



**PASEGURUHAN NG MGA NAGLILINGKOD SA PAMAHALAAN
(GOVERNMENT SERVICE INSURANCE SYSTEM)**

Financial Center, Pasay City, Metro Manila 1308

GSIS INSURANCE BIDS AND AWARDS COMMITTEE (GIBAC)

Project title: *Reinsurance of the Airport Liability Insurance of the SUBIC BAY METROPOLITAN AUTHORITY*

Bid Bulletin No. 1
November 02, 2017

This bid bulletin is issued to amend and modify items in the Bidding Documents of the ***“Reinsurance of the Airport Liability Insurance of the SUBIC BAY METROPOLITAN AUTHORITY”***. This shall form an integral part of the Bidding Documents.

I. Bidders’ Query

Query	Response
<p>1. In page 1 of the application form, we would like to ask what the “Airline Budget” refers to because the client indicated USD 1.1 million last year and USD 19 million this year.</p>	<p>The significant increase in airport budget was due to the procurement of various airport equipment as replacement to existing in compliance to airport standard.</p>
<p>2. We would like to ask for an update on the risk management recommendations in the 2015 survey report.</p>	<p>The following are the SBMA projects and activities which complement needed action for the observations during the risk inspection survey conducted at the SBMA Airport.</p> <ol style="list-style-type: none"> 1. One (1) year service contract for the maintenance of unpaved area 2. Scheduled purchase of two (2) units passenger boarding bridge/elevated tubes 3. Purchase of new metal detectors and x ray machines 4. Purchase of one (1) unit Aircraft and Fire Fighting (ARFF) Truck with peripherals including breathing apparatus , ongoing repair of fire truck no. 2 5. Update fire extinguishers inspection tags 6. Repainting of Runway and taxiway markings
<p>3. Looking through the application form, we have noticed that the Budget, Passenger and Lease have considerably.</p> <p>We would like to know the reason of the increase.</p>	<p>Please refer to item no. 1</p>

II. Section VII : Technical Specifications

The following are changes to the Proposed Policy Wordings:

a. Inclusion of the word “Sub-Limit” on the Limit of Liability on page 65

From:

USD5,000,000 any one offense and in the aggregate in respect of Personal Injury Extension AVN60A

To:

Sub-Limit:

USD5,000,000 any one offense and in the aggregate in respect of Personal Injury Extension AVN60A

b. Revision of the wordings on the Insuring Conditions page 65

From:

Insuring Conditions : ARIEL Major Airport Wording

To:

Insuring Conditions : Insurance Wordings as per attached

c. Revision of the wordings on the Insuring Conditions on page 66

From:

General Exclusion 2 amended to include: Additional Assureds, Hold Harmless Agreements, Waiver of Subrogation and other Contractual Agreements.

To:

Agree to automatically include contractual provisions including additional insureds, hold harmless agreements, waivers of rights of subrogation, indemnity provisions, alterations to Notice of Cancellation, Severability of Interest, Lease Agreements, Contractual Agreements, Assignments as expiring plus liability assumed under normal operating agreements entered into (including IATA standard contracts) and/or as may be required to be covered by the insured in the course of their usual day to day operations. Any other agreements to be agreed by Insurer prior to attachment of risk.

d. Amendment on “item 6” under Aviation Liability Insurance page 68

From:

6. This Policy does not cover as Liability of the Assured arising out of refueling and/or **defiling** operations.

To:

6. This Policy does not cover as Liability of the Assured arising out of refueling and/or **defueling** operations.

e. Amendment on “letter F” under War, Hi-Jacking and Other Perils Exclusion Clause (Aviation) page 70

From:

- f. Confiscation, nationalization, seizure, restraint, detention, appropriation, **reacquisition** for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.

To:

- f. Confiscation, nationalization, seizure, restraint, detention, appropriation, **requisition** for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.

f. Amendment of the date on item no. 1 of the Extended Coverage Endorsement (Liabilities) page 70

From:

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-jacking and Other Perils Exclusion Clause (Clause AVN.48B), it is hereby understood and agreed that with effect from **1st April 2005**, all sub-paragraphs other than (b) of clause AVN.48B forming part of this policy are deleted SUBJECT TO all terms and conditions of this Endorsement.

To:

1. WHEREAS the Policy of which this Endorsement forms part includes the War, Hi-jacking and Other Perils Exclusion Clause (Clause AVN.48B), it is hereby understood and agreed that with effect from **inception of this policy**, all sub-paragraphs other than (b) of clause AVN.48B forming part of this policy are deleted SUBJECT TO all terms and conditions of this Endorsement.

g. Revision of the wordings under item no. 4.(iii) Nuclear Risks Exclusion Clause page 76

From:

- iii. In the case of any claim for the loss of or destruction of or damage to or loss of use of any aircraft caused y or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<u>Emitter</u> <u>(IAEA Health and Safety Regulations)</u>	<u>Maximum permissible level of non-fixed radioactive surface contamination</u> (Averaged over 300 cm ²)
Beta, gamma and low toxicity emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

To:

- iii. In the case of any claim for the loss of or destruction of or damage to or loss of use of any aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<u>Emitter</u> <u>(IAEA Health and Safety Regulations)</u>	<u>Maximum permissible level of non-</u> <u>fixed radioactive surface</u> <u>contamination</u> (Averaged over 300 cm ²)
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

h. Inclusion of Date Recognition Limited Coverage Clause

DATE RECOGNITION LIMITED COVERAGE CLAUSE

WHEREAS the Policy of which this Endorsement forms part includes the Date Recognition Exclusion Clause (Clause AVN 2000A), it is hereby understood and agreed that, subject to all terms and provisions of this Endorsement, Clause AVN 2000A shall not apply to any sums which the Insured shall become legally liable to pay, and (if so required by the Policy) shall pay (including costs awarded against the Insured) in respect of:

1. accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an aircraft accident occurring during the Policy period and arising out of a risk insured under the Policy; and/or
2. accidental bodily injury, fatal or otherwise, or loss of or damage to property caused by an accident, other than an aircraft accident, occurring during the Policy period and arising out of a risk insured under the Policy. For the avoidance of doubt, solely for the purposes of this paragraph 2 and without prejudice to the meaning of the words in any other context, "bodily injury" shall mean only physical corporeal injury and unless arising directly therefrom shall not include mental or psychological injury.

PROVIDED THAT:

1. Coverage provided pursuant to this Endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the Policy (except as specifically provided herein), and nothing in this Endorsement extends coverage beyond that which is provided by the Policy.

2. Nothing in this Endorsement shall provide any coverage:
 - (a) applying in excess of any scheduled underlying insurance and/or in respect of any non-aviation risks; and/or
 - (b) in respect of grounding of any aircraft; and/or
 - (c) in respect of loss of use of any property unless it arises out of physical damage to or destruction of property in the accident giving rise to a claim under the Policy.
3. The Insured agrees that it has an obligation to disclose in writing to the Insurers during the Policy period any material facts relating to the Date Recognition Conformity of the Insured's operations, equipment and products.

AVN 2002A 21.3.01

i. Inclusion of Sanctions and Embargo Clause

SANCTIONS AND EMBARGO CLAUSE

Notwithstanding anything to the contrary in the Policy the following shall apply:

1. If, by virtue of any law or regulation which is applicable to a Reinsurer at the inception of this Policy or becomes applicable at any time thereafter, providing coverage to the Reinsured is or would be unlawful because it breaches an embargo or sanction, that Reinsurer shall provide no coverage and have no liability whatsoever nor provide any defense to the Reinsured or make any payment of defense costs or provide any form of security on behalf of the Reinsured, to the extent that it would be in breach of such law or regulation.
2. In circumstances where it is lawful for a Reinsurer to provide coverage under the Policy, but the payment of a valid and otherwise collectable claim may breach an embargo or sanction, then the Reinsurer will take all reasonable measures to obtain the necessary authorization to make such payment.
3. In the event of any law or regulation becoming applicable during the Policy period which will restrict the ability of a Reinsurer to provide coverage as specified in paragraph 1, then both the Reinsured and the Reinsurer shall have the right to cancel its participation on this Policy in accordance with the laws and regulations applicable to the Policy provided that in respect of cancellation by the Reinsurer a minimum of 30 days notice in writing be given.

In the event of cancellation by either the Reinsured or the Reinsurer, the Reinsurer shall retain the pro rata proportion of the premium for the period that the Policy has been in force. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Reinsurer, and in the absence of a more specific provision in the Policy relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Reinsurer shall be effective even though the Reinsurer makes no payment or tender of return premium.

AVN 111(R) 28.4.11

III. The deadline for the submission and the opening of bids is hereby rescheduled as follows:

	Date	Time
Deadline for the Submission of Bids	10 November 2017	8:30 AM
Opening of Bids	10 November 2017	10:00 AM

For the information and guidance of all concerned.

(Sgd) VALERIE K. MARQUEZ
Chairperson
GSIS Insurance Bids and Awards Committee