bond in compliance with PART IV, Item 3 of these specifications does not eliminate the need for a company signature; however, the submission of a bid bond allows any authorized person from the company to sign the invitation in lieu of the designated authorized person.**

#### 2. Pricing Information

- 2.1 The bidder/contractor **shall** provide fixed rates for services as required by the Technical Specifications. These costs **shall** be shown on the form attached as EXHIBIT I, which **must** be returned with the proposal along with the entire IFB document.
- 2.2 The bidder/contractor **must** provide other information as required in EXHIBIT I.
- 2.3 The bidder's/contractor's quotation **shall** be based on the following:
  - 2.3.1 **Guaranteed Cost Plan** - Any Proposal submitted by the bidder/contractor **must** be submitted on the form herein provided with the blank spaces filled in showing the annual premium based on the coverages reflected in PART IV of these specifications.

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	*	PART IV	*		*	
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- 2.4 Percentage of commission return **shall** reflect that percentage of the total premium which will be returned to the State by the successful bidder/contractor, if applicable, and as allowed in Louisiana R.S. 39:1631 and Louisiana R.S. 39:1632.
- 2.5 Any increase and/or decrease in premiums during the policy period **shall** increase and/or decrease the amount of commission return to the same degree of percentage as the original commission return utilized in the net premium determination.
- 2.6 Annual/Anniversary premium **shall** be on a flat rate basis with no adjustments being made in a policy year for an increase or decrease in exposure units. However, subsequent anniversary billings will reflect any premium adjustments due to change in exposure units.

### 3. Bidder Information

- 3.1 As regards the insurance company and an incorporated insurance agency, the bidder/contractor shall attach either one of the following (Items 3.1.1 or 3.1.2) to the proposal:
  - 3.1.1 Board resolution or power of attorney (with seal):
    - 3.1.1.1 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance agency.
    - 3.1.1.2 giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.
    - 3.1.1.3 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.
  - 3.1.2 Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$10,000, whichever is more. Bid bonds for 10% of *Net Annual Premium* can be rounded to nearest dollar.
- 3.2 As regards an unincorporated insurance agency (sole proprietor agency), the bidder/contractor shall attach either one of the following Items (3.2.1 or 3.2.2) to the proposal.
  - 3.2.1 Notarized affidavit, board resolution or power of attorney (with seal):
    - 3.2.1.1 giving documentation from the Louisiana Insurance Department reflecting proof of ownership of the agency.
    - 3.2.1.2 giving the designated authorized representative of the insurance company authority to tender a premium quotation on behalf of the insurance company.
    - 3.2.1.3 giving the designated authorized representative of the insurance agency authority to tender a premium quotation on behalf of the insurance company.
  - 3.2.2 Bid bond in an amount equal to at least 10% of the Net Annual Installment Premium reflected on EXHIBIT I of these specifications or \$10,000, whichever is more. Bid bonds for 10% of *Net Annual Premium* can be rounded to nearest dollar.
- 3.3 The bidder/contractor **must** submit with its response to this IFB, a certificate of insurance showing proof of errors and omissions coverage on the agent and/or broker with limits of liability of at least \$1,000,000. This errors and omissions coverage must be maintained throughout the period of this contract.

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	*	<i>PART IV</i>	*		*	
CR-21	*	<i>GENERAL BID</i>	*	March 25, 2009	*	15 of 41
		<i>INFORMATION</i>				

**3.4** The bidder/contractor **must** submit a narrative description of the claims service it proposes to provide. The narrative should include, but not necessarily limited to, a description of the claim handling procedures (routine processing) commencing with the date of loss, reaction time on claims and length of time before a claims payment will be made. The bidder/contractor **shall** be held contractually responsible for information provided in EXHIBIT III.

**4. Insurance Required**

**4.1** The contractor shall provide crime coverage for operations, endorsed to provide bond coverage for SMG employees, at the Louisiana Superdome and New Orleans Arena subject to the following:

**4.1.1** Named Insured: State of Louisiana, Louisiana Stadium and Exposition District and SMG, A/T/I/M/A.

**4.1.2** \$500,000 Crime Coverage with \$250 deductible per occurrence.

**4.1.3** Specific coverage requested:

- A. Premises coverage (loss inside)
- B. Transit coverage (loss outside)
- C. Depositors Forgery coverage
- D. Money Orders and Counterfeit Paper coverage
- E. Employee Theft coverage

Aggregate for all parts: NONE

**4.1.4** ORM requires that the policy of insurance **shall** provide coverage equal to or exceeding the coverage provided in the policy forms reflected in Schedule C of these specifications.

**4.1.5** The policy of insurance **shall** also include the General and Special Required Endorsements reflected in PART II of these specifications.

**5. Underwriting Information**

See Schedules A - C

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT I</i>	*		*	
CR-21	*	<i>BID QUOTATION FORM</i>	*	March 25, 2009	*	16 of 41

**EXHIBIT I**

**BID QUOTATION FORM**

The bidder/contractor proposes to furnish a policy providing crime coverage for operations, endorsed to provide bond coverage for SMG employees, at the Louisiana Superdome and New Orleans Arena for the premium stated below effective for the period of **12:01 A.M. July 01, 2009 to 12:01 A.M. July 01, 2010 with two (2) one-year options to continue at the same rates.**

Total Annual Installment Premium<sup>1</sup>  
(including any policy tax, surplus  
tax, policy fees, etc.)

\$ \_\_\_\_\_

Less Commission Return<sup>2</sup>  
(Per Louisiana R.S. 39:1632)

-\$ \_\_\_\_\_

\_\_\_\_\_ %

Net Annual Installment Premium

\$ \_\_\_\_\_

---

<sup>1</sup>In the event the percentages of policy tax, or surplus lines tax or other taxes increase due to changed legislation, the bidder(s)/contractor(s) **shall** absorb the increases as the State cannot pay more than the amounts quoted on the successful bid except in the instances of increased coverage.

<sup>2</sup>For explanation refer to PART II - Technical Specifications, Subsection 1, General Specifications, Paragraph 1.10 and PART IV - General Bid Information, Subsection 2, Pricing Information, Paragraph 2.4. **Bidder/Contractor must reflect percentage of total premium which will be returned to the State.**

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT II</i>	*		*	
CR-21	*	COMPANY SIGNATURE	*	March 25, 2009	*	17 of 41
		PAGE				

**EXHIBIT II**

**COMPANY SIGNATURE PAGE**

INSURANCE COMPANY OR COMPANIES TO BE USED AND PERCENTAGE OR LAYER OF COVERAGE TO BE PROVIDED BY EACH: **(If additional space is required supplemental pages that are identified should be attached for insurance company name and signature)**

NOTE: See signature requirements per PART I, Item 6.1 and PART IV, Item 1.9.

**Insurance Company Name:** \_\_\_\_\_

**Signature Of Designated Authorized Representative Of The Insurance Company:**

\_\_\_\_\_

**Percentage Or Layer Of Coverage To Be Provided:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**NOTE: Bidder/Contractor Must Answer the Following Questions:**

- |  | <b>YES</b>               | <b>NO</b>                |
|--|--------------------------|--------------------------|
| 1) Is insurance company an assessable mutual company? <sup>3</sup>         | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) Is insurance company licensed to do business in Louisiana? <sup>3</sup> | <input type="checkbox"/> | <input type="checkbox"/> |

\_\_\_\_\_

<sup>3</sup>See PART II, Item 1.1.2 of these specifications

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT III</i>	*		*	
CR-21	*	<i>CLAIMS HANDLING PROCESS NARRATIVE</i>	*	March 25, 2009	*	18 of 41

**EXHIBIT III**

**CLAIMS HANDLING PROCESS NARRATIVE**

Bidders/Contractors **shall** respond to the following:

Provide a narrative description of the claims handling procedures (routine processing) to be used in servicing the account for the crime coverage for operations, endorsed to provide bond coverage for SMG employees, at the Louisiana Superdome and New Orleans Arena. The description should include, but not be limited to, the routine processing of claims, the reaction time to a new loss, and the length of time before a claim's payment will be made. (If additional space is required, supplemental pages that are identified should be attached for the bidder's/contractor's complete response.)

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT IV</i>	*		*	
CR-21	*	<i>COVERAGE/SERVICES DEVIATIONS</i>	*	March 25, 2009	*	19 of 41

**EXHIBIT IV**

**COVERAGE AND/OR OTHER SERVICES DEVIATIONS**

Bidder/Contractor shall indicate below any change or restriction in conditions, warranties, or exclusions from the crime coverage and/or other services required by these specifications. Submission of sample policy and/or service narrative shall not be considered as compliance with above stipulations. Non-disclosure of changes/restrictions shall be interpreted to mean policy and/or other services to be provided will be in compliance with coverage and/or other services requested in these specifications.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	EXHIBIT V	*		*	
CR-21	*	BIDDER'S CHECK LIST	*	March 25, 2009	*	20 of 41

**EXHIBIT V**  
**BIDDER'S CHECK LIST**

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	1. Entire IFB returned (per page 6, item 6.2.5).
<input type="checkbox"/>	<input type="checkbox"/>	2. Page 19 (EXHIBIT II) signed by designated authorized representative of the insurance company (per page 6, item 6.1.2 and page 13, item 1.9).
<input type="checkbox"/>	<input type="checkbox"/>	3. Insurance Company Name has been indicated on Page 19 (EXHIBIT II) per page 13, item 1.9.
<input type="checkbox"/>	<input type="checkbox"/>	4. Form ORM-2 signed in ink by designated authorized representative of the insurance agency (per page 6, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	5. Amendment(s) (if applicable) signed in ink by designated authorized representative of the insurance agency (per page 6, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	6. Amendment(s) (if applicable) returned (per page 6, item 6.2.5 and page 5, item 4.2).
<b>NOTE: ITEMS 7A, 7B, AND 7C; <u>OR</u> 8A, 8B, AND 8C; <u>OR</u> 9 IS REQUIRED.</b>		
<input type="checkbox"/>	<input type="checkbox"/>	7A. Board resolution/power of attorney (per page 14, item 3.1.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7B. Board resolution/power of attorney (per page 14, item 3.1.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7C. Board resolution/power of attorney (per page 14, item 3.1.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8A. Notarized affidavit, board resolution/power of attorney (per page 14, item 3.2.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8B. Notarized affidavit, board resolution/power of attorney (per page 14, item 3.2.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8C. Notarized affidavit, board resolution/power of attorney (per page 14, item 3.2.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	9. Bid Bond (per page 14, item 3.1.2 or 3.2.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	10. Claims narrative submitted (per page 15, item 3.4 and page 18, EXHIBIT III).
<input type="checkbox"/>	<input type="checkbox"/>	11. Were any coverage and/or other services deviations submitted on page 19, EXHIBIT IV (per page 13, item 1.3)?
<input type="checkbox"/>	<input type="checkbox"/>	12. Does insurance company have current Best Rating of "A++", "A+", "A" or "A-", Class VIII or higher (Per page 9, item 1.1.2)?
<input type="checkbox"/>	<input type="checkbox"/>	14. Errors and Omissions Certificate (per page 14, item 3.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	15. Were premium quotations indicated on EXHIBIT I, page 18 (per page 13, items 2.1 and 2.2)?
<input type="checkbox"/>	<input type="checkbox"/>	16. Was commission return percentage factor reflected on EXHIBIT I, page 18 (per page 14, item 2.4)?
<input type="checkbox"/>	<input type="checkbox"/>	17. Are responses to questions on EXHIBIT II, page 19 in compliance with requirements per page 9, tem 1.1.2?

**SCHEDULE A**

**SUPERDOME AND ARENA GENERAL INFORMATION**

***SUPERDOME INFORMATION***

I. Location of Premises: 1500 Poydras Street, New Orleans, Louisiana

Occupied by: Owner (State of Louisiana, Louisiana Stadium and Exposition District) and SMG. SMG has been contracted by the State to manage both the Louisiana Superdome and the New Orleans Arena.

II. Security and Safe Information

A. 24-hour guard protection from SMG security personnel located at the Louisiana Superdome and New Orleans Arena. No electronic burglar system.

B. Location, Type and Class of Safe

1. One (1) Box Office

a. Mosler Walk-in bank type vault with concrete walls and 8-inch thick door with combination lock (Underwriters PB280 Class 1).

Within this vault:

i. Two (2) Amsec fireguard combination safes stacked one on top of the other and welded into place (Class C). \$15,000 is in the safe at all times. Depending on the event, \$100,000 to \$400,000 is in the safe on occasion and taken from premises to bank by vaulting and cash service.

ii. Mosler combination and lock drop box cemented in place (Class 2).

2. Parking Garage Office

a. Bernardini combination safe (Class C). Limit of \$4,000 in safe.

b. International Combination Safe

3. Accounting Office

Two (2) Schwab combination lock file cabinet safes (Class D) storing critical records and a \$500 petty cash fund.

III. Classification of Employees projected for 07/01/2009

A. Permanent Employee Breakdown:

1. Management and/or Supervisors	
Personnel having access to funds .....	6
2. Clerical - Access to handling of cash .....	6
3. Janitors .....	20
4. All Others (typists, stenos, phone operators, etc.) .....	118
Total Permanent Employees .....	150

B. Security Personnel Employed:

1. Full Time .....	31-37
2. Part Time (Special Events beginning 7/1/09)	
3. Do Security Guards Carry Guns?	
Full Time	31-37
Part Time	91
Security guards <u>cannot</u> make arrests on premises.	

C. Medical Staff not employed. Acadian Ambulance hired to handle First-Aid Stations.

IV. Total Gross Receipts (2007-2008):

Rental Income	895,835	
Food & Beverage	6,871,893	(Approximately 45% of this is liquor sales)
Parking	2,296,060	
Luxury Seating	5,757,684	
Land Lease	205,390	
Rights Fees	0	
Tours		
Tenant Rent	329,168	
Other	1,313,208	
<b>TOTAL</b>	<b>17,926,208</b>	

Superdome Total Gross Receipts:

2003-2004:	17,992,125
2004-2005:	15,594,224
2005-2006:	4,273,623
2006-2007:	12,334,019
2007-2008:	17,926,208
2008-2009 (e)	16,613,000

\*\*A copy of the latest audited financial statements for Louisiana Stadium and Exposition District is available to any interested bidders/contractors upon written request.

**NEW ORLEANS ARENA INFORMATION**

V. Location of Premises: 1501 Girod Street, New Orleans, Louisiana  
 Occupied by: Owner (State of Louisiana, Louisiana Stadium and Exposition District) and SMG.  
 SMG has been contracted by the State to manage both the Louisiana Superdome and the New Orleans Arena.

- A. Seating Capacity – 18,500
  - Escalators - 7
  - Elevators - 5
  - Freight Elevator – 2
  
- B. There are nine (9) Box Offices at the Arena. Tickets are sold on both event and non-event days. Cash is transported to the Superdome for pickup. The Accounting Office is maintained at the Superdome.
  
- C. Patrons park in the Superdome garage. The Arena is closed to the public on non-event days, except to buy tickets, and Superdome security patrol the area.
  
- D. Classification of Employees:
  - A) Management/Supervisors - Personnel having access to funds ..... 2
  - B) Personnel denied access to funds ..... 2
  - C) Security personnel assigned..... 4

There are approximately twelve (12) full-time employees assigned to the Arena. Salaries, excluding clerical, are estimated to be \$400,000. Approximately \$400,000 of the Superdome salaries has been allocated to the Arena for those employees who are devoting a portion of their time there. The estimated clerical salaries at the Arena are approximately \$1,500,000.

E. The arena is run in direct conjunction with the Superdome. See 5.5.1 Crime Coverage for safe information.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
CR-21	*	SUPERDOME AND ARENA	*	March 25, 2009	*	23 of 41
		GENERAL INFORMATION				

F. Arena Total Gross Receipts:

2003-2004:	5,036,242
2004-2005:	3,556,342
2005-2006:	949,602
2006-2007:	5,324,709
2007-2008:	6,248,305
2008-2009 (e)	5,797,000

VI. Policies and Procedures for Parking Deposits

1. Money from the previous event day is retrieved out of the larger safe located in the Box Office. The safe is opened by either a manager or assistant manager.
2. Each cashier responsible for any cash will have an envelope with the cash collected and an Event Record Report (Form 1).
3. The Event Record Report will show how many tickets were sold and how much cash was collected. Cash taken out of the envelope will then be recounted and verified with the Event Record Report that is also in the envelope.
4. The steps of recounting cash collected will be repeated until all envelopes are emptied. All cash counted should equal the total tickets and total revenue that is listed on the Revenue Sheet (Form 2).
5. Any miscellaneous money collected for VIP parking or pre-sold passes, etc. is then counted and added to the Event revenue. This money is listed and recorded in a Miscellaneous column on the worksheet (Back of Form 2).
6. All money counted and collected should now be listed on the worksheet either in the Event column or the Miscellaneous column. These amounts can now be totaled up.
7. Cash is counted and banded up in money bands with the amount written on top. There should be no more than "50" bills to a money band.
8. Checks are then recorded on the bank deposit slip (Form 3) and endorsed on the back with a "Deposit Only" stamp. 2 photocopies are also made of all checks that are being deposited: 1 for Accounting Dept. and 1 for Parking.
9. The rest of the deposit slip is filled in with the currency amount, coin amount and grand total. Grand total on the deposit slip should equal the grand total on the worksheet.
10. Use the calculator to print up 2 receipts of all the cash and checks that are being deposited. When printing up receipts, list all stacks of money separately and note on the receipt what is the coin, ones, fives, etc.
11. Deposit slips come in 4-part so that 2 can be sent with the deposit to the bank, 1 stays with the Parking paperwork, and 1 goes with the Accounting paperwork. With the 2 receipts that were printed, 1 goes with the bank deposit slips and 1 goes with the Parking deposit slip.
12. To make the actual deposit, take the bank deposit slips and place all checks on top, then cash and coins. One rubber band is placed at each end to hold everything securely.
13. The "stack" is then placed in a money bag with a tag labeling: To Hibernia National Bank, From: Superdome Parking Office, the date that the money is being deposited, and the amount of money in the bag. This is secured with a crimp tie and sealed with a crimper.
14. The Event Parking Report (Form 4) can now be completed. Two copies are made: 1-Accounting Dept., 2-Parking Office. The form is retrieved on computer disk, completed, saved, and then printed out on Yellow paper-for Superdome and Green paper-for N.O. Arena. All columns are filled out appropriately with everything that is listed on the worksheet. All money accounted for should be credited to the appropriate column noting any overages & shortages. The deposit 2 listed at the bottom is the date the money was actually collected on.
15. Once completed, a copy of the deposit slip is attached to the Bank Deposit Report along with copies of the checks, copies of all Event Record Reports (2 part forms), and any original petty cash refund slips. Also included, is a copy of the Revenue Sheet. This stack of work goes to the Accounting Dept. The same packet of work, but with copies of all the information listed, stays in Parking.
16. Three copies of the Delivery Transport Receipt are made and signed by the appropriate people. Security is called to pick up the money from Parking to bring it to the Box Office where an armored car delivery service transports it to the bank.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE B	*		*	
CR-21	*	EARNED PREMIUM AND LOSS EXPERIENCE INFORMATION	*	March 25, 2009	*	24 of 41

**SCHEDULE B**

**EARNED PREMIUM AND LOSS EXPERIENCE INFORMATION**

I. Earned Premium and Loss Experience Information

POLICY YEAR	TOTAL NUMBER OF CLAIMS INCURRED	TOTAL NUMBER OF CLAIMS CLOSED	TOTAL PAID	TOTAL INCURRED	PREMIUM PAID
07-01-03/04	0	0	\$0	\$0	\$20,918
07-01-04/05	0	0	\$0	\$0	\$20,918
07-01-05/06	0	0	\$0	\$0	\$20,918
07-01-06/07	0	0	\$0	\$0	\$20,635
07-01-07/08	0	0	\$0	\$0	\$20,635
07-01-08/09*	0	0	\$0	\$0	\$20,635
* As of January 12, 2009					

II. Past Insurers and Premium

<u>Period</u>	<u>Company/Agent</u>	<u>Coverage</u>	<u>Premium</u>
07-01-2003/2004	Fidelity & Deposit Company of Maryland/Eustis Insurance, Inc.	\$500,000 Primary Crime (Incl. Bond)	20,918
07-01-2004/2005	Fidelity & Deposit Company of Maryland/Eustis Insurance, Inc.	\$500,000 Primary Crime (Incl. Bond)	20,918
07-01-2005/2006	Fidelity & Deposit Company of Maryland/Eustis Insurance, Inc.	\$500,000 Primary Crime (Incl. Bond)	20,918
07-01-2006/2007	Fidelity & Deposit Company of Maryland/Eustis Insurance, Inc.	\$500,000 Primary Crime (Incl. Bond)	20,635
07-01-2007/2008	Fidelity & Deposit Company of Maryland/Eustis Insurance, Inc.	\$500,000 Primary Crime (Incl. Bond)	20,635
07-01-2008/2009	Fidelity & Deposit Company of Maryland/Eustis Insurance, Inc.	\$500,000 Primary Crime (Incl. Bond)	20,635

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>SCHEDULE C</i>	*		*	
CR-21	*	<i>POLICY FORMS</i>	*	March 25, 2009	*	25 of 41
		<i>&amp; ENDORSEMENTS</i>				

**SCHEDULE C**

**POLICY FORMS AND ENDORSEMENTS**

This schedule contains policy forms and endorsements which reflect the minimum coverage which will be accepted for award of this IFB.

In the event of any discrepancies between the insurance requirements delineated in these specifications and the model policy(ies) included herein, the bid specifications **shall** govern.

This schedule is for informational purposes only and not to be used in awarding the contract.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE C	*		*	
CR-21	*	POLICY FORMS	*	March 25, 2009	*	26 of 41
		& ENDORSEMENTS				



**COMMERCIAL CRIME POLICY  
DECLARATIONS**

Administrative Office  
1400 American Lane  
Schaumburg, IL 60196

This policy issued by:  Fidelity and Deposit Company of Maryland      Policy No. CCP 0047860 06  
 Colonial American Casualty and Surety Company  
(a stock insurance company)

Named Insured and Mailing Address: STATE OF LOUISIANA (SEE U-CR 129-A) 1500 POYDRAS STREET, ONE SUGAR BOWL DR. NEW ORLEANS, LA 70112  
Producer Name and Address: EUSTIS INSURANCE, INC 1340 POYDRAS STREET SUITE 1900 NEW ORLEANS, LA 70112

Policy Period: From 07/01/06 to 07/01/09 at 12:01 A.M. Standard Time at your mailing address shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS AND CONDITIONS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLE

INSURING AGREEMENTS	LIMIT OF INSURANCE Per Occurrence	DEDUCTIBLE AMOUNT Per Occurrence
1. Employee Theft	\$ 500,000.00	\$ 250.00
2. Forgery Or Alteration	500,000.00	250.00
3. Inside The Premises – Theft of Money and Securities	500,000.00	250.00
4. Inside The Premises – Robbery Or Safe Burglary Of Other Property	Not Covered	
5. Outside The Premises	500,000.00	250.00
6. Computer Fraud	Not Covered	
7. Funds Transfer Fraud	Not Covered	
8. Money Orders And Counterfeit Paper Currency	500,000.00	250.00
If Added By Endorsement, Insuring Agreement(s)	\$ _____	\$ _____

If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

\*Policy Premium is payable: \$ 20,635.00 at inception; \$ 20,635.00 1<sup>st</sup> Anniversary; 20,635.00 2nd Anniversary

\*Includes Taxes and/or Surcharges

ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED:

CR 0022 0702      CR 0240 0505      U-CR 129-A 0503

CANCELLATION OF PRIOR INSURANCE ISSUED BY US: By acceptance of this Policy you give us notice canceling prior policy or Bond Nos. \_\_\_\_\_ the cancellation to be effective at the time this Policy becomes effective.

COUNTERSIGNED: 8-29-06 (Date)      By: \_\_\_\_\_ EUSTIS INSURANCE, INC. Authorized Representative

IN WITNESS WHEREOF the Company has caused this policy to be signed by its president and secretary but this policy shall not be valid unless completed by the attachment hereto of a declarations page countersigned by a duly authorized representative of the Company.

Attest \_\_\_\_\_ Secretary      By Thomas A Bradley President

COMMERCIAL CRIME  
CR 00 22 07 02

## COMMERCIAL CRIME POLICY (DISCOVERY FORM)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

### A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations:

#### 1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

#### 2. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to Limit of Insurance applicable to this Insuring Agreement.

#### 3. Inside The Premises – Theft Of Money And Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises" resulting directly from "theft", disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

#### 4. Inside The Premises – Robbery Or Safe Burglary Of Other Property

a. We will pay for loss of or damage to "other property":

(1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or

(2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

#### 5. Outside The Premises

a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.

b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

#### 6. Computer Fraud

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to

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fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

**7. Funds Transfer Fraud**

We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

**8. Money Orders And Counterfeit Paper Currency**

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- b. "Counterfeit" paper currency that is acquired during the regular course of business.

**B. Limit Of Insurance**

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

**C. Deductible**

We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount may be applied.

**D. Exclusions**

- 1. This policy does not apply to:
  - a. **Acts Committed By You, Your Partners Or Your Members**  
Loss resulting from "theft" or any other dishonest act committed by:
    - (1) You; or
    - (2) Any of your partners or "members"; whether acting alone or in collusion with other persons.
  - b. **Acts Of Employees, Managers, Directors, Trustees Or Representatives**  
Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:
    - (1) Whether acting alone or in collusion with other persons; or

- (2) While performing services for you or otherwise;

except when covered under Insuring Agreement A.1.

**c. Governmental Action**

Loss resulting from seizure or destruction of property by order of governmental authority.

**d. Indirect Loss**

Loss that is an indirect result of any act or "occurrence" covered by this policy including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

**e. Legal Expenses**

Expenses related to any legal action, except when covered under Insuring Agreement A.2.

**f. Nuclear**

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

**g. War And Similar Actions**

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

- 2. Insuring Agreement A.1. does not apply to:

**a. Employee Cancelled Under Prior Insurance**

Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

**b. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

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However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

**c. Trading**

Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

**d. Warehouse Receipts**

Loss resulting from fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

**3. Insuring Agreements A.3., A.4. and A.5. do not apply to:**

**a. Accounting Or Arithmetical Errors Or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

**b. Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

**c. Fire**

Loss resulting from fire, however caused, except:

- (1) Loss of or damage to "money" and "securities"; and
- (2) Loss from damage to a safe or vault.

**d. Money Operated Devices**

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

**e. Motor Vehicles Or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

**f. Transfer Or Surrender Of Property**

- (1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":
  - (a) On the basis of unauthorized instructions;
  - (b) As a result of a threat to do bodily harm to any person; or
  - (c) As a result of a threat to do damage to any property.

- (2) But, this Exclusion does not apply under Insuring Agreement A.5. to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (a) Had no knowledge of any threat at the time the conveyance began; or
- (b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**g. Vandalism**

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

**h. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**4. Insuring Agreement A.6. does not apply to:**

**a. Exchanges Or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

**b. Funds Transfer Fraud**

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

**c. Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

**d. Voluntary Parting Of Title To Or Possession Of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

**5. Insuring Agreement A.7. does not apply to:**

**Computer Fraud**

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".

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**E. Conditions**

**1. Conditions Applicable To All Insuring Agreements**

**a. Cancellation As To Any Employee**

This policy is cancelled as to any "employee":

- (1) Immediately upon discovery by:
    - (a) You; or
    - (b) Any of your partners, "members" "managers", officers, directors or trustees not in collusion with the "employee";
- of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

**b. Cancellation Of Policy**

- (1) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- (2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (b) 30 days before the effective date of cancellation if we cancel for any other reason.
- (3) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- (4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- (5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- (6) If notice is mailed, proof of mailing will be sufficient proof of notice.

**c. Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**d. Concealment, Misrepresentation Or Fraud**

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- (1) This policy;
- (2) The property covered under this policy;
- (3) Your interest in the property covered under this policy; or
- (4) A claim under this policy.

**e. Consolidation - Merger**

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become "employees" or you acquire the use and control of any additional "premises":

- (1) You must give us written notice and obtain our written consent to extend this insurance to such additional "employees" or "premises". We may condition our consent upon payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, any insurance afforded for "employees" or "premises" also applies to these additional "employees" or "premises" for acts committed or events occurring within this 90 day period.

**f. Discovery**

- (1) We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
  - (a) During the policy period shown in the Declarations; or
  - (b) During the period of time provided in the Extended Period To Discover Loss Condition E.1.j.
- (2) Discovery of loss occurs when you first become aware of facts which

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would cause a reasonable person to assume that a loss covered by this policy has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this policy.

**g. Duties In The Event Of Loss**

After you discover a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreements A.1. or A.2.) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Give us a detailed, sworn proof of loss within 120 days.
- (4) Cooperate with us in the investigation and settlement of any claim.

**h. Employee Benefit Plan(s)**

- (1) The "employee benefit plan(s)" shown in the Declarations are included as Insureds under Insuring Agreement A.1.
- (2) If any "employee benefit plan(s)" is insured jointly with any other entity under this policy, you or the Plan Administrator must select a Limit of Insurance for Insuring Agreement A.1. that is sufficient to provide a limit of insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (3) With respect to losses sustained or discovered by any such Plan, Insuring Agreement A.1. is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

- (4) If the first Named Insured is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that

Insured for the use and benefit of the Plan(s) sustaining the loss.

- (5) If two or more Plans are insured under this policy, any payment we make for loss:

(a) Sustained by two or more Plans; or

(b) Of commingled "funds" or "other property" of two or more Plans;

that arises out of one "occurrence", is to be shared by each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those limits.

- (6) The Deductible Amount applicable to Insuring Agreement A.1. does not apply to loss sustained by any "employee benefit plan(s)".

**i. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to 3 years afterward.

**j. Extended Period To Discover Loss**

- (1) We will pay for loss that you sustained prior to the effective date of termination or cancellation of this policy, which is discovered by you:

(a) No later than 60 days from the date of that termination or cancellation; and

(b) As respects any "employee benefit plan(s)", no later than 1 year from the date of that termination or cancellation.

- (2) However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

**k. Inspections And Surveys**

- (1) We have the right to:

(a) Make inspections and surveys at any time;

(b) Give you reports on the conditions we find; and

(c) Recommend changes.

- (2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insur-

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ability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (a) Are safe or healthful; or
- (b) Comply with laws, regulations, codes or standards.

(3) Paragraphs (1) and (2) above apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

**I. Joint Insured**

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this policy or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered by you during the period of time provided in the Extended Period To Discover Loss Condition E.1.j.

However, this extended period to discover loss terminates as to that Insured immediately upon the effective date of any other insurance obtained by that Insured replacing in whole or in part the insurance afforded by this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.

**m. Legal Action Against Us**

You may not bring any legal action against us involving loss.

- (1) Unless you have complied with all the terms of this policy;
- (2) Until 90 days after you have filed proof of loss with us; and
- (3) Unless brought within 2 years from the date you discover the loss.

If any limitation is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

**n. Liberalization**

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

**o. Loss Covered Under More Than One Coverage Of This Policy**

If two or more coverages of this policy apply to the same loss, we will pay the lesser of:

- (1) The actual amount of loss; or
- (2) The sum of the Limits of Insurance applicable to those coverages.

**p. Non-Cumulation Of Limit Of Insurance**

Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

**q. Other Insurance**

This policy does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this policy will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity.

However, this policy will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

**r. Ownership Of Property; Interests Covered**

The property covered under this policy is limited to property:

- (1) That you own or lease;
- (2) That you hold for others; or
- (3) For which you are legally liable, except for property inside the premises of a "client" of yours.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this policy must be presented by you.

**s. Premiums**

The first Named Insured shown in the Declarations:

- (1) Is responsible for the payment of all premiums; and
- (2) Will be the payee for any return premiums we pay.

**t. Records**

You must keep records of all property covered under this policy so we can verify the amount of any loss.

**u. Recoveries**

(1) Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this policy will be distributed as follows:

- (a) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (b) Then to us, until we are reimbursed for the settlement made; and
- (c) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

(2) Recoveries do not include any recovery:

- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (b) Of original "securities" after duplicates of them have been issued.

**v. Territory**

This policy covers acts committed or events occurring within the United States of America (including its territories and possessions), Puerto Rico and Canada.

**w. Transfer Of Your Rights And Duties Under This Policy**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed,

anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**x. Transfer Of Your Rights Of Recovery Against Others To Us**

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

**y. Valuation – Settlement**

(1) Subject to Section B. Limit Of Insurance, we will pay for:

(a) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (i) At face value in the "money" issued by that country; or
- (ii) In the United States of America dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was discovered.

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

(i) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- i. Value of the "securities" at the close of business on the day the loss was discovered; or
- ii. Limit of Insurance.

(c) Loss of or damage to "other property" or loss from damage to

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the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

- (i) The Limit of Insurance applicable to the lost or damaged property;
- (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
- (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

We will not pay on a replacement cost basis for any loss or damage:

- (i) Until the lost or damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We may, at our option, pay for loss of or damage to property other than "money":
  - (a) In the "money" of the country in which the loss occurred; or
  - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was discovered.
- (3) Any property that we pay for or replace becomes our property.

**2. Condition Applicable To Insuring Agreement A.1.**

**Territory**

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition E.1.v. for a period of not more than 90 days.

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**3. Conditions Applicable To Insuring Agreement A.2.**

**a. Deductible**

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement A.2.

**b. Electronic And Mechanical Signatures**

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

**c. Proof Of Loss**

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

**d. Territory**

We will cover loss you sustain anywhere in the world. The Territory Condition E.1.v. does not apply to Insuring Agreement A.2.

**4. Conditions Applicable To Insuring Agreements A.4. And A.5.**

**a. Armored Motor Vehicle Companies**

Under Insuring Agreement A.5., we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

**b. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (2) Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

**5. Conditions Applicable To Insuring Agreement A.6.**

**a. Special Limit Of Insurance For Specified Property**

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind or the cost of reconstructing them or

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reproducing any information contained in them.

**b. Territory**

We will cover loss you sustain anywhere in the world. The Territory Condition E.1.v. does not apply to Insuring Agreement A.6.

**F. Definitions**

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Client" means any entity for whom you perform services under a written agreement.
3. "Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
4. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
5. "Employee":
  - a. "Employee" means:
    - (1) Any natural person:
      - (a) While in your service or for 30 days after termination of service;
      - (b) Who you compensate directly by salary, wages or commissions; and
      - (c) Who you have the right to direct and control while performing services for you;
    - (2) Any natural person who is furnished temporarily to you:
      - (a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
      - (b) To meet seasonal or short-term work load conditions;
 

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";
    - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
    - (4) Any natural person who is:

- (a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this policy; and
  - (b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this policy;
  - (5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
  - (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".
- b. "Employee" does not mean:**
- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
  - (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
6. "Employee benefit plan(s)" means any welfare or pension benefit plan shown in the Declarations that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
  7. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
  8. "Fraudulent instruction" means:
    - a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
    - b. A written instruction (other than those described in Insuring Agreement A.2.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
    - c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction

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tion initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

9. "Funds" means "money" and "securities".
10. "Manager" means a person serving in a directorial capacity for a limited liability company.
11. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
12. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
13. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
14. "Occurrence" means:
  - a. As respects Insuring Agreement A.1., all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
  - b. As respects Insuring Agreement A.2., all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
  - c. As respects all other Insuring Agreements:
    - (1) An act or series of related acts involving one or more persons; or
    - (2) An act or event, or a series of related acts or events not involving any person.
15. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
16. "Premises" means the interior of that portion of any building you occupy in conducting your business.
17. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
  - a. Caused or threatened to cause that person bodily harm; or
  - b. Committed an obviously unlawful act witnessed by that person.
18. "Safe burglary" means the unlawful taking of:
  - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
  - b. A safe or vault from inside the "premises".
19. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
20. "Theft" means the unlawful taking of "money", "securities" or "other property" to the deprivation of the Insured.
21. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
  - a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - b. By means of written instructions (other than those described in Insuring Agreement A.2.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
22. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

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COMMERCIAL CRIME  
CR 02 40 05 05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME POLICY  
KIDNAP/RANSOM AND EXTORTION POLICY

A. Paragraph (2) of the **Cancellation Of Policy** Condition is replaced by the following, which applies unless Paragraph B. of this endorsement applies:

**(2) Notice Of Cancellation**

**(a) Cancellation Of Policies In Effect For Fewer Than 60 Days And Not Renewals**

If this policy has been in effect for fewer than 60 days and is not a renewal of a policy we issued, we may cancel this policy for any reason, subject to the following:

**(i) Cancellation For Nonpayment Of Premium**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation.

**(ii) Cancellation For Any Other Reason**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

**(b) Cancellation Of Renewal Policies And New Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

(i) Nonpayment of premium;

(ii) Fraud or material misrepresentation made by you or with your knowledge with the intent to deceive in obtaining the policy, continuing the policy, or in presenting a claim under the policy;

(iii) Activities or omissions by you which change or increase any hazard insured against;

(iv) Change in the risk which increases the risk of loss after we issued or renewed this policy including an increase in exposure due to regulation, legislation, or court decision;

(v) Determination by the Commissioner of Insurance that the continuation of this policy would jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;

(vi) The Insured's violation or breach of any policy terms or conditions; or

(vii) Any other reasons that are approved by the Commissioner of Insurance.

We will mail or deliver written notice of cancellation under this Paragraph (2)(b) to the first Named Insured at least:

(i) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(ii) 30 days before the effective date of cancellation if we cancel for a reason described in Paragraphs (2)(b)(i) through (vii) above.

B. Paragraph (2) of the **Cancellation Of Policy** Condition is replaced by the following, which applies with respect to premium payments due on new and renewal policies, including installment payments.

**(2) Notice Of Cancellation**

(a) If your premium payment check or other negotiable instrument is returned to us or our agent or a premium finance company because it is uncollectible for any reason, we may cancel the policy subject to Paragraphs B.(2)(b) and B.(2)(c).

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- (b) We may cancel the policy effective from the date the premium payment was due, by sending you written notice by certified mail, or by delivering such notice to you within 10 days of the date that we receive notice of the returned check or negotiable instrument.
  - (c) The cancellation notice will also advise you that the policy will be reinstated effective from the date the premium payment was due, if you present to us a cashier's check or money order for the full amount of the returned check or other negotiable instrument within 10 days of the date that the cancellation notice was mailed.
- C. Paragraph (5) of the **Cancellation Of Policy** Condition is replaced by the following:
- (5) Premium Refund**
- If this policy is cancelled, we will send the first Named Insured any premium refund due, subject to Paragraphs (5)(a), (5)(b), (5)(c), (5)(d) and (5)(e) below. The cancellation will be effective even if we have not made or offered a refund.
- (a) If we cancel, the refund will be pro rata.
  - (b) If the first Named Insured cancels, the refund may be less than pro rata, and will be sent to the first Named Insured within 30 days after the effective date of cancellation.
  - (c) We will send the refund to the first Named Insured unless Paragraph C.(5)(d) applies.
  - (d) If we cancel based on Paragraph B.(2) of this endorsement, we will return the premium due, if any, within 10 days after the expiration of the 10-day period referred to in B.(2)(c). If the policy was financed by a premium finance company, or if payment was advanced by the insurance agent, we will send the return premium directly to such payor.
  - (e) When return premium payment is sent to the premium finance company or the agent of the insured, we will provide notice to you, at the time of cancellation, that a return of unearned premium may be generated by the cancellation.
- D. The following is added and supersedes any other provision to the contrary:
- NONRENEWAL**
- 1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured, at least 60 days before its expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.
- 2. We need not mail or deliver this notice if:
    - a. We or another company within our insurance group have offered to issue a renewal policy; or
    - b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
  - 3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured at the last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.
  - 4. Such notice to the insured shall include the insured's loss run information for the period the policy has been in force within, but not to exceed, the last three years of coverage.
- E. The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:
- CONCEALMENT, MISREPRESENTATION OR FRAUD**
- We do not provide coverage to one or more insureds who, at any time:
- 1. Intentionally concealed or misrepresented any material fact or circumstance;
  - 2. Engaged in fraudulent conduct; or
  - 3. Made false statements;
- relating to this policy.
- However, if the conduct specified above is in relation to the procurement of this policy or occurs subsequent to the issuance of this policy, but if known to us would have caused us not to issue this policy, coverage will only be denied if the conduct was committed with the intent to deceive.
- F. The **Transfer Of Your Rights Of Recovery Against Others To Us** Condition is replaced by the following:
- TRANSFER OF YOUR RIGHTS OF RECOVERY AGAINST OTHERS TO US**
- If we make any payment to you under this policy and you have a right to recover damages from another, we shall be subrogated to that right. However, our right to recover is subordinate to your right to be fully compensated.



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NAMED INSURED: STATE OF LOUISIANA  
POLICY NUMBER: CCP0047860 06

COMMERCIAL CRIME  
CR 20 01 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### POLICY CHANGE (DISCOVERY FORM)

This endorsement modifies insurance provided under the Discovery Form version of the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY

Change No: #1  
Date of Issue: 09/06/06  
Effective Date of Change: 12:01 A.M. 09/05/06

**A. Schedule\***

- 1. The Named Insured is changed to:
- 2. The following Insured(s) is **added** as a Named Insured:
- 3. The following Insured(s) is **deleted** as a Named Insured:
- 4. The Mailing Address is changed to:  
C/O OFFICE OF RISK MANAGEMENT, P.O. BOX 91106, BATON ROUGE, LA 70821
- 5. The Policy Period is: extended to \_\_\_\_\_ reduced to \_\_\_\_\_
- 6. The following Insuring Agreement(s) is:
  - Added to the Coverage Form/Policy
  - Deleted from the Coverage Form/Policy
  - Changed as respects the Limit(s) of Insurance and/or Deductible Amount(s)

Insuring Agreement	Limit Of Insurance	Deductible Amount
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

- 7. The following Endorsement(s) is:
  - Added to the Coverage Form/Policy
  - Deleted from the Coverage Form/Policy
  - Changed as respects the Limit(s) of Insurance

Endorsement	Limit Of Insurance
_____	\$ _____
_____	_____
_____	_____

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\* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**B. Provisions**

1. Application of changes affected by this Endorsement:

**a. Addition Of Coverage, Increase In Limit Of Insurance, Addition Of Deductible Or Increase In Deductible Amount**

This change applies to loss or damage resulting from acts committed or events occurring at any time and discovered by you on or after the Effective Date of Change.

**b. Deletion Of Coverage**

This change applies to loss or damage resulting from acts committed or events occurring:

(1) On or after the Effective Date of Change; and also

(2) Before the Effective Date of Change if discovered by you after 60 days from that date.

**c. All Changes Other Than In Paragraphs a. And b. Above**

This change applies to loss or damage resulting from acts committed or events occurring at any time and discovered by you on or after the Effective Date of Change.

2. No Limit of Insurance during any period will be cumulative with any other amount applicable to the same coverage during any other period.

Accepted:

\_\_\_\_\_  
 First Named Insured  
 \_\_\_\_\_  
 Title