

# TECHNICAL SPECIFICATIONS

## I. SCHEDULE

LINE	:	Fire Insurance									
INSURED	:	CITY GOVERNMENT OF MAKATI									
REINSURED	:	Government Service Insurance System									
COVERAGE	:	Fire and Lightning with Full Earthquake									
PERIOD OF INSURANCE	:	From: January 01, 2021 (00:00 Hour) To: December 31, 2021 (24:00 Hours)									
LOCATION	:	F. Zobel St. Poblacion Makati City									
INSURED PROPERTIES	:	Building – Eleven (11) Storey building with roof deck, one (1) level basement and five (5) floors parking area known as Makati City Hall Building II  Contents – Various Office Equipment, Furniture, Fixtures, Fittings & Equipment Only									
SUM INSURED	:	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Building</td> <td style="width: 5%;">Php</td> <td style="width: 65%;">2,280,089,780.94</td> </tr> <tr> <td>Contents</td> <td></td> <td style="text-align: right;"><u>144,605,320.43</u></td> </tr> <tr> <td>TOTAL</td> <td></td> <td>Php2,424,695,101.37</td> </tr> </table>	Building	Php	2,280,089,780.94	Contents		<u>144,605,320.43</u>	TOTAL		Php2,424,695,101.37
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TOTAL		Php2,424,695,101.37									
APPROVED BUDGET FOR THE CONTRACT	:	Php664,172.48 (32% of 100% Premium)									
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GSIS Retention	68%	Php1,411,366.53									
Reinsurer's Share	32%	Php 664,172.48									
DEDUCTION FROM PREMIUM	:	20% as Reinsurance Commission									
REINSURER SHARE HEREON	:	Php775,902,432.44 (32% of the Total Sum Insured)									
		<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 33%;">Total Sum Insured</td> <td style="width: 33%;">100%</td> <td style="width: 34%;">Php2,424,695,101.37</td> </tr> <tr> <td>GSIS Retention</td> <td>68%</td> <td>Php1,648,792,668.93</td> </tr> <tr> <td>Reinsurer's Share</td> <td>32%</td> <td>Php 775,902,432.44</td> </tr> </table>	Total Sum Insured	100%	Php2,424,695,101.37	GSIS Retention	68%	Php1,648,792,668.93	Reinsurer's Share	32%	Php 775,902,432.44
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Reinsurer's Share	32%	Php 775,902,432.44									

Notwithstanding the requirements set forth hereafter, the winning bidder shall observe the statutory requirement provided under Section 4 of Presidential Decree No. 1270 which states that all non-life and reinsurance companies doing business in the Philippines shall cede to the National Reinsurance Corporation of the Philippines at least ten percent (10%) of their outward reinsurance business placed with unauthorized foreign reinsurers.

REINSURANCE : Within One Hundred Twenty (120) days from the date of  
PREMIUM receipt of the reinsurance binder or the date of the inception  
PAYMENT TERM of the Policy whichever comes later.

REINSURER'S SHARE ON: Foreign Reinsurers and Retrocessionaires shall pay its  
CLAIM PAYMENTS share on the loss within sixty (60) days upon receipt of the  
Cash Call issued by the Claims Department with supporting  
documents. Domestic Reinsurers and Retrocessionaires  
shall pay within fifteen (15) days.

The following are the supporting documents:

- a) Preliminary Loss Advice and Final Loss Advice
- b) Signed Sworn Statement in Proof of Loss
- c) Signed Loss and Subrogation Receipt
- d) Adjuster's Final/Closing Report (with circumstances of loss)
- e) Adjuster's Bill/Service Invoice
- f) Adjuster's Official Receipt
- g) Disbursement Voucher for Loss
- h) Disbursement Voucher for Expense

### **CLAIMS COOPERATION CLAUSE**

Notwithstanding anything to the contrary contained in this Reinsurance, it is a condition precedent to all liability under this Policy that:

- (a) The Reinsured shall give to the Reinsurer written notice of any claim made against the Reinsured which is indemnifiable hereunder or, upon the Reinsured becoming aware, of any circumstance officially notified to the Reinsured which could give rise to such a claim within a reasonable period of time.
- (b) The Reinsured shall furnish the Reinsurer with all information known to the Reinsured in respect of claims or circumstances notified in accordance with (a) above and shall thereafter keep the Reinsurer fully informed as regards all developments relating thereto within a reasonable period of time.

## II. OTHER REQUIREMENTS

A. Certified true copy/ies of the following:

1. Certificate of Authority issued by the Insurance Commission, if the bidder is an insurer/reinsurer.
2. Brokers Insurance License issued by the Insurance Commission, if the bidder is a Broker.
3. Certificate of Authority/ Brokers Insurance License issued by the country of origin, for a foreign bidder; and a documentation issued by the Insurance Commission on the registration of the resident agent of the foreign bidder.
4. A.M. Best Credit Rating Requirement and Alternatives

**Option 1** – Current credit rating of at least B+ issued by the A.M. Best;

**Option 2** – In lieu of the A.M. Best certificate, submit the following additional requirements:

- 2.1 Audited Financial Statements for the last three (3) years showing profitability.
- 2.2 Certification from the GSIS that the bidder has no claims dispute with GSIS that the bidder refuses to pay. Refer to the attached Template Certification.

B. The bidder must disclose its retention and its list of securities/panel of reinsurers. The bidder must submit the following:

1. For Insurance & Reinsurance Companies:

1.a If the terms and conditions are allowed under the bidder's reinsurance treaty

*1.a.1. Sworn statement indicating the amount and percentage retention out of the total sum insured, and that the retained amount is within the gross retention of the Treaty. [Refer to the prescribed form (Form 1.a.1) provided in the Request for Quotation.]*

Submit the copy of Treaty Slip (i.e., Property, Engineering, Casualty, Marine, Aviation, etc. relevant to the procurement showing maximum retention and the panel of reinsurers and their respective share including full contractual wordings) as part of the bidder's post-qualification documents.

- 1.a.2. In case of facultative reinsurance for the portion in excess of its treaty facility, the bidder must a Sworn Statement indicating the final list of securities/panel of reinsurers and the specific share (percentage and amount) per line/type for each reinsurer. *[Refer to the prescribed form (Form 1.a.2) provided in the Request for Quotation.]*

Foreign securities/panel of reinsurers should be rated at least “A” by the A.M. Best or Standard and Poor’s (S&P). The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent. For Domestic securities/panel of reinsurers AM Best rating of B+ is required.

1.b If the terms and conditions are not allowed under the bidder’s reinsurance treaty agreement

- 1.b.1. Sworn statement indicating the amount and percentage retention out of the total sum insured, provided the amount retained by the bidder should not be more than twenty percent (20%) of the bidder’s net worth which should also be stated. *(Refer to the prescribed form (Form 1.b.1) provided in the Request for Quotation.)*

- 1.b.2 In case of facultative reinsurance for the portion in excess of its net retention, the bidder must submit a Sworn Statement indicating the final list of securities/panel of reinsurers and the specific share (percentage and amount) per line/type for each reinsurer. *[Refer to the prescribed form (Form 1.b.2) provided in the Request for Quotation.]*

Foreign securities/panel of reinsurers should be rated at least “A” by the A.M. Best or Standard and Poor’s (S&P). The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines through their appointed resident agent. For Domestic securities/panel of reinsurers AM Best rating of B+ is required.

2. Reinsurance Brokers

Sworn Statement indicating the final list of securities/panel of reinsurers and the specific share (percentage and amount) per line/type for each reinsurer.

Foreign securities/panel of reinsurers should be rated at least “A” by the A.M. Best or Standard and Poor’s (S&P). The foreign securities/panel of reinsurers must be duly authorized to transact reinsurance business in the Philippines

through their appointed resident agent. For Domestic securities/panel of reinsurers AM Best rating of B+ is required.

- C. Single Errors and Omission Policy for P1M enforceable in the Philippines
- D. Certification from the Insurance Commission that it has a reputable claims settlement record with the Claims Adjudication Division within the last six (6) months prior to bid opening, if the insurance/reinsurance company is a domestic corporation.
- E. Sworn Statement that it will furnish GSIS certified true copies of the Underwriters Acceptance Slip/Cover Notes of all participating reinsurers included in the submitted written lines within five (5) days from receipt of the notice of award. (*Refer to the prescribed form provided in the Request for Quotation*).

## PROPOSED POLICY WORDINGS

LINE	:	Fire Insurance						
INSURED	:	<b>CITY GOVERNMENT OF MAKATI</b>						
REINSURED	:	Government Service Insurance System						
COVERAGE	:	Fire Lightning and Full Earthquake						
PERIOD OF INSURANCE	:	From: January 01, 2021 (00:00 Hour) To: December 31, 2021 (24:00 Hours)						
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PREMIUM	:	As Awarded						
DEDUCTIBLES	:	The Insured shall bear the first amount of loss:  Fire & Lightning– NIL  Full Earthquake - 2% of the actual cash value of the property affected at the time of loss for each claim or series of claims arising out of one occurrence.						
WARRANTIES, CLAUSES AND ENDORSEMENT	:	GSIS Standard Fire Policy Terms and Conditions Full Earthquake Endorsement Accidental Bursting and/or Overflowing of Water Tanks, Apparatus and Pipes Endorsement Automatic Increase Clause (20% of Sum Insured per item, 90-day notice subject to additional premium) Capital Addition Clause – 20%, within 90 days Expediting Expense Clause – Php1,000,000.00 per occurrence Fire Extinguishing Appliances Warranty						

Fire Fighting Expense Clause – Limit: Php1,000,000.00  
Professional Fee – Php1,000,000.00 annual aggregate  
Property Damage Clarification Clause  
Removal of Debris – Php1,000,000.00 any one loss  
occurrence  
Temporary Removal Clause – Php1,000,000.00 per  
location  
Premium Payment Warranty  
Provision on GSIS Applicable Taxes and Documentary  
Stamp Tax  
Provision on Non-Issuance of Provisional Receipt  
Mortgagee Clause  
Claims Cooperation Clause  
Provision for Filing Notice of Loss  
Provision on the Submission of Supporting Documents for  
Non-Motor Vehicle Claims  
Special Extension Clause

## **STANDARD FIRE INSURANCE POLICY**

**THIS POLICY OF INSURANCE WITNESSETH, THAT** only after payment to the Insurer in accordance with Policy Condition No. 2 of the total premiums by the Insured as stipulated above for the period aforementioned for insuring against Loss or Damage by Fire or Lightning as herein appears, the Property herein described, and contained, or described herein, and not elsewhere, in the sum or several sums opposite thereto.

**THE INSURER HEREBY AGREES** with the Insured (subject to the terms and conditions, endorsed or otherwise expressed hereon, which are to be taken as part of the Policy), that if the Property above described or any part thereof, shall be destroyed or damaged by Fire or Lightning, after payment of the premium by the Insured to the Insurer, during the term of this Policy as indicated above or before the last day of any subsequent period in respect of which the Insured or a successor in interest to whom the insurance is, by an endorsement hereon declared to be or is otherwise continued, shall pay to the Insurer and the Insurer shall accept the sum required for the renewal of this Policy. The Insurer will pay or make good all such Loss or Damage to an amount not exceeding, during any one period of insurance in respect of the several matters above specified, the sums set opposite thereto, respectively, and not exceeding in the whole the total of the aforementioned sums Insured in Philippine currency.

### **POLICY CONDITIONS**

1. If there be any material misdescription of any of the property hereby insured or of any building or place in which such property is contained or any misrepresentation as to any fact material to be known for estimating the risk or any omission to state such fact, the Insurer shall not be liable upon this Policy so far as it relates to property affected by any such misdescription, misrepresentation or omission.
2. This Policy including any renewal thereof and/or any endorsement thereon is not in force until the premium has been fully paid to and duly received by the Insurer in the manner provided herein.

Any supplementary agreement seeking to amend this condition prepared by agent or broker shall be deemed invalid and of no effect.

No payment in respect of any premium shall be deemed to be payment to the Insurer unless a printed form of receipt for the same signed by an official of the Insurer shall have been given to the Insured, except when such printed receipt is not available at the time of payment and the Insurer or its representative accepts the premium in which case a temporary receipt other than the printed form may be issued in lieu thereof.



Except only in those specific cases where corresponding rules and regulations which now are or may hereafter be in force provide for the payment of the stipulated premiums, in periodic installments at fixed percentages, it is hereby declared, agreed and warranted that this Policy shall be deemed effective and valid and binding upon the Insurer only when the premiums therefor have actually been paid in full and duly acknowledged in a receipt signed by any authorized official of the Insurer in such manner as provided herein.

3. The Insured shall give notice to the Insurer of any insurance or insurances already effected or which may subsequently be effected, covering any of the property or properties consisting of stocks in trade, goods in process and/or inventories only hereby insured and unless such notice be given and the particulars of such insurance or insurances be stated herein or endorsed on this Policy pursuant to Section 50 of the Insurance Code, by or on behalf of the Insurer before the occurrence of any loss or damage, all benefits under this Policy shall be deemed forfeited, provided however, that this condition shall not apply when the total insurance or insurances in force at the time of loss or damage is not more than Php200,000.00.
4. All insurance under this Policy:
  - (1) on any building or part of any building,
  - (2) on any property contained in any building,
  - (3) on rent or other subject matter of insurance in respect of, or in connection with, any building or any property contained in any building, shall cease immediately upon any fall or displacement
    - (a) of such building or any part thereof.
    - (b) of the whole or any part of any range of buildings or of any structure of which such building form part.

**PROVIDED**, that such fall or displacement is of the whole or a substantial or important part of such building or impairs the usefulness of such building or any part thereof or leaves such building or any part thereof or any property contained therein subject to increased risk of fire or its otherwise material.

**AND PROVIDED**, that such fall or displacement is not caused by fire, loss or damage by which is covered by this Policy or would be covered if such building, range of buildings or structure were insured under this Policy.

In any action, suit or other proceeding, the burden of proving that any fall or displacement is caused by fire as aforesaid shall be upon the Insured.

5. This insurance does not cover:

- (a) Loss by theft during or after the occurrence of a fire, unless such excepted loss be the direct and necessary result of, or ultimately due and traceable to, efforts to rescue the insured property from the perils insured against which would otherwise have caused a loss,
  - (b) Loss or damage to property occasioned by its own fermentation, natural heating or spontaneous combustion except as may be provided in accordance with condition 8 (f) or by its undergoing any heating or drying process,
  - (c) Loss or damage occasioned by or through or in consequence of
    - (1) The burning of property by order of any public authority, or
    - (2) Subterranean Fire.
6. This insurance does not cover any loss or damage occasioned by, or through or in consequence, directly or indirectly, of any of the following occurrences, namely:
- (a) Earthquake, volcanic eruption or other convulsion of nature,
  - (b) Typhoon, hurricane, tornado, cyclone, or other atmospheric disturbance,
  - (c) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war,
  - (d) Mutiny, riot, military or popular rising, insurrection, rebellion, revolution, military or usurped power.

Any loss or damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly of any of the said occurrences shall be deemed to be loss or damage which is not covered by this insurance, except to the extent that the Insured shall prove that such loss or damage happened independently of the existence of such abnormal conditions.

In any action, suit or other proceeding where the Insurer alleges that by reason of the provisions of this condition, any loss or damage is not covered by this insurance, the burden of proving that such loss or damage is covered shall be upon the Insured.

7. This insurance does not cover:
- (a) Loss or destruction of, or damage to, any property whatsoever or any loss or expenses whatsoever resulting or arising therefrom or any consequential loss;
  - (b) Any legal liability of whatsoever nature, directly or indirectly caused by or contributed by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exclusion, only combustion shall include any self-sustaining process of nuclear fission.

The indemnity provided by this Policy shall not apply to, nor include any loss, destruction, damage or legal liability, directly or indirectly caused by, or contributed to, or arising from, nuclear weapons material.

8. Unless otherwise expressly stated in the Policy, this insurance does not cover:
- (a) Goods held in trust or in commission;
  - (b) Bullion or unset precious stones;
  - (c) Any curiosity or work of art for an amount exceeding Php200.00;
  - (d) Manuscripts, plans, drawings or designs, patterns, models or moulds;
  - (e) Securities, obligation or documents of any kind, stamps, coined or paper money, cheques, book of account or other business books, computer system records;
  - (f) Coal, against loss or damage occasioned by its own spontaneous combustion;
  - (g) Explosives;
  - (h) Any loss or damage occasioned by or through or in consequence of explosion, but loss or damage by explosion of gas used for illuminating or domestic purposes in a building in which gas is not generated and which does not form part of any gas works, will be deemed to be loss by fire within the meaning of the Policy;
  - (i) Any loss or damage occasioned by or through or in consequence of the burning, whether accidental or otherwise, of forests, bush, prairie, pampas or jungle and the clearing of lands by fire;
  - (j) Loss or damage to any electrical machine or apparatus or to any portion of an electrical installation arising from or occasioned by over-running, excessive pressure, short-circuiting, arcing, self-heating or leakage of electricity from whatever cause (lightning included), unless fire ensues therefrom and liability shall be limited to actual damage by the ensuing fire.
9. Under any of the following circumstances, the insurance ceases to attach as regards the property affected unless the Insured, before the occurrence of any loss or damage, obtains the sanction of the Insurer signified by endorsement upon the Policy, by or on behalf of the Insurer:
- (a) If the trade or manufacture carried on be altered or if the nature of the occupation of or other circumstances affecting the building insured or containing the insured property be changed in such a way to increase the risk of loss or damage by fire;
  - (b) If the building insured or containing the insured property becomes unoccupied and so remain for a period of more than 30 days;
  - (c) If property insured be removed to any building or place other than that which is herein stated to be insured;
  - (d) If the interest in the property insured pass from the Insured, otherwise than by will or operation of law.

10. This insurance does not cover any loss or damage to property which, at the time of the happening of such loss or damage, is insured by or would be, but for the existence of this Policy, be insured by any Marine Policy or Policies except in respect of any excess beyond the amount which would have been payable under the Marine Policy or Policies had this insurance not been effected.
11. This Policy shall not be cancelled by or on behalf of the Insurer except in accordance with and pursuant to the provisions of Sections 64 and 65 of the Insurance Code. In the event of such cancellation, the Insurer shall refund the paid premiums less the earned portion thereof to the Insured, likewise, this Policy may be cancelled on the short rate basis set forth in the short rate cancellation table at the request of the Insured.
12. If this Policy is issued for a period of less than one year or if this Policy is surrendered by the Insured for cancellation, premium shall be charged or retained in accordance with the following scale of percentages of the annual rate:
- |                |   |     |                |   |                 |
|----------------|---|-----|----------------|---|-----------------|
| 5 days or less | - | 6%  | Up to 4 months | - | 50%             |
| Up to 10 days  | - | 10% | Up to 5 months | - | 60%             |
| Up to 15 days  | - | 13% | Up to 6 months | - | 70%             |
| Up to 20 days  | - | 17% | Up to 7 months | - | 75%             |
| Up to 1 month  | - | 20% | Up to 8 months | - | 80%             |
| Up to 2 months | - | 30% | Up to 9 months | - | 85%             |
| Up to 3 months | - | 40% | Over 9 months  | - | The annual rate |
13. The Insured shall give immediate written notice to the Insurer of any loss, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and the amount of loss claimed; AND WITHIN SIXTY (60) DAYS AFTER THE LOSS, UNLESS SUCH TIME IS EXTENDED IN WRITING BY THE INSURER, THE INSURED SHALL RENDER TO THE INSURER A PROOF OF LOSS, signed and sworn to by the Insured stating the knowledge and belief of the Insured as to the following: the time and the origin of the loss, the interest of the Insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this Policy, by whom and for what purpose any buildings herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Insurer all that remains of any property herein described and submit to examination under oath by any person named by the Insurer and subscribed the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices

and other vouchers or certified copies thereof if the original be lost, at such reasonable time and place as maybe designated by the Insurer or its representative and shall permit extracts and copies thereof to be made.

No claim under this Policy shall be payable unless the terms of this condition have been complied with.

14. On the happening of any loss or damage to any of the property insured by this Policy, the Insurer may:
  - (a) enter and take and keep possession of the building or premises where the loss or damage has happened;
  - (b) take possession of, or required to be delivered to it, any property of the Insured in the building or on the premises at the time of the loss or damage;
  - (c) keep possession of any such property and examine, sort, arrange, remove, or otherwise deal with the same;
  - (d) sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this Condition shall be exercisable by the Insurer at any time, until notice in writing is given by the Insured that he makes no claim under the Policy or if any claim is made, until such claim is finally determined or withdrawn and the Insurer shall not, by any act done in the exercise or purported exercise of its power hereunder, incur any liability to the Insured or diminish its right to rely upon any of the conditions of this Policy in an answer to any claim.

If the Insured or any person acting on its behalf shall not comply with the requirements of the Insurer or shall hinder or obstruct the Insurer in the exercise of its powers hereunder, all benefit under this Policy shall be forfeited.

The Insured shall not in any case be entitled to abandon any property to the Insurer whether taken possession of by the Insurer or not.

15. If the Claim be in any respect fraudulent or if any false declaration be made or used in support thereof or if any fraudulent means or devices are used by the Insured or anyone acting on its behalf to obtain benefit under this Policy or if the loss or damage be occasioned by the willful act or with the connivance of the Insured, all benefits under this Policy shall be forfeited.
16. The Insurer may at its option reinstate or replace the property damaged or destroyed or any part thereof, instead of paying the amount of the loss or damage or may join with any other Insurer or Insurers in so doing, but the Insurer shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner and in no case shall the Insurer be bound to expend more in reinstatement than it

would have cost to reinstate such property as it was at the time of the occurrence of such loss or damage, not more than the sum insured by the Insurer thereon.

If the Insurer so elects to reinstate or replace any property, the Insured shall at its own expense, furnish the Insurer with such plans, specifications, measurements, quantities and such other particulars as the Insurer may require and no acts done or caused to be done by the Insurer with a view to reinstatement or replacement shall be deemed an election by the Insurer to reinstate or replace.

If in any case the Insurer shall be unable to reinstate or repair the property hereby insured because of any municipal or other regulations in force affecting the alignment of streets or the construction of buildings or otherwise, the Insurer shall, in every such case, only be liable to pay such sum as would be requisite to reinstate or repair such property if the same could lawfully be reinstated to its former condition.

17. The Insured shall at the expense of the Insurer do and concur in doing and permit to be done, all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated, upon its paying for making good any loss or damage under this Policy, whether such acts and things shall be or become necessary or required before or after its indemnification by the Insurer.
18. Subject to and in accordance with pertinent provisions of Condition No. 3, whenever applicable, if at the time of any loss or damage happening to any property hereby insured, there be any other subsisting insurance or insurances, whether effected by the Insured or by any other person or persons covering the same property, the Insurer shall not be liable to pay or contribute more than its ratable proportion of such loss or damage in which case the Insurer shall make a ratable return to the Insured of the premium pursuant to the provisions of Section 83 of the Insurance Code.
19. This is an open Policy as defined in Section 60 of the Insurance Code. In the event of loss whether total or partial, it is understood that the amount of the loss shall be subject to appraisal and the liability of the Insurer, if established, shall be limited to the actual loss, subject to the applicable terms, conditions, warranties and clauses of this Policy and in no case shall exceed the amount of the Policy.
20. If the property hereby insured shall, at the breaking out of any fire, be collectively of greater value than the sum insured thereon, then the Insured shall be considered as being its own insurer for the difference and shall bear a ratable proportion of the loss accordingly. Every item, if more than one, of the Policy shall be separately subject to this condition.

21. The following provision of Section 6 of the Arson Law shall form an integral part of this Policy: **PRIMA FACIE EVIDENCE OF ARSON** - Any of the following circumstances shall continue prima facie evidence of arson:
- a. If the fire started simultaneously in more than one part of the building or establishment;
  - b. If the substantial amount of flammable substances or materials are stored within the building not necessary in the business of the offender or for household use;
  - c. If gasoline, kerosene, petroleum or other flammable or combustible substances or materials soaked therewith, containers thereof or any mechanical, electrical, chemical or electronic contrivance designed to start a fire or ashes or traces of any of the foregoing are found in the ruins or premises of the burned building or property;
  - d. If the building or the property is insured for substantially more than its actual value at the time of issuance of the Policy;
  - e. If during the lifetime of the corresponding fire insurance policy, more than two fires have occurred in the same or other premises owned or under the control of the offender and/or Insured;
  - f. If shortly before the fire, a substantial portion of the effects insured and stored in a building or property had been withdrawn from the premises except in the ordinary course of business;
  - g. If a demand for money or other valuable consideration was made before the fire in exchange for the desistance of the offender or for the safety of the person or property of the victim.
22. All differences as to the amount of any loss or damage covered by this Policy shall be referred to the decision of an arbitrator to be appointed by the parties in difference or if they cannot agree upon a single arbitrator to the decision of two arbitrators, one to be appointed in writing by each of the parties within thirty (30) days after having been required in writing to do so by either of the parties or in case of disagreement between the arbitrators to the decision of an umpire to be appointed in writing by the arbitrators before entering on the reference and an award by the arbitrator or arbitrators or umpire shall be a condition precedent to any right of action against the Insurer, only in cases of differences as to the amount of liability arising out of this Policy.
23. The provision of Article 1250 of the Civil Code of the Philippines (Republic Act No. 386) which reads: “in case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of the establishment of

the obligation shall be the basis of payment...” shall not apply in determining the extent of liability under the provisions of this Policy.

24. The amount of insurance shall be reduced automatically by the amount of claim paid under this Policy.
25. Every notice and other communication to the Insurer required by these Conditions must be written or printed.
26. Renewal Clause - Unless the Insurer at least forty-five (45) days in advance of the end of the policy period mails or delivers to the Insured at the address shown in the Policy notice of its intention not to renew the Policy or to condition its renewal upon reduction of limits or elimination of coverage, the Insured shall be entitled to renew the Policy upon payment of the premium due on the effective date of renewal.
27. Action or Suit clause - If a claim be made and rejected and an action or suit be not commenced either in the Insurance Commission or any court of competent jurisdiction within twelve (12) months from receipt of notice of such rejection or in case of arbitration taking place as provided herein, within twelve (12) months after due notice of the award made by the arbitrator or arbitrators or umpire, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
28. Changes in Policy Clause - None of the provisions, conditions and terms of this Policy shall be waived or altered except by endorsement signed or initialed by an authorized official of the Insurer and issued whenever applicable in accordance with the provisions of Section 50 of the Insurance Code.
29. Settlement of Claims clause - The amount of any loss or damage for which the Insurer may be liable under this Policy, shall be paid within thirty (30) days after proof of loss is received by the Insurer and ascertainment of the loss or damage is made either by agreement between the Insured and the Insurer or by arbitration, but if such ascertainment is not made within sixty (60) days after such receipt by the Insurer of the proof of loss, then the loss or damage shall be paid within ninety (90) days after such receipt. Refusal or failure to pay the loss or damage within the time prescribed herein will entitle the Insured to collect interest on the proceeds of the Policy for the duration of the delay at the rate of twice the ceiling prescribed by the Monetary Board, unless such failure or refusal to pay is based on the grounds that the claim is fraudulent.

#### NOTICE

CONFISCATION OF OBJECT OF ARSON – The building which is the object of arson including the land on which it is situated shall be confiscated and escheated to the State, unless



the owner thereof can prove that he has no participation in nor knowledge of such arson despite the exercise of due diligence on his part.

N.B. for your own protection, you are requested to read this Policy in full, including its condition and if it is not in accordance with your intentions, please return it immediately for correction.

### **FULL EARTHQUAKE COVERAGE**

In consideration of the payment by the Insured to the Insurer of an additional premium, the Insurer agrees notwithstanding what is stated in the printed conditions of this Policy to the contrary, that this insurance covers loss or damage (including loss or damage by fire) to any of the property insured by this Policy occasioned by, or through or in consequence of, Earthquake.

Provided always that all the conditions of this Policy shall apply (except in so far as they may be hereby expressly varied) and that any reference therein to loss or damage by fire should be deemed to apply also to loss or damage occasioned by, or through or in consequence of, Earthquake.

1. Consequential Loss

No consequential loss or damage of any kind or description nor any loss or damage caused by confiscation or willful destruction by the Government or any Municipal or Local Authority is covered.

2. Excess Clause

IT IS UNDERSTOOD AND AGREED THAT the Insured shall bear that portion of the loss or damage caused by earthquake to each affected item of insured property equivalent to 2% of its actual cash value at the time of loss, for each claim or series of claims arising out of one occurrence. For the purpose of this clause, the following shall be considered as separate items of insured property, regardless of what is indicated in the Policy Schedule:

1. Each building, including machinery, equipment and fixtures normal to its operation;
2. All machinery and equipment contained in each building;
3. All stocks in trade (raw materials, work-in-process, supplies and finished goods), contained in each building;
4. All other contents contained in each building.

All losses caused by earthquake or series of earthquake (whether continuous or sporadic and whether or not due to the same seismic conditions) during each period of 48 consecutive hours commencing from the first tremor, shall be considered as arising out of one occurrence.

In case of other insurance on the same item of property, this clause shall apply only once regardless of the number of policies or Insurers.

It is further understood and agreed that in the computation of the claims payable, Condition No. 20 (Average Clause) of this Policy shall apply after the application of the deductible provided herein.

Provided always that all conditions of the Policy shall apply except as they may be hereby expressly varied.

IT IS FURTHER UNDERSTOOD AND AGREED THAT notwithstanding what is stated in Condition Nos. 11 and 12 of this Policy to the contrary, if this Policy is issued for a period of less than one year or if this Policy is surrendered by the Insured for cancellation, premium shall be charged or retained in accordance with the following scale of percentages of the annual rate:

From inception up to 3 months .....	50%
In excess of 3 months up to six months.....	75%
After six (6) months.....	100%

**ACCIDENTAL BURSTING AND/OR OVERFLOWING OF WATER TANKS, APPARATUS AND PIPES ENDORSEMENT**

It is hereby declared and agreed that this Policy covers direct loss or damage occasioned by accidental bursting and/or overflowing of water or steam from plumbing system, tanks, heating system, elevated tanks and cylinders, refrigerating and air-conditioning systems, excluding loss or damage to the system, tanks, or cylinders themselves unless provided for elsewhere in the Policy. Cover shall extend to direct loss or damage caused by breakage from the street water supply mains or fire hydrants.

**AUTOMATIC INCREASE CLAUSE**

It is hereby declared and agreed that this Policy extends to cover any increase in amount representing increase in value up to but not exceeding 20% of the existing limits for each item and to include new and unreported locations. It being understood that the Insured undertakes to declare such additional amounts within ninety (90) days and to pay the pro-rata additional premium therefor, following the declaration of such additional amounts, the provisions of this clause shall be fully reinstated.

**CAPITAL ADDITION CLAUSE**

The insurance by this Policy shall, subject to its terms and conditions, extend to cover:

- a. Any newly acquired buildings, machinery and plant insofar as the same are not otherwise insured; and,
- b. Alterations, additions and improvements to buildings, machinery and plant during the current period of insurance at any of the premises hereby insured, provided that:
  1. at any one location, this cover shall not exceed an annual aggregate of 20% of the sum insured on such property or whichever is lower.
  2. the Insured undertake to give particulars of any such capital additions forthwith and pay such additional premiums within ninety (90) days as the Insurer may require.

**EXPEDITING EXPENSE CLAUSE  
(Limit: Php1,000,000.00 per occurrence)**

The insurance afforded under this Policy is extended to include express delivery, air freight, overtime or holiday work incurred in connection with repairs or replacement of the insured property consequent upon its loss, destruction or damage by an insured peril subjected to the prior approval of all such expenditures by the Insurers.

**FIRE EXTINGUISHING APPLIANCES WARRANTY**

Warranted that during the currency of this Policy, portable fire extinguishing appliances shall be maintained in efficient working order on the premises to which this insurance applies. There shall be capable personnel and/or security guard on duty who must be capable of operating available Fire Fighting Appliances.

**FIRE FIGHTING EXPENSE CLAUSE  
(Limit: Php1,000,000.00 per occurrence)**

Insurer agrees to pay for the fire-fighting expenses necessarily and reasonably incurred by the Insured to prevent or to minimize the extent of any insured destruction of or damage to the insured property including the cost of materials expended but excluding salaries, wages and similar disbursements to own personals or personnel on contract or secondment to the Insured and only to the extent that such expenses are not recoverable from a public authority or any other party.

The cover provided by this extension is limited to Php1,000,000.00 and it is agreed and understood that any payment under this extension shall not increase Insurer's total liability under the Policy.

**PROFESSIONAL FEE CLAUSE**  
**(Limit: Php1,000,000.00 annual aggregate)**

The Policy covers architects, supervisors and consulting engineers fees up to 10% of the value of the damaged property necessarily incurred in the reinstatement of the property specified, consequent upon its damage or destruction by fire or any peril hereby insured against, but not the amount payable for such fees shall not exceed those authorized under the scale or professional charges of the respective local representative organization.

**PROPERTY DAMAGE CLARIFICATION CLAUSE**

Clarification Agreement

Property damage covered under this agreement shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular, any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently, the following are excluded from this agreement:

- a. Loss or damage to data or software, in particular, any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss or damage to data or software which is the direct consequences of insured's physical damage to the substance of property shall be covered.
- b. Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs and any business interruption losses resulting from such loss or damage.

**REMOVAL OF DEBRIS**  
**(Limit: Php1,000,000.00 any one loss occurrence)**

The Policy covers the cost of removal of debris up to Php1,000,000.00 only any one loss occurrence following damage or destruction by fire or any other peril hereby insured against including legal liability for the cost or removal of such debris from adjoining premises, roadways or waterways. The indemnity afforded by this premises shall not apply to or include liability assumed by the Insured from any agreement entered into after the commencement date of the

insurance of this item unless such liability would have attached to the Insured in the absence of such agreement.

**TEMPORARY REMOVAL**  
**(Limit: Php1,000,000.00 not to exceed thirty days)**

Subject to the following provisions, the property insured by this Policy (including stocks if insured hereby) is covered whilst temporarily removed for cleaning, renovation, repair or other similar purposes elsewhere on the same or to any other premises within the Philippines and in transit thereto and therefrom by road or rail.

The amount recoverable under this extension in respect of each item of the Policy shall not exceed the amount indicated on the schedule nor the amount which would have been recoverable had the destruction or damage occurred in that part of the premises from which the property is temporarily removed.

The extension does not apply to property if and so far as it is otherwise insured, nor property held by the Insured in trust, other than machinery and plant.

**PREMIUM PAYMENT WARRANTY**

The total amount reflected in the bill is due and payable within sixty (60) days from bill date or from receipt of the bill, whichever is later.

In case of claim arising in this Policy, the said amount becomes immediately due and demandable.

**PROVISION ON GSIS APPLICABLE TAXES & DOCUMENTARY STAMP TAX**

It is understood that all applicable taxes, including Documentary Stamp Tax (DST), if any shall be borne by the Insured.

**PROVISION ON NON-ISSUANCE OF PROVISIONAL RECEIPT**

The GSIS does not issue a provisional receipt as proof of premium payment for all insurance policies issued. An official receipt shall be issued upon payment by the Assured.

**MORTGAGEE CLAUSE**

Loss if any is payable in favor of LAND BANK OF THE PHILIPPINES as their interest may appear subject to the terms and conditions, warranties and clauses of the GSIS Standard Fire Policy.

## **CLAIMS COOPERATION CLAUSE**

The Insured hereby undertakes to give immediate advice to the Insurer 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 in defense or settlements of such claim and in no case shall the Insured make any admission of liability under the Policy without the consent in writing of the Insurer having been first obtained.

## **PROVISION FOR FILING NOTICE OF LOSS**

The Insured under the Policy is required to file a Notice of Loss to the Insurance Company, without unnecessary delay, that is, within sixty (60) days from the date of accident or discovery of the loss.

Failure to submit said Notice of Loss on the above stipulated prescription period shall mean a loss of interest on the part of the Insured and will exonerate the Insurer from any liability on the benefit of the insurance to which the Insured may be entitled to.

## **PROVISION ON THE SUBMISSION OF SUPPORTING DOCUMENTS FOR NON-MOTOR VEHICLE CLAIMS**

The Insured under the Policy is required to submit the complete basis documentary requirements within thirty (30) calendar days from the date of notification of the loss/claim.

Additional requirements may be required by the Insurance Company which the Insured must submit within fifteen (15) calendar days from its receipt of written notification.

Submission of documents may be extended for justifiable reason/s, subject to the submission of a written request by the Insured within the mandatory period and approval of the Insurance Company.

Failure of the Insured to submit the documents within the required or extended period shall result in the denial of the claim.

## **SPECIAL EXTENSION CLAUSE**

This Policy shall be extended for a period not exceeding six (6) months in the event that the renewal terms and conditions of this Policy have not been concluded upon its expiration, subject to the provisions of Republic Act 9184 and its Revised Implementing Rules and Regulations.

As consideration for any extension under this clause there will be an additional premium which shall be calculated at daily pro rata of the annual premium for this Policy and added to the premium for the original 12 month period for this Policy.