



GSIS INSURANCE BIDS AND AWARDS COMMITTEE (GIBAC)

Project title: Reinsurance of the Airport Liability Insurance of the CLARK INTERNATIONAL AIRPORT CORPORATION

Bid Bulletin No. 1
August 02, 2017

This bid bulletin is issued to amend, modify and clarify items in the Bidding Documents of the “Reinsurance of the Airport Liability Insurance of the CLARK INTERNATIONAL AIRPORT CORPORATION”. This shall form an integral part of the Bidding Documents.

I. The main title of the ITB is hereby corrected as follows:

“REINSURANCE OF THE AIRPORT LIABILITY INSURANCE OF THE CLARK INTERNATIONAL AIRPORT CORPORATION”

II. Bidders’ Queries

Bidder’s Query	Response
<p>Reference to Page 65, Conditions: Original Policy based on ARIEL Major Airport wordings as expiring.</p> <p>Although reference is made to ARIEL Major Airport wordings, the policy wording in pages 68-71 is not the usual ARIEL wordings that we see in the market.</p> <p>We just wish to clarify which wording to follow. If we will follow pages 68-71, may we propose to remove the statement "Original Policy based on ARIEL Major Airport wordings as expiring" to avoid confusion?</p>	<p>The policy wordings as stated under pages 68-71 shall prevail. The phrase “Original Policy based on ARIEL Major Airport wordings” is deleted.</p>
<p>Reference to Page 65, Conditions: Policy coverage includes liability in respect of detention of aircraft</p> <p>May we request a copy of the wording for this clause? Specifically, we would like to understand what type of detention is covered, how it is part of the liability of the CIAA, and the exclusions under this clause. Also, does this extension have a sub-limit?</p>	<p>Detention of Aircraft is a buy-back cover under the Aviation Hull War and Allied Perils Policy. There is no sub-limit in the policy.</p>
<p>Reference to Page 66, Conditions: War, Hi-Jacking and Other Perils Exclusion Clause AVN48B Paragraph (a), (c) to (g) of Clause AVN48B deleted in accordance with Extended Coverage Endorsement (Aviation Liabilities)</p> <p>Please confirm that "Extended Coverage Endorsement (Aviation Liabilities)" refers to AVN52G (copy attached).</p>	<p>Yes, we confirm that Extended Coverage Endorsement (Aviation Liabilities) refers to AVN52G.</p>

Bidder's Query	Response
<p>Reference to Page 66, Conditions: Nuclear Risk Exclusion Clause AVN71</p> <p>Pages 74/75 contain Nuclear Risks Exclusion Clause AVN38B. May we request clarification if we are using AVN71 or AVN38B?</p>	<p>Although both Clauses are dated 22.7.96, we will adopt AVN38B.</p>
<p>Reference to Page 66, Conditions: Reinsurance underwriting and Claims Control Clause and Page 67, Conditions: Claims Control Clause</p> <p>The Insurance Commission (IC) has mandated for insurance companies to remove the Claims Control Clause from their policies. Attached is the Circular Letter.</p> <p>Generally, companies have replaced this with the Claims Cooperation Clause, which seems more acceptable to the IC.</p>	<p>With the Insurance Commission (IC) Circular No. 2016-08 dated 22 February 2016, Claims Control Clause is deleted and replaced by Claims Cooperation Clause, worded as follows:</p> <p>CLAIMS COOPERATION CLAUSE</p> <p>The insured/reinsured hereby undertakes to give immediate advice to the insurer/reinsurer of any occurrence which may give rise to a claim hereunder as soon as they are themselves made aware of it and in such event will cooperate fully with the insurer/reinsurer in defence or settlements of such claim and in no case shall the insured/reinsured make any admission of liability under the policy without the consent in writing of the insurer/reinsurer having been first obtained.</p>
<p>Page 66, Conditions: Including coverage in respect of vehicle liability arising out of the vehicles owned by the insured or for which they are responsible whilst being operated by third parties whilst airside, excluding Road Traffic Act 9 or equivalent.</p> <p>We would like to clarify if we are really specifying "Road Traffic Act 9" or if the number "9" is just a typographical error and this should simply be "Road Traffic Act".</p>	<p>Road Traffic Act 9 is replaced by Road Traffic Act.</p>
<p>Page 66, Conditions: Recording, Transmitting and Storing of Information</p> <p>May we request a copy of the wording for this clause?</p>	<p>This is an extension of the policy which cover the costs incurred by or on behalf of the insured in recording, transmitting and storing of information belonging to or under the control of the Insured which may be lost, destroyed or damaged. However, it does not cover the value of the information contained in the above described documents.</p>
<p>We note that the previously provided Loss History reflected the PHP amounts and this will be corrected to reflect the USD amounts. We look forward to receiving the revised Loss History.</p>	<p>The revised Loss History shall be available to those prospective bidders who have purchased and will purchase the bidding documents.</p>

Bidder's Query	Response
<p>Reference to Survey Report dated 12th May 2015, Page 2, Item 2.1: General Description</p> <p>We note that they have 19 to 20 flights daily for both domestic and international. May we ask for a rough percentage split of these flights among these classifications?</p> <ul style="list-style-type: none"> - Scheduled airline flights - Chartered airline flights - General Aviation (regardless whether scheduled or chartered) <p>For example, can we say 50% General Aviation, and 25% each for Scheduled and Chartered airline flights?</p>	<p>On average, the daily aircraft movement for both scheduled domestic and international flights at CRK as of 2017 June is 34 flights per day (arrival and departure), consisting of 18 international flights and 16 domestic flights.</p> <p>As of the same month, CRK registered an actual aircraft movement of 5,656 flights. Of this, 5,377 were scheduled airline flights (consisting of 1,801 domestic flights and 3,576 international flights), while 279 were chartered airline flights (consisting of 262 domestic flights and 17 international flights).</p> <p>For general aviation, CRK registered a total number of 4,632 aircraft movement as of the same period.</p>
<p>Page 10, Item 11: Airport Authorities' Responsibilities In Connection With The Following Services</p> <p>We note the different parties responsible for different aspects of the airport operations.</p> <p>Are each of these different parties required to have their own liability insurance policies in force? If so, what is the minimum limit required of them? If not, are they to be declared as additional insureds under this Airport Liability Insurance of the CIAA and is there a waiver of subrogation in their favor?</p>	<p>Parties operating in airports are required to have their own insurance.</p>
<p>Are there concessionaires operating within the airport? (If yes, please cite examples.) Are they each required to have their own liability insurance and if so, what is the minimum limit required?</p>	<p>Yes. There are F&B concessionaires like Seattle's Best, banks (forex) like BDO, RCBC, transport providers like Genesis (bus) and Avis (taxi).</p>
<p>Pages 11-12, Item 14: Recommendations</p> <p>We understand from the pre-bid conference that the CIAA has complied with all of the recommendations listed and kindly ask for your written confirmation.</p>	<p>Listed recommendation such as Birds Strike Program, Grass Cutting Program, Repair of Cistern Tank and others were complied accordingly per our Engineering Maintenance Dept and Safety & Environment Management Office.</p>
<p>May we ask for the actual revenue of the CIAA for the past 12 months and their estimated revenue for the next 12 months?</p>	<p>Net Income for January 01 - Dec 31, 2016 : PhP 77,403,533.59</p>

For the information and guidance of all concerned.

(SGD.) VALERIE K. MARQUEZ

Chairperson

GSIS Insurance Bids and Awards Committee