



*State of Louisiana*  
DIVISION OF ADMINISTRATION  
OFFICE OF RISK MANAGEMENT

KATHLEEN BABINEAUX BLANCO  
GOVERNOR

JERRY LUKE LEBLANC  
COMMISSIONER OF ADMINISTRATION

April 5, 2007

**AMENDMENT NO. 2  
REVISIONS  
ISSUED BY THE DIVISION OF ADMINISTRATION-  
OFFICE OF RISK MANAGEMENT**

**Bid Proposal No.: BM-10**

**FOR:** Excess Following Form Comprehensive Blanket Broad Form (Repair or Replacement Cost) Equipment Breakdown Protection Coverage.

**Bid Opening Date:** April 18, 2007 10:00 A.M.

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

If you have any questions concerning this amendment, please call Amanda Arthur at (225) 342-8469.

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Bidder/Contractor Signature

**Revision 1**

IFB Reference: Part IV, General Bid Information, Item 4.1.2  
Page No.: 18

Extra expense and business interruption limits have been added for the Louisiana State University Co-Generation Power Plant.

**Revision 2**

IFB Reference: Part IV, General Bid Information, Item 5.7.1  
Page No.: 19

The total building value was amended to include the value of the Louisiana State University Co-Generation Power Plant.

**Revision 3**

IFB Reference: Schedule A, Earned Premium and Loss Experience Information  
Page No.: 1 of 7

Part II. Loss Experience has been corrected and footnoted for clarification.

AMENDMENT NO. 2- Page 3 of 5						
PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	PART IV	*		*	REVISED
BM-10	*	GENERAL BID INFORMATION	*	April 18, 2007	*	18 of 28

**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 \$100,000, whichever is more. Bid bonds for 10% of Net Annual Premium can be rounded to nearest dollar.**

- 3.1** 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.
- 3.2** The bidder/contractor **must** submit a narrative description of the claim 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 IV.

**4. Insurance Required**

- 4.1** The contractor shall provide **following form comprehensive blanket broad form (repair or replacement cost) equipment breakdown protection coverage** subject to the following:

**4.1.1** ORM requires that the policy of insurance **shall** provide coverage equal to or exceeding the coverage provided in policy forms reflected in Schedule B of these specifications. The policy of insurance **shall** also include the General Required Endorsements reflected in PART II of these specifications.

**4.1.2** Limits of Insurance shall be as follows:

- ❖ Limit per accident = \$15,000,000
- ❖ Extra Expense Limit = \$5,000,000/Maximum payment 100% - less than one month
- ❖ Water Damage Limit = \$250,000
- ❖ Ammonia Contamination Limit = \$250,000
- ❖ Hazardous Substance Limit = \$250,000
- ❖ Consequential Damage Limit = \$250,000
- ❖ Additional Expediting Expense = \$250,000
- ❖ Business Interruption Limit (not part of the limit per accident) = 25% of annual values
- ❖ Co Insurance –none
- ❖ Deductible = \$50,000 combined deductible any one accident resulting from a covered peril including but not limited to direct damage to covered property, extra expense coverage, water damage, ammonia contamination, hazardous substance limit, consequential damage, business interruption and expediting expense.
- ❖ Limit per accident for the Louisiana State University Co-Generation Power Plant is \$33,584,086. The turbine, generator, and heat recovery steam boiler at the power plant are self-insured up to \$250,000 per occurrence with a 30-day self-insured retention for business interruption and extra expense. All other parts are self-insured up to \$50,000. The extra expense limit on the LSU Co-Gen is \$10,000,000 and the business interruption limit is 25% of the total value which is equal to \$8,396,022.

Regarding the LSU Co-Generation Power Plant, the following are added as additional insureds: J. P. Morgan Trust Co., NA; University Energy Equipment Co., as assignee of/and Bernhard Mechanical Contractors, Inc. A copy of the lease agreement between Louisiana State University and Bernhard Mechanical Contractors is available upon request.

- ❖ ORM is not requesting equipment breakdown or business interruption coverage on the Lacassine Sugar Mill. The mill was sold to Lake Charles Cane-Lacassine Mill, LLC on November 2, 2006.

AMENDMENT NO. 2- Page 4 of 5						
PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	PART IV	*		*	REVISED
BM-10	*	GENERAL BID INFORMATION	*	April 18, 2007	*	19 of 28

## 1. Underwriting Information

5.1 The name insured shall be:

State of Louisiana, All Agencies, Boards and Commissions

5.2 Policy period shall be:

12:01 A.M. Standard Time (at place of issuance) on July 1, 2007 to 12:01 A.M. Standard Time (at place of issuance) on July 1, 2008.

5.3 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.

5.4 Loss control recommendations and claim details pertaining to the present equipment breakdown protection policy are available for inspection by all interested bidders at 1201 North 3<sup>rd</sup> Street, Ground Floor, Suite G-192, Baton Rouge, Louisiana, Monday through Friday between the hours of 8:00 A.M. and 3:30 P.M. **Review of the files shall be by appointment only.** Any bidders interested in reviewing the loss control recommendations and/or claim details should contact the following personnel for appointments.

Loss Control Recommendations: Mr. Miller Hartzog

(225) 342-8478

Claim Details: Mr. James Lea

(225) 342-8399

5.5 Additional underwriting information regarding historical information, premium and loss experience can be found in Schedule A of these specifications.

5.6 A list of business interruption locations and annual values can be found in Schedule D of these specifications.

5.7 A report reflecting buildings known to have mechanical elements and a list of agency contact names and phone numbers is included with your bid package. These reports **do not** have to be returned with your completed bid document.

5.7.1 Total value (building replacement cost of buildings known to have mechanical elements) as of February 5, 2007 is \$7,613,999,220.

AMENDMENT NO. 2- Page 5 of 5						
PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	REVISED
BM-10	*	EARNED PREMIUM & LOSS EXPERIENCE INFO	*	April 18, 2007	*	1of 7

**SCHEDULE A**

**EARNED PREMIUM AND LOSS EXPERIENCE INFORMATION**

This schedule contains earned premium and loss experience information for the past five (5) years.

**I. HISTORICAL INFORMATION**

POLICY PERIOD	AGENT OF RECORD	COMPANY
07-01-2001/2004	Risk Services of Louisiana	Hartford Steam Boiler Inspection & Insurance Company
07-01-2004/2007	Risk Services of Louisiana	

POLICY PERIOD	NET PREMIUM	POLICY LIMITS		ORM RETENTION
		BUSINESS INCOME	OTHER COVERAGES	
07-01-2001/2002	542,778	272,369,232	15,000,000 Liability	\$50,000 Combined Single Limit Per Accident
07-01-2002/2003	591,473	271,580,438	5,000,000 Extra Expense	
07-01-2003/2004	613,047	277,110,195	250,000 Water Damage	
07-01-2004/2005	640,416	273,946,073	250,000 Ammonia Contamination	
07-01-2005/2006	710,304	308,649,993	250,000 Hazardous Substance	
07-01-2006/2007*	797,261	259,902,645	250,000 Consequential Damage	
			250,000 Expediting Expense	

**II. LOSS EXPERIENCE (as of 4/3/2007)**

POLICY PERIOD	NUMBER OF LOSSES INCURRED	TOTAL LOSSES INCURRED BY ORM	TOTAL LOSSES INCURRED BY EXCESS CARRIER	LARGEST SINGLE LOSS
07-01-2001/2002	55	555,559	-0-	37,940
07-01-2002/2003	81	1,008,116	228,841	172,795
07-01-2003/2004	55	739,536	48,658	97,223
07-01/2004/2005	51	653,380	8,936	58,936
07-01-2005/2006	50	1,154,060	119,221	300,000
07-01-2006/01-31-2007*	38	597,707	47,126	78,873

\* as of 4/3/07

*The totals by year in this table are not supported by the Detail Loss Experience shown on pages 2 -7. The loss experience shown on the next six pages was generated through the ORM risk management system and is for informational purposes only. There are NO excess claims and NO claims below \$10,000 included in the losses that follow.*