



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF RISK MANAGEMENT

KATHLEEN BABINEAUX BLANCO
GOVERNOR

JERRY LUKE LEBLANC
COMMISSIONER OF ADMINISTRATION

May 19, 2006

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

Bid Proposal No.: FEC-19

FOR: **Section I:** Excess Following Form All Risk (All Perils, Excluding Flood) Building and Personal Property Coverage for All Louisiana Properties (Buildings and Contents). Flood Coverage included only on the Properties NOT included in Section II.

Section II: Flood Coverage for All Louisiana Properties (Buildings and Contents) that are located in flood zones A and V south of the I-10/I-12 corridor, excluding Baton Rouge and Lafayette city limits, and those properties previously damaged by flood in a prior declared disaster.

Section III: Elevation Certificates issued by a qualified land surveyor, engineer, or architect for those properties in Section II

Bid Opening Date: May 25, 2006 10:00 A.M.

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

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

Bidder/Contractor Signature

Revision 1

IFB Reference: Schedule B, Policy Forms, Declarations Page
Page No.: 39 of 152

Under Limits of Insurance, the two separate limits, the first applying to non-declared disasters and the other due to a declared disaster, has been revised to a single limit for all occurrences.

The amount of Business Income and Extra Expense covered by the policy is increased to \$10,000,000.

Revision 2

IFB Reference: Part IV, General Bid Information, Items 6.1.4.3, 6.1.4.4, and 6.1.4.5
Page No.: 17 of 152

Due to change in limits of the underlying self-insurance policy, the amount of Business Income and Extra Expense covered by the policy will change to \$10,000,000.

The third paragraph of 6.1.4.4 has been clarified to state that the \$75,000,000 excess flood coverage will apply above the revised self-insured retention of \$50,000,000.

Item 6.1.4.5 has been revised to remove the \$25,000,000 and \$50,000,000 SIR wording.

Amendment No. 2 supercedes Amendment No. 1 changes to this same wording.

Revision 3

IFB Reference: Part IV, General Bid Information
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The award wording in bold has been revised again to state that the bid will be awarded on the total of the layers up to and including \$150,000,000, due to the increase in the self-insured retention.

Amendment No. 2 supercedes Amendment No. 1 changes to this same wording.

Revision 4

IFB Reference: Exhibit I, Bid Quotation Form
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The award wording in bold has been revised again to state that the bid will be awarded on the total of the layers up to and including \$150,000,000, due to the increase in the self-insured retention.

Amendment No. 2 supercedes Amendment No. 1 changes to this same wording.

Revision 5

IFB Reference: None
Page No.: None

Additional information is being provided with regard to Directive 191. Notice to All Louisiana Citizens Property Insurance Corporation Assessable Insurers. While the State is not governed by Title 22, Directive 191 issued December 22, 2005 by the Department of Insurance, it could affect primary and excess policies issued as a result of this Invitation for Bid. The full Directive 191 is available at <http://www.lidi.state.la.us/newlegaldocs.htm> on the Department of Insurance website. It is encouraged that you review it.

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State of Louisiana

Office of Risk Management
Self Insurance Fund

Property Declarations

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.: BP20062007	
		Policy Period: 12:01 A.M. Standard Time At Place Of Issuance	
		From: July 1, 2006	To: July 1, 2007

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>Limits of Insurance</u>	<u>Covered Causes Of Loss</u>	<u>Coinsurance</u>
<p><u>\$50,000,000 combined single limit per occurrence, including flood, wind and earthquake</u></p> <p>Replacement cost on buildings, actual cash value on personal property and movable/mobile buildings. Coverage is limited to a maximum of 115% of the scheduled values on file at ORM at the time of loss.</p> <p>Business income, including extra expense, (CP 00 30 form) limit is one (1) year with a maximum of <u>\$10,000,000</u>.</p>	As per forms applicable	None

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

Each claim for loss or damage shall be adjusted separately, and from the amount of each adjusted claim the sum shall be deducted as follows:

All covered causes of loss, except flood	\$1,000 deductible per occurrence
Flood cause of loss	\$5,000 deductible per occurrence

This deductible shall apply separately to each building or structure, including its contents. In cases where the loss involves more than one named insured in a single structure, one deductible shall apply to the building owner.

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	UND01
CP 00 90 07 88	CP 04 05 06 95	CP 10 30 06 95	CP 10 40 06 95	DA1882	BP0003	Flood Special Form
					BP0004	

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 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 the Office Of Risk Management

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

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stated valued for such property as is shown in the latest Schedule of Property Values or other documentation on file with the Office of Risk Management, nor shall liability exceed any specific Limit of Insurance applying to any insured loss, coverage or location(s). 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 A of these specifications.

- 6.1.4.2 If a covered property has been damaged in a prior “declared disaster” and has received public assistance through FEMA (other than flood), the excess policies will pay on those properties first up to the amount of the previous loss reimbursed through FEMA. See 44 CFR Part 206. 253, items (b)(2) and (c).

Example: Building Replacement Cost is \$10,000 and the amount of damage reimbursement from FEMA was \$1,000, then the policy will pay up to \$1,000 on this property first if damaged in another declared disaster.

For the purposes of this bid and the excess coverage requested, “declared disaster” includes all loss or damage occurring during a period of 72 consecutive hours which is caused by or results from a storm or weather disturbance which is named by the National Weather Service or any other recognized meteorological authority and/or assigned a catastrophe code number by the National Weather Service or other proper authority. Storm or weather disturbance includes all weather phenomenon associated with or occurring in conjunction with the storm or weather disturbance, including, but not limited to, flood, wind, hail, sleet, tornadoes, hurricane or lightning.

- 6.1.4.3 The Business Income and Extra Expense Coverage, found in the underlying self-insurance policy forms and endorsements in Schedule B of these specifications, is limited to 20% of the self-insured retention (~~\$10,000,000~~) per occurrence. This coverage in the excess policy layers is to be limited to 20% of the total amount of insurance purchased.

- 6.1.4.4 The flood/earthquake coverage in Section I will apply to only those properties NOT included in Section II. Those properties that are located north of the I-10/I-12 corridor, including Baton Rouge and Lafayette city limits, and which were not previously damaged by flood in a prior declared disaster must be included.

Properties south of the I-10/I-12 corridor, with the exclusion of Baton Rouge and Lafayette city limits, NOT covered by an individual flood policy, will be provided coverage in the underlying self-insurance policy (reflected in the water damage and flood coverage endorsement, BP004, Item A., in Schedule B of these specifications), BUT COVERAGE IS TO BE EXCLUDED IN THE EXCESS POLICIES.

This flood/earthquake limit **shall** be \$75,000,000 excess of the ~~\$50,000,000~~ self-insured retention per occurrence with a \$75,000,000 aggregate for each annual policy period. Flood exposure data can be found in Schedule A of these specifications. This \$75,000,000 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.

- 6.1.4.5 The following wording, or its equivalent, will be acceptable in all excess layers: “It is understood and agreed that payments by Louisiana ORM for flood losses occurring south of the I-10/12 corridor, with the exclusion of the city limits of Baton Rouge and Lafayette, will not contribute toward the erosion of the self-insured retention.”

- 6.1.4.6 The underlying self-insurance policy in Schedule B of these specifications uses the ISO Exclusion of War, Military Action and Terrorism Form (IL 09 41 01 02). The following terrorism wording, or equivalent, will be acceptable in all excess layers:

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provided to ORM in an approved format. **The ORM building ID, agency name and ORM agency number must be noted on all documentation.**

- 6.3.1 Elevation certificates (using FEMA Form 81-31, February 2006) on all properties identified in Section II that require an elevation certificate to purchase flood insurance are expected to be completed by 9/1/2006. The contractor must keep ORM informed of the progress of the surveys on a weekly basis and report any problems immediately. ORM has the right to amend this date based on the progress reports from the contractor. A copy of the elevation certificate form and instructions can be found at www.doa.louisiana.gov/orm/uwnewbid.htm.
- 6.3.2 ORM will provide to the successful contractor a list of state agencies and contact personnel to assist in the physical location of buildings requiring elevation certificates.
- 6.3.3 **The cost for this service will be submitted as shown in Section III of Exhibit I, Bid Quotation Form. Rates per unit of exposure must also be submitted in Section III of Exhibit II, Rates.**

The entire bid (Sections I, II and III) will be awarded based on the quoted Net Annual Installment Premium of Section I for all layers up to and including \$150,000,000. ORM reserves the right to purchase, or not to purchase, any layer(s) and/or Section(s) of this bid at the cost quoted on the awarded bid. For example, ORM may choose not to purchase any coverage quoted in Section I, but may elect to purchase Sections II and III. If a quotation does not include premiums for layers up to and including \$150,000,000, then the bid will be disqualified.

The contractor who receives the award based on the above criteria will be responsible for the insurance and services required in Sections II and III of this proposal.

EXHIBIT I
BID QUOTATION FORM

SECTION I

Excess Following Form All Risk (All Perils, Excluding Flood) Building and Personal Property Coverage for All Louisiana Properties (Buildings and Contents). Flood Coverage included only on the Properties NOT included in Section II effective July 1, 2006 with two one-year options to renew at the same rates.

SINGLE LAYER QUOTATION

LAYER	<u>Indicate Coverage Layer</u> Layer 1 must attach at \$25,000,000 SIR level	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
			(%)	
1			(%)	
2			(%)	
3			(%)	
4			(%)	
5			(%)	
6			(%)	
7			(%)	
8			(%)	
9			(%)	
10			(%)	

TOTAL OF 1ST \$150,000,000 OF COVERAGE ** :	
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**** The entire bid (Sections I, II and III) will be awarded based on the quoted Net Annual Installment Premium of Section I for all layers up to and including \$150,000,000. ORM reserves the right to purchase, or not to purchase, any layer(s) and/or Section(s) of this bid at the cost quoted on the awarded bid. For example, ORM may choose not to purchase any coverage quoted in Section I, but may elect to purchase Sections II and III. If a quotation does not include premiums for layers up to and including \$150,000,000, then the bid will be disqualified.**

The contractor who receives the award based on the above criteria will be responsible for the insurance and services required in Sections II and III of this proposal.

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.**

