

REPUBLIC OF THE PHILIPPINES
SOCIAL SECURITY SYSTEM

PROJECT : Selection of Group Credit Life Insurance (GCLI) provider for Pension Loan Borrowers under the SSS Pension Loan Program (PLP)

SUBJECT : BID BULLETIN NO. 1

DATE : 28 June 2024

This Bid Bulletin is hereby issued to amend particular provision of the Terms of Reference (TOR) for the above project as approved by the SSS Officer-in-Charge on 26 June 2024 (item 7 below) and to address various queries received through email and clarify issues raised during the pre-bid conference. This Bid Bulletin shall form an integral part of the TOR.


Queries/questions from Prospective Bidders and Responses		
Question		Response
1	What is the Effective Date of the Group Credit Life Insurance (GCLI) Policy?	The effectivity of the GCLI Policy will be subject to agreement by both parties (SSS and the selected insurance provider). Item II. <i>Effectivity of Insurance Coverage</i> of the TOR of the Project provides that the effectivity of insurance coverage shall commence on the date of loan approval by SSS and upon receipt by the INSURER of the list of approved Borrowers submitted by SSS, until the end of the loan term.
2	Is there a Service Fee for SSS? If so, please provide.	2% Service fee shall be imposed and shall be borne by the Pension Loan Borrower. No Service Fee shall be collected by SSS from the insurance provider.
3	Claims experience for the past five (5) years.	Please see Report on pages 3 and 4. Note that the existing insurer covers the original principal loan amount of the Pension Loan Borrower and shall pay SSS the said amount in case of death of the Borrower regardless of the cause thereof.
4	Master list of loan borrowers.	Based on the Data Privacy Consent of the Pension Loan Borrower, sharing of the information to third parties is only limited to third-party insurance provider/s for specific purpose/s.
5	Total Amount of Loan and Total No. of Loan Borrowers.	Please see Report on pages 3 and 4. Note that the existing insurer covers the original principal loan amount of the Pension Loan Borrower and shall pay SSS the said amount in case of death of the Borrower regardless of the cause thereof.
6	What is the Loan Default Period/Definition of Default Loan and Guidelines?	<p>There is no default provision per TOR since amortization payment shall be automatically deducted from the monthly pension. Any unpaid amortization as of month of death of the Pension Loan Borrower shall be for the account of SSS. In case of death of the Borrower, the SSS shall claim from the insurer the remaining Pension Loan principal balance of the Borrower at the end of month of death.</p> <p>Also, Item IX <i>Individual Insurance Termination</i> of the TOR provides that the coverage of an insured Borrower shall be terminated on either one of the following dates, as applicable:</p> <ol style="list-style-type: none">1. Death of Borrower2. End of the loan term3. Re-employment/self-employment of a retiree pensioner4. Remarriage/cohabitation of surviving spouse pensioner
7	Unavailability of 2023 AFS and RBCR.	<p>The provision under Item VI.B.2 <i>Eligibility and Selection of Insurer/Company's Financial Strength</i> of the TOR is hereby amended to read as follows:</p> <p>Bidder must submit the latest IC-issued certification of its financial condition showing the audited and approved balances for paid-up capital, net worth and risk-based capital ratio (RBCR). Certification submitted should not be prior to 2022.</p>
8	Missing Age Range of Survivor Pensioner in Annex B of the TOR?	Error in conversion of file, rows 63 to 64 were not shown. Attached is the revised Annex B of the TOR.
9	Clarification on the "service fee" under negotiation (before or after it was awarded)	No Service Fee shall be collected by SSS from the insurance provider.

10	What is the current penetration rate of the pensioners under PLP and its target in the next 2 years?	After 5 years of implementation effective 2018, the penetration rate is about 16% of the total 2.1M retiree pensioners as of Dec 2023/April 2024. Of the 16% unique availments, about 8% have at least 1 loan renewal as of date. Target penetration for year 2024, will be around 16 to 17%. The number will increase with the availability of the Pension Loan Program to surviving spouse pensioners.
11	Of the 16% PLP availments, is it ongoing loans or already ended loans?	Most of the loans have already ended, others have already availed renewals, once or more than once since the program started in 2018.
12	It is said, that the claim experience in the last 5 years shall be shared in the bid bulletin, will it include the premium for those who availed of the PLP?	Please see Report on pages 3 and 4. Note that the existing insurer covers the original principal loan of the Pension Loan Borrower and shall pay SSS the said amount in case of death of the Borrower regardless of the cause thereof.

In view of the issuance of this Bid Bulletin, the Selection Activities shall be re-scheduled as follows:

Activity	From		To	
	Date/Time	Venue	Date/Time	Venue
Deadline for submission of Bids/Quotes	July 02, 2024/ not later than 2:00 p.m.	SSS Executive Lounge, 2 nd Floor, SSS Main Bldg., East Avenue, Diliman, Quezon City	July 09, 2024 / not later than 2:00 p.m.	Same
Opening of Bids	July 02, 2024 / 2:00 p.m.	SSS Executive Lounge, 2 nd Floor, SSS Main Bldg., East Avenue, Diliman, Quezon City	July 09, 2024 / 2:00 p.m.	Same
Bid Evaluation	July 03-09, 2024	Secretariat's Office, BDLD, 5 th floor, SSS Main Bldg., East Avenue, Diliman, Quezon City	July 10-16, 2024	Same

For guidance and information of all concerned. Thank you.



SVP PEDRO T. BAOY
The Chairperson
Committee for the Selection of GCLI Provider
for and on behalf of PL Borrowers

Historical Data on the SSS Pension Loan Program

A. Loan Releases and CLI Premium of Retiree Pensioner Borrowers per Age Bracket (in Millions)

Age at Loan Date	2023		2022	
	Amount	CLI Premium	Amount	CLI Premium
50-54	0.711	0.024	0.730	0.032
55-59	6.353	0.190	2.399	0.105
60-64	2,579.553	107.379	877.746	38.367
65-69	1,908.167	84.603	724.145	31.653
70-74	866.564	40.989	323.185	14.127
75-79	310.631	15.085	116.987	5.114
80-84	80.404	4.545	28.086	1.228
Total	5,752.383	252.816	2,073.277	90.624

* under latest GCLI coverage effective 9-Aug-22

B. Count of Retiree Pensioner Borrowers per Age Bracket

Age at Loan Date	2023	2022	2021	2020	2019
50-54	12	24	10	11	3
55-59	94	122	85	57	80
60-64	53,038	50,251	31,176	29,519	28,191
65-69	41,788	44,699	22,122	25,745	25,832
70-74	20,246	22,217	10,538	12,954	13,237
75-79	7,451	8,173	3,868	5,127	5,933
80-84	2,245	2,850	1,322	1,386	1,227
Total	124,874	128,336	69,121	74,799	74,503

C. Amount of Insurance Claims on behalf of Retiree Pensioner Borrowers (In Millions)

Age at Death	2023	2022
50-54	-	-
55-59	0.201	-
60-64	34.160	2.999
65-69	40.631	3.094
70-74	27.246	1.641
75-79	13.406	0.744
80-84	5.226	0.396
85-89	-	-
Total	120.869	8.874

* under latest GCLI coverage effective 9-Aug-22

D. Count of Insurance Claims on behalf of Retiree Pensioner Borrowers

Age at Death	2023	2022	2021	2020	2019
50-54	-	1	-	-	-
55-59	5	-	1	1	1
60-64	1,208	926	993	549	266
65-69	1,828	1,306	1,619	830	384
70-74	1,348	919	1,207	584	293
75-79	694	523	766	367	169
80-84	333	252	327	160	10
85-89	2	4	-	-	-
Total	5,418	3,931	4,913	2,491	1,123

E. Loan Releases per Age Bracket of Retiree Pensioner Borrowers per Loan Term (In Millions)

Age at Loan Date	6 Months	12 Months	24 Months
50-54	-	0.098	1.342
55-59	0.176	0.912	7.663
60-64	71.800	411.255	2,974.244
65-69	50.579	314.887	2,266.845
70-74	23.754	155.571	1,010.425
75-79	9.678	60.767	357.173
80-84	5.253	31.689	71.549
Total	161.239	975.180	6,689.241

* under latest GCLI coverage effective Aug 9, 2022

F. Count of Retiree Pensioner Borrowers per Age Bracket per Loan Term (2021-2023)

Age at Loan Date	6 Months	12 Months	24 Months
50-54	1	4	41
55-59	16	46	239
60-64	5,161	20,558	108,746
65-69	4,016	17,375	87,218
70-74	2,015	8,770	42,216
75-79	845	3,342	15,305
80-84	702	1,952	3,763
Total	12,756	52,047	257,528

G. Amount of Insurance Claims on behalf of Retiree Pensioner Borrowers per Age Bracket per Loan Term (In Millions)

Age at Death	6 Months	12 Months	24 Months
50-54	-	-	-
55-59	-	-	0.201
60-64	0.272	3.026	33.861
65-69	0.447	4.286	38.992
70-74	0.219	2.674	25.994
75-79	0.149	1.448	12.554
80-84	0.208	1.386	4.029
85-89	-	-	-
Total	1.294	12.819	115.630

* under latest GCLI coverage effective Aug 9, 2022

H. Count of Insurance Claims on behalf of Retiree Pensioner Borrowers per Age Bracket, per Loan Term (2021-2023)

Age at Death	3 Months	6 Months	12 Months	24 Months
50-54				1
55-59				6
60-64		36	314	2,777
65-69	1	55	501	4,196
70-74		37	296	3,141
75-79		19	192	1,772
80-84		18	148	746
85-89		2	2	2
Total	1	167	1,453	12,641

Note: The existing insurance provider covers the original principal loan amount of the Pension Loan Borrower and shall pay SSS the said amount in case of death of the Borrower regardless of the cause thereof.