

## Requirements Specification

### Motor Fleet Insurance (reinsurance) Municipality of Amsterdam effective from 1 January 2027



European public tender Motor Fleet Insurance Municipality of Amsterdam

#### Appendix 1 - Requirements Specification

Reference 605819

# 1 Introduction

## 1.1 General

This Requirements Specification sets out the contractual principles, conditions and specific requirements applicable to the Assignment described in the Specifications. Together with the Specifications and the other Tender Documents, it forms the contractual basis for the procurement procedure, the performance of the Assignment and the Agreement(s) to be concluded with the successful Contractor(s).

This Requirements Specification forms an integral part of the Tender Documents relating to the European public tender conducted by N.V. Verzekeringsbedrijf Groot Amsterdam (hereinafter: "VGA").

## 1.2 Consistency with the Specifications

This Requirements Specification forms an integral part of the Tender Documents. Capitalised terms used in this Requirements Specification shall have the meanings assigned to them in the Specifications, unless expressly stated otherwise herein.

To the extent that this Requirements Specification contains additional requirements, terms or contractual provisions specifically relating to the performance of the Assignment, such provisions shall apply in addition to the Specifications.

In the event of any inconsistency, discrepancy or conflict between the Tender Documents, the order of precedence set out in the Specifications shall apply.

## 2 Reinsurance Motor Fleet

In this chapter, the contractual principles, terms and conditions, and specific requirements applicable to the reinsurance agreement (the **“Reinsurance Agreement”**) to be entered into between the Reinsured and the selected Reinsurer(s) are set out in respect of the Reinsurance Contract described below.

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Reinsurance Contract</b> | <p>Motor Fleet Insurance covering the Insured(s) in respect of liability, as well as damage to and/or loss of vehicles.</p> <p>The reinsurance covers:</p> <ul style="list-style-type: none"> <li>- Motor Third Party Liability, including liabilities arising from mobile equipment and working machinery, including their operation as work equipment; and</li> <li>- Motor Hull.</li> </ul> <p>With respect to the fire peril, cover is provided solely for fire losses arising whilst the vehicle is participating in traffic, as defined in Article 1 of the Dutch Motor Insurance Liability Act (WAM). No cover is provided under this reinsurance for any other fire losses, including storage-related fire risks.</p> |
| <b>Reinsured</b>            | N.V. Verzekeringsbedrijf Groot Amsterdam (VGA)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Insured(s)</b>           | <p>The Municipality of Amsterdam and/or its affiliated and associated entities or organisations, including, but not limited to, GVB, Stichting Waternet, Veiligheidsregio Amsterdam-Amstelland, Port of Amsterdam and/or such other interests as may appear from the records of the Insured and/or as specified in <b>Appendix 7 (Specification of Insured Interests (Assets))</b> (hereinafter referred to as the <b>“Municipality of Amsterdam”</b>).</p>                                                                                                                                                                                                                                                                   |
| <b>Reinsurer(s)</b>         | The Bidder(s) to whom the Contract is awarded and with whom the Reinsurance Agreement is concluded.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Coverage</b>             | <p>The reinsurance is to be placed on the basis of the following limits per loss occurrence:</p> <ul style="list-style-type: none"> <li>• Motor Third Party Liability (MTPL):</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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- EUR 24,750,000 each and every loss occurrence in excess of a retention of EUR 250,000 (each and every loss occurrence);
- Unlimited cover for losses falling within the scope of the International Green Card System in accordance with Article 21 of the VGA/WAG 2013 policy conditions.
- Motor Hull: EUR 9,750,000 each and every loss occurrence in excess of a retention of EUR 250,000. (*each and every loss occurrence*)

The insured limits applicable to the MTPL section are as follows:

| Type of vehicle | Bodily Injury  | Property Damage | Hazardous Goods |
|-----------------|----------------|-----------------|-----------------|
| Busses          | EUR 20,300,000 | EUR 3,000,000   | EUR 10,000,000  |
| Other Vehicles  | EUR 7,500,000  | EUR 2,500,000   | EUR 10,000,000  |

|                             |                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Retention</b>            | EUR 250,000 each and every Loss Occurrence                                                                                                                                                                                                                                                                                                                                                           |
| <b>Terms and Conditions</b> | VGA/WAG2013<br>Policy Clauses<br>General and Special Terms and Conditions (Clauses A and B). These are the policy terms and conditions applicable to the Insured(s).                                                                                                                                                                                                                                 |
| <b>Premium</b>              | Deposit premium of EUR xxx (for 100%) per Loss Occurrence year<br>Share Reinsurer: $xxx \% * EUR\ xxx = EUR\ xxx$ , payable on 15 January of each year.<br><br>As soon as possible after the Premium Adjustment Date the Deposit Premium shall be adjusted to an amount equal to the rate of:<br><br>x.xx %<br><br>applied to the Reinsured's Premium Income. Estimated Premium Income 2027: EUR xxx |

#### Definition of Premium Income

The term "Premium Income" shall mean the gross premium earned by the Reinsured during the period of this Contract on business protected hereunder, less only returned premiums, cancelled premiums and

premiums paid for reinsurances recoveries under which inure to the benefit hereof.

**Premium Adjustment Date:** 31 December of any Loss Occurrence year.

**Primary Insurance contract(s)** The insurance policy or policies entered into between the Policyholder, in its capacity as insurer, and the Insured(s).

**Green Card Risk** Liability arising from losses occurring in a country where a higher compulsory limit is prescribed by law is included in accordance with Article 21 of the VGA/WAG2013 Conditions. Pursuant to Article 21 of the VGA/WAG2013 Conditions, the insurance provides cover up to such higher limit on an unlimited basis where an International Motor Insurance Card (Green Card) has been issued. The vehicles covered under this Reinsurance Agreement are predominantly operated within Amsterdam and its surrounding areas, or elsewhere within the Netherlands, and only occasionally cross national borders.

**Premium Payment Guarantee** 120 days from inception or premium due date, in accordance with Article 5 of Chapter 3 (General Provisions) of this Requirements Specification.

**Language** Dutch/English

**Laws and regulations** Dutch law

**Governing Law** Amsterdam

## 3 General Provisions

### 1. Duration of the Reinsurance Agreement

The Reinsurance Agreement shall inception on 1 January 2027 at 00:00 hours and shall remain in force until 1 January 2029 at 00:00 hours (Dutch time).

The initial term of the Reinsurance Agreement is two (2) years, with automatic renewal for two consecutive periods of one (1) year each, up to a maximum total term of four (4) years, unless:

- the Reinsurance Agreement is terminated in writing by the Reinsurer(s) no later than five (5) months prior to the expiry date; or
- the Reinsurance Agreement is terminated in writing by the Reinsured no later than two (2) months prior to the expiry date.

The Reinsurance Agreement shall be written on a loss occurrence basis.

### 2. Interim adjustment and termination of agreement

1. The Reinsurer(s) shall be entitled, with effect from a renewal date and by giving notice no later than five (5) months prior to such renewal date, to:
  - a) seek a premium adjustment if the loss ratio for any insurance year exceeds 80% of the earned annual premium.

*For the purpose of this provision:*

*Loss Ratio shall mean the aggregate of paid losses, outstanding loss reserves (as determined by the claims handlers), and all associated claims handling costs, expressed as a percentage of the earned annual premium.*

*Earned Annual Premium shall mean the total premium paid or payable, including adjustments and any subsequent premium settlements, but excluding taxes, duties, levies and/or contributions to government-established pools.*

Any premium increase requested under this provision shall not exceed 20% of the expiring premium.

- b) terminate its participation if there is a demonstrable and material restriction or reduction in the retrocession capacity available to the Reinsurer, where such restriction or reduction:
    - a. results from market conditions or decisions of retrocessionaires beyond the Reinsurer's control;
    - b. can be substantiated by the Reinsurer with objective evidence upon request; and
    - c. is such that continuation of the relevant participation cannot reasonably be expected from the Reinsurer under the existing terms and conditions.
  - c) Prior to exercising the rights set out above, the parties shall consult in good faith to determine whether the Reinsurance Agreement can continue on amended terms and conditions.
2. In the event of a proposed premium increase, the Reinsured shall be entitled to accept or reject such increase in writing within two (2) months of notification. If the increase is rejected within this period, the relevant participation shall terminate on the next renewal date. If no written acceptance or rejection is received, the existing premium shall remain in force until either agreement is reached on revised premium terms or the participation is validly terminated.
3. The Reinsured reserves the right to offer any released share to the existing Reinsurers. Existing Reinsurers may indicate the proportion they wish to assume, at the same premium rate and terms and conditions as their existing participation. Allocation shall be made on the basis of the most economically advantageous offer, with the final Reinsurer allocated capacity receiving a lower percentage than requested if necessary. Should the existing Reinsurers not wish to increase their participations, the Reinsured reserves the right to seek an alternative solution.

### **3. Transfer of Participations**

In the event of the full or partial transfer of one or more participations under this Reinsurance Agreement, the assuming Reinsurer, already participating on the programme, shall not acquire any rights with respect to the accuracy and/or completeness of, or knowledge of, information material to this reinsurance that are greater than those available to the Reinsurers who were already participating and continue to participate in the programme.

#### **4. Early Termination Following Deterioration of a Reinsurer's Financial Strength**

1. The Reinsured shall have the right to terminate a Reinsurer's participation in this Reinsurance Agreement with immediate effect by written notice if:
  - a. such Reinsurer becomes insolvent or otherwise appears unable to meet its obligations; and/or
  - b. the financial strength rating of such Reinsurer, as assigned by Standard & Poor's, is downgraded below A-.
2. In the event of termination pursuant to Clause 4.1, the Reinsured shall be entitled to a return of premium in respect of the unexpired portion of the policy period relating to the terminated participation.
3. The Reinsured shall have the right to first offer the released participation to the remaining Reinsurers. Such Reinsurers may indicate the proportion of the released participation they wish to assume, at the same premium rate and terms and conditions as their existing participation. The released participation shall then be allocated accordingly, with the final allocation potentially being lower than the percentage requested by the last participating Reinsurer. All other terms and conditions shall remain unchanged.
4. If the procedure described in Clause 4.3 does not result in a replacement for the released participation, the Reinsured reserves the right to offer such participation to other bidders that participated in the tender process but were not awarded a share of the contract. Should no suitable replacement be found among those bidders, the Reinsured reserves the right to approach third parties to assume the released participation.
5. The revision mechanism described in Clauses 4.3 and 4.4 is intended to facilitate the prompt replacement of a released participation on the same terms and conditions as those applying under this Reinsurance Agreement

#### **5. Early termination**

The Reinsured shall have the right to terminate this Reinsurance Agreement, in whole or in part, during the contract period by giving not less than six (6) months' prior written notice, where a material change occurs in the Reinsured's insurance, reinsurance, risk financing or organisational structure that necessitates the amendment, restructuring or replacement of this Reinsurance Agreement.

## **6. Premium Payment Guarantee and Payment of Reinsurance Proceeds**

Notwithstanding any provision to the contrary contained elsewhere in the terms, conditions or clauses of this Reinsurance Agreement, the following provisions shall apply with respect to premium payments by the Reinsured to the Reinsurers:

1. The Reinsured shall be responsible for payment of all premiums due to the Reinsurers within one hundred and twenty (120) days of the inception date or renewal date, as applicable.
2. If any premium due remains unpaid after the expiry of the 120-day period, the Reinsurers shall have the right to terminate the Reinsurance Agreement by written notice to the Reinsured, provided that the Reinsured shall first be granted an additional thirty (30) day period in which to make payment. If the outstanding premium is paid within this additional 30-day period, coverage shall remain in full force and effect without interruption.
3. In the event that the Reinsurance Agreement is terminated due to non-payment of premium, the Reinsured shall remain liable for premium corresponding to the period during which coverage was provided by the Reinsurers.
4. If a loss covered under this Reinsurance Agreement occurs prior to the effective date of termination, the Reinsured shall remain liable for the full annual premium.
5. Following expiry of the initial 120-day payment period, the Reinsurers shall issue written notice of termination to the Reinsured, such termination to take effect after fourteen (14) days. If the full outstanding premium is received by the Reinsurers before the expiry of the 14-day notice period, such notice shall automatically be withdrawn. If payment is not received within the 14-day notice period, the Reinsurance Agreement shall automatically terminate upon expiry of that period.
6. Unless otherwise agreed in writing, the Lead Reinsurer shall be entitled to exercise the rights provided under this clause both on its own behalf and on behalf of all following Reinsurers participating in this Reinsurance Agreement.
7. Any reinsurance recoveries payable under this Reinsurance Agreement shall be paid to N.V. Verzekeringsbedrijf Groot Amsterdam, as the designated loss payee.

## **7. Notices and Follow the Fortunes / Follow the Settlements**

1. The Reinsured shall notify all Reinsurers of any amendments to covered perils, premium, terms and conditions, increases in sums insured and/or limits.

2. All other communications relating to this Reinsurance Agreement shall be made by the Reinsured to the Lead Reinsurer only. The Lead Reinsurer shall be deemed to act on behalf of all Reinsurers. The Reinsurers agree to be bound by and follow the Lead Reinsurer with respect to such communications.
3. The Reinsurers agree to follow the Reinsured in all matters relating to the interpretation of the Original Insurance Policies and the handling, adjustment and settlement of claims. This shall not apply to any without prejudice, couance or ex gratia payments, which shall require the separate approval of each Reinsurer.
4. In the handling, adjustment and settlement of claims, the Reinsured shall follow the claims protocol set out in Chapter 4 of this Requirements Specification and as may be agreed, amended or updated from time to time between the Reinsured and the Lead Reinsurer, acting on behalf of all Reinsurers (the "**Claims Protocol**").

#### **8. Errors and Omissions in Annual Declarations, Automatic Inclusion and Automatic Cover**

1. Reinsurers shall not, in the event of a loss, rely on any errors, omissions or inaccuracies made in good faith in the information provided by the Policyholder. As soon as the Policyholder becomes aware of any omission, error or inaccuracy, it shall notify the Reinsurers without undue delay, after which the most recent declaration shall be corrected with retrospective effect.
2. The Policyholder shall encourage its Insureds to take reasonable steps to prevent errors and omissions.
3. At the beginning of each insurance year, the total insured sum (hull vehicles) is determined on the basis of a written statement (specification of vehicles) that the Reinsured draws up for the benefit of the Reinsurer(s) on the basis of the information available in its records (**Appendix 7 (Specification of insured interest (objects))**)
4. acquired vehicles shall be automatically included under this Reinsurance Agreement from the date the Reinsured assumes the risk.
5. Reinsurers shall not, in the event of a loss, rely upon any omission or inaccuracy in the declaration of property, vehicles or interests of a type ordinarily insured under this Reinsurance Agreement. Such property, vehicles or interests shall be deemed included at their full value. Where the relevant interest is found to have existed at the declaration date immediately preceding the loss, the Reinsured shall amend the declaration accordingly.

6. Reinsurers shall follow VGA in the event that VGA amends the form of cover provided to its Insureds at any time during the Contract Period, including changes from Third Party Liability Only to Third Party Liability including Hull (Own Damage) cover and vice versa.
7. Should any risk become included under this Reinsurance Agreement by virtue of the foregoing provisions and such risk falls outside the underwriting appetite of any Reinsurer, the Reinsured and Reinsurers shall consult in good faith to agree an appropriate solution. Reinsurers shall allow the Reinsured sufficient time to arrange alternative reinsurance, during which period cover for such risk shall remain in force under this Reinsurance Agreement.
8. To encourage Insureds to provide complete, accurate and timely information to the Reinsured, the protections afforded under Clauses 1 to 7 above may not be expressly reflected, or may only be reflected in limited form, within the Original Policies. Notwithstanding the foregoing, such protections shall apply in full for the purposes of this Reinsurance Agreement, and Reinsurers shall not rely upon the absence of equivalent provisions within the Original Policies to limit or deny coverage hereunder.

#### **9. No Application of Underinsurance and Revision of Coverage**

1. Reinsurers shall not invoke underinsurance. Subject always to the applicable limits under this Reinsurance Agreement, losses shall be indemnified in full.
2. For the purpose of this provision, it shall be immaterial whether the value of the insured interests has been established by means of a valuation, an appraisal, a declaration of values provided by the Insured(s) to the Reinsured, automatic cover as referred to in Clause 1.4 above, or otherwise.
3. If, following a loss event, it is established that underinsurance exists, the insured and reinsured values shall be adjusted retrospectively to the commencement of the current Insurance Year. Any additional premium shall be adjusted accordingly for a period of not more than twelve (12) months.
4. Without prejudice to any other review or amendment provisions contained in the Requirements Specification, the Reinsured shall have the right, in consultation with Reinsurers, to amend any limit or coverage provided under this Reinsurance Agreement during the Contract Period where such amendment is required as a result of changed circumstances or new or amended legislation or regulations.

## **10. Limitation period**

1. Any claim by the Reinsured against Reinsurers for payment under this Reinsurance Agreement shall become time-barred unless commenced within three (3) years from the day following the date on which the Reinsured became aware that the claim had become due and payable.
2. The limitation period shall be interrupted by written notice from the Reinsured asserting its right to indemnity. A new limitation period of three (3) years shall commence on the day following the date on which the Reinsurer(s) have unequivocally rejected the claim in writing.

## **11. Primary Insurance Contract(s)**

1. The VGA WAG/2013 terms and conditions apply to the Primary Insurance Contract(s) as amended and supplemented in the additional special conditions, amendments and clauses.
2. Reinsurers shall be fully bound by the terms, conditions and provisions of the Original Insurance Policies and by the interpretation thereof adopted by the Reinsured, except to the extent expressly provided otherwise in this Requirements Specification.
3. Wherever reference is made in the Primary Insurance Contracts to the “Insurer”, such reference shall be deemed to mean the Reinsured only, unless expressly stated otherwise.
4. In the event of a damage-giving event, the damage will be settled by the Policyholder in accordance with the applicable Primary Insurance Agreement and by Reinsurers in accordance with the Reinsurance Agreement. Both the Policyholder and the Reinsurers will act in accordance with the Claims Protocol. In the event of a loss occurrence, the claim shall be adjusted and settled by the Reinsured in accordance with the applicable Primary Insurance Contract and by the Reinsurers in accordance with this Reinsurance Agreement. Both the Reinsured and the Reinsurers shall act in accordance with the Claims Protocol.

## **12. Order of Precedence**

1. In the event of any conflict between the general provisions of this Schedule of Requirements and the Primary Insurance Contract(s), the Primary Insurance Contract(s) shall prevail unless there is a conflict with Article 8 and/or Article 9 of the General Provisions of this Schedule of Requirements, in which case Article 8 and/or Article 9 of the General Provisions of this Schedule of Requirements shall prevail.

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2. The Primary Insurance Contract(s) is subject to the order of precedence set out therein.
3. Any ambiguity or inconsistency between provisions of equal ranking shall not be interpreted to the detriment of the Reinsured.

### **13. Severability**

If any provision of this Reinsurance Agreement is found to be wholly or partly void, voidable, unenforceable or otherwise invalid, the remaining provisions shall remain in full force and effect. The Reinsured and the Reinsurers shall consult in good faith to agree replacement provisions that most closely reflect the purpose and intent of the invalid provision, while preserving, to the greatest extent possible, the position most favourable to the Reinsured.

### **14. Governing Law and Jurisdiction**

1. This Reinsurance Agreement shall be governed by and construed in accordance with the laws of the Netherlands.
2. Any dispute arising out of or in connection with this Reinsurance Agreement shall be submitted exclusively to the competent courts of Amsterdam, the Netherlands.

### **15. Other provisions**

Any amendment to, modification of, or addition to this Reinsurance Agreement shall be valid only if made in writing and signed by both the Reinsured and the Reinsurers.

## 4 Claims Protocol

### 1. Notification

The Reinsured shall notify Reinsurers as soon as reasonably practicable of any occurrence that may give rise to a recovery under this Reinsurance Agreement.

Motor Fleet losses shall be notified to Reinsurers where the estimated ultimate loss is expected to exceed 75% of the Reinsured's retention. Case reserves shall be established on a best estimate basis.

The following information shall be provided upon notification:

- Reserve amount;
- Name of the Insured(s) involved;
- Insured location(s) and/or risk address(es);
- Description of the occurrence;
- Circumstances of the loss;
- Description of the damage or loss;
- Whether a loss adjuster has been appointed; and
- Name of the loss adjusting firm.

### 2. Claims handling procedure and correspondence

The handling, adjustment, settlement and correspondence relating to claims shall remain the sole responsibility of the Reinsured. The Reinsured shall have full discretion regarding coverage determinations, claims handling, the appointment of experts, loss adjusters and legal advisers, and the commencement, conduct or settlement of legal proceedings.

The Reinsured shall maintain appropriate claims handling procedures and shall handle claims in a professional and diligent manner.

Where a notified claim is expected to exceed the retention, the Lead Reinsurer may, at the request of the Reinsured, be involved in the further handling of the claim. Notwithstanding the foregoing, claims handling and decision-making authority shall remain vested exclusively in the Reinsured. Any final settlement exceeding the retention shall be discussed with the Lead Reinsurer in advance.

### 3. Financial settlement

The Reinsured shall be responsible for the payment of all indemnities, settlements and associated costs payable under the Primary Insurance Contract(s), both within and in excess of the retention.

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To the extent that payments exceed the retention, Reinsurers shall reimburse the Reinsured for their respective share in accordance with the terms and conditions of this Reinsurance Agreement.

Where an individual payment is expected to exceed EUR 1,000,000, the parties may agree that Reinsurers remit their share to the Reinsured in advance of the underlying claims payment

**4. Multiple Reinsurers**

Where multiple Reinsurers participate in this Reinsurance Agreement, all communications concerning the handling and settlement of claims shall normally be conducted between the Reinsured and the Lead Reinsurer (Contract Leader). The Lead Reinsurer shall represent and act on behalf of the following Reinsurers, unless the terms of this Reinsurance Agreement or the nature of the claim require otherwise.

**5. Second opinion**

In the event of a dispute between the Reinsured and the Reinsurer(s) concerning coverage and/or liability under this Reinsurance Agreement, an independent party jointly appointed by the Reinsured and the Reinsurer(s) may be requested to provide a non-binding second opinion.

**6. Claims Bordereaux**

The Reinsured shall provide periodic claims bordereaux and claims updates to Reinsurers upon request.

**7. Fees and expenses**

Where the aggregate of the claim payment and the fees and expenses of loss adjusters, legal counsel and other experts appointed by the Reinsured exceeds the retention, the amount in excess of the retention shall be borne by Reinsurers in accordance with their respective participations under this Reinsurance Agreement.

**8. Amendments**

This Claims Protocol may be reviewed and amended from time to time by agreement between the Reinsured and the Reinsurers where circumstances reasonably require.