



State of Louisiana
Division of Administration
Office of State Purchasing

ADDENDUM NO. 1
May 11, 2012

Your reference is directed to File No. S53193CP, Solicitation No. 2248454 scheduled to be opened at 10:00 A.M. CST on May 23, 2012 for Property Insurance Program Through The Office of Risk Management For The State of Louisiana, All State Departments, Agencies, Boards and Commissions.

The following changes are to be made to the referenced solicitation:

Supporting Documentation, Statewide Schedule of Property Values (buildings and contents).

Delete in its entirety and Replace with a REVISED Statewide Schedule of Property Values (buildings and contents) which is posted to the ORM website.

Supporting Documentation, Statewide Loss Experience Summary.

Delete in its entirety and Replace with a REVISED Statewide Loss Experience Summary which is posted to the ORM website.

RFP Page 31, Exhibit A – Insurance Program Specifications, No. 6.

Changed to read: Participating insurance companies must have an A.M. Best rating of A-, VIII or higher and be licensed to do business in the State of Louisiana.

RFP Page 31, Exhibit A – Insurance Program Specifications, No. 7. SIR & Limits.

Add the following language at the end of this table: \$1,000,000 maintenance/trailing deductible shall apply for all perils once individual Self-Insured Retention aggregate has been met or exceeded.

Add the following Exhibit to this RFP:

Exhibit D – Company Signature Page

Vendor's written inquiries and State's Answers are attached

This addendum is hereby officially made a part of the referenced proposal.

ACKNOWLEDGMENT: If you have already submitted your proposal and this Addendum does not cause you to revise your proposal, you should acknowledge receipt of this Addendum by identifying your business name and by signing where indicated. You may return this Acknowledgment by mail to: Office of State Purchasing, P.O. Box 94095, Baton Rouge, LA 70804-9095, by hand delivery or courier to: Office of State Purchasing, 1201 N. Third Street, Claiborne Building, Suite 2-160, Baton Rouge, LA 70802, or by fax to: (225) 342-8688. The State reserves the right to request a completed Acknowledgement at any time. Failure to execute an Acknowledgment shall not relieve the proposer from complying with the terms of its proposal.

Addendum Acknowledged/No changes:

For: _____ By: _____

REVISION: If you have already submitted your proposal and this Addendum requires you to revise your proposal, you must indicate any change(s) below, identify your business name and sign where shown. Revisions shall be delivered prior to proposal opening in a sealed envelope marked with the file number, the proposal opening date and time either by mail to: Office of State Purchasing, P. O. Box 94095, Baton Rouge, LA 70804-9095, or by hand delivery or courier to: Office of State Purchasing, 1201 N. Third Street, Claiborne Building, Suite 2-160, Baton Rouge, LA 70802, or by fax to: (225) 342-8688. Electronic transmissions other than by fax are not being accepted at this time.

Revisions received after proposal opening shall not be considered and you shall be held to your original proposal.

Revision: _____

For: _____ By: _____

Exhibit D – Company Signature Page

Please complete the following for each insurance company participating in the proposed program. A scanned or faxed copy of the completed page is acceptable to be included in the proposal. Original signature pages will be required upon award.

Insurance

Company Name: _____

Signature of Designated Authorized Representative of the Insurance Company:

Signature

Printed Name & Title

Percentage or Layer of Coverage to be Provided:

	YES	NO
1) Does this insurance company maintain an A.M. Best's rating of A-, VIII or higher?	<input type="checkbox"/>	<input type="checkbox"/>
2) Is this insurance company licensed to do business in Louisiana?	<input type="checkbox"/>	<input type="checkbox"/>
3) Is this insurance company a surplus lines company?	<input type="checkbox"/>	<input type="checkbox"/>
4) Is this insurance company a direct-write company?	<input type="checkbox"/>	<input type="checkbox"/>
5) Is this insurance company an assessable mutual company?	<input type="checkbox"/>	<input type="checkbox"/>

**QUESTIONS AND ANSWERS FOR STATE OF LA PROPERTY RFP
FILE NO. S53193CP, SOLICITATION NO. 2248454**

1. **Question:** The Total Insurance Values on the Statement of Values are not an accurate sum of the columns. Will this be corrected?

Answer: Yes. The corrected Statement of Values totals are made part of this Addendum.

2. **Question:** The Statement of Values does not include COPE information. This information is important for modeling. Can this be included?

Answer: The information found on the Statement of Values is all of the pertinent information that ORM keeps on state-owned/insured buildings. Please be aware that any building designated uninsured (column H) contains contents that are insured; the building itself is not insured and contains very basic building data. Additional COPE data fields will be incorporated in future schedules.

3. **Question:** Can you provide fire safety information, such as whether a building is sprinklered for buildings with values exceeding \$25M?

Answer: That information is unavailable. This information will be incorporated in future schedules.

4. **Question:** How is business income exposure calculated?

Answer: Each state agency reports their determined business income exposure per building. The definition of business income as explained to the State agencies is as follows:

Business Income is the total amount of 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 an agency would not be able to provide those services, sales, and events, less the direct cost of those operations. Total amount should be an annual figure based on the twelve months preceding the last day of the period for which you are reporting. It does not include payroll. Examples of income are hospital charges, rental receipts, tuition, revenue and receipts from educational seminars or workshops, entertainment and athletic events.

5. **Question:** The Statement of Values indicates NFIP policies on certain buildings. Are the NFIP policies to be quoted in this RFP? If not, will they remain in effect? If they are still in effect, please confirm that the NFIP limits do not erode the following: Exhibit A, Item H. Erosion of Primary Policy SIR “The erosion of the SIR due to loss or damage from flood, including high hazard, and earthquake is recognized and approved.”

Answer: Although there are currently NFIP policies on specific buildings as shown on the State of Values, the RFP is to be quoted as if no NFIP policies were in place. It is our intent to non-renew the NFIP policies in lieu of flood coverage being provided on all buildings through the underlying self-insurance policy and the excess coverage. Therefore, since there will be no NFIP, NFIP limits eroding the SIR are irrelevant.

6. **Question:** There does not appear to be a limitation on Service Interruption. Coverage is included in the policy form, but not listed on Exhibit C-Requested Program Coverages, Sublimits, and Policy Limits-of the RFP. What is the requested limit, or can this coverage be excluded by excess carriers?

Answer: Service Interruption may be excluded in the excess coverage.

7. **Question:** Is Named Windstorm to be included in the optional \$50M Aggregate SIR?

Answer: On page 35 of the RFP, #3 requests an aggregate SIR with a trailing deductible. It is requested that Named Windstorm be included in this aggregate. As this is an option, if this request is not available in the marketplace, you may quote this option without Named Windstorm in the aggregate, but please designate clearly that Named Windstorm is not included.

If Named Windstorm is available as part of the aggregate and ORM chooses the option, the SIR for Named Windstorm will be aggregated in the underlying policy.

8. **Question:** Will Company Signature Pages be required?

Answer: The Company Signature Pages will be required and the form is made part of this Addendum.

9. **Question:** Exhibit A-Insurance Programs Specifications, page 31 of the RFP references aggregate deductibles for All Other Perils, Flood, Earthquake, and Boiler & Machinery/Equipment Breakdown.
- a. None of these options reference a per occurrence maintenance deductible once the aggregate has been met/exceeded. After the aggregate has eroded is the intent for insurers to attach excess of agency deductibles or did you intend for a \$1M maintenance deductible to apply after the aggregate retention has been met/exceeded. Carriers will have a very difficult time attaching at State Agency deductibles and we suggest a minimum trailing maintenance deductible of \$500,000 for AOP and \$1,000,000 for flood.

Answer: There will be a \$1,000,000 maintenance deductible across all perils after each aggregate has been met or exceeded. Page 31 of the RFP has been updated to reflect this. See specification change in this Addendum.

- b. Can you please confirm that only losses in excess of the underlying State Agency deductible, including NFIP limits, erode the annual aggregate retentions?

Answer: Yes, only losses above the State agency deductible erode the annual aggregate. NFIP limits are not applicable. See Question # 5.