

STATE OF LOUISIANA – INVITATION FOR BID



PROPOSAL NO.: POEL-11

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PROPOSAL MUST BE RECEIVED NO LATER THAN	
TIME:	10:00 A.M.
DATE:	May 17, 2007
IFB COORDINATOR:	Dodi Richard
PHONE NUMBER:	(225) 342-8598
E-MAIL ADDRESS:	Dodi.Richard@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 (DOA), 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.

**STATE OF LOUISIANA – LSU Foundation, LSU Property Foundation, and LSU Marine Property Foundation**

**FOR**

Commercial Public Officials and Employees Liability Coverage for LSU Foundation, LSU Property Foundation, and LSU Marine Property Foundation.

**CONTRACT PERIOD:**

Policy to be effective for the period of 12:01 A.M. June 1, 2007 to 12:01 A.M. June 1, 2008. Bids will be received up to **10:00 A.M., May 17, 2007** 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>	POEL-11
This proposal is accepted by the <i>State of Louisiana</i> 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 III 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

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PART IV, Section 3 of these specifications. When used in regards to an unincorporated insurance agency, these words mean the owner of the agency.

## 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.doa.la.gov/orm/uwnnewbid.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, Baton Rouge, LA 70821-9106.

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**5.2** All questions **must** be received by ORM at least ten (10) calendar days prior to the bid opening date. All answers will be posted to the ORM website at least five (5) calendar days prior to the bid opening date. The address is <http://www.doa.la.gov/orm/uwnewbid.htm>.

**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 Amendment (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.**

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**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.**

**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)**

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**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 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 **Commercial Public Officials and Employees Liability coverage for LSU Foundation, LSU Property Foundation, and LSU Marine Property Foundation.**

**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.

**1.1.3** 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** Upon award, the insurer(s) of the first layer shall provide a synopsis of specific coverages and exclusions.

**1.6** 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;

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- 1.5.5.5 Amount of loss adjustment expenses; and  
1.5.5.6 Net Incurred

- 1.7 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.
- 1.8 ORM will execute any "A" rate form or Louisiana Certification of Exempt Commercial form as necessary to enable the underwriter to comply with any premium charge quoted and preclude any violation of rating bureau requirements (if applicable). The form(s) will be executed upon written request. See Schedule "B" for sample copy of form.
- 1.9 **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.**
- 1.10 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.
- 1.11 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.
- 1.12 "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**

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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."

- 2.5 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, 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."
- 2.6 The policy of insurance shall include this endorsement: "For the insurance afforded herein, each State agency shall be considered a separate risk and policy conditions excluding the right of one insured to present a claim against another insured shall not be invoked between such State Agencies."
3. **Delivery Dates and Location**
- 3.1 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.
- 3.2 Coverage binder shall be received by ORM within five (5) days of the date award is made.
- 3.3 Bidder/Contractor shall issue endorsement(s) to any additional insured(s) as requested by the Named Insured.
- 3.4 This is a request for a guaranteed cost for one (1) year policy in effect from June 1, 2007 to June 1, 2008 with two one-year options to renew at the same rates.
4. **Claims Service**
- 4.1 The bidder/contractor shall provide claims service for the Commercial Public Officials and Employees Liability coverage.
- 4.2 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.
- 4.3 The contractor shall furnish an adjusting firm, with ORM's concurrence, having qualifications equal to a general adjuster specializing in Commercial Public Officials and Employees Liability coverage with the ability to respond to claims within twenty-four (24) hours after notification of loss, upon the request of ORM. The insured shall report all losses to the agent-of-record (contractor). ORM has the authority to defend and/or settle claims without the consent of the insurer to the limit of the \$5,000,000 self-insured retention.

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		<i>REQUIREMENTS</i>				

**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 occurs, company signature pages signed by the replacement company or companies **must** also be submitted to ORM.

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	*	<i>PART IV</i>	*		*	
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		<i>INFORMATION</i>				

## 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 Any deviations **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.**
- 1.3 ORM reserves the right to reject any or all bids.
- 1.4 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.
- 1.5 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 budget agency(ies) allocated funding.
- 1.6 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.
- 1.7 Any award of the contract resulting from this invitation shall be made by written notification from ORM.
- 1.8 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.
- 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 at anniversary date on multi-year policies **shall** increase and/or decrease amount of commission return to the same degree of percentage as the original

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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. The premium **shall** remain fixed for the three (3) year policy period without regard to whether exposure units are increased/decreased.

### **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 \$100,000, 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 \$100,000, 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.

- 3.4** 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

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
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		<i>INFORMATION</i>				

contractually responsible for information provided in EXHIBIT III.

#### 4. Insurance Required

- 4.1 The contractor shall provide Commercial Public Officials and Employees Liability coverage subject to the following:
- 4.1.1 ORM will maintain a \$5,000,000 self-insured retention. The insured **shall** report all losses to the agent-of-record (contractor). ORM has the authority to defend and/or settle claims without the consent of the insurer to the limit of the \$5,000,000 self-insured retention.
  - 4.1.2 The layers of insurance as shown in Exhibit I Bid Quotation Form do not have to be following form of the previous layer(s). Company-specific Directors & Officers forms will be acceptable at all layers.
  - 4.1.3 A "claims made" form will be acceptable in all layers.
  - 4.1.4 ORM requires that the policy of insurance **shall** also include the General Required Endorsements reflected in PART II – Technical Specifications.
  - 4.1.5 **Named Insured - LSU Foundation, LSU Property Foundation, and LSU Marine Property Foundation.**

#### 5. Underwriting Information

- 5.1 LSU Foundation has provided an application for Commercial Public Officials and Employees Liability above the \$5,000,000 self-insured retention.
- 5.2 List of elements in application to be provided to vendor.
- General Information
  - Financial Information
  - Current / Prior Insurance Coverage Information
  - Prior Activity
  - Employment Practices Liability
  - Fiduciary Liability
  - List of Directors, Officers and Trustees
  - Constitution and Bylaws
  - Latest Annual Report with audited Financials
  - Audited Financials for the past 3 years
  - Current Employee Handbook
  - Latest Form 5500
  - Latest EEO-1 Report
- 5.3 These documents will not be included in the bid specifications or posted on the website. Upon request, a hard copy will be mailed. **The application is the same as the application for POEL-10; therefore, if you already have this information, you do not need to request it again.**

**EXHIBIT I**

**BID QUOTATION FORM**

The bidder/contractor proposes to furnish a policy providing **Commercial Public Officials and Employees Liability** coverage insurance for the premium stated below for the *State of Louisiana, LSU Foundation, LSU Property Foundation, and LSU Marine Property Foundation* effective for the period of **June 1, 2007 to June 1, 2008**.

Layer	<sup>1</sup> Total Annual Installment Premium (including any policy tax, surplus tax, policy fees, etc.)	<sup>2</sup> Less Commission Return (Per Louisiana R.S. 39:1632)	<sup>1</sup> Net Annual Installment Premium
<b>Layer 1</b> \$10,000,000 excess of \$5,000,000 SIR		( %)	
<b>Layer 2</b> \$10,000,000 excess of \$15,000,000		( %)	
<b>Layer 3</b> \$10,000,000 excess of \$25,000,000		( %)	
<b>Layer 4</b> \$15,000,000 excess of \$35,000,000		( %)	
<b>TOTAL</b>			\$

**NOTE:** Layer 1 is mandatory to have a qualified bid. If no quotation is provided for Layers 1, the bid will be disqualified. The award will be made based on the total of the Net Annual Installment Premium for Layer 1. ORM reserves the right to purchase up to any layer at the costs quoted on the awarded bid.

**NOTE:** Upon award, the insurer(s) of the first layer shall provide a synopsis of specific coverages and exclusions.

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<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>	*		*	
PEOL-11	*	RATES	*	May 24, 2007	*	17 of 22

**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 and PART IV, Item 1.8.

**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 IV</i>	*		*	
POEL-11	*	<i>CLAIMS HANDLING</i>	*	March 13, 2007	*	18 of 22
		<i>PROCESS NARRATIVE</i>				

**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 **Commercial Public Officials and Employees Liability** coverage. 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 V</i>	*		*	
POEL-11	*	COVERAGE/SERVICES DEVIATIONS	*	March 13, 2007	*	19 of 22

**EXHIBIT IV**

**COVERAGE AND/OR OTHER SERVICES DEVIATIONS**

Bidder/Contractor shall indicate below any change or restriction in conditions, warranties, or exclusions from the **Commercial Public Officials and Employees Liability 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.

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

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	1. Entire IFB returned (per page 5, item 6).
<input type="checkbox"/>	<input type="checkbox"/>	2. Form ORM-2 (page 1) signed in ink by designated authorized representative of the insurance agency (per page 6, item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	3. Premium quotations indicated on EXHIBIT I, page 16 (per page 13, items 2.1 and 2.2.).
<input type="checkbox"/>	<input type="checkbox"/>	4. Commission return percentage factor reflected on EXHIBIT I, page 16 (per page 13, item 2.4).
<input type="checkbox"/>	<input type="checkbox"/>	5. Insurance Company Name indicated on EXHIBIT II, page 17 (per page 13, item 1.8).
<input type="checkbox"/>	<input type="checkbox"/>	6. EXHIBIT II, page 17 signed by designated authorized representative of the insurance company (per page 6, item 6.1.2 and page 13, item 1.8).
<input type="checkbox"/>	<input type="checkbox"/>	7. Insurance company has 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"/>	8. Responses to questions on EXHIBIT II, page 17 in compliance with requirements (per page 9, item 1.1.3).
<input type="checkbox"/>	<input type="checkbox"/>	9. Claims Handling Process Narrative submitted on EXHIBIT III, page 18 (per page 14, item 3.4).
<input type="checkbox"/>	<input type="checkbox"/>	10. Coverage and/or other services deviations submitted on EXHIBIT IV, page 19, (per page 13, item 1.2).
<input type="checkbox"/>	<input type="checkbox"/>	11. Amendment(s) (if applicable) returned (per page 4, items 4.2 and 4.3).
<input type="checkbox"/>	<input type="checkbox"/>	12. Amendment(s) (if applicable) signed in ink by designated authorized representative of the insurance agency (per page 6, item 6.1.1).
NOTE: ITEMS 13A, 13B, AND 13C; <u>OR</u> 14A, 14B, AND 14C; <u>OR</u> 15 IS REQUIRED.		
<input type="checkbox"/>	<input type="checkbox"/>	13A. Board resolution/power of attorney (per page 14, item 3.1.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	13B. Board resolution/power of attorney (per page 14, item 3.1.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	13C. Board resolution/power of attorney (per page 14, item 3.1.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	14A. Notarized affidavit, board resolution/power of attorney (per page 14, item 3.2.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	14B. Notarized affidavit, board resolution/power of attorney (per page 14, item 3.2.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	14C. Notarized affidavit, board resolution/power of attorney (per page 14, item 3.2.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	15. Bid Bond (per page 14, item 3.1.2 or page 14, item 3.2.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	16. Errors and Omissions Certificate (per page 14, item 3.3) is attached.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
POEL-11	*	EARNED PREMIUM & LOSS EXPERIENCE INFO	*	May 24, 2007	*	21 of 22

**SCHEDULE A**

**EARNED PREMIUM AND LOSS EXPERIENCE INFORMATION**

There were no claims applicable to this coverage for the past five (5) years.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>SCHEDULE B</i>	*		*	
POEL-10	*	<i>SAMPLE LOUISIANA CERTIFICATION OF EXEMPT COMMERCIAL</i>	*	March 13, 2007	*	22 of 22

**SCHEDULE B**

**Louisiana Certification of Exempt Commercial**

Policyholder Status Pursuant to Louisiana Regulation 72

The undersigned \_\_\_\_\_, (the Insured) certifies to \_\_\_\_\_ (the Insurer) that the Insured meets the criteria below and is an Exempt Commercial Policyholder under Louisiana law. The Insurer may issue a commercial risk insurance policy to an Exempt Commercial Policyholder without filing the policy form with the Louisiana Department of Insurance and the Insurer by signing below certifies that it has the necessary expertise to negotiate its own policy language. The policy must still comply with Louisiana law, and complaints or questions about compliance may be directed to the Louisiana Department of Insurance (1-800-259-5300).

In order to be an Exempt Commercial Policyholder, the Insured must:

1. Execute this Certification Form and return it to the Insurer.
2. Acquire the insurance policy through an insurance agent licensed in Louisiana.
3. Meet the following requirements:

Have and maintain aggregate annual commercial risk insurance premiums, excluding workers compensation and employer's liability and professional liability insurance premiums of more than two hundred thousand (\$200,000) dollars in the preceding fiscal year. In determining whether this threshold has been met, premiums paid to one or more insurers are to be added together to reach the total aggregate.

At the time the policy is issued the policyholder must have (a) if a single company not less than fifty (50) employees; (b) if a member of an affiliated group not less than one hundred (100) employees collectively; (c) if a municipality a population of not less than fifty thousand (50,000); and, (d) if a public entity an operating budget of not less than twenty (\$20,000,000) million dollars for the most recently completed calendar or fiscal year whichever applies.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Risk Manager: \_\_\_\_\_