

BOBBY JINDAL  
GOVERNOR



ANGELE DAVIS  
COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of Risk Management**

June 9, 2009

**AMENDMENT NO. 1  
REVISIONS  
ISSUED BY THE DIVISION OF ADMINISTRATION-  
OFFICE OF RISK MANAGEMENT**

**Bid Proposal No.: FL-11**

**Bid Opening Date:** June 18, 2009 at 10:00 A.M.

This amendment provides for clarification and additional information. **This amendment must be returned.**

If you have any questions concerning this amendment, please call Melissa Harris at (225) 342-8414.

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Authorized Signature of Bidder/Contractor

**Revision 1**

IFB Reference: NFIP Flood Policies – Statewide and NFIP Flood Policies – Recovery School District  
Page No.: N/A – Schedules found on website

To clarify column O, Move-in Year on the NFIP Flood Policies – Statewide schedule: This year is actually when the State acquired or built the structure. In some cases, it may be the construction date, others it may not be. This Move-in Year is what is to be used to determine Pre-FIRM status and write the policies.

With regard to structures with basements, we are unable to identify the buildings that have basements at this time. The information on whether or not a structure has an underground basement is not documented in our property system.

**Also, the Recovery School District schedule has been modified to include a relevant address and corrected premium values per building. Please download the file labeled “NFIP Flood Policies – Recovery School District – Modified 6-2-09”.**

**Revision 2**

IFB Reference: Part IV, General Bid Information, paragraph below 5.2.3 and Exhibit I, Bid Quotation Form  
Pages No.: 15 of 22, 16 of 22

The following wording is amended to read as follows:

**The entire bid (Sections I and II) will be awarded based on the quoted Net Annual Flood Premium for all properties reported in the building schedules named NFIP Flood Policies – Recovery School District and NFIP Flood Policies - Statewide (See 6.2.1) and using the deductibles per flood zone per building replacement cost schedule as shown in Schedule A (page 22 as amended).**

**If the property spreadsheet, as required in Part II, Technical Specifications, 7. Rates is incomplete and does not list all properties as required AND/OR the deductibles are incorrectly applied to the properties, based on the schedule shown in Schedule A (page 22 as amended), then the bidder/contractor’s bid quotation will be disqualified.**

Please use this wording in lieu of the wording found in the original bid.

**Revision 3**

IFB Reference: Part II Technical Specifications, 3. Claims Service  
Page No.: 9 of 22

Question: What claims services are contemplated from the bidder/contractor?

ORM does not specify exactly what claim services will be needed up front, because we rely on broker and insurance company expertise in this area. The bid requires standard practice claims service, but depending on the circumstances of a loss, more specific assessment and handling may be needed and/or requested. Exhibit IV, Claims Handling process Narrative, is where a bidder/contractor provides their recommended process based on the insurance company providing the coverage and can expound on additional claim-specific services can be used when needed.

Question: What independent adjusting firms does the State prefer to use on NFIP claims?

Again, ORM does not specify up front which firms must be used to adjust NFIP claims. There are many excellent adjusting firms and it is the intent of this bid to allow the bidder/contractor to select a firm that would provide the best service to the State based on the information in this bid and personal industry knowledge. The State reserves the right to request a specific NFIP-certified adjuster in the event of a disaster.

Question: What independent adjusting firms has the State used for CAT NFIP loss adjustments in the past?

The State contracted with Apple Adjusters, Inc. (home office Baton Rouge, LA) and the current carrier, American Bankers, used Sweet Claims Service, Inc. (home office Talala, OK) to adjust Hurricane Gustav and Ike flood claims.

**Revision 4**

IFB Reference: ORM-02; Heading: Contract Period  
Page No.: 1 of 22

The policy period is amended to read "Policy to be effective for the period of 12:01 A.M. **July 1, 2009 to 12:01 A.M. July 1, 2010 with two (2) one-year options to renew.**" The words "at the same rates" have been removed due to the fact that as a federal program, a bidder/contractor cannot guarantee NFIP rates.

**Revision 5**

IFB Reference: Schedule A, Item III. Deductibles By Flood Zone and Replacement Cost Schedule  
Page No.: 22 of 22

The deductibles table has been amended to include the following:

<b>Flood Zone</b>	<b>Replacement Cost</b>	<b>Deductible</b>
B,C,D,X	50,000 and above	\$5,000
A	50,000 - 249,999	\$5,000
	250,000 and above	\$10,000
V	50,000 - 249,999	\$10,000
	250,000 and above	\$25,000
Residential properties, regardless of flood zone or replacement cost		\$5,000

Since NFIP rating rules limit deductibles to \$5,000 maximum for some residential properties (single family, 2-4 family residential), those properties will have a deductible of \$5,000 regardless of the flood zone or replacement cost value.

**Revision 6**

IFB Reference: None  
Page No.: N/A

Question: Will the contractor be expected to communicate directly with the various state agencies on coverage questions/inquiries that surface or will all communication flow between the contractor and the ORM?

ORM will be the primary point of contact for the contractor and for State agencies on all issues. There may be times when it is more efficient for the contractor to communicate with a state agency directly. For example, if an elevation certificate is needed on a new building, then ORM will provide the contact information of the owner agency to the contractor to schedule the survey and request any other information on the building as needed. Those times of direct communication with the agencies will be at the request of ORM and should be limited in number.

Question: Since gross premiums may vary among bidder/contractors that provide a quotation for this bid, will more emphasis be placed on the net premium or the commission that is given back to the State?

As per Part IV, General Bid Information, last paragraph, page 15 of 22 and Exhibit I, Bid Quotation Form, page 16 of 22, this bid will be awarded based solely on the Net Annual Flood Premium shown on Exhibit I. However, spreadsheets listing all properties and the deductible table as shown in Schedule A (and revised in this amendment) will be used to verify the quoted premium. If the property spreadsheets are not complete and/or the deductibles are applied incorrectly, then the bid quotation will be disqualified.

The bidder/contractor will not have to absorb any reasonable rate changes that occur during the policy year. In the past, rate increases that occurred after the initial premium billing due to inadvertent miscalculations or submit to rate changes have been paid by ORM. In our experience, these have been relatively infrequent. However, if these billed increases during the policy year are deemed to be excessive, then the bidder/contractor will absorb the cost.

Question: If a disclaimer is submitted as to the accuracy of the bid, will that eliminate the bid?

A disclaimer may result in the disqualification of a bidder/contractor's quotation.

Question: Does the State have any special loss funding requirements, i.e. wire transfers directly from the market, discretionary funding authority for the IA's backed up by a local escrow account, etc.?

Specific funding requirements can be discussed with the bidder/contractor upon award.