

TERMS OF REFERENCE

Procurement of Actuarial Consultancy Services for the Insurance Group (IG) [Consultancy Services for the Valuation of the 2019 Year-End Amounts for Appropriations from the General Insurance Fund (GIF) Surplus]

I. OBJECTIVE

The Policies and Guidelines on the Hiring of Consultants approved under Board Resolution No. 94 on May 5, 2004 allows the hiring of consultants if the expertise required is not available within the unit where they will be assigned.

The Actuarial Consultant is hereby engaged in the Insurance Group (IG) to provide actuarial consultancy services on the following:

- Actuarial Valuation of the Non-Life Insurance Policy Reserves of the GSIS, pursuant to Sections 219 and 220 of the Amended Insurance Code (Republic Act No. 10607), in accordance with the Valuation Standard stated in IC (Insurance Commission) Circular Letter No. 2018-18 dated 09 March 2018; and
- Certify the GSIS Non-Life Insurance Policy Reserves as of December 31, 2019.

II. SCOPE OF SERVICES

The actuarial consultant is hereby engaged as technical consultant who shall report directly to Leopoldo A. Casio, Jr., Officer-In-Charge, Insurance Group, and shall perform the following services:

1. Actuarial Valuation of the GSIS Non-Life Insurance Policy Reserves as of December 31, 2019

This includes the calculation of the following:

- a. Premium Liabilities
 - i. Unearned Premium Reserves (UPR)
 - ii. Unexpired Risk Reserves (URR) and Margin for Adverse Deviation (MfAD)
- b. Claims Liabilities
 - i. Outstanding Claims Reserve
 - ii. Incurred But Not Reported (IBNR) – Loss Development Triangle
 - iii. Claims Handling Expense
 - iv. MfAD

2. Certify the GSIS Non-Life Insurance Policy Reserves as of December 31, 2019.

III. TERM OF THE CONTRACT

The contract shall be for a period of four (4) months unless sooner terminated by the GSIS on any ground; provided, however, that GSIS shall serve a written notice to the Consultant when pre-terminating this Contract.

IV. REMUNERATION FOR CONSULTANCY SERVICES

The Approved Budget for the consultancy services amount to **FIVE HUNDRED THOUSAND PESOS** (Php500,000.00). Payment shall be subject to applicable taxes and must be in accordance with the following schedule:

Milestone	Activities	Time Frame	Payment Schedule
1	Actuarial Valuation of the GSIS Non-Life Insurance Policy Reserves as of December 31, 2019	July 1, 2020 to August 15, 2020	50% upon completion of the required deliverable
2	Certification of the GSIS Non-Life Insurance Policy Reserves as of December 31, 2019	August 16, 2020 to August 31, 2020	50% upon completion of the required deliverable

V. MODE OF PROCUREMENT

The project shall be procured through Small Value Procurement as provided in Section 53.9 of the RIRR of RA 9184.

Prepared by:

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Insurance Group

Approved by:

LEOPOLDO A. CASIO, JR.
Officer-In-Charge
Insurance Group