

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ARTICLE IX:6(b) NEGOTIATIONS STUDY OF CERTAIN TYPES OF SERVICE CONTRACTS

INSURANCE

Addendum

The present addendum contains the contribution from Israel.

I. COMMERCIAL IMPLICATIONS FOR CODE COVERAGE OF THE SERVICE

A. Definition of the insurance sector

(i) General definition

Definition: Self insurance programme managed by Inbal Insurance Company Limited, a wholly owned Government Corporation, which purchases catastrophe and marine coverage only.

B. Current number and value of procurement contracts by signatory government of the service

The total annual amount is US\$1.2 million approximately.

II. QUESTIONS REGARDING THE PROCUREMENT OF THIS SERVICE BY GOVERNMENT ENTITIES

A. What are the procedures used to procure the service, including the criteria used in evaluating and choosing bids, e.g. reliability, price, quality, etc?

The Inbal Corporation uses negotiated procurement procedures, occasionally using the services of brokers. Main criteria considered are reliability and price, whereas the first factor is of greater importance than the latter.

B. In the procurement of this service by government, are there problems in defining the origin?

There are no limits on origin, concerning purchases of catastrophe and marine coverage.

C. Does the procurement of this service typically involve sub-contracting?

Government procurement of catastrophe and marine insurance involves sub-contracting where the risk is reinsured by the underwriter.

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- D. Are there issues of ambiguities concerning the valuation of the service procurement contract, including, inter alia:
2. Is the procurement of the service done in some cases through multi-year contracts?

Some of the contracts are purchased annually and some on multi-year basis.

- F. Are there practices that affect foreign access to government contracts in this service area?

There are no practices that prevent foreign supplies access to the non self-insured service area.