



**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 2018 GSIS PROPERTY AND ENGINEERING COMBINED RISK AND CATASTROPHE EXCESS OF LOSS TREATY*

Bid Bulletin No. 2
November 16, 2017

This bid bulletin is issued to amend, modify and clarify items in the Bidding Documents of the “Reinsurance of the **2018 GSIS PROPERTY AND ENGINEERING COMBINED RISK AND CATASTROPHE EXCESS OF LOSS TREATY**”. This shall form an integral part of the Bidding Documents.

- I. The correct Title of this Project is: **“2018 GSIS PROPERTY AND ENGINEERING COMBINED RISK AND CATASTROPHE EXCESS OF LOSS TREATY”**.
- II. The correct Period of Cover is **01 January 2018 to 31 December 31, 2018**
- III. Under Section III. The Bid Data Sheet and Checklist of Requirements, the statement shall be as follows:

ITB Clause	<u>From:</u>	<u>To:</u>
5.4	<p>In view of the determination by the Procuring Entity that imposition of the provisions of Section 23.5.1.3 of the IRR of RA 9184 will likely result in the failure of bidding or monopoly that will defeat the purpose of public bidding, the Bidder should comply with the following requirements:</p> <p>The Bidder must have existing similar and/or expired insurance policy/ies or reinsurance binder/s issued within the last two (2) years prior to the deadline for the submission and receipt of bids.</p> <p>a) Completed at least two (2) similar insurance policy/ies or reinsurance binder/s, the aggregate amount of which should be equivalent to at least “fifty percent (50%)” of the ABC for this Project; and</p>	<p>In view of the determination by the Procuring Entity that imposition of the provisions of Section 23.5.1.3 of the IRR of RA 9184 will likely result in the failure of bidding or monopoly that will defeat the purpose of public bidding, the Bidder should comply with the following requirements:</p> <p>The Bidder must have existing similar and/or expired Treaty/ies issued within the last two (2) years prior to the deadline for the submission and receipt of bids.</p> <p>a) Completed at least two (2) similar Treaty/ies, the aggregate amount of which should be equivalent to at least “fifty percent (50%)” of the ABC for this Project; and</p>

	<p>b) The largest of these similar and/or expired insurance policy/ies or reinsurance binder/s must be equivalent to at least half of the percentage of the ABC as required above.</p>	<p>b) The largest of these similar and/or expired Treaties/ies must be equivalent to at least half of the percentage of the ABC as required above.</p>
12.1 (b)	Technical Documents	
	<p>3. The bidder shall submit a Bid Securing Declaration using the form prescribed in the Bidding Documents or any of the following form of Bid Security, in an amount not less than the required percentage of the ABC.</p> <p>a) Amount equivalent to 2% of the ABC, if bid security is in cash, cashier's/manager's check, or bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank;</p> <p><i>Bidders who opt to submit a bid security in the form of cash and/or cashier's/manager's check shall deposit the said bid security to the GSIS Cashier, in coordination with the GBAC Secretariat, prior to the submission of bids. The Official Receipt issued by the GSIS Cashier shall be submitted as part of the Eligibility and Technical Component.</i></p> <p>b) Amount equivalent to 5% of the ABC, if bid security is in Surety Bond. A valid certification from the Insurance Commission must be attached/submitted.</p>	<p>3. The bidder shall submit a Bid Securing Declaration using the form prescribed in the Bidding Documents or any of the following form of Bid Security, in an amount not less than the required percentage of the ABC.</p> <p>a) Amount equivalent to 2% of the ABC, if bid security is in cash, cashier's/manager's check, or bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank;</p> <p><i>Bidders who opt to submit a bid security in the form of cash and/or cashier's/manager's check shall deposit the said bid security to the GSIS Cashier, in coordination with the GBAC Secretariat, prior to the submission of bids. The Official Receipt issued by the GSIS Cashier shall be submitted as part of the Eligibility and Technical Component.</i></p> <p>b) Amount equivalent to 5% of the ABC, if bid security is in Surety Bond. A valid certification from the Insurance Commission must be attached/submitted.</p> <p>For Foreign bidders, the notarized bid securing declaration should be duly acknowledged or authenticated ('Consularized') by the Philippine Embassy.</p>
	<p>9. Omnibus Sworn Statement in accordance with Section 25.3 of the RIRR of RA 9184 and using the form prescribed in Section VII. Bidding Forms including the original Secretary's Certificate executed and notarized within the procurement year by the corporation or the members of the joint venture providing the authorization to the signatory of the Sworn Statement as provided in Item No. 2 of said Sworn Statement (form 9 provided).</p>	<p>9. Omnibus Sworn Statement in accordance with Section 25.3 of the RIRR of RA 9184 and using the form prescribed in Section VII. Bidding Forms including the original Secretary's Certificate executed and notarized within the procurement year by the corporation or the members of the joint venture providing the authorization to the signatory of the Sworn Statement as provided in Item No. 2 of said Sworn Statement (form 9 provided).</p>

	The Sworn Statement should be duly acknowledged or authenticated (<i>'Consularized'</i>) by the Philippine Embassy.	For foreign bidders, the Sworn Statement should be duly acknowledged or authenticated (<i>'Consularized'</i>) by the Philippine Embassy.
28.3 (b)		Bid modification is not allowed.

IV. Under the Section V. Special Conditions of Contract, the statement shall be as follows:

GCC Clause	<u>From:</u>	<u>To:</u>
1.1 (a)	"The Contract" means the Facultative Reinsurance Binder / Treaty Agreement / Contractual Details signed by the GSIS and the Reinsurer including all its attachments, appendices as well as all the Bid documents which are deemed incorporated therein.	"The Contract" means the <i>2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty</i> signed by the GSIS and the Reinsurer including all its attachments, appendices as well as all the Bid documents which are deemed incorporated therein.
1.1 (b)	"The Contract Price" means the reinsurance premium (net of Reinsurance Commission) to be paid by the GSIS to the Reinsurer under the Reinsurance Binder.	The Contract Price" means <i>the Minimum Deposit Premium (net of 2% Withholding Tax)</i> to be paid by the GSIS to the Reinsurer under the Treaty Contact.
1.1 (c)	Goods" means the reinsurance cover.	Goods" means the Treaty Contract.
6.1	The Goods and Related Services to be provided shall be specified in the Technical Specifications, in Section VI hereof.	The Goods and Related Services to be provided shall be specified in the Contractual Details, in Section VI hereof.
10.4	Full Payment of premium shall be made by the GSIS as stated in the Technical Specifications. Payment shall be made in the currency specified in the contract.	Full Payment of <i>Minimum Deposit Premium (net of 2% Withholding Tax)</i> shall be made by the GSIS as stated in the Terms and Conditions of the Treaty Program. Payment shall be made in the currency specified in the contract.

V. Under Section VII-Bidding Forms, the statement shall be as follows:

Form No.	<u>From:</u>	<u>To:</u>
<p>Form 6.1 –</p> <p>Sworn Statement for the Retention Per Layer</p>	<p>Xxxx</p> <p>(3) That the <i>[Name of Treaty]</i> evidenced by the submitted Treaty Slip as part of the eligibility documents for this bidding covers the risk indicated in Section VI. Contractual Details of the Bidding Documents for the <i>[Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency]</i></p> <p>Xxxx</p>	<p>Xxxx</p> <p>(3) That the <i>[Name of Treaty]</i> evidenced by the submitted Treaty Slip as part of the Post Qualification documents for this bidding covers the risk indicated in Section VI. Contractual Details of the Bidding Documents for the <i>[Name of Project ex. Procurement for the 2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty]</i></p> <p>Xxxx</p>
<p>Form 8</p> <p>Letter of Conformity</p>	<p>Xxxx</p> <p>This is to certify that _____ <u>[Name of Bidder]</u> located _____ at _____</p> <p>_____ conforms to the Technical Specifications as enumerated and specified in Section VI of the bidding documents and all Bid Bulletins issued, if any, for the <u><i>[Name of Project ex. Procurement for the Reinsurance of the Industrial All Risk cover of Government Agency]</i></u> and the acceptance of this reinsurance placement shall remain in conformity thereto for the duration of the reinsurance contract.</p> <p>Further, the reinsurance placement and acceptance of each of the reinsurers/ retrocessionaires for the <u><i>[Name of Project ex. Procurement for the 2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty]</i></u> are likewise in accordance with Section VI – Contractual Details of the bidding documents for the <u><i>[Name of Project ex. Procurement for the 2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty]</i></u> and shall remain in conformity thereto for the duration of the reinsurance contract.</p> <p>Xxxx</p>	<p>Xxxx</p> <p>This is to certify that _____ <u>[Name of Bidder]</u> located _____ at _____</p> <p>_____ conforms to the Contractual Details as enumerated and specified in Section VI of the bidding documents and all Bid Bulletins issued, if any, for the <u><i>[Name of Project ex. Procurement for the 2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty]</i></u> and the acceptance of this reinsurance placement shall remain in conformity thereto for the duration of the reinsurance contract.</p> <p>Further, the reinsurance placement and acceptance of each of the reinsurers/ retrocessionaires for the <u><i>[Name of Project ex. Procurement for the 2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty]</i></u> are likewise in accordance with Section VI – Contractual Details of the bidding documents for the <u><i>[Name of Project ex. Procurement for the 2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty]</i></u> and shall remain in conformity thereto for the duration of the reinsurance contract.</p> <p>Xxxx</p>

VI. Inclusion of Form 6.2

Form 6.2

CERTIFICATION

REPUBLIC OF THE PHILIPPINES)
CITY/MUNICIPALITY OF _____) S.S.

I, [Name of Affiant], of legal age, [Civil Status], [Nationality], and residing at [Address of Affiant], after having been duly sworn in accordance with law, do hereby depose and state that:

- (1) That I am the [position of the Affiant];
- (2) That I am the duly authorized and designated representative of [Name of Bidder] with office address at [address of Bidder], in its bid for the [Name of Project ex. Procurement for the 2018 GSIS Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty];
- (3) I hereby certify that the panel of reinsurers/retrocessionaires of [Name of Bidder]'s for the above project, are rated at least "A-" by the Standard & Poor's and/or AM Best;
- (4) The panel of reinsurers/retrocessionaires with their corresponding share per layer and the rate on line shall be submitted within fourteen (14) calendar days from receipt of the notice to submit the post qualification documents;
- (5) I execute this Affidavit in compliance with the bid requirements of the Government Service Insurance System and for whatever legal purpose it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of _____
at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN to before me this _____ (date) _____, at _____ (place) _____ affiant
having exhibited to me his _____ (valid government-issued ID)

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

VII. Bidders' Query

	QUERY	REPLY
1	<p>Under Section 23.5.1.3, the requirement is a “contract that is similar to the contract to be bid”. It is our position that a similar contract should be a Property and Engineering Combined Risk and Catastrophe Excess of Loss Treaty. In addition, it must have the following characteristics:</p> <ul style="list-style-type: none"> 6.1 It should be an inward treaty. Meaning, the bidder is the reinsurer and not a reinsured. 6.2 It should be a non-proportional treaty particularly an Excess of Loss Treaty. 6.3 The subject of the Excess of Loss Treaty must be a combined Property and Engineering Program. <p>Our position that the subject of the bid is an inward treaty is supported by the fact of item no. 1 of ITB Clause 12.1(B) of Technical Documents, wherein the bidder is required to disclose the reinsured.</p> <p>In view of the foregoing, we respectfully propose that the wordings should be as follows:</p> <ul style="list-style-type: none"> a. Statement of at least two (2) ongoing and/or completed similar inward teaty/ies, copy attached, issued within the last two years prior to the deadline for the submission and receipt of bids. b. The aggregate amount of these similar inward treaty/ies should be at least “fifty percent (50%)” of the ABC for this project; and c. The largest of these similar inward treaty/ies must be equivalent to at least half of the percentage of the ABC as required above. <p>The statement shall include, for each Treaty, the following:</p> <ul style="list-style-type: none"> a) Name of the Reinsured if not covered by a Non-Disclosure Agreement b) Period of cover of the Treaties c) Treaty Name d) Limit of Liability e) Premiums, including taxes f) Certified true copies of the Official Receipts as evidence of premium payment for the Treaties. 	<p>We will maintain the requirement as stated under ITB Clause 12.1 (b), Item no. 1:</p> <p>xxx</p> <p>“Statement of at least two (2) ongoing and/or completed Treaties, copy attached, issued within the last two years prior to the deadline for the submission and receipt of bids”.</p> <p>xxx</p>

2	<p>For your approval to amend the posted Letter of Conformity (Form 8):</p> <p>From: This is to certify that [Name of Bidder], located at _____ conforms to the Technical Specifications as enumerated and specified in Section VI</p> <p>To: This is to certify that [Name of Bidder], located at _____ conforms to the Contractual Details as enumerated and specified in Section VI'</p>	<p>We confirm to amend the Letter of Conformity (Form 8). Please refer to above reply under item no. V Section VII-Bidding Forms 8.</p>
3	<p>Reference to item no. 3 of the Sworn Statement for the Retention Per Layer (Form 6.1), bidder is required to submit a Treaty Slip as part of the Eligibility documents covering the risk indicated in Section VI Contractual Details. However, the said requirement is not included in ITB Clause 12.1(a) Eligibility Requirements.</p>	<p>Noted. We will revise Form 6.1, Sworn Statement for the Retention Per Layer. Please refer to above reply under item no. V Section VII-Bidding Forms 6.1.</p>
4	<p>Please clarify Item 9, page 49 of the Technical Document does not apply to the local insurance company bidder.</p> <p>"The Sworn statement should be duly acknowledge or authenticated (Consularized) by the Philippine Embassy".</p>	<p>We will revise the wordings of item 9 of the Technical Document. Please refer to above reply under item no. III Section III Bid Data Sheet, 12.1 (b) no. 9</p>
5	<p>Can we confirm that there is no update on the event loss of Yolanda and Glenda since last year?</p>	<p>Losses due to Yolanda and Glenda are paid but there are still claims which settlement are in process</p>
6	<p>Can you confirm there has not been any event losses (such as TC Lando, TC Lawin and others) which are close to PHP 200 mio?</p>	<p>Typhoon Glenda exceeds Php200M and Bohol Earthquake is at P168,283,957.00</p>
7	<p>Any preliminary loss estimate for TC Maring which triggered big rains in September?</p> <p>Any potential to reach PHP 200 mio?</p>	<p>PCSO-Phil. Gaming Mgt. Corp.(PGMC) Claim for typhoon Maring involving Lotto Machines, minimal loss - less than Php100K</p> <p>None.</p>
8	<p>Can we confirm that there are no single large losses that are more than PHP 100 mio?</p>	<p>PPA claim for Earthquake at Php110M, CAAP claim for Typhoon Yolanda at Php144M, PSALM claim for Typhoon Yolanda at P180M</p>
9	<p>We note that the GSIS has paid PHP 811,796,598.07 worth of claims for Typhoon Yolanda.</p> <p>Have all of the Typhoon Yolanda claims been settled?</p> <p>If not, how much is the loss reserve for the remaining outstanding claims?</p>	<p>There are claims still being processed</p> <p>Php533,154,297.26</p>

10	<p>We note from the pre-bid conference that only Typhoon Yolanda exceeded the deductible of this treaty. However, some reinsurers have highlighted to us that past bid docs indicated that the following events exceeded the deductible:</p> <p>10.1 Typhoon Milenyo (DOL: 28-Sept-06) 10.2 Typhoon Reming (DOL: 30-Oct-06) 10.3 Bohol Earthquake (DOL: 15-Oct-13) 10.4 Typhoon Glenda (DOL: 16-Jul-14)</p> <p>For good order, may we ask for the most recent total paid and outstanding losses for all of the above events?</p>	<p>Not available in current system Not available in current system Php168,283,957.09 Php256,505,233.09</p>
11	<p>May we also ask for the most recent total paid and outstanding losses for Typhoon Ondoy (DOL: 26-Sept-09)?</p>	<p>Total Paid Amount : Php75,434,054.42; Outstanding Loss Reserve: Php49,322,732.29</p>
12	<p>May we ask for the Top 10 Retained Fire Risk Losses per year from 2014-2017? (as of 30-Sept-17)</p>	<p>The data shall be available to prospective bidders who have purchased and will purchase the bidding documents.</p>
13	<p>May we ask for the Top 10 Retained Engineering Risk Losses per year from 2014-2017? (as of 30-Sept-17)</p>	<p>The data shall be available to prospective bidders who have purchased and will purchase the bidding documents.</p>
14	<p>LOSS INFORMATION</p>	
	<p>Updated loss incurred (split between paid and outstanding) for catastrophe losses, including 2016 and 2017 losses if any.</p>	
	<p>a. Typhoon Yolanda (2013)</p>	<p>130 Paid @Php898,865,166.95; 129 Outstanding @Php533,154,297.26</p>
	<p>b. Bohol EQ (2013)</p>	<p>15 Paid @Php168,283,957.09; 48 Outstanding @Php231,054,580.70</p>
	<p>c. Typhoon Glenda (2014)</p>	<p>180 paid @Php256,505,233.09; 128 Outstanding @Php116,726,778.38</p>
	<p>d. Typhoon Lando (2015)</p>	<p>27 paid @Php10,883,589.37; 10 Outstanding @Php18,408,969.36</p>
15	<p>List of large risk losses in excess of 75% of treaty deductible (ie Php150mn) for the past 10 years, please include date of loss and retained loss (before XL recovery)</p>	<p>The data shall be available to prospective bidders who have purchased and will purchase the bidding documents.</p>
16	<p>Kindly provide us the latest information and loss numbers (paid and outstanding) for the following CAT event losses:</p>	
	<p>1. Bohol EQ;</p>	<p>15 paid @Php168,283,957.09; 48 Outstanding @Php231,054,580.70</p>
	<p>2. Typhoon Yolanda;</p>	<p>130 paid @Php898,865,166.95; 129 Outstanding @Php533,154,297.26</p>
	<p>3. Typhoon Glenda – to follow.</p>	<p>180 paid @Php256,505,233.09; 128 Outstanding @Php116,726,778.38</p>
17	<p>GSIS Treaty statistics for the past five years.</p>	<p>The data shall be available to prospective bidders who have purchased and will purchase the bidding documents.</p>

18	<p>"NGCP-TSI decreased from Php132.73B to Php125.47B and the premium from Php228.95M to Php174.44M".</p> <p>Please advise us the difference in the decrease of declared of values against the bidding documents for NGCP as follows:</p> <table border="1" data-bbox="272 472 914 524"> <thead> <tr> <th>YEAR DECLARED VALUES :</th> <th>2017-2018</th> <th>2015-2016</th> <th>Inc/Dec</th> </tr> </thead> <tbody> <tr> <td>TOTAL IN USD</td> <td>2,616,083,751</td> <td>2,661,399,083</td> <td>-45,315,332</td> </tr> </tbody> </table> <p>As if currency rate @ Php50 130,804,187,536 133,069,954,158 -2,265,766,622</p>	YEAR DECLARED VALUES :	2017-2018	2015-2016	Inc/Dec	TOTAL IN USD	2,616,083,751	2,661,399,083	-45,315,332	<p>The difference in the declared values between the 2015-2016 and 2017-2018 is due to the "dollar denominator" used in computing the value in US Dollar.</p> <table border="1" data-bbox="948 360 1513 465"> <thead> <tr> <th>Year</th> <th>Value in Peso</th> <th>Dollar Denominator</th> <th>Value in US Dollar</th> </tr> </thead> <tbody> <tr> <td>2015-2016</td> <td>118,743,643,785.65</td> <td>44.617</td> <td>2,661,399,103.16</td> </tr> <tr> <td>2016-2017</td> <td>130,371,662,582.52</td> <td>49.813</td> <td>2,616,083,750.71</td> </tr> </tbody> </table>	Year	Value in Peso	Dollar Denominator	Value in US Dollar	2015-2016	118,743,643,785.65	44.617	2,661,399,103.16	2016-2017	130,371,662,582.52	49.813	2,616,083,750.71
YEAR DECLARED VALUES :	2017-2018	2015-2016	Inc/Dec																			
TOTAL IN USD	2,616,083,751	2,661,399,083	-45,315,332																			
Year	Value in Peso	Dollar Denominator	Value in US Dollar																			
2015-2016	118,743,643,785.65	44.617	2,661,399,103.16																			
2016-2017	130,371,662,582.52	49.813	2,616,083,750.71																			
19	<p>In using our outward Non Marine XOL Treaty, please confirm that we can use Proof of Payment or validated Telegraphic Transfer form, in lieu of the Official Receipt prescribed in the bid document.</p>	<p>Yes.</p>																				

VIII. Amendment of Bid Bulletin no. 1 under Bidders' Query item no. 6

	<u>From:</u>	<u>To:</u>
6	What kind of sample treaties do you require?	
	<p>6.1 Do they have to be Property and/or Engineering or can they be any line of business?</p> <p>Reply : No. It can be any line of business.</p>	<p>6.1 Do they have to be Property and/or Engineering or can they be any line of business?</p> <p>Reply : It should be Property and/or Engineering</p>

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

	Date	Time
Deadline for the Submission of Bids	24 November 2017	8:30 AM
Opening of Bids	24 November 2017	9:00 AM

For the information and guidance of all.

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