

STATE OF LOUISIANA – INVITATION FOR BID



PROPOSAL NO.: FEC-18

Page 1 of 129

PROPOSAL <u>MUST BE RECEIVED</u> NO LATER THAN	
TIME: 10:00 A.M.	DATE: May 24, 2005
FOR INFORMATION CONTACT: Stanley Torkowski	
PHONE NUMBER: (225) 342-8470	

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 Third Street, Suite G-192, P. O. Box 91106, Baton Rouge, Louisiana 70821-9106.

STATE OF LOUISIANA – VARIOUS STATE DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS

FOR
 Excess Following Form Blanket All Risk (Including Earthquake and Flood) Building and Personal Property Coverage – Various Louisiana Properties (Buildings and Contents)

CONTRACT PERIOD:
 Policy to be effective for the period of 12:01 A.M. **July 1, 2005 to 12:01 A.M. July 1, 2006 with two one-year options to renew at the same rates.** Bids will be received up to **10:00 A.M., May 24, 2005** by the Administrative Section of the Office of the Governor, Division of Administration, Office of Risk Management, 1201 North Third Street, 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.

PRE-BID CONFERENCE
 NOT APPLICABLE TO THIS BID

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

NOTICE OF AWARD	PROPOSAL NUMBER: →	FEC-18
This proposal is accepted by the <i>State of Louisiana</i> as follows:		
STATE RISK UNDERWRITING SUPERVISOR	STATE RISK DIRECTOR	DATE

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	TABLE OF CONTENTS	*	May 24, 2005	*	2 of 129

TABLE OF CONTENTS

Invitations for Bid – Form ORM-02..... 1

Table Of Contents 2

Part I 4

 Terms and Conditions of an Invitation for Bid 4

 Terminology of an Invitation for Bid (IFB) 4

 Open Competition 5

 The Invitation for Bid Document (IFB)..... 5

 Amendments to an Invitation for Bid..... 5

 Questions by Bidders 6

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

 Proposal Opening 7

 Late Proposals 7

 Rejection of Bids 8

 Public Notice of Awards 8

 Non-Award of Contract Due to Insufficient Funds 8

 Contract Resulting From an IFB 8

Part II 9

 Technical Specifications 9

 General Specifications 9

 General Required Endorsements 10

 Special Required Endorsements 11

 Delivery Dates and Location 11

 Claims Service 11

 Engineering Services 12

 Rates 13

Part III 14

 General Contractual Requirements 14

Part IV 15

 General Bid Information..... 15

 Special Instructions To Bidder 15

 Pricing Information 15

 Bidder Information..... 16

 Schedule of Property Values & Assessment of Premium..... 17

 Building Appraisals, Claim Details, Agency Contacts..... 17

 Insurance Required..... 17

Exhibit I 20

 Bid Quotation Form 20

 Single Layer Quotation 20

Exhibit II 21

 Rates 21

Exhibit III 23

 Company Signature Page 23

Exhibit IV 24

 Claims Handling Process Narrative..... 24

Exhibit V 25

 Coverage And/Or Other Services Deviations..... 25

Exhibit VI..... 26

 Engineering Service Deviations..... 26

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	TABLE OF CONTENTS	*	May 24, 2005	*	3 of 129

Exhibit VII	27
Bidder's Check List.....	27
Schedule A	29
Underwriting Information	29
Schedule of Current Coverage	30
Prior Premium Information	30
Loss Experience.....	30
Blanket Property Coverage	30
Flood Coverage	31
Losses Over \$1,000,000 Per Occurrence	31
Exposure Totals by Category.....	32
Schedule of Property Values	35
Schedule B	36
Policy Forms and Endorsements.....	36
Sample Louisiana Certification of Exempt Commercial Form.....	129

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART I</i>	*		*	
FEC-18	*	<i>TERMS & CONDITIONS</i>	*	May 24, 2005	*	4 of 129

**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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	PART I	*		*	
FEC-18	*	TERMS & CONDITIONS	*	May 24, 2005	*	5 of 129

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.

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 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 notices of subsequent amendments to an IFB will be mailed to the same address as the original notice 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.louisiana.gov/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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART I</i>	*		*	
FEC-18	*	<i>TERMS & CONDITIONS</i>	*	May 24, 2005	*	6 of 129

- 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.
- 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 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 III in lieu of an original signature. The original of EXHIBIT III 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 III 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

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART I</i>	*		*	
FEC-18	*	<i>TERMS & CONDITIONS</i>	*	May 24, 2005	*	7 of 129

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 III

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.**

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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART I</i>	*		*	
FEC-18	*	<i>TERMS & CONDITIONS</i>	*	May 24, 2005	*	8 of 129

- 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 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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART I</i>	*		*	
FEC-18	*	<i>TERMS & CONDITIONS</i>	*	May 24, 2005	*	9 of 129

PART II

TECHNICAL SPECIFICATIONS

1. General Specifications

- 1.1** The bidder/contractor **shall** provide **excess following form blanket all risk (including (earthquake and flood) building and personal property (buildings and contents) coverage for State of Louisiana, Various State Departments, Agencies, Boards and Commissions.**
- 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.
- 1.4** **BLANK**
- 1.5** **Contractor shall be required to furnish closure claims settlement notices to ORM, Division of Administration, on all settlements of claims and a quarterly report reflecting claims opened and closed and claims reserved and paid per agency by policy year including all allocated loss adjustment expenses until all claims are closed.**
- 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.
- 1.7** 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

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART II</i>	*		*	
FEC-18	*	<i>TECHNICAL</i>	*	May 24, 2005	*	10 of 129
		<i>SPECIFICATIONS</i>				

form(s) will be executed upon written request. See Schedule B for sample copy of form.

- 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 during the entire policy period.
- 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 policy shall furnish automatic coverage on newly acquired, leased, or rented property (property as to which insured acquires ownership or control) without regard to any thirty (30) day automatic limitation in the policy."**
- 2.3** The policy of insurance **shall** include this endorsement: **"For the insurance afforded herein, the State Risk Director for the Office of Risk**

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART II</i>	*		*	
FEC-18	*	<i>TECHNICAL</i>	*	May 24, 2005	*	11 of 129
		<i>SPECIFICATIONS</i>				

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."

3. Special Required Endorsements

3.1 The policy of insurance **shall** include this endorsement: **"For the insurance afforded herein, the company shall pay replacement value cost of loss to building structure whether or not the building is replaced or repaired."**

3.2 Policy of insurance **shall** include this endorsement:**"It is agreed that the guidelines set forth in this policy as regards the time limitation to render a proof of loss are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:**

The insured shall render to this company a proof of loss within twenty-four months after the loss, unless such time is extended in writing by this company."

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 a one (1) year policy in effect from **July 1, 2005 to July 1, 2006** with two one-year options to renew at the same rates.

5. Claims Service

5.1 The bidder/contractor **shall** provide claims service for the **excess following form blanket all risk (including earthquake and flood) building and personal property** 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.

5.3 The contractor **shall** furnish an adjusting firm, with ORM's concurrence, having qualifications equal to a general adjuster specializing in property with the ability to perform inspections 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). The company **shall** not contest any settlement made by ORM unless written notice of its intent to participate in the loss adjustment has been made within fourteen (14) days after receipt of the Property Loss Notice to the agent-of-record.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART II</i>	*		*	
FEC-18	*	<i>TECHNICAL</i>	*	May 24, 2005	*	12 of 129
		<i>SPECIFICATIONS</i>				

5.4 The following guidelines **shall** be followed for the handling of claims:

5.4.1 **On any claim, regardless of the estimated claim value, ORM shall have the option to assign an outside selected/approved adjuster or to keep in-house.**

5.5 ORM **shall** be responsible for payment of the outside adjusting cost for all claims below \$25,000,000 per occurrence.

5.6 Bidder/Contractor **shall** be responsible for the payment of outside adjusting cost for all claims above \$25,000,000 per occurrence.

5.7 ORM will notify excess carrier about any property claim that appears to have an estimated value of \$5,000,000 or more. ORM will supply carrier with a computer listing of all claims reported during each quarter.

6. Engineering Services

6.1 Bidder/Contractor **shall** indicate on Exhibit II of these specifications an hourly rate for engineering service in excess of the engineering service required in the following paragraphs.

6.2 Any change or restriction in Engineering Services required in these specifications **must** be completely explained in writing and attached to the bid. Any such deviations which provide less service than that required in these specifications **shall** be considered an alternate quotation. Any such change or restriction **shall** be indicated on EXHIBIT VI of these specifications. Submission of engineering service narrative **shall** not be considered to be in compliance with the above stipulations.

6.3 The bidding company **must** provide at least five (5) training seminars during each annual policy period to include training aids and student material on technical service relating to loss prevention/exposure analysis and safety for coverage in force. Each seminar will be a least seven (7) hours in duration and be held at five (5) separate locations. The locations for each seminar will be determined jointly by the State Loss Prevention Manager and the successful bidding company.

6.4 The bidding company **must** provide engineering service up to one hundred (100) hours per annual policy period for specific engineering requested by Loss Prevention and submit an hourly rate for time over the one hundred (100) hours per annual policy period for such loss control engineering.

6.4.1 The following are examples of Loss Prevention Engineering Services/Activities and are not to be intended to be all inclusive. The awarded bidder/contractor shall meet with ORM Loss Prevention personnel to determine specific needs.

- ▶ Loss Prevention Exposure Analysis
- ▶ Loss Prevention Recommendations to address identified exposures
- ▶ On site Engineering Conference
- ▶ Verify Loss Expectancy involving the identified exposures
- ▶ Cost to correct the identified exposures
- ▶ Loss Prevention Engineering Reports documenting the results of each visit
- ▶ New construction/addition engineering plan to review as required
- ▶ Review natural disaster and fire protection plans

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART II</i>	*		*	
FEC-18	*	<i>TECHNICAL</i>	*	May 24, 2005	*	13 of 129
		<i>SPECIFICATIONS</i>				

- ▶ Annual property engineering review prioritizing all engineering recommendations, loss expectancies and cost to implement

6.5 The awarded bidder/contractor shall be responsible for providing engineering services reflected above.

7. Rates

7.1 The contractor **shall** provide ORM with the rate(s) per unit of exposure corresponding to premium indicated on EXHIBIT I as regards **excess following form blanket all risk (including earthquake and flood) building and personal property coverage**. The rate(s) **shall** be indicated on EXHIBIT II of these specifications.

7.2 ORM insures the exposure under \$25,000,000 for all perils arising out of one occurrence through the State's self-insurance program. **The bidder/contractor shall determine and furnish ORM the individual rates published by the Property Insurance Association of Louisiana (PIAL) on all buildings indicated on the current schedule of property values (including any future additions/revisions to the schedule) upon request.** These rates are required as ORM is responsible for assessing premiums due by each insured for the **excess following form blanket all risk (including earthquake and flood) building and personal property coverage** as if it were written with no deductible.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART III</i>	*		*	
FEC-18	*	GENERAL CONTRACT	*	May 24, 2005	*	14 of 129
		REQUIREMENTS				

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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART IV</i>	*		*	
FEC-18	*	<i>GENERAL BID</i>	*	May 24, 2005	*	15 of 129
		<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 The bidder/contractor **shall** provide excess following form blanket all risk (including earthquake and flood) building and personal property coverage which **must** equal or exceed the coverage provided in the underlying self-insurance policy issued by ORM and reflected in Schedule B 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 V 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 Any award of the contract resulting from this invitation **shall** be made by written notification from ORM.
- 1.7 **As respects this bid, company name and signature of designated authorized representative of the insurance company shall be indicated on EXHIBIT III 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 and EXHIBIT II, 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:

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART IV</i>	*		*	
FEC-18	*	<i>GENERAL BID</i>	*	May 24, 2005	*	16 of 129
		INFORMATION				

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 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 \$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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART IV</i>	*		*	
FEC-18	*	<i>GENERAL BID</i>	*	May 24, 2005	*	17 of 129
		INFORMATION				

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 contractually responsible for information provided in EXHIBIT IV.

4. Schedule of Property Values and Assessment of Premium

ORM maintains the schedule of property values at its own expense. Therefore, the bidder/contractor will not need to include a charge for this service in the premium quotation. Successful vendor will be furnished a copy of this schedule on an annual basis.

5. Building Appraisals, Claim Details, Agency Contacts

5.1 Appraisal files and claim details pertaining to the present blanket property policy are available for inspection by all interested bidders/contractors on Monday through Friday (between the hours of 8:00 A.M. and 3:00 P.M.) at 1201 North Third Street, Suite G-192, Baton Rouge, Louisiana. **Review of the files shall be by appointment only.**

6. Insurance Required

6.1 The contractor shall provide excess following form blanket all risk (including earthquake and flood) building and personal property coverage which must equal or exceed the coverage provided in the underlying self-insurance policy (reflected in Schedule B of these specifications) issued by ORM subject to items 6.1.1 through 6.1.8 below.

6.1.1 The company **shall** be liable in respect to each and every loss occurrence irrespective of the number and kinds of risks involved only for the excess over and above the underlying self-insurance policy (reflected in Schedule B of these specifications) issued by ORM.

6.1.2 It is warranted by the insured that in respect to each and every loss occurrence the initial net loss set forth in paragraph 6.1.1 above **shall** be retained at the insured's own risk and not insured in any way.

6.1.3 A copy of the underlying self-insurance policy forms and endorsements can be found in Schedule B of these specification. **The following forms/coverages (see underlying policy) do not apply and are to be**

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART IV</i>	*		*	
FEC-18	*	<i>GENERAL BID</i>	*	May 24, 2005	*	18 of 129
		INFORMATION				

excluded from the policy(ies) to be issued as a result of the award of this contract.

Endorsement "A" (Basic Procedures for Property Damage Claims)

Endorsement "F" (Additional Language)

Inland Marine Floater BP0001

Form A - Coverage for Animals, including but not limited to Livestock, Thoroughbreds & Barnyard fowl

Form C - Registered Mail Form

6.1.4 The excess following form blanket all risk (including earthquake and flood) building and personal property coverage must provide replacement cost coverage on all building structures and actual cash value coverage on all personal property. The only exceptions being the following:

- ▶ Movable building structures will be afforded coverage on an actual cash value basis.
- ▶ Personal property purchased through the Louisiana Public Facilities Authority or the Third Party Financing Master Installment Purchase Agreement **must** be insured as indicated in Schedule B of these specifications.

6.1.5 Quotation is to be based on the following:

- ▶ Total insurable value of \$10,594,854,846 as reflected in Schedule A of these specifications, as of 01/31/2005.
- ▶ Flood/Earthquake limit **shall** be \$100,000,000 per occurrence with \$100,000,000 aggregate for each annual policy period, **less the Self-Insured limit**. Flood exposure data can be found in Schedule A of these specifications. This \$100,000,000 aggregate limit does not apply separately for each peril. All covered loss resulting from the perils of flood and earthquake would apply to the aggregate.

6.1.6 Quotations by layer will be submitted as shown on Exhibit I Bid Quotation Form

6.1.7 The bid will be awarded based on the quoted Net Annual Installment Premium of Layer 1, \$25,000,000 excess of \$25,000,000 only. ORM reserves the right to purchase any layer(s) at the costs quoted on the awarded bid.

6.1.8 Policy of insurance **shall** include the *General Required* and *Special Required* Endorsements reflected in Part Two of these specifications.

6.1.9 Named Insured and Address.

State of Louisiana, All Agencies, Boards and Commissions
c/o Office of Risk Management
Post Office Box 91106
Baton Rouge, Louisiana 70821-9106

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>PART IV</i>	*		*	
FEC-18	*	<i>GENERAL BID</i>	*	May 24, 2005	*	19 of 129
		INFORMATION				

6.1.10 Premises Insured

All properties owned by the State of Louisiana or for which the State of Louisiana has assumed liability; including but not limited to locations identified in the Schedule of Locations and Values on file with the State of Louisiana, Office of Risk Management.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT I</i>	*		*	
FEC-18	*	<i>BID QUOTATION FORM</i>	*	May 24, 2005	*	20 of 129
		(PART II)				

EXHIBIT I

BID QUOTATION FORM -

The bidder/contractor proposes to furnish a policy providing **excess following form blanket all risk (including earthquake and flood) building and personal property (buildings and contents)** insurance for the premium stated below for the State of Louisiana, Various Departments, Agencies, Boards and Commissions effective for the **period of 12:01 A.M. standard time** July 1, 2005 to July 1, 2006 with two one-year options to renew.

SINGLE LAYER QUOTATION

Coverage Layer \$25,000,000 Excess of	¹ Total Annual Installment Premium (Including any policy Tax, surplus tax, Policy fees, etc.)	² Less Commission Return (Per LA R.D.39:1632)	¹ Net Annual Installment Premium
\$25,000,000		(%)	
\$50,000,000		(%)	
\$75,000,000		(%)	

Coverage Layer \$100,000,000 Excess of	¹ Total Annual Installment Premium (Including any policy Tax, surplus tax, Policy fees, etc.)	² Less Commission Return (Per LA R.D.39:1632)	¹ Net Annual Installment Premium
\$100,000,000		(%)	
\$200,000,000		(%)	
\$300,000,000		(%)	
\$400,000,000		(%)	

The bid will be awarded based on the quoted Net Annual Installment Premium of Layer 1 \$25,000,000 excess of \$25,000,000 only. ORM reserves the right to purchase any layer(s) at the cost quoted on the awarded bid.

¹In 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.

²For 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.**

EXHIBIT II

RATES

1) The bidder/contractor shall indicate below the rate(s) per unit of exposure corresponding to premium indicated on EXHIBIT I.

SINGLE LAYER QUOTATION	
Coverage Layer	Rate
\$25,000,000 excess of \$25,000,000	
\$25,000,000 excess of \$50,000,000	
\$25,000,000 excess of \$75,000,000	
\$100,000,000 excess of \$100,000,000	
\$100,000,000 excess of \$200,000,000	
\$100,000,000 excess of \$300,000,000	
\$100,000,000 excess of \$400,000,000	

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT III</i>	*		*	
FEC-18	*	COMPANY SIGNATURE	*	May 24, 2005	*	22 of 129
		PAGE				

2) The bidder/contractor shall indicate below the hourly rate for engineering services in excess of that required in specifications. (For explanation refer to *PART II-TECHNICAL SPECIFICATIONS, Subsection 6, Engineering Services, paragraph 6.1*)

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	<i>EXHIBIT III</i>	*	May 24, 2005	*	23 of 129
		COMPANY SIGNATURE PAGE				

EXHIBIT III

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 1.7.

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:

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

³See PART II, Item 1.1.2 of these specifications

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT IV</i>	*		*	
FEC-18	*	<i>CLAIMS HANDLING</i>	*	May 24, 2005	*	24 of 129
		PROCESS NARRATIVE				

EXHIBIT IV

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 excess following form blanket all risk (including earthquake and flood) building and personal property 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>	*		*	
FEC-18	*	COVERAGE/SERVICE DEVIATIONS	*	May 24, 2005	*	25 of 129

EXHIBIT V

COVERAGE AND/OR OTHER SERVICES DEVIATIONS

Bidder/Contractor shall indicate below any change or restriction in conditions, warranties, or exclusions from the excess following form blanket all risk (including earthquake and flood) building and personal property **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
	*	<i>EXHIBIT VI</i>	*		*	
FEC-18	*	<i>ENGINEERING SERVICE</i>	*	May 24, 2005	*	26 of 129
		DEVIATIONS				

EXHIBIT VI

ENGINEERING SERVICE DEVIATIONS

Bidder/Contractor **shall** indicate below any changes, restrictions and/or deviations from the engineering service required in Part II of these specifications. Submission of engineering service narrative shall not be considered as compliance with above stipulations. Non-disclosure of changes/restrictions **shall** be interpreted to mean engineering services to be provided will be in compliance with engineering services requested in these specifications.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	<i>EXHIBIT VII</i> <i>BIDDER'S CHECK LIST</i>	*	May 24, 2005	*	27 of 129

EXHIBIT VII
BIDDER'S CHECK LIST

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	1. Entire IFB returned (per page 8, item 6.2.5).
<input type="checkbox"/>	<input type="checkbox"/>	2. Page 23 (EXHIBIT III) signed by designated authorized representative of the insurance company (per page 7, item 6.1.2 and page 15, item 1.10).
<input type="checkbox"/>	<input type="checkbox"/>	3. Insurance Company Name has been indicated on Page 23 (EXHIBIT III) per page 15, item 1.7.
<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 8 item 6.1.1).
<input type="checkbox"/>	<input type="checkbox"/>	6. Amendment(s) (if applicable) returned (per page 8, item 6.2.5 and page 6, item 4.2).
NOTE: ITEMS 7A, 7B, AND 7C; <u>OR</u> 8A, 8B, AND 8C; <u>OR</u> 9 IS REQUIRED.		
<input type="checkbox"/>	<input type="checkbox"/>	7A. Board resolution/power of attorney (per page 16, item 3.1.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7B. Board resolution/power of attorney (per page 16, item 3.1.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	7C. Board resolution/power of attorney (per page 16, item 3.1.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8A. Notarized affidavit, board resolution/power of attorney (per page 16, item 3.2.1.1) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8B. Notarized affidavit, board resolution/power of attorney (per page 16, item 3.2.1.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	8C. Notarized affidavit, board resolution/power of attorney (per page 17, item 3.2.1.3) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	9. Bid Bond (per page 16, item 3.1.2 or page 17, item 3.2.2) is attached.
<input type="checkbox"/>	<input type="checkbox"/>	10. Claims narrative submitted (per page 17, item 3.4 and page 24, EXHIBIT IV).
<input type="checkbox"/>	<input type="checkbox"/>	11. Were any coverage and/or other services deviations submitted on page 25, EXHIBIT V (per page 15, 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"/>	13. Were premium rates indicated on EXHIBIT II, page 21 (per page 13, item 7.1 and page 15, item 2.1)?
<input type="checkbox"/>	<input type="checkbox"/>	14. Errors and Omissions Certificate (per page 17, item 3.3) is attached.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	<i>EXHIBIT VII</i>	*		*	
FEC-18	*	<i>BIDDER'S CHECK LIST</i>	*	May 24, 2005	*	28 of 129

EXHIBIT VII

BIDDER'S CHECK LIST

YES	NO		
<input type="checkbox"/>	<input type="checkbox"/>	15.	Were premium quotations indicated on EXHIBIT I, page 22 (per page 15, items 2.1 and 2.2.)?
<input type="checkbox"/>	<input type="checkbox"/>	16.	Was commission return percentage factor reflected on EXHIBIT I, page 22 (per page 16, item 2.4)?
<input type="checkbox"/>	<input type="checkbox"/>	17.	Are responses to questions on EXHIBIT III, page 23 in compliance with requirements in Item 1.1.2 on page 9?
<input type="checkbox"/>	<input type="checkbox"/>	18.	Was hourly rate for engineering service indicated on Exhibit II, page 21 (per page 12, item 6.1)?
<input type="checkbox"/>	<input type="checkbox"/>	19.	Were any engineering service deviations submitted on Exhibit VI, page 26 (per page 12, item 6.2)?

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING INFORMATION	*	May 24, 2005	*	29 of 129

SCHEDULE A

UNDERWRITING INFORMATION

This schedule contains underwriting information which includes historical information, premium and loss experience for the period of July 1, 1999 to July 1, 2004 as well as exposure values currently on file with ORM.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING INFORMATION	*	May 24, 2005	*	30 of 129

I. SCHEDULE OF CURRENT COVERAGE

- Layer 1: \$25,000,000 Primary coverage written through the Louisiana Self-Insurance Program
 Layer 2: \$500,000,000 excess of \$25,000,000 Louisiana Self-Insurance Program
 Agent of Record:

II. PRIOR PREMIUM INFORMATION (as of 02/23/2005)

Policy Period	Total Property Value	ORM Retention	ORM Aggregate	Premium	Policy Limit
07-01-99/00	\$8,143,491,831	\$1,000,000	\$5,000,000	\$3,211,500	\$1,000,000,000
07-01-00/01	\$8,587,569,532	\$1,000,000	\$5,000,000	\$3,386,594	\$1,000,000,000
07-01-01/02	\$8,850,699,501	\$1,000,000	\$5,000,000	\$8,000,000	\$500,000,000
07-01-02/03	\$9,558,562,062	\$50,000,000	-0-	\$4,915,758	\$300,000,000
07-01-03/04	\$10,081,511,637	\$25,000,000	-0-	\$7,954,176	\$600,000,000
07-01-04/05	\$10,594,854,846	\$7,500,000	-0-	\$8,078,959	\$600,000,000

III. LOSS EXPERIENCE

A. BLANKET PROPERTY COVERAGE (as of 02/23/2005)

- Loss experience information using actual retention and annual aggregate limits which were in effect during the period of July 1, 1999/ July 1, 2004.
- Column titled *Total Losses Applied to Aggregate* includes flood losses.
- Loss amounts based on payments & reserves.

Policy Period	Net Losses Incurred by ORM*	Total Losses Applied to Stop Loss Aggregate*	Losses Incurred by Excess Carrier (Excess of \$1Million per Occurrence)*	Total Aggregate Losses Incurred by Excess Carrier (Excess of ORM \$5 Million Stop Loss Limit)*
07-01-99/00	\$4,319,225	\$4,804,368	\$487,000	-0-
07-01-00/01	\$7,139,172	\$5,000,000	\$357,461	\$1,631,802
07-01-01/02	\$5,310,158	\$1,564,378	-0-	-0-
07-01-02/03	\$10,979,544	-0-	-0-	-0-
07-01-03/04	\$11,714,467	-0-	-0-	-0-
07-01-04/05	\$1,533,939	-0-	-0-	-0-

* Stop-Loss aggregate removed beginning July 1, 2002. This information is three-years old, but the most current ORM has at this time.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING INFORMATION	*	May 24, 2005	*	31 of 129

B. FLOOD COVERAGE (as of 02/25/2005)

Policy Period	Net Losses Incurred by ORM	³ Total Losses Incurred by Commercial Company	Number of Losses
⁴ 07-01-99/00	\$239,347	-0-	21
⁴ 07-01-00/01	\$1,069,363	-0-	34
⁴ 07-01-01/02	\$1,063,413	-0-	24
⁴ 07-01-02/03	\$484,453	-0-	25
⁴ 07-01-03/04	\$99,541	-0-	14

C. LOSSES OVER \$1,000,000 PER OCCURRENCE (as of 02/25/2005)

Date of Loss	Description of Loss	Total Amount of Loss
10-23-00	Fire – University Hospital	\$1,535,789
10-23-00	Business Interruption from Fire	\$1,430,906
10-03-02	Hurricane Lillie	\$3,178,000
04-30-04	Lightning strike that caused a fire that burned the Military Building	\$8,005,000

D. CURRENT BUILDING COUNTS (as of 02/25/2005)

Building Type	Coverage	Number of Buildings Covered
State Owned	Structure and Contents	8,541
Non-State Owned	Contents Only	2,966
Insured Non-State Owned	Structure and Contents (By Contract)	175

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	32 of 129

IV. EXPOSURE TOTALS BY CATEGORY

- A.** The exposure values reflected in the Schedule of Property Value reports referred to in Schedule A, Item V may differ from the values reflected in Item IV of Schedule A. This is due to the fact that updates are made to the ORM exposure system on an on-going basis. (Even when several reports are requested at the same time, data changes can be processed between actual printing of the reports thereby causing differences in values to occur.
- B.** Only the exposure values reflected in Schedule A, Item IV shall be used for premium quotation purposes.

Category Description		Total Value on File With ORM as of January 31, 2005
1. Building Structures (Replacement Cost):		
a)	Owned by the State of Louisiana:	\$7,317,114,620
b)	Owned by someone other than the State of Louisiana, but which is in the care, custody and control of the State:	\$257,887,736
c)	Pilings, piers, wharfs and docks:	\$7,521,250
d)	Largest single exposure: (Includes building & contents)	Louisiana Superdome 1500 Poydras Street New Orleans, Louisiana Value: \$326,111,334
2. Fine Arts:		
Museum exhibits, antiques and objects of art of every nature and description including aircraft and watercraft (regardless of length) which have been decommissioned and/or automobiles which are on display as a tourist attraction for public viewing		
a)	Owned by the State of Louisiana:	\$165,789,464
b)	Owned by someone other than the State of Louisiana, but which is in the care, custody and control of the State:	\$14,110,821
c)	Largest single exposure per building:	
	State Owned:	Prescott Library Railroad Avenue Ruston, Louisiana Value: \$29,500,000
	Non-State Owned:	Exhibit Museum 3015 Greenwood Road Shreveport, Louisiana Value: \$4,556,418

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	33 of 129

Category Description		Total Value on File With ORM as of January 31, 2005
3. Computer Equipment:		
Minicomputers, mainframes, software and personal computers:		
a)	Owned by the State of Louisiana:	\$545,822,316
b)	Owned by someone other than the State of Louisiana, but which is in the care, custody and control of the State:	\$14,419,957
c)	Largest single exposure per building:	
	State Owned:	Information Services Building North Third Street Baton Rouge, Louisiana Value: \$30,369,790
	Non-State Owned:	Annex Office North 23 rd Street Baton Rouge, Louisiana Value: \$6,554,107
4. Boats:		
Vessels which are twenty-six (26) feet in length or under including inboard and outboard motors Non-motorized vessels (row boats etc.) regardless of length		
a)	Owned by the State of Louisiana:	\$5,713,522
b)	Owned by someone other than the State of Louisiana, but which is in the care, custody and control of the State:	\$221,023
c)	Largest exposure per location:	
	State Owned:	UNO Technology Enterprise Center 1600 Canal Street New Orleans, Louisiana Value: \$516,394
	Non-State Owned:	Dormitory/Office Bass Road (Off La 39) Point A La Hache, Louisiana Value: \$176,073
6. Building Contents:		
Movable property not otherwise classified which is permanently located within a building to include but not be limited to office equipment, inventory, food stuffs and word processing equipment		
a)	Owned by or in the care, custody and control of the State of Louisiana:	\$1,949,310,097

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	34 of 129

Category Description			Total Value on File With ORM as of January 31, 2005
b)	Largest exposure per building:	LSU - Lyons Eye Clinic 2020 Gravier Street New Orleans, Louisiana Value: \$60,050,720	
7. LPFA/Third Party Financing:			
Equipment purchased in accordance with instructions set forth by the Louisiana Public Facilities Authority or the Third Party Financing Master Installment Purchase Agreement:			
a)	Exposure value on file:		\$33,552,722
b)	Largest exposure per building:	Charity Main Hospital Tulane Street New Orleans, Louisiana Value: \$15,395,092	
8. Business Income:			
Charges, tuition, fees and receipts derived from sources and activities "Not Public Funds" for service, sales and events that would be lost in the event the state agency would not be able to provide those services, sales and events, less the direct cost of those operations (Examples: Hospital charges, rental receipts, revenue and receipts from educational seminars or workshops, entertainment and athletic events)			
a)	Exposure value on file:(Based on annual figures)		\$277,595,061
b)	Largest exposure per building:	LSU Medical Center 1542 Tulane Avenue New Orleans, Louisiana Value: \$22,018,754	
9. Mobile Structures:			
Movable building structures and their contents. (Example: mobile office trailers, mobile homes and buildings on skids or wheels, etc.)			
a)	Owned by State of Louisiana:		\$6,392,185
b)	Owned by someone other than the State of Louisiana, but which is in the care, custody and control of the State:		\$378,460
c)	Location of largest exposure:		
	State Owned:	Galvez Office Building North Fifth Street Baton Rouge, Louisiana Value: \$2,403,500	

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	35 of 129

Category Description		Total Value on File With ORM as of January 31, 2005
Non-State Owned:	Marconi Meadows Dreyfous Avenue New Orleans, Louisiana Value: \$193,500	
Grand Total (All Categories):		\$10,595,829,234

v. SCHEDULE OF PROPERTY VALUES

The following information is available on line at the ORM web site (<http://www.doa.Louisiana.gov/orm/uwnewbid.htm>). These reports do not need to be printed and returned with your completed bid document.

1. Exposure Information

1.1 Schedule of Property Values

1.2 Exposure Totals by Parish

1.3 Business Income Exposures Over \$1,000,000

1.4 Listing of Pilings, Piers, Wharfs and Docks

1.5 Buildings with replacement cost values over \$1,000,000

2. Flood Exposure

Flood exposure values reflected in this section consists of the first floor values of insurable building structures and all contents located on or below the first floor or ground level floor of the building.

2.1 Sorted by Flood Zone

2.2 Sorted by Parish

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	36 of 129
		INFORMATION				

SCHEDULE B

POLICY FORMS AND ENDORSEMENTS

This schedule contains a copy of the self-insured underlying blanket all risk (including earthquake and flood) building and personal property policy forms and endorsements.

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
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	37 of 129

State of Louisiana

Office of Risk Management
Self Insurance Fund

Blanket Property Declaration

Office of the Governor
Division of Administration

Named Insured And Address	State of Louisiana, All Agencies, Boards and Commissions C/o Office of Risk Management Post Office Box 91106 Baton Rouge, Louisiana 70821-9106	Certificate No.:	BP20052006			
		Policy Period:	12:01 A.M. Standard Time At Place Of Issuance			
			From:	July 1, 2005	To:	July 1, 2006

Description Of Premises

All properties owned by the State of Louisiana or for which the State of Louisiana has assumed liability; including but not limited to, locations identified in the Schedule of Locations and Values on file with the State of Louisiana, Office of Risk Management

Coverage Provided

<u>Limit Of Insurance</u>	<u>Covered Causes Of Loss</u>	<u>Coinsurance</u>
\$25,000,000 combined single limit per occurrence for all perils except Flood, Earthquake, and Wind.	As per forms applicable	None
\$25,000,000 combined single limit per occurrence for perils of Flood, Earthquake, and Wind.		
Replacement cost on buildings, actual cash value on personal property and movable/mobile buildings.		
Business income from CP 00 30, Option (1) Business Income Including "Rental Value" applies. Agreed values are on file with ORM.		

Optional Coverage *(Applicable Only When Entries Are Made In The Schedule Below)*

Excess coverage afforded as available from the commercial market.

Mortgage Holders

Mortgage Holder Name and Mailing Address

It is agreed that for instances where state-owned property has a mortgage, the mortgagee is automatically considered the loss payee for coverage provided hereunder.

Deductible

The sum of \$1,000 shall be deducted from the amount of loss to property in one occurrence resulting from a covered peril. This deductible shall apply separately to each insured in cases wherein the loss involves more than one named insured.

Forms Applicable

CP 00 10 06 95	IL 00 17 11 98	IL 09 35 08 98	CP 10 37 07 88	CP 10 41 11 85	BP0001	BP0005
CP 00 30 06 95	CP 01 16 10 91	IL 09 41 01 02	CP 10 39 07 88	CP 15 56 02 97	BP0002	BP0006
CP 00 90 07 88	CP 04 05 06 95	CP 10 30 06 95	CP 10 40 06 95	CP 15 57 08 98	BP0003	End. A-J
					BP0004	UND01

Be it understood and agreed that wherever the word company or State is used in this form or any form attached thereto, the words State Of Louisiana Self Insurance Program Fund shall be substituted therefore. Be it further agreed that the words policy and certificate shall be synonymous.

This Policy Is Subject To Cost Allocation
Plan Of Office Of Risk Management
UND-01

(Authorized Signature)
Mr. J. S. Thompson, Jr.
State Risk Director

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	38 of 129
		INFORMATION				

**COMMERCIAL PROPERTY
CP 00 10 06 95**

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and 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 H DEFINITIONS**.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1)** Completed additions;
- (2)** Fixtures, including outdoor fixtures;
- (3)** Permanently installed:
 - (a)** Machinery and
 - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a)** Fire extinguishing equipment;
 - (b)** Outdoor furniture;
 - (c)** Floor coverings; and
 - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5)** If not covered by other insurance:
 - (a)** Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property Separation - of Coverage form:

- (1)** Furniture and fixtures;
- (2)** Machinery and equipment
- (3)** "Stock";
- (4)** All other personal property owned by you and used in your business;
- (5)** Labor, materials or services furnished or arranged by you on personal property of others;
- (6)** Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a)** Made a part of the building or structure you occupy but do not own; and
 - (b)** You acquired or made at your expense but cannot legally remove.
- (7)** Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	39 of 129

c. Personal Property of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a.** Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b.** Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c.** Automobiles held for sale;
- d.** Bridges, roadways, walks, patios or other paved surfaces;
- e.** Contraband, or property in the course of illegal transportation or trade;
- f.** The cost of excavations, grading, back filling or filling;
- g.** Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h.** Land (including land on which the property is located), water, growing crops or lawns;
- i.** Personal property while airborne or waterborne;
- j.** Bulkheads, pilings, piers, wharves or docks;
- k.** Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l.** Retaining walls that are not part of a building;
- m.** Underground pipes, flues or drains;

- n.** The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;
- o.** Vehicles or self-propelled machines (including aircraft or watercraft) that:

- (1) Are licensed for use on public roads; or
- (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (1) Vehicles or self propelled machines or autos you manufacture, process or warehouse;
- (2) Vehicles or self propelled machines, other than autos, you hold for sale; or
- (3) Rowboats or canoes out of water at the described premises;
- p.** The following property while outside of buildings:
 - (1) Grain, hay, straw or other crops,
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

4. Additional Coverage's

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A	*	May 24, 2005	*	40 of 129
		UNDERWRITING	*		*	
		INFORMATION				

(b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance section.

(3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of 11 pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired or Constructed Property

- (1) You may extend the insurance that applies to Building to apply to:
 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	41 of 129

(3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin to construct the property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Personal Effects and Property of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers and Records Cost of Research

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$2,500 at each described premises, unless a higher limit is shown in the Declarations.

d. Property Off-Premises

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease or operate. This Extension does not apply to Covered Property:

- (1) In or on a vehicle;
- (2) In the care, custody or control of your sales persons; or

(3) At any fair or exhibition.

The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Each of these Extensions is additional insurance. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

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

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1. Preservation of Property; or

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	42 of 129

2. Debris Removal; but if:

- a.** The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b.** The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limit of Insurance, after any deduction required by the Coinsurance condition or the Agreed Value Optional Coverage.

When the occurrence involves loss to more than one item of Covered Property and more than one Limit of Insurance applies, the Deductible will reduce the total amount of loss payable if loss to at least one item is less than the sum of (1) the Limit of Insurance applicable to that item plus (2) the Deductible.

Example No. 1:

(This example assumes there is no coinsurance penalty.)

Deductible:	\$250
Limit of Insurance Bldg. 1:	\$60,000
Limit of Insurance Bldg. 2:	\$80,000
Loss to Bldg. 1:	\$60,100
Loss to Bldg. 2:	\$90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$60,100
- 250
<u>\$59,850</u> Loss Payable - Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139, 850

Example No. 2:

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1:	\$70,000	(exceeds Limit of Insurance plus Deductible)
Loss to Bldg. 2:	\$90,000	(exceeds Limit of Insurance plus Deductible)
Loss Payable Bldg. 1:	\$60,000	(Limit of Insurance)
Loss Payable Bldg. 2:	\$80,000	(Limit of Insurance)
Total Amount of loss Payable:	\$140,000	

E. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

- a.** You must see that the following are done in the event of loss or damage to Covered Property:
 - (1)** Notify the police if a law may have been broken.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	43 of 129

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b.** We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

- a.** In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.
- b.** The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- c.** We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d.** We will not pay you more than your financial interest in the Covered Property.
- e.** We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	44 of 129
		INFORMATION				

6. Vacancy

a. Description of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its square footage:

- (i) Is not rented, or
- (ii) Is not used to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.**, **e.** and **f.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

- (1) Awnings or floor coverings,
- (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
- (3) Outdoor equipment or furniture.

c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

d. Glass at the cost of replacement with safety glazing material if required by law.

e. Tenant's Improvements and Betterments at:

(1) Actual cash value of the lost or damaged property if you make repairs promptly.

(2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
- (b) Divide the amount determined in **(a)** above by the number of days from the installation of improvements to the expiration of the lease.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A	*	May 24, 2005	*	45 of 129
		UNDERWRITING	*			
		INFORMATION				

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(3) Nothing if others pay for repairs or replacement.

f. Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

(1) Blank materials for reproducing the records; and

(2) Labor to transcribe or copy the records when there is a duplicate.

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in step (1);

(3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and

(4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance):
When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$100,000
The Deductible is	\$250
The amount of loss is	\$40,000

Step (1): $\$250,000 \times 80\% = \$200,000$ (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):
When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	80%
The Limit of Insurance for it is	\$200,000
The Deductible is	\$250
The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 ($\$40,000$ amount of loss minus the deductible of \$250).

b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When.

The value of property is:

Bldg. at Location No. 1	\$75,000
Bldg. at Location No. 2	\$100,000
Personal Property at Location No. 2	<u>\$ 75,000</u>
	\$250,000

The Coinsurance

percentage for it is 90%

The Limit of Insurance for

Buildings and Personal
Property at Location
Nos. 1 and 2 is \$180,000

The Deductible is \$1,000

The amount of loss is:

Bldg. at Location No. 2	\$30,000
Personal Property at Location No. 2.	<u>\$20,000</u>
	\$50,000

Step (1): $\$250,000 \times 90\% = \$225,000$ (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$ 50,000 \times .80 = \$40,000$.

Step (4): $\$ 40,000 - \$1,000 = \$39,000$.

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgage holders

- a. The term mortgage holder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay, and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	47 of 129
		INFORMATION				

- g.** If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

G. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverage's apply separately to each item.

1. Agreed Value

- a.** The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b.** If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c.** The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1)** On or after the effective date of this Optional Coverage: and
 - (2)** Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a.** The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b.** The amount of increase will be:
 - (1)** The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2)** The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3)** The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Limit of Insurance is	\$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146
The amount of increase is	
$\$100,000 \times .08 \times 146$	365
	\$3,200

3. Replacement Cost

- a.** Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b.** This Optional Coverage does not apply to:
 - (1)** Personal property of others;
 - (2)** Contents of a residence;
 - (3)** Manuscripts;
 - (4)** Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - (5)** "Stock", unless the Including "Stock" option is shown in the Declarations.
- c.** You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d.** We will not pay on a replacement cost basis for any loss or damage:
 - (1)** Until the lost or damaged property is actually repaired or replaced; and
 - (2)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A	*	May 24, 2005	*	48 of 129
		UNDERWRITING				
		INFORMATION				

e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to f. below:

- (1)** The Limit of Insurance applicable to the lost or damaged property;
- (2)** The cost to replace, on the same premises, the lost or damaged property with other property:
 - (a)** Of comparable material and quality; and
 - (b)** Used for the same purpose; or
- (3)** The amount you actually spend that is necessary to repair or replace the lost or damaged property.

f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

H. DEFINITIONS

- 1. "Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 2. "Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	49 of 129

POLICY CHANGE NUMBER 1

(This Endorsement Changes the Policy. Please read Carefully)

Coverage Parts Affected:

Form **CP 00 10 06 95** – Building and Personal Property Coverage Form is amended/changed as indicated below:

AMENDMENTS/CHANGES

Page 1 of 11 through 11 of 11

Throughout this form the words "within 100 feet" are hereby amended to read "within 1000 feet".

Page 2 of 11, Item No. A, 2, i.

The verbiage "Personal property while airborne or waterborne" is hereby deleted.

Page 2 of 11, Item No. A, 2, j. is hereby deleted in its entirety.

Page 2 of 11, Item No. A, 2, o.

The following verbiage replaces that previously shown in its entirety:

"o. Vehicles or self-propelled machines (including aircraft, or watercraft over twenty-six feet in length) that:

- (1) Are licensed for use on public roads;
- (2) You do not manufacture, process, warehouse or hold for sale. But this paragraph does not apply to rowboats or canoes out of the water at the described premises;

This exclusion does not apply to Ultra-Light aircraft."

Page 2 of 11, Item A, 2, p.

The following verbiage replaces that previously shown in its entirety:

"P. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops. However coverage is provided for harvested crops while in transit within a fully enclosed mobile agriculture vehicle or a fully enclosed motor vehicle.
- (2) Trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions."

Page 4 of 11, Item No. A, 5, b. (Personal Effects and Property of Others)

The following verbiage replaces that previously shown in its entirety:

b. Personal Effects and Property of Others.

You may extend the insurance that applies to your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees. This extension does not apply to loss or damage by theft.

The most we will pay for loss or damage under this Extension as regards Paragraph Number 1 above is \$2,500 at each described premises.

- (2) We will pay those sums that the insured becomes legally obligated to pay as damages because of damage to personal property of others in your care, custody, or control to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under supplementary payments.

Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

Page 4 of 11, Item No. A, 5, d. (Property Off-Premises)

The following verbiage replaces that previously shown in its entirety:

"d. Property Off-Premises

You may extend the insurance provided by this Coverage Form to apply to your Covered Property, other than "stock", that is temporarily at a location you do not own, lease, or operate."

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A	*	May 24, 2005	*	50 of 129
		UNDERWRITING	*			
		INFORMATION				

Page 4 of 11, paragraph after Item No. A, 5, e. (Outdoor Property)

The verbiage "Each of these Extensions is additional insurance" is hereby deleted.

Page 4 of 11, Item No. C (Limits of Insurance)

The following verbiage replaces that previously shown in its entirety:

C. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable limit of insurance shown in the declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance.

1. Preservation of Property: or
2. Debris removal

Page 7 of 11, Item No. 6 (Vacancy)

The following verbiage replaces that previously shown in its entirety.

6. Vacancy

If the building where loss or damage occurs has been vacant for more than sixty (60) consecutive days before that loss or damage and a vacancy permit has not been issued by the Office of Risk Management we will determine the value of the covered property on **the actual cash value basis (with deduction for depreciation)** as of the time of loss or damage in accordance with Paragraph 7 of "Valuation Condition" found on Page 7 of Form CP 00 10 06 95.

If the building where loss or damage occurs has been vacant for more than sixty (60) consecutive days before that loss or damage and a **vacancy permit has been issued (prior to such loss or damage)** by the Office of Risk Management we will determine the value of the covered property on the **replacement cost value basis (without deduction for depreciation)** as defined in G, 3 "Optional Coverages" on Page 10 of Form CP 00 10 06 95.

A building is vacant when it does not contain enough business personal property to conduct customary operations.

Buildings under construction/renovation are not considered vacant.

Page 11 of 11, Section H, Item 1.

The following verbiage replaces that previously shown in its entirety:

H. DEFINITIONS

1. **"Pollutants"** means any solid liquid, gaseous or thermal irritant or contaminant, including asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed..

Page 11 of 11, Section H, Item 3

The following definition is hereby added:

3. **"Movable/Mobile buildings"** means any building structure not permanently attached to an immovable foundation and which can be moved from place to place without disassembly.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	51 of 129

**COMMERCIAL PROPERTY
CP 00 30 06 95**

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and 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 G - DEFINITIONS.

A. COVERAGE

Coverage is provided as described below for one or more of the following options for which a Limit of Insurance is shown in the Declarations:

- (i)** Business Income including "Rental Value".
- (ii)** Business Income other than "Rental Value".
- (iii)** "Rental Value".

If option **(i)** above is selected, the term Business Income will include "Rental Value". If option **(iii)** above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property, including personal property in the open (or in a vehicle) within 100 feet, at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- 1.** All routes within the building to gain access to the described premises; and
- 2.** Your personal property in the open (or in a vehicle) within 100 feet.

1. Business Income

Business Income means the:

- a.** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and

- b.** Continuing normal operating expenses incurred, including payroll.

2. Covered Causes of Loss

See applicable Causes of Loss Form as shown in the Declarations.

3. Additional Coverages

a. Extra Expense.

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

- (1)** We will pay any Extra Expense to avoid or minimize the suspension of business and to continue "operations":

- (a)** At the described premises, or
- (b)** At replacement premises or at temporary locations, including:
 - (i)** Relocation expenses; and
 - (ii)** Costs to equip and operate the replacement or temporary locations.

- (2)** We will pay any Extra Expense to minimize the suspension of business if you cannot continue "operations".

- (3)** We will pay any Extra Expense to:

- (a)** Repair or replace any property; or
- (b)** Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	52 of 129

b. Civil Authority. We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for Extra Expense will begin immediately after the time of that action and will end:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends; whichever is later.

c. Alterations and New Buildings. We will pay for the actual loss of Business Income you sustain due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures, and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had **not occurred**.

d. Extended Business Income.

(1) Business Income Other Than "Rental Value"

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred, or
 - (ii) 30 consecutive days after the date determined in **(1)(a)** above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary suspension of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	53 of 129
		INFORMATION				

(b) Ends on the earlier of:

- (i)** The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
- (ii)** 30 consecutive days after the date determined in **(2)(a)** above.

However, Extended Business income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

4. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- (a)** You may extend your Business Income Coverage to apply to property at any location you acquire other than fairs or exhibitions.
- (b)** The most we will pay for loss under this Extension is \$100,000 at each location.
- (c)** Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1)** This policy expires;
 - (2)** 30 days expire after you acquire or begin to construct the property; or
 - (3)** You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

This Extension is additional insurance. The Additional Condition. Coinsurance, does not apply to this Extension.

B. EXCLUSIONS AND LIMITATIONS

See applicable Causes of Loss Form as shown in the Declarations.

C. LIMITS OF INSURANCE

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

The limit applicable to the Coverage Extension is in addition to the Limit of Insurance.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

- 1.** Alterations and New Buildings;
- 2.** Civil Authority;
- 3.** Extra Expense; or
- 4.** Extended Business Income.

D. LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will.

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

- a.** You must see that the following are done in the event of loss:
 - (1)** Notify the police if a law may have been broken.
 - (2)** Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
 - (3)** As soon as possible, give us a description of how, when, and where the direct physical loss or damage occurred.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	54 of 129
		INFORMATION				

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim. including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Limitation - Electronic Media And Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of.

a. 60 consecutive days from the date of direct physical loss or damage; or

b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

(1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;

(2) Data stored on such media; or

(3) Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to Extra Expense.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

4. Loss Determination

(a) The amount of Business Income loss will be determined based on:

(1) The Net Income of the business before the direct physical loss or damage occurred,

(2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

(3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	55 of 129

(4) Other relevant sources of information, including:

- (a)** Your financial records and accounting procedures;
- (b)** Bills, invoices and other vouchers; and
- (c)** Deeds, liens or contracts.

b. The amount of Extra Expense will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

- (a)** The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
- (b)** Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and

(2) All necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

(1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

5. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

- a.** We have reached agreement with you on the amount of loss; or
- b.** An appraisal award has been made.

E. ADDITIONAL CONDITION

Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any loss if the Limit of Insurance for Business Income is less than:

- a.** The Coinsurance percentage shown for Business Income in the Declarations; times
- b.** The sum of:
 - (1)** The Net Income (Net Profit or Loss before income taxes), and
 - (2)** Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- 1.** Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- 2.** Divide the Limit of Insurance for the described premises by the figure determined in Step 1.; and
- 3.** Multiply the total amount of loss by the figure determined in Step 2.

We will pay the amount determined in Step 3, or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	56 of 129

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

1. Prepaid freight - outgoing;
2. Returns and allowances;
3. Discounts;
4. Bad debts;
5. Collection expenses;
6. Cost of raw stock and factory supplies consumed (including transportation charges);
7. Cost of merchandise sold (including transportation charges);
8. Cost of other supplies consumed (including transportation charges);
9. Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
10. Power, heat and refrigeration expenses that do not continue under contract (if form CP 15 11 is attached);
11. All ordinary payroll expenses or the amount of payroll expense excluded (if form CP 15 10 is attached); and
12. Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion - not percentage depletion- welfare and retirement fund charges based on tonnage; hired trucks).

Example No. 1 (Underinsurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date of this policy at the described premises would have been \$400,000
The Coinsurance percentage is 50%
The Limit of Insurance is \$150,000
The amount of loss is \$80,000

Step 1: $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step 2: $\$150,000 \div \$200,000 = .75$

Step 3: $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example No. 2 (Adequate Insurance):

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been \$400,000
The Coinsurance percentage is 50%
The Limit of Insurance is \$200,000
The amount of loss is \$80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 (\$400,000 x 50%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to the Extra Expense Additional Coverage.

F. OPTIONAL COVERAGES

If shown in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income is the lesser of:
 - (1) The amount of loss sustained during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example:

When: The Limit of Insurance is \$120,000
 The fraction shown in the Declarations for this Optional Coverage is **3**
 The most we will pay for loss in each period of 30 consecutive days is:
 $\$120,000 \times 3 = \$30,000$

If, in this example, the actual amount of loss is:

Days 1-30	\$40,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$90,000

We will pay:

Days 1-30	\$30,000
Days 31-60	20,000
Days 61-90	<u>30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and
 - (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance. Is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

Example:

When: The Limit of Insurance is \$100,000
 The Agreed Value is \$200,000
 The amount of loss is \$80,000

Step (a): $\$100,000 \div \$200,000 = .50$
 Step (b): $.50 \times \$80,000 = \$40,000$
 We will pay \$40,000. The remaining \$40,000 is not covered.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	58 of 129
		INFORMATION				

4. Extended Period Of Indemnity

Under paragraph **A.3.d.**, Extended Business Income, the number "30" in subparagraph **(2)(b)** is replaced by the number shown in the Declarations for this Optional Coverage.

G. DEFINITIONS

1. "Finished Stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:

- a.** Your business activities occurring at the described premises; and
- b.** The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

3. "Period of Restoration" means the period of time that:

- a.** Begins:
 - (1)** 72 hours after the time of direct physical loss or damage for Business Income coverage; or
 - (2)** Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1)** The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2)** The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1)** Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Rental Value" means the:

- a.** Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and
- b.** Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
- c.** Fair rental value of any portion of the described premises which is occupied by you.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	59 of 129
		INFORMATION				

POLICY CHANGE NUMBER 2

(This Endorsement Changes the Policy. Please read Carefully)

Coverage Parts Affected:

Form **CP 00 30 06 95** – Business Income coverage Form is amended/changed as indicated below:

AMENDMENTS/CHANGES

Page 3 of 8, Item No. A, 4 is hereby deleted in its entirety and replaced with the following:

4. Coverage Extension

You may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

You may extend your Business Income Coverage to apply to property at any location you acquire or temporarily occupy.

All other terms and conditions of this policy remain unchanged.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	60 of 129

COMMERCIAL PROPERTY

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part 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 Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any, act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	61 of 129
		INFORMATION				

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must *do* everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	62 of 129
		INFORMATION				

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

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.

B. 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.

C. 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 three years afterward.

D. 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 insurability 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. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. 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.

F. 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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	63 of 129

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOUISIANA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

- A.** When this endorsement is attached to the STANDARD PROPERTY policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The following is added when a Coinsurance percentage is shown in the Declarations:
The rate of premium for your policy is based on the use of a Coinsurance percentage that is shown in the Declarations.
- C.** The **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US** Condition is replaced by the following:
If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
- 1.** Prior to a loss to your Covered Property or Covered Income.
 - 2.** After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a.** Someone insured by this insurance;
 - b.** A business firm:
 - (1)** Owned or controlled by you; or
 - (2)** That owns or controls you;
 - c.** Your employee or employer;
 - d.** The owner, lessor or tenant of the:
 - (1)** Described premises; or
 - (2)** Premises where loss or damage occurred;

including their employees, partners and stockholders; or
 - e.** Your relative by blood or marriage. If you waive your rights against another party in writing after a loss, we can recover from you any amount you received for that waiver. But we cannot recover more than the amount we paid you for that loss.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	64 of 129

POLICY NUMBER:

COMMERCIAL PROPERTY

CP 04 05 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE*

Bldg. No./ Prem. No.	Cov. A	Cov. B Limit Of Insur.	Cov. C. Limit Of Insur.	Cov. B and C <u>Blanket Limit</u> Of Insur.
See Declaration Page for "Description of Premises"	XX	\$ _____ \$ _____ \$ _____	\$ _____ \$ _____ \$ _____	\$100,000 per building _____
				**

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

** Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

A. Each Coverage - Coverage A, Coverage B and Coverage C - applies only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the Building property identified for that Coverage(s) in the Schedule.

B. We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

C. Coverage

1. Coverage A - Coverage for Loss to the Undamaged Portion of the Building

If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

a. Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss.

b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

c. Is in force at the time of loss.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building property. Coverage A does not increase the Limit of Insurance.

2. Coverage B - Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and clear the site of undamaged parts of the property caused by enforcement of building zoning or land use ordinance or law.

The COINSURANCE Additional Condition does not apply to Demolition Cost Coverage

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A	*	May 24, 2005	*	65 of 129
		UNDERWRITING	*		*	
		INFORMATION				

3. Coverage C - Increased Cost of Construction Coverage

a. If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:

- (1) Repair or reconstruct damaged portions of that Building property; and/or
- (2) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The COINSURANCE Additional Condition does not apply to Increased Cost of Construction Coverage.

b. When covered Building property is damaged or destroyed by a Covered Cause of Loss and Coverage C applies to that property in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following subject to the same conditions stated in 3.a.:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in b.(1) through b.(4) above are deleted from Property Not Covered. but only with respect to the coverage described in this provision 3.b.

D. Loss Payment

1. When Coverage A applies, loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:

a. If the Replacement Cost Coverage Option applies and the property is repaired or replaced, on the same or another premises, we will not pay more than the lesser of:

- (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced. or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:

- (1) The actual cash value of the building at the time of loss; or
- (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.

2. Unless paragraph D.4. applies, loss payment under Coverage 6 - Demolition Cost Coverage **will** be determined as follows

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit of Insurance shown for Coverage B in the Schedule above.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	66 of 129

3. Unless paragraph **D.4.** applies, loss payment under Coverage C - Increased Cost of Construction Coverage will be determined as follows:

a. We will not pay under Coverage C:

(1) Until the property is actually repaired or replaced, at the same or another premises; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:

(1) The increased cost of construction at the same premises; or

(2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:

(1) The increased cost of construction at the new premises; or

(2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

4. If a Blanket Limit of Insurance is shown for Coverages **B** and **C** in the Schedule above, paragraphs **D.2.** and **D.3.** of this endorsement do not apply with respect to the Building property that is subject to the Blanket Limit, and the following loss payment provisions apply instead.

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Blanket Limit of Insurance shown for Coverages B and C in the Schedule above. Subject to this Blanket Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

(1) We will not pay for the increased cost of construction:

a. Until the property is actually repaired or replaced, at the same or another premises; and

b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

(2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Under this endorsement we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss even if the building was undamaged and;

2. You failed to comply with.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	67 of 129
		INFORMATION				

IL 09 35 08 98

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

EXCLUSION OF CERTAIN COMPUTER – RELATED LOSSES

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss (“loss”) or damage caused directly or indirectly by the following. Such loss (“loss”) or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss (“loss”) or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** Any other computerized or electronic equipment or components; or
 - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
- 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Boiler And Machinery Coverage Part, the Commercial Crime Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy: or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a “Specified Cause of Loss”, or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes of Loss – Basic Form or the causes of Loss – Broad Form;

we will pay only for the loss (“loss”) or damage caused by such “Specified Cause of Loss”, elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	68 of 129

IL 09 41 01 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF WAR, MILITARY ACTION AND TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL CRIME COVERAGE FORM
 COMMERCIAL CRIME POLICY
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART
 GOVERNMENT CRIME COVERAGE FORM
 GOVERNMENT CRIME POLICY
 STANDARD PROPERTY POLICY

A. The War And Military Action Exclusion is replaced by the following Exclusion. With respect to any Coverage Form to which the War And Military Action Exclusion does not apply, that Exclusion is hereby added as follows.

WAR AND MILITARY ACTION EXCLUSION

We will not pay for loss or damage caused directly or indirectly by the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- 1.** War, including undeclared or civil war; or
- 2.** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3.** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War And Military Action Exclusion supersedes the Nuclear Hazard Exclusion.

B. Regardless of the amount of damage and losses, the Terrorism Exclusion applies to any incident of terrorism:

- 1.** That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- 2.** That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 3.** In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

Except as provided in **B.1.**, **B.2.** or **B.3.** above, the Terrorism Exclusion will only apply to an incident of terrorism in which the total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of terrorism which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	69 of 129
		INFORMATION				

The preceding paragraph describes the threshold used to measure the magnitude of an incident of terrorism and the circumstances in which the threshold will apply, for the purpose of determining whether the Terrorism Exclusion will apply to that incident. When the Terrorism Exclusion applies to an incident of terrorism, there is no coverage under the insurance identified in this endorsement.

In the event of any incident of terrorism that is not subject to the Terrorism Exclusion, coverage does not apply to any element of loss or damage that is otherwise excluded under the insurance identified in this endorsement.

TERRORISM EXCLUSION

We will not pay for loss or damage caused directly or indirectly by terrorism, including action in hindering or defending against an actual or expected incident of terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Terrorism means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or

- b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
1. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

But with respect to any such activity that also comes within the terms of the War And Military Action Exclusion, that exclusion supersedes this Terrorism Exclusion.

In the event of an incident of terrorism that involves nuclear reaction or radiation, or radioactive contamination, this Terrorism Exclusion supersedes the Nuclear Hazard Exclusion.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	70 of 129

COMMERCIAL PROPERTY
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CAUSES OF LOSS - SPECIAL FORM

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

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
 2. Limited in Section C., Limitations;
- that follow.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter: or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation. or radioactive contamination, however caused.

But if nuclear reaction or radiation. or radioactive contamination, results in fire. we will pay for the loss or damage caused by that fire.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	71 of 129

e. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in paragraph 8.4.a.(I) applies to these coverages.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in g.(1) through g.(4) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical current including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market;
- c. Smoke, vapor or gas from agricultural smudging or industrial operations;
- d. (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d. (1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	72 of 129

- f. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h. Dishonest or criminal act by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j. Rain, snow, ice or sleet to personal property in the open.
- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
- l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

- 3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- (2) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - b. The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	73 of 129

(3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.

(4) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

(5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(6) Any other consequential loss.

b. Leasehold Interest Coverage Form

(1) Paragraph 8.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

c. Legal Liability Coverage Form

(1) The following Exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph B.1.a., Ordinance or Law;

(b) Paragraph B.1.c., Governmental Action;

(c) Paragraph B.1.d., Nuclear Hazard;

(d) Paragraph B.1.e., Utility Services; and

(e) Paragraph B.1.f., War and Military Action

(2) The following additional exclusions apply to insurance under this Coverage Form:

a. Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

b. Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

C. LIMITATIONS

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	74 of 129

- c.** The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
- (1)** The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2)** The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d.** Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.
- However, this limitation does not apply to:
- (1)** Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2)** Business income coverage or Extra Expense coverage.
- e.** Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f.** Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.
- g.** Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- 2.** We will not pay more than \$500 in any one occurrence for loss of or damage to glass that is part of a building or structure, regardless of the number of panes, plates or similar units of glass. Subject to this \$500 aggregate, we will not pay more than \$100 for any one pane, plate, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.
- However, this limitation does not apply to:
- a.** Loss or damage by the "specified causes of loss", except vandalism; or
 - b.** Business Income coverage or Extra Expense coverage.
- 3.** We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
- a.** Valuable papers and records, such as books of account, manuscripts, abstracts, drawings, card index systems, film, tape, disc, drum, cell or other data processing, recording or storage media, and other records.
 - b.** Animals, and then only if they are killed or their destruction is made necessary.
 - c.** Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1)** Glass that is part of a building or structure;
 - (2)** Containers of property held for sale; or
 - (3)** Photographic or scientific instrument lenses.
 - d.** Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.
- However, this limitation does not apply:
- (1)** If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2)** To Business Income coverage or to Extra Expense coverage.
- 4.** The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- (a)** \$2,500 for furs, fur garments and garments trimmed with fur.
 - (b)** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (c)** \$2,500 for patterns, dies, molds and forms.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	75 of 129

- d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.4.**, does not apply to Business Income coverage or to Extra Expense coverage.

- 5. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

D. ADDITIONAL COVERAGE - COLLAPSE

The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in **D.1.** through **D.5.** below.

- 1. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this Coverage Form, if the collapse is caused by one or more of the following:
 - a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
 - b. Hidden decay;
 - c. Hidden insect or vermin damage;
 - d. Weight of people or personal property;
 - e. Weight of rain that collects on a roof;
 - f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in **D.1.a.** through **D.1.e.**, we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

- 2. If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if.

- a. The personal property which collapses is inside a building; and
- b. The collapse was caused by a cause of loss listed in **D.1.a.** through **D.1.f.** above.

- 3. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- b. Awnings, gutters and downspouts;
- c. Yard fixtures;
- d. Outdoor swimming pools;
- e. Fences;
- f. Piers, wharves and docks;
- g. Beach or diving platforms or appurtenances;
- h. Retaining walls; and
- i. Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in **D.1.b.** through **D.1.f.**, we will pay for loss or damage to that property only if:

- a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
- b. The property is Covered Property under this Coverage Form.

- 4. Collapse does not include settling, cracking shrinkage, bulging or expansion.
- 5. This Additional Coverage - Collapse. will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE EXTENSIONS

- 1. **Property In Transit.** This Extension applies only to your personal property to which this form applies.
 - a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	76 of 129
		INFORMATION				

b. Loss or damage must be caused by or result from one of the following causes of loss:

- (1)** Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
- (2)** Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3)** Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$1000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder or Molten Material Damage. If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

F. DEFINITIONS

"Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm; or hail; smoke; aircraft; or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- 1.** Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - a.** The cost of filling sinkholes; or
 - b.** Sinking or collapse of land into man-made underground cavities.
- 2.** Falling objects does not include loss or damage to:
 - a.** Personal property in the open; or
 - b.** The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- 3.** Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	77 of 129
		INFORMATION				

POLICY CHANGE NUMBER 3

(This Endorsement Changes the Policy. Please read Carefully)

Coverage Parts Affected:

Form **CP 10 30 06 95** – Causes of Loss – Special Form is amended/changed as indicated below:

AMENDMENTS/CHANGES

Page 2 of 7, Item No. B, e. (Utility Services) is amended to include the following:

"We will also pay for consequential loss to property caused by humidity or temperature change of refrigeration, cooling, humidifying, air conditioning, heating, generating or converting power, equipment, all at locations covered, regardless of where power failure occurs."

Page 2 of 7, Item No. B, 2, d, (7), (b.) is hereby deleted in its entirety.

Page 3 of 7, Item No. 4, a, (3) is hereby deleted in its entirety.

Page 5 of 7, Item No. C. c. (Limitations)

The following verbiage is hereby deleted:

"or to personal property in the building or structure,"

Page 5 of 7, Item No. C, e. is amended to include the following:

"See "Theft Endorsement" Form "BP0003."

Page 5 of 7, Item No. C, 2. is hereby deleted in its entirety.

Page 5 of 7, Item No. C, 4. is hereby deleted in its entirety.

Page 6 of 7, Item No. E. 1 (Property in Transit) is hereby deleted in its entirety and replaced with the following.

"1. Property In Transit: This extension applies only to personal property to which this form applies:

- a. You may extend the insurance provided by this Coverage Part to apply to personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be between points in the coverage territory"

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	78 of 129

POLICY NUMBER:

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RADIOACTIVE CONTAMINATION

This endorsement modifies insurance provided under the following:

- CAUSES OF LOSS - BASIC FORM
- CAUSES OF LOSS - BROAD FORM
- CAUSES OF LOSS - SPECIAL FORM
- CAUSES OF LOSS - EARTHQUAKE FORM
- STANDARD PROPERTY POLICY

SCHEDULE

Prem. No.	Bldg. No.	Covered Property Or Income	Coverage Applicable	
			Limited	Broad XXX

See "Declaration Page" for "Description of Premises", however Radioactive Contamination applies in all cases.

The following is added to COVERED CAUSES OF LOSS, as indicated in the Declarations or by an "X" in the Schedule.

A. LIMITED RADIOACTIVE CONTAMINATION, meaning Radioactive Contamination that directly results from any other Covered Cause of Loss.

1. Radioactive Contamination means direct physical loss or damage caused by:
 - a. Sudden and accidental radioactive contamination; or
 - b. Resultant radiation damage to the described property.
2. We will not pay for loss or damage caused by or resulting from Radioactive Contamination if:
 - a. The described premises contains:
 - (1) A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or
 - (2) Any new or used nuclear fuel intended for or used in such a nuclear reactor.

b. The contamination arises from radioactive material not located at the described premises.

B. BROAD RADIOACTIVE CONTAMINATION, meaning direct physical loss or damage caused by:

1. Sudden and accidental radioactive contamination; or
2. Resultant radiation damage to the described property.

We will not pay for loss or damage caused by or resulting from Radioactive Contamination if:

- a. The described premises contains:
 - (1) A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or
 - (2) Any new or used nuclear fuel intended for or used in such a nuclear reactor.
- b. The contamination arises from radioactive material not located at the described premises.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	79 of 129
		INFORMATION				

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPRINKLER LEAKAGE - EARTHQUAKE EXTENSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - BASIC FORM
 CAUSES OF LOSS - BROAD FORM
 CAUSES OF LOSS - SPECIAL FORM
 STANDARD PROPERTY POLICY

The following is added to **COVERED CAUSES OF LOSS**:

SPRINKLER LEAKAGE - EARTHQUAKE EXTENSION, meaning Sprinkler Leakage loss or damage caused by:

1. Earthquake; or
2. Volcanic eruption, explosion or effusion.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	80 of 129

COMMERCIAL PROPERTY
CP 10 40 06 95

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAUSES OF LOSS - EARTHQUAKE FORM

A. COVERED CAUSES OF LOSS

When Earthquake is shown in the Declarations, Covered Causes of Loss means the following:

1. **Earthquake.**
2. **Volcanic Eruption**, meaning the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

c. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

d. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

e. War and Military Action

- (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.
2. We will not pay for loss or damage caused by or resulting from:
 - a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
 - b. Fire, explosion (other than volcanic explosion), landslide, mine subsidence, tidal wave, flood, mudslide or mudflow, even if attributable to an Earthquake or Volcanic Eruption,
 - c. Any Earthquake or Volcanic Eruption that begins before the inception of this insurance.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	81 of 129

3. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.

- (2) Any loss caused by or resulting from:
- (a) Damage or destruction of "Finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

- (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (6) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.

- (2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following Exclusions do not apply to insurance under this Coverage Form.

- (a) Paragraph B.1.a., Ordinance or Law;
- (b) Paragraph B.1.b., Governmental Action;
- (c) Paragraph B.1.c., Nuclear Hazard;
- (d) Paragraph B.1.d., Utility Services; and
- (e) Paragraph B.1.e., War and Military Action.

- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

(b) Nuclear Hazard

We will not defend any claim or "suit" or pay any damages, loss expense, or obligation, resulting from nuclear reaction or radiation, or radioactive contamination however caused.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	82 of 129

C. LIMITATION

We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying:

1. The Deductible applicable to this form; or
2. The Additional Condition, Coinsurance, applicable to this Coverage Part.

This limitation does not apply if:

1. The premises description in the Declarations specifically states "Including Masonry Veneer"; or
2. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).

D. DEDUCTIBLE

1. The provisions of Section **D.2.** of this endorsement are applicable to all Coverage Forms except:

- a. Business Income (And Extra Expense) Coverage Form;
- b. Business Income (Without Extra Expense) Coverage Form;
- c. Extra Expense Coverage Form.

2. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:

- a. All Policies

(1) A Deductible is calculated separately for and applies separately to:

- (a) Each building, if two or more buildings sustain loss or damage;
- (b) The building and to personal property in that building, if both sustain loss or damage;
- (c) Personal property at each building, if personal property at two or more buildings sustains loss or damage;
- (d) Personal property in the open.

(2) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition - Need for Adequate Insurance or Additional Condition - Need for Full Reports.

(3) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Declarations for any described premises.

b. Calculation of the Deductible - Specific Insurance Other than Builders Risk

(1) Property Not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

(2) Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the latest value(s) shown in the most recent Report of Values on file with us.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	83 of 129

However:

- (a) If the most recent Report of Values shows less than the full value(s) of the property on the report dates, we will determine the deductible amount as a percentage of the full value(s) as of the report dates.
- (b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit(s) of Insurance.

c. Calculation of the Deductible - Blanket Insurance Other than Builders Risk

(1) Property Not Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

(2) Property Subject to Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of that property as of the time of loss or damage.

d. Calculation of the Deductible – Builders Risk Insurance

(1) Builders Risk Other than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the actual cash value(s) of that property as of the time of loss or damage.

(2) Builders Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations) of the value(s) of the property that has sustained loss or damage. The value(s) to be used are the actual cash value(s) shown in the most recent Report of Values on file with us.

However:

- (a) If the most recent Report of Values shows less than the actual cash value(s) of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value(s) as of the report date.
- (b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value(s) of the property as of the time of loss or damage.

3. The following is applicable only to the Coverage Forms specified below:

- a. Business Income (And Extra Expense) Coverage Form;
- b. Business Income (Without Extra Expense) Coverage Form;
- c. Extra Expense Coverage Form.

For buildings over 4 stories in height we will only pay for loss you sustain after the first 168 hours after direct physical loss or damage caused by or resulting from Earthquake or Volcanic Eruption.

E. EXAMPLES - APPLICATION OF DEDUCTIBLE IN D.2.:

Example #1 - Specific Insurance (D.2.b.(1))

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%: the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

PROPOSAL NO. *	INVITATION FOR BID *	DATE *	PAGE *
FEC-18 *	SCHEDULE A UNDERWRITING INFORMATION *	May 24, 2005 *	84 of 129 *

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 5%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 5\% = \$3,500$

Step (4): $\$52,500 - \$3,500 = \$49,000$

The most we will pay is \$49,000. The remainder of the loss, \$11,000, is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

Example #2 - Specific Insurance (D.2.b.(1))

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 10%.

Building

Step (1): $\$80,000 \times 10\% = \$8,000$

Step (2): $\$60,000 - \$8,000 = \$52,000$

Business Personal Property

Step (1): $\$64,000 \times 10\% = \$6,400$

Step (2): $\$40,000 - \$6,400 = \$33,600$

The most we will pay is \$85,600. That portion of the total loss not covered due to application of the Deductible is \$14,400.

Example #3 - Blanket Insurance (D.2.c.(1))

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%: the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage: the amounts of loss to these buildings are \$40,000 (Building #1) and \$60,000 (Building #2).

The Deductible is 5%.

Building #1

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$40,000 - \$25,000 = \$15,000$

Building #2

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$60,000 - \$25,000 = \$35,000$

The most we will pay is \$50,000. That portion of the total loss not covered due to application of the Deductible is \$50,000.

Example #4 - Blanket Insurance (D.2.c.(1))

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

Building

Step (1): $\$500,000 \times 10\% = \$50,000$

Step (2): $\$95,000 - \$50,000 = \$45,000$

Business Personal Property

Step (1): $\$250,000 \times 10\% = \$25,000$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building loss, \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	85 of 129
		INFORMATION				

POLICY CHANGE NUMBER 4

(This Endorsement Changes the Policy. Please read Carefully)

Coverage Parts Affected:

Form **CP 10 40 06 95** – Causes of Loss – Earthquake Form is amended /changed as indicated below:

AMENDMENTS/CHANGES

Page 2 of 5 Item No. B, 3, a, (1) is amended to include the following verbiage.

“We will also pay for consequential loss to property caused by humidity or temperature change of refrigeration, cooling, humidifying, air conditioning, heating, generating or converting power, equipment, all at locations covered, regardless of where power failure occurs.”

Page 2 of 5 Item No. B, 3, a, (3) is hereby deleted in it entirety.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	86 of 129
		INFORMATION				

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE INCEPTION EXTENSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS-EARTHQUAKE FORM

EXCLUSION B. 2.c. is replaced by the following:

- c.** Any Earthquake or Volcanic Eruption that begins before the inception of this insurance.

But we will pay for loss or damage by Earthquake or Volcanic Eruption that occurs on or after the inception of this insurance, if the series of Earthquake shocks or Volcanic Eruptions began within 72 hours prior to the inception of this insurance.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	87 of 129

COMMERCIAL PROPERTY
CP 15 56 02 97

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS INCOME CHANGES -
BEGINNING OF THE PERIOD OF RESTORATION
(NO WAITING PERIOD)**

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

- | | |
|---|---|
| <p>A. In the Business Income (And Extra Expense) Coverage Form:</p> <ol style="list-style-type: none"> 1. The Civil Authority Additional Coverage is amended by deleting the second and third paragraphs and replacing them with the following:

This coverage will apply for a period of up to three consecutive weeks from the date of that action. 2. Paragraph a. of the "Period of Restoration" definition is replaced by the following: <ol style="list-style-type: none"> a. Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and | <p>B. In the Business Income (Without Extra Expense) Coverage Form:</p> <ol style="list-style-type: none"> 1. The Civil Authority Additional Coverage is amended by deleting the last sentence and replacing it with the following:

This coverage will apply for a period of up to three consecutive weeks from the date of that action. 2. Paragraph a. of the "Period of Restoration" definition is replaced by the following: <ol style="list-style-type: none"> a. Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and |
|---|---|

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	88 of 129

POLICY NUMBER:

**COMMERCIAL PROPERTY
CP 15 57 08 98**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BUSINESS INCOME AND/OR EXTRA EXPENSE
COVERAGE FOR YEAR 2000 COMPUTER-RELATED
AND OTHER ELECTRONIC PROBLEMS**

This endorsement modifies insurance provided under the following:

- BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
- EXTRA EXPENSE COVERAGE FORM

SCHEDULE*

Described Premises

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

- A.** The provisions of Endorsement **IL 09 35** do not apply to the coverage provided under this endorsement.
- B.** As used in this endorsement, the word Computer and the term Computer Failure have the following meanings:
 - 1.** Computer means computer hardware, including microprocessors; computer application software; computer operating systems and related software; computer networks; microprocessors (computer chips) not part of any computer system; or any other computerized or electronic equipment or components.
 - 2.** Computer Failure means the failure, malfunction or inadequacy of a Computer due to the inability to correctly recognize, distinguish, interpret or accept the year 2000 and beyond.
- C.** If this endorsement is attached to the Business Income (And Extra Expense) Coverage Form, the following apply:
 - 1.** Subject to Paragraph I., this endorsement covers actual loss of Business Income you sustain caused by Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises.
- 2.** Subject to Paragraph I., this endorsement covers the actual and necessary Extra Expense you incur due to Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises. Extra Expense means necessary expenses you incur that you would not have incurred if there had been no Computer Failure. Extra Expense includes expenses for repair, modification or replacement of the Computer but only to the extent that such expenses reduce the amount of Business Income loss that otherwise would have been payable under the provisions of this endorsement.
- D.** If this endorsement is attached to the Business Income (Without Extra Expense) Coverage Form, the following apply:
 - 1.** Subject to Paragraph I., this endorsement covers actual loss of Business Income you sustain caused by Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	89 of 129
		INFORMATION				

- 2.** Subject to Paragraph **I.**, this endorsement covers Expenses to Reduce Loss. In the event of a covered loss of Business Income under this endorsement, we will pay actual and necessary expenses you incur to avoid further loss of Business Income, including expenses for repair, modification or replacement of the Computer. The total of our payment for Business Income loss and Expenses to Reduce Loss will not be more than the Business Income loss that would have been payable under this endorsement if the Expenses to Reduce Loss had not been incurred.
- E.** If this endorsement is attached to the Extra Expense Coverage Form, the following apply:
- Subject to Paragraph **I.**, this endorsement covers the actual and necessary Extra Expense you incur due to Computer Failure at the premises described in the Schedule, or at another location if the off-premises Computer interfaces with a Computer at the described premises or is otherwise used in the "operations" of the business at the described premises. Extra Expense means necessary expenses you incur that you would not have incurred if there had been no Computer Failure. But Extra Expense does not include expenses for repair, modification or replacement of the Computer.
- F.** The coverage set forth in Paragraphs **C.**, **D.** and **E.** does not apply to any loss you sustain or any expense you incur due to the failure of power or other utility service supplied to the described premises, caused by Computer Failure, whether or not this policy includes the Utility Services - Time Element endorsement.
- G.** The coverage set forth in Paragraphs **C.**, **D.** and **E.** does not apply to a Computer Failure that affects the business "operations" at the described premises prior to the inception date of this endorsement.
- H.** With respect to an instance of Computer Failure, coverage under this endorsement ends 30 days after the Computer Failure is corrected, or when there is no further loss or expense caused by that Computer Failure, whichever comes first.
- 1.** The most we will pay under this endorsement for the total of all losses and/or expenses sustained in any one policy year is \$25,000, regardless of the number of Computer Failures or the number of Computers involved in any Computer Failure.
- The \$25,000 limit is not subject to the Coinsurance Condition of the Coverage Form. Nor is payment under this endorsement affected by the Maximum Period Of Indemnity, Monthly Limit Of Indemnity or Business Income Agreed Value coverages or the Loss Condition titled Limits On Loss Payment.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	90 of 129

**INLAND MARINE FLOATER
FORM A**

PROPERTY FORM

This policy insures against all risks of loss or damage to the insured property, except as hereinafter provided.

1. **PROPERTY INSURED.** This policy insures the following types of articles owned by or in the custody or control of the insured agency. See schedule of "Insured Agencies".
 - a. Boats (26' and under) and Motors.
 - b. Any and all row boats (non-motorized) regardless of length.
 - c. Livestock, Thoroughbreds, Barnyard Fowl, Animals (other than human) and Loaned Animals (other than human).
 - d. Ultra-light aircraft.
2. **TERRITORIAL LIMITS.** This policy shall in no event cover beyond the forty-eight (48) contiguous states of the United States of America, the District of Columbia, and the Dominion of Canada.
3. **PERILS INSURED.** This policy insures against all risks of direct physical loss of or damage to the property insured from any external cause (except as otherwise provided). Regarding livestock, thoroughbreds, barnyard fowl, all other animals (other than human) and loaned animals (other than human) in the care, custody, and control of the insured, loss resulting from natural causes, illness, disease or accident is insured.
4. **PERILS EXCLUDED.** This policy does not insure against:
 - a. Loss or damage caused by or resulting from delay, loss of market, loss of use or interruption of business;
 - b. Loss or damage caused by or resulting from infidelity and dishonesty, either or both, of the Insured or any person or persons in the employ or service of the Insured whether or not such act or acts occurred during the regular hours of employment or service, or any person or persons to whom the property may be entrusted (carriers for hire excepted);
 - c. Unexplained loss, mysterious disappearance, or shortage disclosed upon taking inventory.
 - d. Loss or damage which is due and confined to wear and tear, inherent vice, gradual deterioration, insects, vermin, freezing, dampness of atmosphere, extremes of temperature, mechanical or electrical breakdown or failure, unless such damage is the result of other loss covered by this policy;
 - e. Regarding "Livestock, Thoroughbreds, Barnyard Fowl, and Loaned Animals" this policy does not cover:
 - 1) Intentional slaughter of an Insured Animal, unless with the consent of the Company, or unless such destruction shall have occurred within six hours after such animal is injured, and then only where such animal was injured or destroyed on a public highway or a public race course, during a racing meeting, or at any other public event, gathering or place, during a public gathering, and a certificate from a qualified Veterinarian, certifying that the destruction of such animal was immediately necessary because of its having been accidentally crippled or maimed, shall have been obtained prior to the destruction of such animal.
 - 2) Death directly or indirectly, caused by, happening through or in consequence of:
 - (a) any surgical operation unless conducted by a qualified Veterinarian and certified by him to have been necessitated solely by accident, disease or illness, and to have been carried out in an attempt to preserve the animal's life,
 - (b) inoculation unless conducted by a qualified Veterinarian and certified by him to have been of a prophylactic nature or necessitated by accident, disease or illness,

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	91 of 129

- (c) malicious or willful injury, for which the assured or any of his employees is responsible,
 - (d) nuclear fission, nuclear fusion or radioactive contamination,
 - (e) confiscation or nationalization or requisition or destruction by or under the order of any government or public or local authority or any person or body having jurisdiction in the matter,
 - (f) the carelessness or neglect of the Assured, his agents, employees, or bailees,
 - (g) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military, or usurped power, riots or civil commotion,
 - (h) any insured animal becoming unfit or incapable of fulfilling the functions or duties for which same is kept or used by the Assured.
 - (i) the administration of any medication unless by a qualified Veterinarian or experienced personnel directed by him and certified by the Veterinarian to have been of prophylactic nature or necessitated by accident, disease or illness; as used herein. "Medication" includes any drug, hormone, vitamin, protein or substances other than unadulterated food or drink.
- 3) The death of any animal which during the currency of this policy has been fired or blistered unless the firing or blistering is done by a qualified Veterinarian, and the animal subsequently rested until the Veterinarian certifies it fit to resume work, nor does this policy cover the death of any animal which has during the currency of this policy or at an time in its life been nerved - this to be considered as meaning the operation of neurotomy, or lameness.

- 4) Loss of any animal which is not under daily care and supervision.
 - 5) Loss to horses 14 years of age and older.
 - 6) Loss to cattle 8 years of age and older.
- f. Loss resulting directly or indirectly from voluntary parting with the title or possession of an animal because of fraud; trick or false pretense.
- 5. CONDITIONS**
- a. It is warranted by the Assured that at the commencement of this Insurance each animal hereby insured is in sound health and free from any illness, disease, lameness, injury, or physical disability whatsoever. The Assured must be able to furnish a Veterinarian Statement to this effect, unless such statement has been specifically waived by the Company. This applies only to animals valued \$5,000 and over.
 - b. The assured warrants that at the commencement of this Insurance, he is the sole owner of each animal hereby insured, unless otherwise stated herein and accepted by the Company. This Policy shall cease to cover an animal immediately when the Assured sells it or parts with any interest in it whatsoever, whether temporarily or permanently, unless the Company, after receiving written notice from the Assured, accepts continued coverage by endorsement on the Policy.
 - c. In the event of any horse hereby insured being entered or raced in any claiming, selling, or combination race where the claiming, selling, or combination price shall be less than insurance on said horse under currency of this policy, the amount of insurance applying shall be automatically reduced to a sum equal to the lowest amount for which said horse could have been claimed or sold in any such race.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	92 of 129
		INFORMATION				

- d.** It is a condition precedent to any liability that:
- 1)** the Assured shall at all times provide proper care and attention for each animal hereby insured, and
 - 2)** in addition, in the event of any illness, disease, lameness, injury, accident or physical disability whatsoever of or to an insured animal the Assured shall immediately at his own expense employ a qualified Veterinarian and shall, if required by the Company, allow removal for treatment, and
 - 3)** in the event of the death of an insured animal the Assured shall immediately at his own expense arrange for a post mortem examination to be made by a qualified Veterinarian , and
 - 4)** in either event the Assured shall immediately give notice by telephone or telegraph to the Company.

The Company will instruct a Veterinarian on its behalf, if deemed necessary. Any failure by the Assured to do any of the foregoing shall render the Assured's claim null and void and release the Company from all liability in connection therewith, whether the Assured has personal knowledge of such events or such knowledge is confined to the representatives of the Assureds or other persons who have care, custody or control of the animal.

- e.** If at the time of the death of an animal the Assured has any other insurance in force in respect of the animal, whether or not such insurance is valid or collectible, the Company shall be released from all liability in connection with such animal unless the agreement of the Company to such other insurance is endorsed on this Policy. If the agreement of the Company to such other insurance is endorsed to this Policy, the Company shall only be liable under this Policy for the excess beyond any amount insured by such other insurance in respect of such animal, whether or not such other insurance is valid or collectible.
- f.** The Assured shall file with the Company a detailed sworn proof of loss within sixty days after the death of the animal.

- g.** If the Company becomes liable for any payment under this Policy in respect of an animal, the Company shall be subrogated, to the extent of such payment, to all the rights and remedies of the Assured against any party in respect of such animal and shall be entitled at its own expense to sue in the name of the Assured. The Assured shall give to the Company all such assistance in his power as the Company may require to secure its rights and remedies and, at the Company's request shall execute all documents necessary to enable the Company effectively to bring suit in the name of the Assured.
- h.** It is understood that the singular as used herein shall be construed to include the plural whenever appropriate and vice versa.
- i.** In case of any misrepresentation, fraud, or false swearing by the Assured touching value, cost, or any matter relating to any animal insured in this Policy, whether before or after a loss, this Policy shall be entirely void and the Company shall not be liable for any claim on the Policy.
- j.** Contravention of or breach of any Condition shall render the Policy null and void and release the Company from all liability on the Policy.
- k.** No suit or action under this policy for the recovery of any claim shall be sustainable in any court of law or equity until after full compliance by the Assured with all the requirements herein contained, nor unless commenced within one year after the death of any animal named in this Policy.
- l.** In the event the Company shall agree to slaughter for any purpose any animal insured in this Policy, the Company shall be entitled to a credit of the amount due under this Policy for any sum received from such sale for slaughter.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	93 of 129

**INLAND MARINE FLOATER
FORM B**

FINE ARTS FORM

- I. This Policy covers** museum exhibits, antiques, and objects of art of every nature and description as follows:
- A.** Property of the State of Louisiana or property in which the State of Louisiana has a fractional ownership interest.
 - B.** Property of others in the care, custody or control of any Louisiana State agency, including while in transit to and from and while located at the Louisiana State agency or exhibit arena, but excluding property on which the assured receives (prior to becoming at risk thereon) evidence of insurance which includes the interest of the State of Louisiana.
 - C. Aircraft and watercraft** (regardless of length) which have been decommissioned and/or automobiles;
 - 1)** which are on display as a tourist attraction for public viewing.

Watercraft must be stationary and not floating in water.

Aircraft must be stationary and inoperable as regards flight.

Automobiles must be inoperable as regards driving and unqualified for licensing by the motor vehicle law of Louisiana.

In order for coverage to apply, automobiles, aircraft and watercraft must fall within the restrictions indicated in A and B above.
- II. This Policy insures against** all risks of direct physical loss or damage from any external cause (or the assured's legal liability as respects to property of others on which the assured is not required to carry insurance), except as provided elsewhere in this policy.
- III. This Policy does not insure against** loss or damage (or legal liability therefore) caused by or resulting from:
- A.** Wear, tear, gradual deterioration, inherent vice, latent defect, corrosion, rust, dryness or dampness of atmosphere, freezing or extremes of temperature, moths, insects, vermin;
 - B.** Mechanical breakdown within any article insured, except loss or damage caused by ensuing fire;
 - C.** Short circuit, blow-out or other electrical disturbances (other than lightning) within any article insured, hereunder except loss or damage caused by ensuing fire;
 - D.** Misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the assured or other party of interest, his or their employees or agents (whether or not occurring during hours of employment) or anyone to whom the property may be entrusted (carriers for hire excepted).
 - E.** Delay, loss of use or loss of market, all whether or not caused by an insured peril;
 - F.** Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual impending or expected attack;
 - (1)** by any government or sovereign power (de jure or de facto), or
 - (2)** by any authority maintaining or using military, naval or air forces; or
 - (3)** by military, naval or air forces; or
 - (4)** by an agent of any such government, power, authority or forces;

Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

Insurrection, rebellion, revolution, civil war, usurped power or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
 - G.** Shipments by mail unless by registered first class mail or parcel post provided, however, the value of any one shipping package by registered first class mail and parcel post shall not exceed \$5000. and \$100. respectively;

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	94 of 129
		INFORMATION				

H. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy, however, subject to the foregoing and all provisions of this policy; direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

I. Loss or damage caused by or resulting from infidelity and dishonesty, either or both, of the Insured or any person or persons in the employ or service of the Insured whether or not such act or acts occurred during the regular hours of employment or service, or any person or persons to whom the property may be entrusted (carriers for hire excepted);

J. Any repairing, restoration or retouching process.

IV. VALUATION

It is understood and agreed that in event of loss or damage hereunder all property coming under the protection of this insurance shall be valued at and insured hereunder as follows:

a) Property of the Insured:

Property of the Insured shall be valued at and insured for amounts indicated on the books and records of the Insured which amounts shall be the agreed value on each item at time of loss or damage.

b) Property of others on loan to the Insured:

Property of others loaned to the Insured and for which the insured has been instructed to insure or for which the Insured may be liable shall be valued at amounts agreed upon by the Insured and owners, or admitted by the Insured prior to loss. Otherwise, the Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and in no event for an amount in excess of that specified in the policy, and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation however caused and shall in no event exceed what it would then cost to repair or replace same with material of like kind and quality, said ascertainment or estimate shall be made by the Insured and the Company or, if they differ, then the amount of loss shall be determined as provided in the Appraisal Clause included in the basic policy to which form is attached.

V. GENERAL CONDITIONS

A. CONDITIONS AND WARRANTIES PERTAINING TO SHIPMENTS

1. While in transit, insured property placed in the custody of air express or the railway express agency shall be declared by owners and/or the insured hereunder at a value of not less than \$500.00 with respect to any one shipping case or package.

2. Except as noted in **A.** above, privilege is hereby granted to accept the ordinary bills of lading or receipts issued by carriers or other bailees, but this insurance shall be void in the event that any special agreement is made releasing the carrier of bailee from its common law or statutory liability.

3. It is warranted by the insured that the property insured hereunder be packed and unpacked by competent packers.

B. PAIRS AND SETS: In the event of the total loss of any article or articles which are part of a set, the Company agrees to pay the Insured, at the option of the Insured, the full amount of the value of such pair or set as determined by the Valuation Clause contained herein subject otherwise to the applicable deductible clause set forth herein, and the Insured agrees, if such option is elected, to surrender the remaining article or articles of the pair or set to the Company.

C. OTHER INSURANCE: If there is any other valid and collectible Insurance covering the property insured hereunder, whether prior, subsequent to, or simultaneous with this insurance, which in the absence of this Insurance would cover the loss or damage hereby covered, then the Company shall not be liable hereunder for more than the excess over and above the other insurance. This clause, however, shall not apply to insurance effected by owners of property loaned to the Insured and the existence of such insurance or payment of a loss thereunder shall not constitute a defense to any claim otherwise payable under this policy, nor shall such Insurance be called on to contribute to any loss payable hereunder.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	95 of 129
		INFORMATION				

**INLAND MARINE FLOATER
FORM C**

REGISTERED MAIL FORM

Effective as to shipments of Property, as herein specified, made on and after effective date.

By Registered Mail and Registered Air Mail between places in North America or from places in North America to places anywhere in the World and vice versa.

Covering continuously in transit from the time of acceptance by the messenger or carrier whether within or without the premises of the sender until delivered to the addressee or his agent or representative or member of the addressee's household at the place of address, including while in transit by messenger or carrier from the Post Office at place of address, or in event of non-delivery at place of address by reason of error in address or removal of address until delivered at the proper address, or in the event of non-delivery until returned to the premises of the sender.

With respect to all outgoing shipments made by the named Insured to places within the Continental United States and/or Canada (excluding Alaska, Yukon Territory, Northwest Territories and Newfoundland).

It is a condition of this policy that the Insured shall maintain an accurate record, such record to be open to the inspection of the Company's representatives at all reasonable times during business hours, showing the description and actual value, market, if any, of each shipment of "Property" as follows:

"PROPERTY COVERED" as defined in policy:

Division (a), (b), and (c) (Except Non-Negotiable Securities): = Value Shipped

Division (a) Non-Negotiable Securities: = Value Shipped

A. CLASSES OF PROPERTY COVERED

This policy covers:

- (a) Bonds, coupons, stock certificates and other securities; postage and revenue stamps; postal, express and other money orders; certificate of deposit, checks, drafts, notes, bills of lading, warehouse receipts, and other commercial papers, and other documents and papers of value;
- (b) Bullion, platinum and other precious metals;
- (c) Currency (whether coin or paper), jewelry, watches, necklaces, bracelets, gems, precious and semi-precious stones; and other valuables of like kind.

B. PERILS INSURED

This policy insures against ALL RISKS of physical loss or damage to or destruction of the Property Insured except as hereinafter provided.

C. PERILS EXCLUDED

This policy does not insure against:

- (a) Capture, seizure, arrest, restraint, detainment, confiscation, preemption, requisition or nationalization, and the consequences thereof or of any attempt thereat, whether in time of peace or war and whether lawful or otherwise; any consequences of hostilities or warlike operations (whether there be a declaration of war or not); but this shall not exclude collision, contact with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in the case of a collision, any other vessel involved therein, is performing) by a hostile act by or against a belligerent power; the term "power" as used herein includes any authority maintaining naval, military or air forces in association with a power;

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	96 of 129

(b) The consequences of civil war, revolution, rebellion, insurrection or civil strife arising therefrom, piracy, risks of contraband or illegal transportation or trade, and seizure or destruction under quarantine or customs regulations.

D. SUBJECT TO THE FOLLOWING CONDITIONS

1. Outgoing shipments to places not covered by Paragraph No. 1 and incoming shipments are not insured hereunder unless notification of details of each such shipment is given prior to known loss as specified on the reverse side hereof. All shipments so reported shall be covered under this policy subject to its terms and conditions.
2. All shipments covered hereunder are insured for their actual value, market, if any, at time of shipment.
3. The Insured shall endeavor to have the contents of each package verified by two persons, but verification by only one person shall not prejudice the Insured's right to recover hereunder. Packages may be packed and sealed in any manner satisfactory to the Post Office at place of shipment.
4. The Insured shall report to the Company or its Agent as soon as practicable every loss which may become a claim under this policy, and shall file a proof of loss and proof of interest with the Company or its Agent within a reasonable time thereafter.
5. In case of loss, the Insured may recover hereunder the value of the Property at the time of dispatch or at the time the loss becomes known to the Insured, or the cost of corresponding Property purchased by the Insured in an available market, plus any loss of actual interest earnings and shipping and insurance charges, but not exceeding in the aggregate the amount insured hereunder. When the amount recorded or declared for insurance on bonds, stock certificates or rights is the market value of such securities on day of shipment, the Company will, at the Insured's option, pay the cost of corresponding Property purchased by the Insured in an available market but not exceeding 125% of the market value of the securities on day of shipment.

6. If there shall be any other insurance or indemnity applicable to any loss covered by this policy, the Company shall, except as provided for in sections (a) and (b) of this paragraph, be liable only for its pro rata proportion of such loss.

(a) As respects loss by theft on the part of employees of senders or addressees the Company shall be liable only for the excess of the amount covered by any other insurance or indemnity whether such other insurance or indemnity be primary or excess. However, should there be any delay in collecting such losses on Property insured hereunder, the Company will advance to the Insured, upon request, its proportion of the sum due from such other insures or sureties, provided that the sum of the amounts paid and advanced shall not exceed the amount insured hereunder. Such advance shall be without charge for interest and shall be repayable only as and when recovered from such other insures or sureties and after deduction of any expenses incurred in making such recovery, including any reinstatement premium which may be paid to other insures or sureties on account of the loss.

With respect to loss by theft on the part of employees of senders or addressees indemnified under a blanket or fidelity bond, the Company will pay the amount of premium experience credit that would have been earned under such bond had such loss not been so indemnified, provided that the total amount collectible hereunder shall in no event exceed the amount insured hereunder.

(b) As respects any loss, other than by theft on the part of employees of senders or addressees, which would be recoverable under any blanket bond or bonds, the Company shall, as to any loss collectible hereunder, be directly and primarily liable and shall have no recourse against such bond or bonds.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	97 of 129
		INFORMATION				

- 7. Upon payment of any loss under this policy, all right, title, and interest in the Property shall be conveyed to the Company.
- 8. In case of loss hereunder it shall be lawful and necessary for the Insured to sue, labor and travel for, in and about the defense, safeguard and recovery of the Property without prejudice to this insurance and to take, at the request, risk and expense of the Company, all necessary measures for the recovery, reissue or duplication of the Property.
- 9. This insurance shall in nowise insure directly or indirectly to the benefit of any carrier or other bailee.

- 10. No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

The terms and conditions of this form are to be regarded as substituted for those of the policy to which it is attached, the latter being hereby waived.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	98 of 129
		INFORMATION				

**INLAND MARINE FLOATER
FORM D**

PARCEL POST POLICY FORM

This Policy covers property incidental to the Insured's business, while in transit by Parcel Post, Registered or Unregistered Mail, from the time the property passes into the custody of the Post Office Department for transmission, until arrival at the address stated on the declaration book issued with this policy, between places in North America or from places in North America to places anywhere in the world and vice versa.

This Policy insures the safe arrival of the property contained in each package and in case of loss or damage to such package or any part of the contents thereof, from any external cause whatsoever except as hereinafter excluded, occurring while the package is actually in the custody of the Post Office Department, the Company will reimburse the Insured therefor.

This Company shall not be liable for more than the actual value of the property lost, destroyed or damaged, nor in any event for an amount in excess of the amount insured, and the total liability shall in no event exceed \$100.00 in any one package shipped by ordinary Parcel Post or Unregistered Mail, and not to exceed \$500.00 in any one package shipped by Registered Mail or Government Insured Parcel Post.

Warranted by the Insured that each package shipped by Government Insured Parcel Post, valued at \$100.00 or less, will be insured with the Government for at least fifty (50%) per cent of the actual value, and that each package valued in excess of \$100.00 will be insured with the Government for not less than \$50.00.

1. THIS POLICY DOES NOT INSURE

- A.** Accounts, bills, currency, deeds, evidences of debt, money, noted or securities;
- B.** Merchandise shipped on consignment, memorandum or approval, unless shipped in fulfillment of an order or request, or consigned to parties to whom the Insured has previously sold merchandise;

- C.** Merchandise such as green fruits, butter, eggs, lard or such other articles as are perishable in their own nature, except against the risks of fire, theft, pilferage, and non-arrival only;
- D.** Loss or damage or the non-arrival of any package or any part of the contents thereof, which is incorrectly or insufficiently addressed; improperly or insecurely wrapped, packed or fastened, or on which the postage is not fully prepaid;
- E.** Shipments destined to transients at hotels (except shipments to salesmen of the Insured destined to hotels) unless sent by Registered Mail or Government Insured Parcel Post;
- F.** Packages bearing descriptive labels or the outside of which tends to describe the nature of the contents except as respects goods or merchandise (a) which the United States Postal Laws and Regulations permit to be shipped to a reduced postal rate when the package is marked "book" or "books" or (b) which, under the United States Postal Laws and Regulations or Laws and Regulations of Federal, State, County, or Municipal Authorities, may be admitted to the Mails only when a description thereof appears on the outside of the parcel containing such goods or merchandise.
- G.** Packages that do not bear a stipulation "RETURN POSTAGE GUARANTEED";
- H.** Against loss or damage caused by or resulting from:
 - (a)** hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	99 of 129
		INFORMATION				

(1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or

(2) by military, naval or air forces; or

(3) by an agent of any such government, power, authority or forces;

(b) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

(c) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

I. Against loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy, however, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this Policy.

2. SPECIAL CONDITIONS

A. OTHER INSURANCE.

The Company shall not be liable for any loss or damage on property covered by other valid and collectible insurance, but it is expressly understood and agreed that the declaration of a value to the Post Office Department on packages mailed by Registered Mail and/or Government Insured Parcel Post is not to be deemed a violation of this condition.

B. REPORT AND PROOF OF LOSS.

(a) All losses shall be immediately reported in writing to the Company or its agent, and the original wrapper of the package

shall be procured, if obtainable, and accompany, the notice of loss;

(b) The Government receipt on shipments by Registered Mail or Government Insured Parcel Post shall constitute a part of proof of loss;

(c) No loss shall be recoverable hereunder unless claim is made in writing with proof of value to the Company or its Agents within four (4) months from date of mailing package.

C. SETTLEMENT OF CLAIMS.

Any loss hereunder shall be paid to the Insured or his legal representative, within thirty (30) days after due notice and proofs of the same shall have been made by the Insured and received and accepted at the office of the Company, in accordance with the terms and provisions of this Policy, unless the property be replaced by the Company, and the right to make such replacement, at its option, is hereby reserved by the Company.

D. SUBROGATION.

Upon making payment under this policy for any property lost or damaged, the Company shall be subrogated to all the rights of the Insured including particularly whatever money may be recoverable, on account of said loss or damage, from the Post Office Department or any of its officers or agents or from any other person or corporation whatsoever. The Insured specifically covenants and agrees to assist the Company in every possible manner to secure reimbursement for said loss.

E. SUIT.

No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceedings be commenced within the shortest limit of time permitted by the laws of such State.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	100 of 129
		INFORMATION				

F. CIVIL AUTHORITY.

Property covered under this policy against the peril of fire is also covered against the risk of damage or destruction by civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.

G. CONFORMITY TO STATUTE.

Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

H. CHANGES.

Notice to any agent of knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

Clause 2 (Notice of Loss), Clause 5 Settlement of Loss), and Clause 11 (Suit) contained in the General Conditions of this policy are hereby deemed waived

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	101 of 129
		INFORMATION				

**INLAND MARINE FLOATER
FORM E**

VALUABLE PAPERS AND RECORDS FORM

1. Property Covered.

(a) Valuable papers and records (as per records maintained by the insured).

2. Perils Insured.

(a) All risks of direct physical loss of or damage to the property covered, except as hereinafter provided, occurring during the policy period.

(b) As regards the following Louisiana Department of State Civil Service Employment Exams, coverage is extended to include reimbursement of the cost (subject to any deductible) to research, replace or restore the exam information.

- 7000 Clerical/Office/Administrative Support Test
- 7002 Typing Skills Exam
- 4900 Manager/Administrator Exam
- 1700 Law Enforcement Supervisor Exam
- 1050 Group Benefits Claims Assistant Exam
- 3700 Professional Supervisor Exam
- 1333 Professional Entry Test
- 1111 Engineering Aide Test
- 5000 Law Enforcement & Protective Services Test
- 4242 Accounting Specialist/Technician Exam
- 2812 Parish Highway Maintenance Superintendent
- 7200 Wildlife and Fisheries Technician
- 4300 Highway Foreman
- 7900 Diplomat Video Test
- 7901 Motor Vehicle Compliance Analyst Exam
- No # Structured Oral Interview

3. Protection of Valuable Papers and Records.

Insurance under this policy shall apply only while valuable papers and records are contained in the premises, it being a condition precedent to any right of recovery hereunder that such valuable papers and records shall be kept in the following described receptacles) at all times when the premises are not open for business, except while such valuable papers and records are in actual use or as stated in Paragraphs 4 and 5 below:

Kind:

Name of Maker:

"Class" or "Hour Exposure" of Label:

Name of Issuer of Label:

4. Automatic Extension.

Such insurance as is afforded by this policy applies while the valuable papers and records are being conveyed outside the premises and while temporarily within other premises, except for storage, provided the Company's liability for such loss or damage shall not exceed ten (10%) percent of the combined limits of insurance stated in Paragraph 1, nor Five Thousand Dollars (\$5,000) whichever is less.

5. Removal.

Such issuance as is afforded by this policy applies while the valuable papers and records are being removed to and while at a place of safety because of imminent danger of loss or damage and while being returned from such place, provided the Insured gives written notice to the Company of such removal ten (10) days thereafter.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A	*	May 24, 2005	*	102 of 129
		UNDERWRITING	*			
		INFORMATION				

6. EXCLUSIONS

This Policy does not apply:

- (a) to loss or damage due to wear and tear, gradual deterioration, vermin or inherent vice;
- (b) to loss or damage caused by or resulting from:
 - (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces;
 - (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
- (c) to loss or damage due to any dishonest, fraudulent or criminal act by any Insured, a partner therein or an officer, director or trustee thereof, whether acting alone or in collusion with others;
- (d) to loss of or damage to property not specifically declared and described in Paragraph 1, "Property Covered" if such property cannot be replaced with other of like kind and quality;
- (e) to loss of or damage to property held as samples or for sale or for delivery after sale;

- (f) to loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
- (g) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.

7. CONDITIONS

(a) Ownership of Property:

Interests Covered: The insured property may be owned by the Insured or held by him in any capacity; provided, the insurance applies only to the interest of the Insured in such property, including the Insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss.

(b) Limits of Liability:

Valuation; Settlement Options: The limit of the Company's liability for loss shall not exceed the actual cash value of the property at time of loss nor what it would then cost to repair or replace the property with other of like kind and quality, nor the applicable limit of insurance stated in this policy.

The Company may pay for the loss in money or may repair or replace the property and may settle any claim for loss of the property either with the Insured or the owner thereof. Any property so paid for or replaced shall become the property of the Company. The Insured or the Company, upon recovery of any such property, shall give notice thereof as soon as practicable to the other and the Insured shall be entitle to the property upon reimbursing the Company for the amount so paid or the cost of replacement.

Application of the insurance to property of more than one person shall not operate to increase the applicable limit of insurance.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	103 of 129
		INFORMATION				

(c) Insured's Duties When Loss Occurs:

Upon knowledge of loss or an occurrence which may give rise to a claim for loss, the Insured shall:

- (1) give notice thereof as soon as practicable to the Company or any of its authorized agents and, if the loss is due to a violation of law, also to the police;
- (2) file detailed proof of loss, duly sworn to, with the Company within ninety (90) days after the discovery of loss.

Upon the Company's request, the Insured and every claimant hereunder shall submit to examination by the company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto. The Company shall, in addition to the applicable limit of insurance of this policy, reimburse the Insured for all reasonable expenses, other than loss of earnings, incurred at the Company's written request.

(d) Other Insurance:

If at the time of loss or damage there is available to a named or unnamed insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

(e) Appraisal:

If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

(f) Suit:

No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within two (2) years next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	104 of 129
		INFORMATION				

(g) Misrepresentation and Fraud:

This entire policy shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject hereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

(h) Subrogation of Loan:

If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.

(i) Definitions:

(1) Valuable Papers and Records-The term "valuable papers and records" means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean money or securities.

(2) Premises-The unqualified word "premises" means the interior of that portion of the building which is occupied by the Insured for the business purposes.

(j) Changes:

Notice to any agent or knowledge possessed by any agent or by an other person shall not effect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

(k) Assignment:

Assignment of interest under this policy shall not bind the Company until its consent is endorsed hereon; if, however, the Insured shall die, or shall be adjudged bankrupt or insolvent and written notice is given to the Company within sixty (60) days after the date of such adjudication, this policy shall cover the Insured's legal representative as insured; provided that notice of cancellation addressed to the Insured and mailed to the last known address of the insured shall be sufficient notice to effect cancellation of this policy.

The terms and conditions of this form are to be regarded as substituted for those of the policy which it is attached, the latter being hereby waived.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A	*	May 24, 2005	*	105 of 129
		UNDERWRITING	*		*	
		INFORMATION				

**INLAND MARINE FLOATER
FORM F**

VENDING MACHINES AND CONTENTS THEFT COVERAGE FORM

A. Loss by Theft

To pay for loss of any vending machine, including its contents, by theft or attempt thereat, while such machine is in position or operation by the public.

B. SPECIAL PROVISIONS APPLICABLE TO THIS INSURANCE

1. Exclusions

This insurance does not apply:

- (a) to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (b) to loss due to any fraudulent, dishonest or criminal act by any insured, a partner therein, or an officer, employee, director, trustee or authorized representative thereof, while working or otherwise and whether acting alone or in collusion with others;
- (c) to loss occurring during a fire in the premises;
- (d) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.
- (e) to loss by vandalism or malicious mischief;
- (f) to loss caused by the Insured, or anyone acting on the express or implied authority of the Insured, being induced by any fraudulent scheme, trick, device or false pretense to part with title to or possession of any property.

2. Definitions

- (a) **"Theft"** means any act of stealing.
- (b) **"Loss"** includes damage.

3. Record Keeping

The Insured shall keep a record of the total number of such machines in operation on the effective date hereof and as of each anniversary date or any prior termination of this insurance, and shall send a copy thereof to the Company upon such anniversary or termination dates. The Company shall be permitted to examine and audit the Insured's books and records at any time during the policy period and within three (3) years after the termination of this insurance, as far as they relate to the subject matter of this insurance.

C. Conditions

1. Policy Period, Territory.

This policy applies only to loss which occurs during the policy period within any of the States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada.

2. Ownership of Property; Interests Covered.

The insured property may be owned by the insured, or held by the insured in any capacity whether or not the insured is liable for the loss thereof, or may be property as respects which the insured is legally liable; provided, the insurance applies only to the interest of the insured in such property, including the insured's liability to others, and does not apply to the interest of any other person or organization in any of said property unless included in the insured's proof of loss.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	106 of 129
		INFORMATION				

3. Joint Insured.

If more than one insured is named in the declarations, the insured first named shall act for every insured for all purposes of this policy. Knowledge possessed or discovery made by any insured shall constitute knowledge possessed or discovery made by every insured.

4. Books and Records.

The insured shall keep records of all the insured property in such manner that the company can accurately determine therefrom the amount of loss.

5. Limits of Liability; Settlement Options.

The limit of the company's liability for loss shall not exceed the applicable limit of insurance stated in the declarations, nor what it would cost at the time of loss to repair or replace the property with other of like kind and quality, nor as respects securities the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The applicable limit of insurance stated in the declarations is the total limit of the company's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

The company may pay for the loss in money or may repair or replace the property and may settle any claim for loss of property either with the insured or the owner thereof. Any property so paid for or replaced shall become the property of the company. Any property recovered after settlement of a loss shall be applied first to the expense of the parties in making such recovery, with any balance applied as if the recovery had been made prior to said settlement, and loss readjusted accordingly. The insured or the company, upon recovery of any such property, shall give notice thereof as soon as practicable to the other.

6. Insured's Duties When Loss Occurs.

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the insured shall: (a) give notice thereof as soon as practicable to the company or any of its authorized agents and also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the company within four (4) months after the discovery loss.

Upon the company's request, the insured and every claimant hereunder shall submit to examination by the company, subscribe the same, under oath if required, and produce for the company's examination all pertinent records, all at such reasonable times and places as the company shall designate, and shall cooperate with the company in all matters pertaining to loss or claims with respect thereto.

7. Other Insurance.

If there is any other valid and collectible insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the insured.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	107 of 129
		INFORMATION				

8. Appraisal.

If the insured and the company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the insured or the company, such umpire shall be selected by a judge of a court of record in the county and state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at time of loss and the amount of the loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The insured and the company shall each pay its chosen appraiser and shall bear equally the expenses of the umpire and the other expenses of appraisal.

The company shall not be held to have waived any of its rights by any act relating to appraisal.

9. Action Against Company.

No action shall lie against the company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, nor until ninety (90) days after the required proofs of loss have been filed with the company, nor at all unless commenced within two (2) years from the date when the insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

10. Subrogation.

In the event of any payment under this policy, the company shall be subrogated to all the insured's rights of recovery therefore against any person or organization and the insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

11. Changes.

Notice to any agent of knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or stop the company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by the President and by the Secretary of the company.

12. Assignment.

Assignment of interest under this policy shall not bind the company until its consent is endorsed hereon; if, however, the insured shall die, this policy shall cover the insured's legal representative as insured; provided that notice of cancellation addressed to the insured named in the declarations and mailed to the address shown in this policy shall be sufficient notice to effect cancellation of this policy.

13. Terms of Policy Conformed to Statute.

Terms of this policy which are in conflict with the statutes of the State wherein this policy issued are hereby amended to conform to such statutes.

14. Declarations.

By acceptance of this policy the insured agrees that the statements in the declarations are the agreements and representations of the insured, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the insured and the company or any of its agents relating to this insurance.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	108 of 129

**INLAND MARINE FLOATER
FORM G**

GENERAL CONDITIONS

A. EXCLUSIONS

The following War Risk Exclusion Clause and Nuclear Exclusion Clause shall be paramount and shall not be modified or superseded by any other provision included herein or endorsed hereon unless such other provision refers specifically to the risks excluded by the War Risk Exclusion Clause or Nuclear Exclusion Clause and expressly assumes said risk.

1. War Risk Exclusion Clause

The Company shall not be liable for any loss, caused directly or indirectly, by :

- (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
 - (b) by military, naval or air forces; or
 - (c) by an agent of any such government, power, authority or forces;
- (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or Customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

2. Nuclear Exclusion Clause

The Company shall not be liable for loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction, or nuclear radiation or radioactive contamination is insured against by this policy

B. CONDITIONS

1. Misrepresentation and Fraud

This entire policy shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

2. Notice of Loss

The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this policy and shall also file with the Company or its agent within ninety (90) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	109 of 129
		INFORMATION				

3. Examination Under Oath

The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and in so far as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.

4. Valuation

The Company shall not be liable beyond the actual cash value of the property at the time any loss or damage occurs and the loss or damage shall be ascertained or estimated according to such actual cash value with proper deduction for depreciation, however caused, and shall in no event exceed what it would the cost to repair or replace the same with material of like kind and quality.

5. Settlement of Loss

All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the insured has collected the same from others.

6. No Benefit to Bailee

This insurance shall in nowise inure directly or indirectly to the benefit of any carrier or other bailee.

7. Subrogation or Loan

If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage: and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.

8. Reduction In Amount of Insurance

The amount of insurance and the applicable limit of liability, upon the occurrence of any loss covered hereunder, is reduced by the amount of such loss.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	110 of 129
		INFORMATION				

9. Pair, Set or Parts

In the event of loss of or damage to:

- (a) any article or articles which are a part of a pair or set, the measure of loss of or damage to such article or articles shall be reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set; or
- (b) any part of property covered consisting, when complete for use, of several parts, the Company shall only be liable for the value of the part lost or damaged.

10. Protection of Property

In case of loss, it shall be lawful and necessary for the Insured, his or their factors, servants and assigns, to sue, labor, and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or the Company, in recovering, saving and preserving the property insured in case of loss be considered a waiver or an acceptance of abandonment. The expenses so incurred shall be borne by the Insured and the Company proportionately to the extent of their respective interests.

11. Suit

No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such action, suit or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

12. Appraisal

If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon then, on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the actual cash value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

13. Cancellation

This policy may be canceled by the Insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be canceled by the Company by mailing to the Insured at the address shown in this policy or last known address written notice stating when, not less than five (5) days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of the cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	111 of 129
		INFORMATION				

14. Changes

Notice to any agent or knowledge possessed by an agent or by any other person shall not affect a waiver or a change in any part of this policy or stop the Company from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

15. Conformity to Statute

Terms of this policy which are in conflict with the statutes of the State wherein this policy is issued are hereby amended to conform to such statutes.

16. Civil Authority

Property covered under this policy against the peril of fire is also covered against the risk of damage or destruction by civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	112 of 129
		INFORMATION				

BP0002

REPLACEMENT COST ENDORSEMENT

This endorsement applies only to equipment purchased in accordance with instructions set forth by the LA Public Facilities Authority or the Third Party Financing Master Installment Purchase Agreement.

1. In consideration of the premium charged, the provisions of this policy applicable only to such item(s) are amended to substitute the term "replacement cost" (without deduction for depreciation) or the remaining lease payments, whichever is greater¹ or the term "actual cash value wherever it appears in this policy, subject, however, in all other respects to the provisions of this endorsement and of the policy to which this endorsement is attached.
2. This endorsement shall not apply to stock (raw, in process for finished) or merchandise, including materials and supplies in connection therewith, property of others, household furniture or residential contents; or to manuscripts; or to paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware and bric-a-brac, or other articles of art, rarity or antiquity.
3. This Company shall not be liable under this endorsement for any loss:
 - A. Occasioned directly or indirectly by enforcement of any ordinance or law regulating the use, construction, repair specifically demolition of property unless such liability has been assumed under this policy;
 - B. Unless and until the damaged destroyed property is actually repaired or replaced by the insured with due diligence and dispatch.
4. The insured may elect to make claim under this policy in accordance with its provisions, disregarding this endorsement; and the insured may make further claim for any additional liability brought about by this endorsement in accordance with its provisions, provided this Company is notified in writing within 180 days after loss of the Insured's intent to make such further claim.
5. This Company's liability for loss on a replacement cost basis shall not exceed the smallest of the following amounts:
 - A. The amount of this policy applicable to the damaged or destroyed property;
 - B. The replacement cost of the property or any part thereof identical with such property on the same premises and intended for the same occupancy and use; or
 - C. The amount actually and necessarily expended in repairing or replacing said property or any part thereof.
6. **APPORTIONMENT CLAUSE**
 This company shall not be liable under this policy including this endorsement for a greater proportion of any loss than the amount of this policy applying to the property to which this endorsement applies bears to the total amount of insurance on such property against the peril involved, whether or not such other insurance includes the extension of coverage provided under this endorsement, and whether such other insurance is collectible or not.

 If the coverage on property under this policy be divided into two or more items, all of the foregoing shall apply separately to each item to which this endorsement applies.

¹In accordance with Rule 12 "Insurance on Equipment" of the Louisiana Public Facility Authority Fund (procedures) the maximum amount of insurance provided hereunder is the greater of the replacement value of the equipment or the remaining lease payments.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	113 of 129

BP0003

THEFT ENDORSEMENT

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Causes of Loss.

1. Section 1.- Inside The Premises

a. Covered Property

"Property other than money and securities" inside the "premises."

b. Property Not Covered

Motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

c. Covered Cause of Loss

Actual or attempted "theft".

d. Coverage Extension

Premises Damage

We will pay for loss from damage to the "premises" or its exterior resulting directly from the Covered Cause of Loss, if you are the owner of the "premises" or are liable for damage to it.

2. Section 2.- Outside The Premises

a. Covered Property

"Property other than money and securities" outside the "premises".

b. Property Not Covered

Motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

c. Covered Caused of Loss

Actual or attempted "theft."

d. Coverage Extension

Conveyance Of Property By Armored Motor Vehicle Company:

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss while outside the "premises" in the care and custody of an armored motor vehicle company.

But, we will pay only for the amount of loss that 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. LIMIT OF INSURANCE

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

If loss covered by this Coverage Form occurs, coverage is suspended until the "premises" are restored to the same condition of security that existed prior to the loss. However, if you maintain at least one "watchperson" while the "premises" are closed for business, this paragraph will not apply.

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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	114 of 129
		INFORMATION				

D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS:

In addition to the provisions in the General Provisions Form, this Coverage Form is subject to the following:

1. Additional Exclusions

We will not pay for loss as specified below:

a. Acts of Employees, Directors, Trustees or Representatives

Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees or authorized representatives:

- (1) Acting alone or in collusion with other persons; or
- (2) While performing services for you or otherwise.

b. Changes in Conditions

Under COVERAGE, SECTION 1., loss occurring while there is any change in the condition of the risk within your control that increases the possibility of loss.

c. Exchanges or Purchases

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

d. Fire

Loss:

- (1) resulting from fire, however caused, except loss from damage to a safe or vault; or
- (2) under COVERAGE, Section 1., during a fire in the "premises".

e. Inventory Shortage

Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Transfer or Surrender of Property

(1) Loss of, or loss from 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; or

(b) As a result of a threat to do:

- I. Bodily harm to any person; or
- II. Damage to any property.

(2) But, this exclusion does not apply under COVERAGE, SECTION 2, to loss of Covered 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

Under COVERAGE, Section 1., loss from damage to any property by vandalism or malicious mischief.

h. Voluntary Parting of Title to or Possession of Property

Under COVERAGE, Section 1., 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.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	115 of 129
		INFORMATION				

2. Additional Conditions

a. Duties in the Event of Loss:

If you have reason to believe that any loss of, or loss from damage to, Coverage Property involves a violation of law, you must notify the police.

3. Additional Definitions

a. "Messenger" means you, any of your partners or any "employee" while having care and custody of the property outside the "premises."

b. "Occurrence" means an:

- (1)** Act or series of related acts involving one or persons; or
- (2)** Act or event, or a series of related acts or events not involving any person.

c. "Premises" means the interior of that portion of any building you occupy in conducting your business.

d. "Theft" means loss of property from a known place when it is likely that the property has been stolen. Theft does not include property that has been lost or mislaid. Mysterious disappearance is presumed to be due to theft.

e. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

f. "Mysterious Disappearance" means the vanishing of insured property in an unexplained manner from a known place when it is likely property has been stolen.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	116 of 129
		INFORMATION				

BP0004

WATER DAMAGE AND FLOOD COVERAGE ENDORSEMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER FORM CP 10 30 06 95.

It is agreed that the following coverage is provided.

We will pay for loss caused by:

- a.** Flood, surface water, waves, tides, tidal waves, overflow of any body of water or their spray, all whether driven by wind or not;
- b.** Mudslide or mudflow;
- c.** Water that backs up from a sewer or drain; or

d. Water under the ground surface pressing on, or flowing or seeping through:

- 1.** Foundations, walls, floors or paved surfaces;
- 2.** Basements, whether paved or not; or
- 3.** Doors, windows or other openings.

All losses covered under item "a" through "d" above that occur within any 72-hour period will constitute a single loss. The expiration of this policy will not reduce the 72-hour period.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	117 of 129
		INFORMATION				

BP0005

WAIVER OF SUBROGATION

-
1. In accordance with the Management agreement between Facility Management of Louisiana, Inc., a Louisiana Corporation ("FML"), Spectacor Management Group, a Pennsylvania General Partnership ("SMG"), and the State of Louisiana for operation of the Louisiana Superdome, it is agreed that a waiver of the rights of recovery and subrogation is in effect as regards any claims for damage to any person, the arena or any fixtures, personal property, improvements and alterations of either party in or about the arena that are caused by or result from risks insured against under this policy.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	118 of 129
		INFORMATION				

BP0006

PRIORITY OF PAYMENTS

In the event of a claim hereunder which involves more than one interest and/or coverage and/or peril, it shall be at the sole option of the Insured to apportion recovery under this policy when submitting final proof of loss, subject to the overall amount of claim not exceeding the overall limit of liability contained herein for any one loss.

For the purpose of attachment coverage for excess layers, it is further agreed that loss involving any interest and /or peril covered in primary or underlying excess layers, but excluded in higher excess layers, shall be recognized by such excess layers as eroding or exhausting the occurrence limits of the primary and/or underlying excess layer(s). Nothing herein, however, shall be deemed to extend coverage in such excess layers(s) to include loss from the specifically excluded peril in the excess layer(s) itself.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	119 of 129
		INFORMATION				

All Purpose Endorsement

Endorsement A

BASIC PROCEDURES FOR PROPERTY DAMAGE CLAIMS

1. The State of Louisiana provides insurance coverage for damage to state-owned property which includes damage to buildings and improvements, contents, inventories (including mobile equipment and excluding licensed vehicles), heating and air conditioning systems, and marine hulls 26 - feet and under.
2. All claims for damage to property owned by the State are to be reported to the Office of Risk Management's Property Claim Unit in writing. If a loss or claim is serious in nature it is to be reported by telephone to the Office of Risk Management's Property Claim Unit.
3. Claims are to be submitted in writing to the Office of Risk Management, Post Office Box 91106, Baton Rouge, LA 70821-9106.
4. Information required to be submitted when a claim is reported to the Office of Risk Management's Property Claim Unit includes the following:
 - A. Name of insured, location of property or unit, and FACS number;
 - B. Date of loss;
 - C. Description of item, to include size, model, serial number, and tonnage;
 - D. Location of item;
 - E. Size, model and serial number of item, if applicable;
 - F. Name of person reporting claim, listing job title and telephone number; and
 - G. Proof of ownership.
5. After a loss has occurred, all property which has been damaged is to be protected against further damage and is to be made available for inspection by a claims adjuster assigned by the Office of Risk Management.
6. If a loss occurs or a claim arises the agency is not to assume any obligation or incur any expenses without authority from the Office of Risk Management.
7. Failure to follow these procedures shall not obviate coverage otherwise provided by this policy.

All other terms and conditions of this policy remain unchanged.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	120 of 129

All Purpose Endorsement

Endorsement Number: B

Miscellaneous Changes

(This Endorsement Changes the Policy. Please Read Carefully.)

It is agreed that the following changes are applicable to this policy.

1. **Coverage** provided by the aforementioned policy is **blanket** and applies to all properties owned by the State of Louisiana or for which the State of Louisiana has assumed liability; including, but not limited to, locations identified in the Schedule of Locations and Values on file with the State of Louisiana, Office of Risk Management.
2. Loss or damage to "**Mobile Equipment**" (any vehicle not required to be licensed by the motor vehicle law of Louisiana) is insured by this policy.
3. The terms "**Coverage Territory**" or "**Territorial Limits**" as shown in this policy or on forms attached thereto are amended to read:

"Worldwide without restrictions."
4. **Extra expense** coverage as defined in Form **CP 00 30 06 95** will apply regardless of whether or not the insured entity produces, receives, or has business income.
5. The "**Suit Conditions**" in this policy are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:

"No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within twenty-four months next after inception of the loss."
6. The "**Appraisal Conditions**" in this policy are set aside and shall be inoperative to the extent that they are in conflict with the following stipulation which shall apply if the insurance companies (or ORM) disagree in circumstances of the kind described:

If the insurance company (or ORM) issuing the Blanket Property Policy and the insurance company issuing the Builders Risk Policy fail to agree as to which policy covers the loss, or as to settlement of coverage that overlaps, or as to the value of the property or the amount of loss, either insurance company (or ORM) may make written demand for an appraisal of the matter in disagreement. Each insurance company (or ORM) will then select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of the demand.

The two appraisers will select a competent and impartial umpire. The appraisers will then identify the policy under which the loss is insured, and if necessary state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision or an award in writing of any two shall determine the policy under which the loss is insured and if necessary the value of the property and amount of loss.

Each insurance company (or ORM) will pay its chosen appraiser and bear other expenses of the appraisal and umpire equally.

The insurance companies concerned (or ORM) agree that the decision of the appraisers and the umpire (if an umpire is required) will be binding and final and that neither party will resort to litigation nor institute a lawsuit.

7. The guidelines set forth in this policy as regards the **time limitation to render a proof of loss** are set aside and shall be inoperative to the extent that they are in conflict with the following verbiage:

The insured shall render to this company a proof of loss within 365 days after the loss, unless such time is extended in writing by this company.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	121 of 129
		INFORMATION				

All Purpose Endorsement

Endorsement Number: C

ADDITIONS

(This Endorsement Changes the Policy. Please Read Carefully)

It is agreed that "**covered property**" on page 1 of 11 of Form **CP 00 10 06 95** does include the following:

- 1.** Building structures which are not owned by the insured, but required to be insured in compliance with a lease agreement.
 - a.** Building Number: L02139
Department of Military Affairs – Armories
55420 North Railroad Avenue
Independence, LA
 - b.** Building Numbers: (Various Bldgs)
River Parish Community College
Corner Highway 22 and I-10
Ascension Parish
 - c.** Building Number: (Various Bldgs)
Camp Minden Training Facility
158 Battaan Avenue
Minden, Louisiana
 - d.** Building Number: (Various Bldgs)
Esler Field Airport
7625 Esler Field Road
Pineville, Louisiana
 - e.** Building Number: (L02872 & L02873)
Dr. Joseph Henry Tyler Mental Health Center
400 St. Julien Street
Lafayette, Louisiana
 - f.** Building Number: (To be Determined)
Soil Sample Building
201 Lock & Dam # 3 Road
Lena, Louisiana
 - g.** Building Number: (L02865)
Aquaculture Resident Engineer Building
201 Lock & Dam # 4 Road
Lena, Louisiana

- 2.** All buildings/structures located within the boundaries of the New Orleans City Park with the exception of the New Orleans Museum of Art Building.
- 3.** All buildings/structures owned by:
 - a.** All affiliated organizations recognized by the Louisiana State University Board of Supervisors and any of their wholly-owned subsidiaries, as now or hereafter exist as their interests may appear.
 - b.** The Louisiana Animal Breeders Association as their interest may appear.

The only exception being the Louisiana State University Tiger Athletic Foundation which is excluded.

All other terms and conditions of this policy remain unchanged.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	122 of 129
		INFORMATION				

All Purpose Endorsement

Endorsement Number: D

EXCLUSIONS

(This Endorsement Changes the Policy. Please Read Carefully)

It is agreed that the following are excluded from the policy:

1. Pilings, piers, wharfs, or docks belonging to South Louisiana Port Commission are excluded from this policy.
2. Louisiana State University Tiger Athletic Foundation.
3. All indoor and/or outdoor swimming pools
4. The following properties belonging to the Department of Transportation & Development.
Signal lights, emergency call boxes, and signs that are portable or permanently positioned on highways.
5. New Orleans Museum of Art Building (located in New Orleans City Park).

All other terms and conditions of this policy remain unchanged.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	123 of 129
		INFORMATION				

All Purpose Endorsement

Endorsement Number: E

ADDITIONAL INSURED(S)

-
1. It is agreed that the following is an additional insured as respects the Cajun Dome located at 444 Cajun Dome Boulevard, Lafayette, Louisiana.
 - a. City of Lafayette
Post Office Box 4017-C
Lafayette, LA 70502

All other terms and conditions of this policy remain unchanged.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	124 of 129
		INFORMATION				

All Purpose Endorsement

Endorsement Number: F

ADDITIONAL LANGUAGE

The following language is included as part of this policy:

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

THE PARTIES AGREE THAT THIS CONTRACT IS SUBJECT TO AND CONDITIONED UPON THE AVAILABILITY AND APPROPRIATION OF THE FUNDS NECESSARY FOR ANY AND ALL AMOUNTS THAT MAY BE DUE IN ACCORD WITH THE PROVISIONS HEREIN.

Nothing herein contained shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements or declarations of the policy, other than as herein stated.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	125 of 129
		INFORMATION				

All Purpose Endorsement

Endorsement Number: G

JOINT LOSS AGREEMENT

In the event of damage to or destruction of property, at a location designated in this Policy and also designated in a Boiler & Machinery Insurance Policy and there is a disagreement between the Insurers with respect to:

- (1) whether such damage or destruction is insured against by this policy or by an accident insured against by such boiler and machinery insurance policy; or
- (2) the extent of participation of this policy and of such boiler and machinery insurance policy in a loss which is insured against, partially or wholly, by any one or all of said policies;

This Company shall, upon written request of the Insured, pay to the Insured one-half of the amount of the loss which is in disagreement, but in no event more than this Company would have paid if there had been no boiler and machinery insurance policy in effect, subject to the following conditions:

- (1) the amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the Insured and the companies is limited to the minimum amount remaining payable under either the boiler and machinery or this policy(ies);
- (2) the boiler and machinery insurance company shall simultaneously pay to the Insured at least one half of said amount which is in disagreement;

- (3) the payments by the companies hereunder and acceptance of the same by the Insured signify the agreement of the companies to submit to and proceed with arbitration within ninety days of such payments;

The arbitrators shall be three in number, one of whom shall be appointed by the boiler and machinery insurance company, one of whom shall be appointed by this Company, and the third of whom shall be appointed by consent of the other two; the decision by the arbitrators shall be binding on the companies and that judgment upon such award may be entered in any court of competent jurisdiction;

- (4) the Insured agrees to cooperate in connection with such arbitration but not to intervene therein;
- (5) the provisions shall not apply unless such other policy issued by the boiler and machinery insurance company is similarly endorsed;

acceptance by the Insured of sums paid pursuant to the provisions, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the Insured against any of the companies.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	126 of 129
		INFORMATION				

All Purpose Endorsement

Endorsement Number: H

MICRO-ORGANISM EXCLUSION

(This Endorsement Changes the Policy. Please read Carefully)

This policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

1. mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- (i) any physical loss or damage to insured property;
- (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence;

- (iii) any loss of use, occupancy or functionality; or

- (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
FEC-18	*	SCHEDULE A UNDERWRITING INFORMATION	*	May 24, 2005	*	127 of 129

All Purpose Endorsement

Endorsement Number: 1

ASBESTOS ENDORSEMENT

(This Endorsement Changes the Policy. Please read Carefully)

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the policy period by one of these Listed Perils:

Fire, Explosion, Lightning, Windstorm; Hail; Direct impact of vehicle, aircraft or vessel; Riot or civil commotion; Vandalism or malicious mischief; or accidental discharge of fire protective equipment

This coverage is subject to all limitations in the policy to which this endorsement is attached and, in addition, to each of the following specific limitations:

1. The said building or structure must be insured under this policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage to the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However this policy does not insure any such damage first reported to Underwriters more than 12 (twelve) months after the expiration, or termination, of the policy period.

4. Insurance under this policy in respect of asbestos shall not include any sum relating to:

- (i) any faults in the design, manufacture or installation of the asbestos.
- (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section A, this policy does not insure asbestos or any sum relating thereto.

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	128 of 129
		INFORMATION				

All Purpose Endorsement

Covered Property Endorsement

Endorsement Number: J

(This Endorsement Changes the Policy. Please Read Carefully)

It is agreed that "covered property" on page 1 of Form CP 00 10 06 95 does include the following:

Buildings in which the Louisiana Department of Agriculture and Forestry has an insurable interest by virtue of a loan guarantee. The purpose of the insurance in point is to cover the insurable interest of the Louisiana Department of Agriculture in the subject property.

The amount of insurance on the following buildings are not afforded on the replacement costs basis as provided in item "G.3." on page 10 of 11 of Form CP 00 10 06 95. The amount of insurance is to be afforded on the basis of the outstanding amount of the loan guarantee.

Winnsboro Elevator / DEC Developmental LLC
3397 Front Street
Winnsboro, LA 71295

PROPOSAL NO.	*	INVITATION FOR BID	*	DATE	*	PAGE
	*	SCHEDULE A	*		*	
FEC-18	*	UNDERWRITING	*	May 24, 2005	*	129 of 129
		INFORMATION				

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: _____