



**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. 3
November 22, 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. Bidders' Query

QUERY	REPLY														
<p>1. 2013 Catastrophe Loss Statistics and Typhoon Yolanda</p> <p>Page 7, item 9 states that the GSIS has paid PHP 811,796,598.07 worth of claims and the outstanding reserve is PHP 533,154,297.26. Thus, the total loss incurred (paid + outstanding) is:</p> <table data-bbox="193 1245 655 1339"> <tr> <td>Paid</td> <td>811,796,598.07</td> </tr> <tr> <td><u>Outstanding</u></td> <td><u>533,154,297.26</u></td> </tr> <tr> <td>Incurred (Total)</td> <td>1,344,950,895.33</td> </tr> </table> <p>However, page 8, item 14 states that the paid figure is PHP 898,865,166.95, thus giving us a higher loss incurred:</p> <table data-bbox="193 1503 655 1597"> <tr> <td>Paid</td> <td>898,865,166.95</td> </tr> <tr> <td><u>Outstanding</u></td> <td><u>533,154,297.26</u></td> </tr> <tr> <td>Incurred (Total)</td> <td>1,432,019,464.21</td> </tr> </table> <p>The difference is PHP 87 million, so it is material in computing the rate.</p> <p>Meantime, on page 8, item 17, Historical Treaty Statistics, the Catastrophe Loss for 2013 was PHP 2,393,871,762.29 and we note this was due to Typhoon Yolanda and the Bohol Earthquake.</p> <p>However, the totals from items 14 and 16 are much less:</p> <table data-bbox="193 2013 671 2040"> <tr> <td>Bohol EQ Paid</td> <td>168,283,957.09</td> </tr> </table>	Paid	811,796,598.07	<u>Outstanding</u>	<u>533,154,297.26</u>	Incurred (Total)	1,344,950,895.33	Paid	898,865,166.95	<u>Outstanding</u>	<u>533,154,297.26</u>	Incurred (Total)	1,432,019,464.21	Bohol EQ Paid	168,283,957.09	
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Bohol EQ Paid	168,283,957.09														

Bohol EQ O/S	231,054,580.70
Yolanda Paid	811,796,598.07
Yolanda O/S	<u>533,154,297.26</u>
Total Catastrophe Loss 2013	1,744,289,433.12

The difference is almost PHP 650 million, so it makes your loss ratio appear worse.

Thus, may we ask for clarification:

1.1 Please clarify the discrepancy in the paid and outstanding retained loss figures for Typhoon Yolanda.

1.2 Please clarify the catastrophe retained loss from ground up for the GSIS in 2013. If there was another loss aside from Typhoon Yolanda and the Bohol Earthquake, we kindly ask for the paid and outstanding retained loss figures for that loss as well.

Paid losses are net pays as of 30 September 2017.

Outstanding losses are From Ground Up, as of 30 September 2017.

Paid	898,865,166.95
Outstanding	<u>533,154,297.26</u>
Incurred (Total)	1,432,019,464.21

Paid losses for EQ and Yolanda are net pays as of 30 September 2017.

Outstanding losses are From Ground Up as of 30 September 2017.

Bohol EQ Paid	168,283,957.09
Bohol EQ O/S	231,054,580.70
Yolanda Paid	898,865,166.95
Yolanda O/S	<u>533,154,297.26</u>

Total Catastrophe Loss 2013	1,831,358,002.00
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2. Top 10 Retained Fire and Engineering Risk Losses

Page 8, items 12 and 13: The request was for the retained losses, but the files provided (copy attached) indicate the gross loss. Thus, we wish to reiterate our request:

2.1 Top 10 Retained Fire Risk Losses per year from 2014-2017 as of 30-Sept-17

2.2 Top 10 Retained Engineering Risk Losses per year from 2014-2017 as of 30-Sept-17

If the attached file already shows the top 10 retained losses, then please just add a column to show the GSIS' retained share of the loss beside the gross loss.

Updated data will be provided to prospective bidders who have purchased and will purchase the bidding documents.

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

	Date	Time
Deadline for the Submission of Bids	29 November 2017	8:30 AM
Opening of Bids	29 November 2017	9:00 AM

For the information and guidance of all.

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