



**Government of the Democratic Socialist Republic of Sri Lanka**

**MINISTRY OF FINANCE AND MASS MEDIA**

**NATIONAL INSURANCE TRUST FUND**

**INVITATION FOR BIDS**

**(INTERNATIONAL COMPETITIVE BIDDING)**

**PROCUREMENT OF REINSURANCE PROGRAM TO COVER THE  
NATIONAL AGRICULTURAL INSURANCE SCHEME AND  
AGRICULTURAL LOAN PROTECTION INSURANCE SCHEME FOR  
FARMERS FOR ONE YEAR PERIOD (2019/2020)**

1. The Chairman, Cabinet Appointed Procurement Committee, (hereinafter called CAPC) Ministry of Finance and Mass Media on behalf of the National Insurance Trust Fund (hereinafter called NITF) invites bids from eligible International Reinsurers /International Reinsurance Brokers for the procurement of reinsurance cover on National Agricultural Insurance scheme and Agricultural Loan Protection Insurance Scheme for the period of one year (2019/2020).
2. NITF was established by the National Insurance Trust Fund Act No. 28 of 2006 and subsequently, by National Insurance Trust Fund (Amendment) Act No. 28 of 2007, The National Agricultural Insurance Scheme and Agricultural Loan Protection Insurance Scheme have been executed by the National Insurance Trust Fund to provide Insurance cover for the damages caused by drought, flood and inundation, cyclone, storm, tempest and damage by elephants to current paddy cultivation. Further, this insurance scheme does provide the cover for input cost of Potato, Big onion, Maize, Chilies, and Soybean up to Rupees 10,000 per acre. This insurance scheme is governed under the government budget circular number 160 of 25<sup>th</sup> June 2013,

In addition to above, NITF provides Insurance covers for Agricultural Loan Protection Insurance Scheme for risks arising from defaults of agricultural loans on the above crops granted by registered commercial banks, financial institutes and financial Companies licensed by Central Bank of Sri Lanka. Both these schemes have been funded by crop levy as per the gazette notification number 1824/23 of 23<sup>rd</sup> August 2013.

3. Interested parties may obtain a complete set of bidding documents from NITF office from **09:00 hours to 14:00 hours** on working days till **11<sup>th</sup> February 2019 to 22<sup>nd</sup> March 2019** upon payment of non-refundable tender fee of **USD 250** or **LKR 45,000.00** by bank draft in favor **Insurance Trust Fund** or deposit to the bank account below mentioned. Bidding documents can also be downloaded from the NITF website ([www.nitf.lk](http://www.nitf.lk)), Ministry of Finance and Mass Media ([www.treasury.gov.lk](http://www.treasury.gov.lk)) and Ministry of Foreign Affairs ([www.mfa.gov.lk](http://www.mfa.gov.lk)). Deposit slip or the bank draft of non-refundable deposit should be submitted along with the bid.

	<b>LKR Bank Account</b>	<b>USD Bank Account</b>
Name of the bank	People's Bank	People's Bank
Branch	Queens Branch	Queens Branch
Account Name	National Insurance Trust Fund	National Insurance Trust Fund
Account No	A/C No: 033-1-006-9-2467951	A/C No: 033-4-021-4-2467951
Swift Code	-	PSBK LK LX

4. Bids must be submitted in a sealed envelope, either delivered by hand or couriered to reach the Chairman, Cabinet Appointed Procurement Committee, National Insurance Trust Fund, 5<sup>th</sup> Floor, No. 97, Maradana Road, Colombo – 10, Sri Lanka, not later than **15:00 hours** on **25<sup>th</sup>March 2019** and be clearly marked “Bid for procurement of Reinsurance cover for National Agricultural Insurance scheme and Agriculture Loan Protection Insurance Scheme for the period for one year period– NITF/REI/COM/CROP/2018/106”.(those who obtained the bids through NITF web site should enclose the bank draft or deposit slip for the nonrefundable fee mentioned on 3 above, along with the Bids).
5. Bids shall be opened immediately after the closing of Bids at the Board Room of the NITF, 5<sup>th</sup> Floor, No. 97, Maradana Road, Colombo 10, Sri Lanka in the presence of Reinsurers / Reinsurance Brokers or their authorized representatives. NITF will declare the names of bidders and quoted prices at the meeting.
6. The language of correspondence is English. However, if any of the above documents are in a language other than in English, such documents should be accompanied by a certified English translation. This translation will govern and be used for interpreting the information provided.
7. Interested parties may obtain further information from;

Contact Person: Ms. Deshani Nanayakkara

Direct : + 94 112447072  
Mobile : + 94 714451006  
Fax : + 94 114700988  
E-mail : deshani@nitf.lk

The Chairman  
Cabinet Appointed Procurement Committee  
National Insurance Trust Fund  
No. 97,  
Maradana Road,  
Colombo 10.  
Sri Lanka.



## BIDDING DOCUMENT

International Competitive Bidding (ICB)

**PROCUREMENT OF REINSURANCE PROGRAM TO COVER  
THE NATIONAL AGRICULTURAL INSURANCE SCHEME  
AND AGRICULTURAL LOAN PROTECTION INSURANCE  
SCHEME FOR FARMERS FOR ONE YEAR PERIOD (2019/2020)**

## Section I Instructions to Bidders (ITB)

### **Introduction**

The Chairman, Cabinet Appointed Procurement Committee, (herein after called CAPC), on behalf of the National Insurance Trust Fund Board (herein after called NITF), invites sealed bids from International Reinsurers /International Reinsurance Brokers to provide a Reinsurance cover for National Agricultural Insurance scheme and Agricultural Loan Protection Insurance Scheme for paddy farmers and other specified five crops farmers for one year period.

### **1. Scope of Bid**

**1.1** Scope of bid has been **indicated in the Bidding Data Sheet (BDS)**, issues these Bidding Documents for National Agricultural Insurance Scheme and Agricultural Loan Protection Insurance Scheme thereto as specified in Section V, Schedule of Requirements. The name and identification number of this International Competitive Bidding (ICB) procurement are **specified in the BDS**.

**1.2** Through out these Bidding Documents:

- a) The term “in writing” means communicated in written form by mail (other than electronic mail) or hand delivered with proof of receipt;
- b) If the context so requires, “singular” means “plural” and vice versa; and
- c) “Day” means calendar day.

### **2. Source of Funds**

**2.1** Payments under this contract will be financed by the source specified in the BDS.

### **3. Ethics, Fraud and Corruption**

**3.1** The attention of the bidders is drawn to the following guidelines of the Procurement Guidelines published by National Procurement Agency:

Parties associated with Procurement Actions, namely International Reinsurers or International Reinsurance Brokers and officials shall ensure that they maintain strict confidentiality throughout the process;

Officials shall refrain from receiving any personal gain from any Procurement Action. No gifts or inducement shall be accepted. International Reinsurers or International Reinsurance Brokers are liable to be disqualified from the bidding process if found offering any gift or inducement which may have an effect of influencing a decision or impairing the objectivity of an official.

**3.2** NITF requires the bidders, to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy:

- a) *“corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly of anything of value to influence the action of a public official in the procurement process or in contract execution;*
- b) *“fraudulent practice” means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;*
- c) *“collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of NITF to establish bid prices at artificial, non-competitive levels; and*
- d) *“Coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement processor affect the execution of a contract.*

**3.3**If NITF found any unethical practices as stipulated under ITB Clause 3.2, NITF will reject a bid, if it is found that a Bidder directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question.

#### **4. Eligible Bidders**

**4.1**All bidders shall possess legal rights to supply reinsurance related services under this contract.

**4.2**A Bidder shall not have a conflict of interest. All bidders found to have conflict of interest shall be disqualified. Bidders may be considered to have a conflict of interest with one or more parties in this bidding process, if they:

- a) Are or have been associated in the past, with a firm or any of its affiliates which have been engaged by the NITF to provide any form of consultancy services used for the procurement of the insurance services to be supplied under these Bidding Documents.

**4.3** A Bidder who is under a declaration of ineligibility by the Government of Sri Lanka (GOSL) and or NITF, at the date of submission of bids or at the date of contract award, shall be rejected.

#### **5. Eligible Reinsurance Related Services**

**5.1**All reinsurance services under this contract shall be complied with applicable international standards, ethics and practices adapted by the stipulated International Reinsurance Industry/ regulatory bodies of reinsurance in country domicile.

## **Contents of Bidding Documents**

### **6. Sections of Bidding Documents**

**6.1** The Bidding Documents consist of I Volume, which include all the sections indicated below, and should be read in conjunction with any addendum issued in accordance with ITB Clause 8.

Invitation for Bid

- Section I - Instruction to Bidders (ITB)
- Section II - Bidding Data Sheet (BDS)
- Section III - Evaluation and Qualified Criteria
- Section IV - Bidding Forms
- Section V - Schedule of Requirements
- Section VI - Contract Forms

**6.2** The Bidder is expected to examine all instructions, forms, and terms in the Bidding Documents. Failure to furnish all information or documentation required by the Bidding Documents may result in the rejection of the bid. The Bidder should take the absolute responsibility of examine all instructions filling of Forms and submission of the required documents.

### **7. Clarification of Bidding Documents**

**7.1** A prospective Bidder requiring any clarification of the Bidding Documents including the restrictiveness of specifications shall contact NITF in writing at NITF address or by e-mail **specified in the BDS**. NITF will respond in writing to any request for clarification. NITF will not response to any clarification what so ever raised by any bidder and or representative after the pre bid clarification meeting held on 19<sup>th</sup> March 2019. NITF shall forward copies of its response to all those who have purchased the Bidding Documents, including a description of the inquiry but without identifying its source. Should NITF deem it necessary to amend the Bidding Documents as a result of a clarification, it shall do so following the procedure under ITB Clause 8.

### **8. Amendment of Bidding Documents**

**8.1** At any time prior to the deadline for submission of bids, NITF may amend the Bidding Documents by issuing addendum.

**8.2** Any addendum issued shall be part of the Bidding Documents and shall be communicated in writing to all who have purchased the Bidding Documents.

**8.3** To give prospective Bidders reasonable time in which to take an addendum in to account in preparing their bids, NITF may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB Sub-Clause 23.2

## **Preparation of Bids**

### **9. Cost of Bidding**

**9.1**The Bidder shall bear all costs associated with the preparation and submission of its bid, and NITF shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

### **10. Language of Bid**

**10.1** The Bid, as well as all correspondence and documents relating to the bid (including supporting documents and printed literature) exchanged by the Bidder and NITF, shall be written in English language. Further it is note that if any other language is used in documentation other than English language where the English translation will stand as the final authorized document for consideration in respect of the bid submission.

### **11. Documents Comprising the Bid**

**11.1** The Bid shall comprise the following:

- a) Bid Submission form and the applicable Price Schedules, in accordance with ITB Clauses 12,13,14,15 and 21;
- b) Bid Security or Bid-Securing Declaration, in accordance with ITB Clause 20;
- c) Documentary evidence in accordance with ITB Clauses 18 and 29, that the Reinsurance Related Services conform to the Bidding Documents;
- d) Documentary evidence in accordance with ITB Clause 18 establishing the Bidder's qualifications to perform the contract if its bid is accepted; and
- e) Any other document required in the BDS.

### **12. Bid Submission Form and Price Schedules**

**12.1**The Bidder shall submit the Bid Submission Form using the form furnished in Section IV, Bidding Forms. This form must be completed without any alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.

### **13. Alternative Bids**

**13.1** Alternative bids shall not be considered and the option which is specifically required under the price schedule only will be considered.

**13.2** Submission of more than one bid in this bidding process by a single lead reinsurer and bids by multiple lead reinsurers in one bid will be rejected.

**13.3** If any reinsurer intends to bid they are allowed to submit only one bid for the 100% reinsurance cover as required in the bidding documents.

## **14. Bid Prices and Discounts**

**14.1**The Bidder shall indicate on the Price Schedule and total bid price of the reinsurance services it proposes to supply under the Contract.

**14.2**Any discount offered shall be included in the price of the bid.

**14.3**If so indicated in ITB Sub- Clause 1.1, bids are being invited for individual contract of reinsurance services indicated in the BDS, prices quoted shall correspond to 100% reinsurance services supplied.

**14.4**The Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account. A bid submitted with an adjustable price quotation will be treated as non-responsive and rejected, pursuant to ITB Clause 31.

Further it is noted that year ended adjustable premium subjective to the declared value against the actual value should be accepted of the ITB Clause 31.

**14.5**If there is a discrepancy in the amount in figures and in words, the amount in words will be considered as correct.

## **15. Currencies of Bid**

**15.1(i)** Bid price should be in Sri Lankan Rupees (LKR) and it should be a flat premium for the period of cover.

(ii) Annual premium will be remitted in USD at the current exchange rate equivalent to the LKR value in four equal installments quarterly basis.

(iii) Claims receivable may receive in LKR or USD by NITF. If the claim received in USD, the USD amount shall be decided on the conversion of the exact LKR value of the claim at the date of occurrence of loss.

## **16. Documents Establishing the Eligibility of the Bidder**

To establish their eligibility in accordance with ITB Clause 4, Bidders shall complete the Bid Submission Form, included in Section IV Bidding Forms.

## **17. Documents Establishing the Conformity of the Reinsurance Services**

**17.1** To establish the conformity of the Reinsurance Services to the Bidding Documents, the Bidder shall furnish as part of its Bid the documentary evidence.

**17.2**The documentary evidence may be in the form of technical literature, certificate or data, and shall consist of a detailed item by item description (given in section v schedule of requirement) of the essential and performance characteristics of the Reinsurance Services, demonstrating substantial responsiveness of the reinsurance services to the technical specification of bidding.



## **18. Documents Establishing the Qualifications of the Bidder**

**18.1**The documentary evidence of the Bidder's qualifications to perform the contract eligibility if its bid is accepted shall establish to NITF's satisfaction:

### **18.2 Eligibility of International Reinsurance Broker**

- a) Experience in handling/ placing Treaty Reinsurance Programmes of insurers operating in the International Reinsurance market for a minimum period of Five (5) years. (Fulfill the Form 6 of Section IV – Bidding Forms and proof documents should be submitted along with the contact person of each company for which the reinsurance arrangements provided)
- b) Experience in handling reinsurance arrangements in Asian Market for a minimum period of three (3) years. (Proof documents should be submitted along with the contact person of each company for which the reinsurance arrangements provided)
- c) Profile of the company, names of the key technical staff (first three technical heads in hierarchical order of the said reinsurance company), professional qualification, experience of each person and the contact details of the key technical officers in the company
- d) If an International Reinsurance Broker intends to obtain services of local reinsurance Broker which has a current license by IRCSL, that should be properly indicated in bidding document and the authorization letter should be issued. (All correspondence and representations will be considered as direct representation of the International Reinsurance Broker, If the local representative Broker is involved in procurement in such case the submission of bids should be purely from the International Reinsurance Broker's heads & not under the letter heads of the local representative Broker)
- e) If a local insurance Broker is used as a representative by the international reinsurance broker where the following conditions must be fulfilled and non compliance of such conditions would be strictly considered material deviations;
  - The international reinsurance broker should issue a letter of representation on behalf of them to the Local Representative broker which should indicate that the local representative broker would represent them in the bidding process but the official bidder should be the international reinsurance broker who will be solely responsible to submit the bids under their own letter heads but not exactly on the local representative broker.
  - Original Bidder should be international Broker and any bids submitted under the letter heads of the local representative will be rejected as material deviation of bidding.
  - Quotations & Bids should be submitted under the heading of the said International Broker not under the local representative of the said International Broker.
  - If the local insurance broker which has the current license by IRCSL intend to participate in the bidding process where such broker would be considered an international reinsurance broker only if they submit proof of such international operation with the submission of proof separately of an International market experience of five years & three years in the Asian market other than the reinsurance experience in local market. Non submission of details of overseas experience will disqualify and it would be considered as a material deviation.
  - Local insurance broker registered under the Insurance Regulatory Commission of Sri Lanka representation having a valid registration should meet the relevant criteria & indicate whether they are representing individually, combination & or representation which should be inform to NITF in a separate confirmation letter with the clear

indication of legal formation of their representation. In this connection NITF will consider the international reinsurance broker who meets the criteria as the legal representative international broker.

- f) The International Reinsurance Broker should possess a valid professional indemnity cover for a limit of liability USD 10Million.
- g) Summary of audited financial details for last five years as per the Form 7 of Section IV – Bidding Forms and certified copy of Financial Statements in year 2017/2018.
- h) Certified copy of Registration in the country of domicile & copy of the current license to transact reinsurance business.

### **18.3 Eligibility of Reinsurers**

- a) Experience in handling/ placing Treaty Reinsurance Programmes of insurers operating in the International Reinsurance market for a minimum period of Five (5) years. (Fulfill the Form 8 of Section IV – Bidding Forms and proof documents should be submitted along with the contact person of each company for which the reinsurance arrangements provided)
- b) Experience in handling reinsurance arrangements in Asian Market for a minimum period of three (3) years. (Proof documents should be submitted along with the contact person of each company for which the reinsurance arrangements provided)
- c) Lead Reinsurer’s rating must be S & P “A-”, AM Best “A-”, Moody’s “A3-”, Fitch “A-” or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- d) The followers’ rating must be S & P “BBB”, AM Best “bbb”, Moody’s “Baa3”, Fitch “BBB” or above. Preference will be given for “A” rated followers.
- e) Summary of Audited Financial details of each reinsurer for the last three years as per Form 9 of Section IV- Bidding Forms and certified copy of Financial Statements in year 2017/2018.
- f) Details of Registration of lead reinsurer in the country of domicile.
- g) Original signed slip (full set of the Cover Note, Lead Share, Signing Page) by the lead reinsurer.
- h) If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.
- i) The Procurement Entity, National Insurance Trust Fund has the right and will contact direct the lead Reinsurers, Reinsurers at any given time for clarification and or information. The International Reinsurance Broker should provide the contact person of lead Reinsurer/Reinsurers and designation, contact number & e mail address along with the bid. Further please submit an alternative authorized person.

## 19. Period of Validity of Bids

**19.1**Bids shall remain valid until the dates **specified in the BDS (91 days from closing date of bid- 24<sup>th</sup> June 2019)**.A bid valid for a shorter period shall be rejected by NITF as non- responsive.

**19.2**In exceptional circumstances, prior to the expiration of the bid validity date, NITF may request bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB Clause 20, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its bid.

## 20. Bid Security

**20.1**The Bidder shall furnish as part of its bid, a Bid Security or a Bid- Securing Declaration, as specified in the **BDS**.

**20.2**The Bid Security shall be in the amount specified in the BDS and shall:

- a) be in form of cash or bid bond
- b) If the bidder intends to submit bid security in form of cash the bidder should deposit the amount specified in the BDS to the bank account mention below:

	<b>LKR Bank Account</b>	<b>USD Bank Account</b>
Name of the bank	People's Bank	People's Bank
Branch	Queens Branch	Queens Branch
Account Name	National Insurance Trust Fund	National Insurance Trust Fund
Account No	A/C No: 033-1-006-9-2467951	A/C No: 033-4-021-4-2467951
Swift Code		PSBKLKLX

- c) If the bidder intends to submit bid security in form of bid bond the bidder should comply the following criteria:
  - All Bidders should submit on demand an irrevocable bid bond from a bank operating in Sri Lanka or a bank based in another country but the guarantee "confirmed" by a bank operating in Sri Lanka for a value of **LKR 275,000** for **105 days** from the date of closing of bids in favorable of National Insurance Trust Fund.
  - Be substantially in accordance with the form included in Section IV, Bidding Forms;
  - Be payable promptly upon written demand by NITF in case the conditions listed in ITB Clause 20.5 are invoked;
  - Be submitted in its original form; copies will not be accepted;
  - Remain valid for the period specified in the BDS.

**20.3**Any bid not accompanied by a substantially responsive Bid Security or Bid Securing Declaration in accordance with ITB Sub- Clause20.1and 20.2, may be rejected by NITF as non-responsive.

**20.4**The Bid Security of unsuccessful Bidders shall be returned as promptly as possible upon the completion of the bidding process.

**20.5**The Bid Security may be forfeited or the Bid Securing Declaration executed:

- a) If a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Bid Submission Form, except as provided in ITB Sub-Clause 19.2; or
- b) If a Bidder does not agree to correction of arithmetical errors in pursuant to ITB Sub-Clause 30.3
- c) If the successful Bidder fails to sign the contract in accordance with ITB Clause 42

## **21. Format and Signing of Bid**

**21.1**The Bidder shall prepare one original of the documents comprising the bid as described in ITB Clause 11 and clearly mark it as "ORIGINAL." In addition, the Bidder shall submit a copy of the bid and clearly mark it as "COPY." In the event of any discrepancy between the original and the copy, the original shall prevail.

**21.2**The original and the Copy of the bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder.

**21.3**Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.

**21.4**The following documents would be considered as the formal prerequisite of any bid to be considered as materially responsive in line with bidding documents.

- a) Pricing details (Quotation Slip as per the Form 2 of Section IV – Bidding Forms) should be properly authorized by the lead reinsurer by placing the official stamp of lead reinsurer and should be signed by the authorized person of the lead reinsurer.
- b) Signing Page should be properly signed and stamped by the lead reinsurer stating the percentage of lead share of each layer of the proposed cover.
- c) The Reinsurance Slip should be signed by the lead reinsurer and stamped (each and every page of the full set of the document shall be stamped, numbered and signed by an authorized person of lead reinsurer).
- d) The Letter of Authorization should be signed and stamped by the lead reinsurer and by the authorized person of the lead reinsurer.

## **Submission and Opening of Bids**

### **22. Submission, Sealing and Marking of Bids**

**22.1** Bidders may always submit their bids by mail or by hand.

- a) Bidders submitting bids by mail or by hand, shall enclose the original and the copy of the Bid in separate sealed envelopes, duly marking the envelopes as “ORIGINAL” and “COPY.” These envelopes containing the original and the copy shall then be enclosed in one single envelope.

**22.2** The inner and outer envelopes shall:

- a) Bear the name and address of the Bidder;
- b) Be addressed to NITF in accordance with ITB Sub Clause 23.1;
- c) Bear the specific identification number of this bidding process as indicated in the BDS; and
- d) Bear a warning not to open before the time and date for bid opening, in accordance with ITB Sub-Clause 26.1.

If all envelopes are not sealed and marked as required, NITF will assume no responsibility for the misplacement or premature opening of the bid.

### **23. Deadline for Submission of Bids**

**23.1** Bids must be received by NITF at the address and not later than the date and time **specified in the BDS.**

**23.2** NITF may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Documents in accordance with ITB Clause 8, in which case all rights and obligations of NITF and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

### **24. Late Bids**

**24.1** NITF shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB Clause 23. Any bid received by NITF after the deadline for submission of bids shall be declared late, rejected, and returned unopened.

### **25. Withdrawal, and Modification of Bids**

**25.1** A Bidder may withdraw, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 22, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITB Sub- Clause 21.2, (except that no copies of the withdrawal notice are required). The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:

- a) Submitted in accordance with ITB Clauses 21 and 22 (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked “Withdrawal,” or “Modification;” and

- b) Received by NITF prior to the deadline prescribed for submission of bids, in accordance with ITB Clause 23.
- c) If a bid is withdrawn by written communication such bidder should be not allowed to be present in the bid opening meeting and they would not be considered as bidder.

**25.2** Bids requested to be withdrawn in accordance with ITB Sub- Clause 25.1 shall be returned to the Bidders only upon notification of contract award to the successful bidder in accordance with sub clause 41.1.

**25.3** No bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Submission Form or any extension thereof.

## **26. Bid Opening**

**26.1** NITF shall conduct the bid opening in the presence of bidders or their authorized representatives at the address, date and time **specified in the BDS**.

**26.2** First, envelopes marked “WITHDRAWAL” shall be opened and read out and the envelope with the corresponding bid may be opened at the discretion of NITF. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Envelopes marked “MODIFICATION” shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Bid opening. Only envelopes that are opened and read out at Bid opening shall be considered further.

**26.3** All other envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the Bid Prices, including any discounts and alternative offers; the presence of a Bid Security or Bid-Securing Declaration, if required; and any other details as NITF may consider appropriate. The original bidding price indicated in the price schedule of the bidding documents and the discounts and read out a Bid opening shall be considered for evaluation. No Bid shall be rejected at Bid opening except for late bids, in accordance with ITB Sub-Clause 24.1.

**26.4** NITF shall prepare a record of the Bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, or modification; the Bid Price, per layer if applicable, including any discounts, and the presence or absence of a Bid Security or Bid-Securing Declaration. The bids that were opened shall be resealed in separate envelopes, promptly after the bid opening. The Bidders’ representatives who are present shall be requested to sign the attendance sheet. A copy of the record shall be distributed to all Bidders who submitted bids in time.

## **Evaluation and Comparison of Bids**

### **27. Confidentiality**

**27.1** Information relating to the examination, evaluation, comparison of bids, and recommendation of contract award, shall not be disclosed to bidders or any other persons.

**27.2** The bidders, interested parties or any third party will not be disclosed any information leading to have undue advantage for further tendering / bidding when the tender process is going on and or after the closure of bidding process.

**27.3** Any effort by a Bidder to influence NITF in the examination, evaluation, comparison of the bids or contract award decisions may result in the rejection of its Bid.

**27.4** Notwithstanding ITB Sub-Clause 27.2, if any Bidder wishes to contact NITF on any matter related to the bidding process, from the time of bid opening to the time of Contract Award, it should do so in writing.

## **28. Clarification of Bids**

**28.1** To assist in the examination, evaluation, comparison and of the bids, NITF may, at its discretion, request any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by NITF shall not be considered for purpose of evaluation. NITF's request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by NITF in the Evaluation of the bids, in accordance with ITB Clause 30. Clarification sought by NITF for the purpose of evaluation of bids will whatsoever not constitute for the confirmation and or offer to a respective bidder.

## **29. Responsiveness of Bids**

**29.1** NITF's determination of a bid's responsiveness is to be based on the contents of the bid itself.

**29.2A** A substantially responsive Bid is one that conforms to all the terms, conditions, and specifications of the Bidding Documents without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:

- a) Affects in any substantial way the scope, quality, or performance of the Reinsurance services specified in the Contract; or
- b) Limits in any substantial way, inconsistent with the Bidding Documents, NITF rights or the Bidder's obligations under the Contract' or
- c) If rectified would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

**29.3** If a bid is not substantially responsive to the Bidding Documents, it shall be rejected by NITF and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation, or omission.

## **30. Non conformities, Errors, and Omissions**

**30.1** Provided that a Bid is substantially responsive, NITF may waive any non-conformities or omissions in the Bid that do not constitute a material deviation.

**30.2** Provided that a bid is substantially responsive, NITF may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify non material nonconformities or omissions in the bid related to documentation requirements. Such omission shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

**30.3** Provided that the Bid is substantially responsive, NITF shall correct arithmetical errors on the following basis:

- a) If there is a discrepancy between the price and total, the price shall prevail total shall be corrected, unless in the opinion of NITF there is an obvious misplacement of the decimal point in the price, in which case the line item total as quoted shall govern and the price shall be corrected;
- b) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) above.

**30.4** If the Bidder that submitted the lowest evaluated Bid does not accept the correction of errors, its Bid shall be disqualified and its Bid Security shall be forfeited or its Bid-Securing Declarations shall be executed.

### **31. Preliminary Examination of Bids**

**31.1** NITF shall examine the bids to confirm that all documents and technical documentation requested in ITB Clause 11 have been provided, and to determine the completeness of each document submitted.

**31.2** NITF shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the Bid shall be rejected.

- a) Bid Submission Form, in accordance with ITB Sub-Clause 12.1;
- b) Price Schedules, in accordance with ITB Sub-Clause 12 and 21;
- c) Bid Security or Bid Securing Declaration, in accordance with ITB Clause 20.

### **32. Examination of Terms and Conditions; Technical Evaluation**

**32.1** NITF shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 17, to confirm that all requirements specified in Section V, Schedule of Requirements of the Bidding Documents have been met without any material deviation or reservation.

**32.2** If, after the examination of the terms and conditions and the technical evaluation, NITF determines that the Bid is not substantially responsive in accordance with ITB Clause 29, NITF shall reject the Bid.

### **33. Conversion to Single Currency**

The bidders are allowed to quote in foreign currencies in accordance with sub clause 15.1, for evaluation and comparison purposes, NITF shall consider all bid prices expressed in Sri Lankan Rupees and USD only.

### **34. Domestic Preference**

**34.1** Domestic preference shall not be a factor in bid evaluation as there is no any positive contribution of any margin of preference due to the nature of international reinsurance procurement.

**34.2** In the event of local representative Insurance Broker available with the International Reinsurance Broker, the qualification of the International Reinsurance Broker will be the sole consideration and the supplier, eligible Reinsurance Broker and such Reinsurance Broker would be specified and the letter of award, BOR will be issued in the name of the International Reinsurance Broker instead of the local representative of such International Reinsurance Broker. The formal broker on record will be absolutely



the International Reinsurance Broker only. The local representative Insurance Broker will have only the representative state of the International Reinsurance Broker.

### **35. Evaluation of Bids**

**35.1** NITF shall evaluate each bid that has been determined, up to this stage of the evaluation, to be substantially responsive.

**35.2** To evaluate a Bid, NITF shall only use all the factors, methodologies and criteria defined in this ITB Clause 35.

**35.3** To evaluate a Bid, NITF shall consider the following:

- a) The Bid Price as quoted in accordance with clause 14;
- b) Price adjustment for correction of arithmetic errors accordance with ITB Sub-Clause 30.3;
- c) Price adjustment due to discounts offered in accordance with ITB Sub-Clause 14.2; and 14.3
- d) Adjustments due to the application of the evaluation criteria specified in the BDS from amongst those set out in Section III, Evaluation and Qualification Criteria;
- e) Adjustments due to the application of a domestic preference, in accordance with ITB Clause 34 if applicable.

**35.4** NITF's evaluation of a bid may require the consideration of other factors, in addition to the factors listed in ITB Sub-Clause 35.3, if specified in BDS. These factors may be related to the characteristics, performance, and terms and conditions of purchase Reinsurance Services. The effect of the factors selected, if any, shall be expressed in monetary terms to facilitate comparison of bids.

### **36. Comparison of Bids**

NITF shall compare all substantially responsive bids to determine the lowest-evaluated bid, in accordance with ITB Clause 35.

### **37. Post qualification of the Bidder**

**37.1** NITF shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated and substantially responsive bid is qualified to perform the Contract satisfactorily.

**37.2** The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB Clause 18.

**37.3** An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the bid, in which event NITF shall proceed to the next lowest evaluated bid to make a similar determination of that Bidder's capabilities to perform satisfactorily.

### **38. NITF's Right to Accept Any Bid, and to reject any or All Bids**

NITF reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to **Bid**, contract award, without thereby incurring any liability to Bidders.

## **Award of Contract**

### **39. Award Criteria**

NITF shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated bid and is substantially responsive to the Bidding Documents, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

### **40. NITF's Right to vary Quantities at time of Award**

40.1 At the time the Contract is awarded, NITF reserves the right to increase or decrease the level of reinsurance services originally specified in Section V, Schedule of Requirements, provided this does not exceed fifteen percent (15%) of the total cover subject to ratable premium change in the price without any sort of changer terms and conditions of the bid and the Bidding Documents.

### **41. Notification of Award**

41.1 Prior to the expiration of the period of bid validity, NITF shall notify the successful Bidder of intention to award the contract writing, that its Bid has been accepted subject to appeal process and cabinet of minister's approval.

41.2 Until a formal Contract is prepared and executed, the notification of award shall constitute a binding Contract.

41.3 Upon the successful Bidder's furnishing of the signed Contract Form and NITF will promptly notify each unsuccessful Bidder and will discharge its bid security, pursuant to ITB Clause 20.4.

### **42. Signing of Contract**

42.1 Within Seven (7) days after notification, NITF shall complete the Agreement, and inform the successful Bidder to sign it.

42.2 Within Seven (7) days of receipt of such information, the successful Bidder shall sign the Agreement.

42.3 Having been substantially responsive lowest bidder who would be the successful bidder should sign the final agreement of reinsurance contract with NITF without incorporating any additional condition, modification and or deletion to the cover originally submitted at the time of the bidding. If the successful bidder has included any additional conditions, modifications and or deletions to the original reinsurance cover proposed in the form of slip would constitute to the rejection and the successful bidder would be immediately disqualify and in such case the next lowest substantially responsive bidder would be issued the BOR to complete the bidding process.

## Section II Bidding Data Sheet (BDS)

The following specific data for the product to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB

ITB Clause Reference	<b>A. General</b>
ITB 1.1	The Purchaser is: <b>National Insurance Trust Fund Board</b>
ITB 1.1	The name and identification number of the Contract are: <b>Procurement of Reinsurance Program to cover the National Agricultural Insurance Scheme and Agricultural Loan Protection Insurance Scheme for Farmers for one year period.</b>  Contract Number: <b>NITF/REI/COM/CROP/2018/106</b>  <b>To qualify for evaluation, Bidders are required to bid for the total solution. Partial bids shall be treated as non-responsive and shall be rejected / disqualified.</b>
ITB 2.1	The source of funding is: By National Insurance Trust Fund Board
	<b>B. Contents of Bidding Documents</b>
ITB 7.1	For Clarification of bid purposes only, NITF's address is:  Attention: Manager (Acting) Reinsurance Address: National Insurance Trust Fund No.97, Maradana Road, Colombo 10. Telephone:+94 0112026600 Ext-1450 Mobile: +94 714451006 Fax: +94 114700988 E-mail: deshani@nitf.lk  <b>A Pre-bid meeting will be held: Yes</b>  <b>Date :19<sup>th</sup> March 2019</b>  <b>Time: 14:00 hrs.</b>  <b>Venue:</b> National Insurance Trust Fund Board,(5 <sup>th</sup> floor) No.97, Maradana Road, Colombo 10.
	<b>C. Preparation of Bids</b>
ITB 13.1	The bidders are not allowed to submit Alternative bids, and such bids will not be considered for evaluation. The bidders should strictly submit the bids for the Options indicated in the 13.1 of ITB. The other alternative bids submitted by bidders shall be treated as non-responsive and shall be rejected considering a major deviation.
ITB 14.3	The bidder may quote as follows

	Description	Annual Premium and Terms of Payment	Terms for Reinstatement
	If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.		
ITB 15.1	The bidder shall quote in Sri Lankan Rupees.		
ITB 19.1	The bid validity period shall be 91 days from the date of bid closure; accordingly the bid shall be valid until 24 <sup>th</sup> June 2019.		
ITB 20.1	Bid shall include a Bid Security issued by a commercial bank licensed by the Central Bank of Sri Lanka in the format prescribed in Section IV “Bidding Forms-Bid Guarantee”		
ITB 20.2	<p>The amount of the Bid Security shall be as follows;</p> <p><b>Sri Lankan Rupees Two Hundred and Seventy-Five Thousand (LKR 275,000)</b></p> <p>Bid Security shall be issued in favor of;</p> <p>National Insurance Trust Fund No.97, Maradana Road, Colombo 10. Sri Lanka.</p> <p>Bid Security shall be valid for a period of 105 days <b>up to, 8<sup>th</sup> July 2019)</b></p>		
<b>D. Submission and Opening of Bids</b>			
ITB 22.2	<p>The inner and outer envelopes shall bear the following identification marks:</p> <p><b>Procurement of Reinsurance Program to cover The National Agricultural Insurance Scheme and Agricultural Loan Protection Insurance Scheme for Farmers for one year period.</b></p> <p>Contract Number: NITF/REI/COM/CROP/2018/106</p>		
ITB 23.1	<p><b>For bid submission purposes, the NITF's address is:</b></p> <p>Attention: Manager (Acting) Reinsurance</p> <p>Address: National Insurance Trust Fund Board, No.97, Maradana Road, Colombo 10.</p> <p>Telephone: +94 0112026600 Ext-1450 Mobile: +94 714451006 Fax: +94 114700988 E-mail: <a href="mailto:deshani@nitf.lk">deshani@nitf.lk</a></p> <p><b>The deadline for the submission of bids is:</b></p> <p><b>Date: 25<sup>th</sup> March 2019</b> <b>Time: 14:00 hrs</b></p>		
ITB 26.1	<p><b>The Bid opening shall take place at:</b></p> <p><b>Address: National Insurance Trust Fund Board, 5<sup>th</sup> Floor,</b></p>		

	<p align="center"><b>No.97, Maradana Road, Colombo 10. Sri Lanka</b></p> <p><b>Date: 25<sup>th</sup> March 2019</b></p> <p><b>Time: 14:00 hrs(immediately after deadline for bid submission)</b></p>
	<b>E. Evaluation and Comparison of Bids</b>
ITB 34.1	Domestic preference shall not be a bid evaluation factor.
ITB 35.3.d	There will be no price adjustments; the selection is based on the substantially responsive lowest evaluated bid price.
ITB 35.4	<p>The following factors and methodology will be used for evaluation:</p> <ul style="list-style-type: none"> <li>a. Technical Compliance</li> <li>b. Vender Competency &amp; Reputation, Product Market Share and Product Reputation, Quality and Reliability.</li> <li>c. Price</li> </ul>

## **Section III.**

# **Evaluation and Qualification Criteria**

## **Contents**

### 1. Evaluation Criteria- ITB 35.3(d)

NITF's evaluation of a bid will be based on Evaluated Bid Price.

### 2. Evaluation of received bids will be done at two stages. (ITB37.2)

#### 2.1 Preliminary Examination

#### 2.2 Detailed evaluation

#### **2.1 Preliminary Examination**

The bids received will be examined to determine;

- Whether all documents requested available.
- Whether bidders are eligible Reinsurance Brokers (Please refer 3.1 section of this document - annexure 01).
- Whether bidders are eligible Reinsurers (Please refer 3.2 section of this document - annexure 01).
- Whether the Bid Form (Form 1) is duly signed by an authorized officer and stamped
- Whether the original lead signed / stamped slip is available from the lead reinsurer.
- Whether the original Pricing schedule (form 2 of section iv bidding forms) signed / stamped by the lead Reinsurer.
- Whether the original Signing Page has been properly signed by the lead Reinsurer with stamped and the lead share as well as all layers are protected by the lead share percentage.

## 2.2 Detailed Evaluation

The Bids will be analyzed and evaluated in depth by giving substantial weight age on the following aspects along with the Pricing Details in Form 6. This will be performed in addition to the preliminary examination.

Description	Lead Reinsurer	Reinsurance Broker
Number of additional years working on Reinsurance Market	10 (01 mark per year subject to maximum 10 marks)	20 (01 mark per year subject to maximum 20 marks)
Working on Asian Market (Addition to the minimum qualification ITB Clause 18.2 b)	10 (01 mark per year subject to maximum 10 marks)	20 (01 mark per year subject to maximum 20 marks)
Past experience in similar programmes	10 (01 mark per year subject to maximum 10 marks)	20 (01 mark per year subject to maximum 20 marks)
Financial Strength	50 <ul style="list-style-type: none"> <li>• Turnover (Maximum 08 marks)</li> <li>• Net Profit (Maximum 12 marks)</li> <li>• Total Assets (Maximum 08 marks)</li> <li>• EPS (Maximum 08 marks)</li> <li>• Net Assets (Maximum 08 marks)</li> <li>• <b>The above criteria would be ranked as per the descending order on the information given</b></li> </ul>	20 <ul style="list-style-type: none"> <li>• Turnover (Maximum 04 marks)</li> <li>• Net Profit (Maximum 04 marks)</li> <li>• Total Assets (Maximum 04 marks)</li> <li>• EPS (Maximum 04 marks)</li> <li>• Net Assets (Maximum 04 marks)</li> <li>• <b>The above criteria would be ranked as per the descending order on the information given</b></li> </ul>
Number of Key Technical Staff (Minimum 03). The following documents should be submitted with proof. -Name, Designation -Qualifications (Maximum 10 marks) <ul style="list-style-type: none"> <li>• FCII / ACII or equivalent</li> <li>• MBA / PhD Holder</li> </ul> -Working Experience (Maximum 10 marks) <ul style="list-style-type: none"> <li>• Number of years experience in the reinsurance market</li> <li>• Number of years experience with the bidders (at least 02 years)</li> </ul>	20 <ul style="list-style-type: none"> <li>• (Maximum 07 marks)</li> <li>• (Maximum 05 marks)</li> <li>• (01mark per year subject to maximum 05 marks)</li> <li>• (01mark per year subject to maximum 05 marks)</li> </ul>	20 <ul style="list-style-type: none"> <li>• (Maximum 07 marks)</li> <li>• (Maximum 05 marks)</li> <li>• (01mark per year subject to maximum 05 marks)</li> <li>• (01mark per year subject to maximum 05 marks)</li> </ul>

\*\* If the details are submitted other than the detail required will be rejected.

## **Section IV. Bidding Forms**

### **Table of Forms**

- 1. Bid Submission Form**
- 2. Price Schedule**
- 3. Bid Guarantee**
- 4. Letter of Authorization**
- 5. Details of the members of the board of Directors of Bidder**
- 6. General Information and Experience of International Reinsurance Broker**
- 7. Financial Capabilities of International Reinsurance Broker**
- 8. General Information and Experience of Lead Reinsurer**
- 9. Financial Capabilities of Lead Reinsurer**



**1. Bid Submission Form**

**[The Bidder shall fill in this Form in accordance with the instructions indicated No section I alterations to its format shall be permitted and no substitutions shall be accepted.]**

Date: *[insert date (as day, month and year) of Bid Submission]*

No.: NITF/REI/COM/CROP/2018/106

To: **National Insurance Trust Fund Board**

We, the undersigned, declare that:

(a) We have examined and have no reservations to the Bidding Documents, including

Addenda No.: *[insert the number and issuing date of each Addenda ]*;

(b) We offer to supply in conformity with the Bidding Documents for the following Reinsurance Services .....

.....

*[\* insert a brief description of the Reinsurance Services];*

(c) The total net price of our Bid, after any discounts offered is:

.....

..... *[insert the total bid price in words and figures];*

(d) Our bid shall be valid for the period of time specified in ITB Sub- Clause18.1, from the date fixed for the bid submission deadline in accordance with ITB Sub- Clause23.1,and it shall remain binding upon us and maybe accepted at any time before the expiration of that period;

(e) We have no conflict of interest in accordancewithITBSub-Clause4.3;

(f) Our firm, its affiliates or subsidiaries—including any sub contractors or suppliers for any part of the contract, or any individual Director or Directors have not been declared blacklisted by National Procurement Agency;

(g) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed. The formal contract and the written acceptance of your bid (BOR) will constitute the permanent contract between the bidder / reinsurance panel and NITF.

(h) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

Signed:..... *[insert signature of person whose name and capacity are shown]*

In the capacity of ..... *[ insert legal capacity of person signing the Bid Submission Form]*

Name: ..... *[insert complete name of person signing the Bid Submission Form]*

Duly authorized to sign the bid for and on behalf of:.....  
*[insert complete name of Bidder]*

Dated on \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_ *[insert date of signing]*

## 2. PRICE SCHEDULE

Description	Annual Premium and Terms of Payment	Terms for Reinstatement

\*\*the format of the price schedule should be strictly adhered and alternative price schedules and or altered price schedules in submission of the price will not be considered and such deviations would constitute to rejection of the bid.

### 3. Bid Guarantee

*[this Bank Guarantee form shall be filled in accordance with the instructions indicated in brackets]*

----- *[insert issuing agency's name, and address of issuing branch or office]*-----

**\*Beneficiary:** National Insurance Trust Fund Board. No.97, Maradhana Road, Colombo 10.

**Date:** -----*[insert (by issuing agency)date]*

**BID GUARANTEE No.:** -----*[insert (by issuing agency)number]*

We have been informed that-----*[insert (by issuing agency) name of the Bidder; if a joint venture, list complete legal names of partners]*(hereinafter called "the Bidder") has submitted to you its bid dated -----*[insert (by issuing agency)date]*(hereinafter called "the Bid")for the supply of*[insert name of Supplier]*under Invitation for Bids No.-----*[insert IFB number]*("the IFB").

Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid Guarantee.

At the request of the Bidder, we-----*[insert name of issuing agency]* hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of-----*[insert amount in figures]* -----*[insert amount in words]*) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is In breach of its obligation(s)under the bid conditions, because the Bidder:

- (a) has withdrawn its Bid during the period of bid validity specified; or
- (b) does not accept the correction of errors in accordance with the Instructions to Bidders (hereinafter "the ITB" ); or
- (c) having been notified of the acceptance of its Bid by NITF during the period of bid validity,(i) fails or refuses to execute the Contract Form.

This Guarantee shall expire: (a)if the Bidder is the successful bidder, upon our receipt of copies of the Contract signed by the Bidder or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder that the Bidder was unsuccessful, otherwise it will remain in force up to 24<sup>th</sup> June 2019

Consequently, any demand for payment under this Guarantee must be received by us at the office on or before that date. \_\_\_\_\_

*[ signature (s) of authorized representative (s) ]*

## 4. Letter of Authorization

Date:

The Chairman  
Cabinet Appointed Procurement Committee  
National Insurance Trust Fund  
No. 97,  
Maradana Road,  
Colombo 10.  
Sri Lanka.

We, ..... hereby declare & agree that the reinsured namely – NITF will have the full authority to access the lead reinsurer & reinsurers in the panel of this programme without the consent of the incumbent broker and or their representative. We herewith authorized to do so.

.....

Signature of authorized signatory

Lead Reinsurer:

Stamp:

Authorized Signatory:

Date:

Follower Reinsurers:

Stamp:

**5. Details of the members of the board of Directors of Bidder.**

Declaration of the names and contact numbers of the Reinsurance Brokers.

<b>Name</b>	<b>Designation</b>	<b>Correspondence Address</b>	<b>NIC/Passport no: or any personal identification no: of country of domicile.</b>	<b>Proof of Nationality</b>

Authorized Officer : .....

Signature : .....

Official frank : .....

**6. General Information and Experience of International Reinsurance Broker**

- 1. Name of Company:
- 2. Address:
- 3. Telephone:
- 4. Facsimile/e-mail:
- 5. Place and year of Incorporation/Registration:

6. Name of the contact person: Contact No: E-Mail:

7. Main lines of Business:

1.	Since:	
2.	Since:	
3.	Since:	
4.	Since:	
5.	Since:	

8. Previous Experience in Providing Reinsurance Services/Retrocession Programmes.

Country	Name of Client	Address of Client	Contact Person, Phone, Fax, email	Type of Reinsurance Cover	Value of Reinsurance Cover	Year

Authorized Officer : .....

Signature : .....

Official frank : .....

## 7. Financial Capabilities of International Reinsurance Broker

Name of Company:

**Summarized Actual Assets and Liabilities based on the audited Financial Statements for the previous two (5) years (copies attached)**

Financial Information	2013	2014	2015	2016	2017
1. Total Assets					
2. Current Assets					
3. Total Liabilities					
4. Current Liabilities					
5. Shareholders Fund					
6. EBITDA*					
7. Annual Turnover					
8. Net Profit					
9. Any other information**					

\*Earnings before interest, tax, depreciation and amortization.

\*\*Any information, which is relevant and not included under other items may be included.

Name of authorized officer : .....

Signature : .....

Official frank : .....



## 8. General Information and Experience of Lead Reinsurer

1. Name of Company:

2. Address:

3. Telephone:

4. Facsimile/e-mail:

5. Place and year of Incorporation/Registration:

6. Name of the contact person:

Contact No:

E-Mail:

7. Main lines of Business:

6.	Since:	
7.	Since:	
8.	Since:	
9.	Since:	
10.	Since:	

8. Previous Experience in Providing Reinsurance Services/Retrocession Programmes.

Country	Name of Client	Address of Client	Contact Person, Phone, Fax, email	Type of Reinsurance Cover	Value of Reinsurance Cover	Year

Authorized Officer : .....

Signature : .....

Official frank : .....

**9. Financial Capabilities of Lead Reinsurer**

Name of Company:

**Summarized Actual Assets and Liabilities based on the audited Financial Statements for the previous two (5) years (copies attached)**

<b>Financial Information</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
1. Total Assets					
2. Current Assets					
3. Total Liabilities					
4. Current Liabilities					
5. Shareholders Fund					
6. EBITDA*					
7. Annual Turnover					
8. Net Profit					
9. Any other information**					

\*Earnings before interest, tax, depreciation and amortization.

\*\*Any information, which is relevant and not included under other items may be included.

Name of authorized officer :.....

Signature :.....

Official frank :.....

## **Section V.**

### **Schedule of Requirements**

#### **Information and Special Conditions**

##### **1. Objectives of the scheme**

- a. To compensate farmers to mitigate damages caused to paddy cultivations due to droughts, flood and wild Elephants attack.
- b. To protect current paddy famers' borrowing from registered banks and financial institutions against damages to paddy crop due to natural perils such as flood, drought and wild elephant attack. All agricultural loans granted on paddy cultivation is the subject matter of insurance. Further, this insurance scheme does provide the cover for input cost of Potato, Big onion, Maize, Chilies, and Soybean up to Rupees 10,000 per acre.

##### **2. Coverage of the scheme**

###### **2.1 Agricultural loan protection scheme (Scheme A)**

All agricultural loans granted by registered banks and financial institutions are protected by this Scheme as a remedial measure to protect creditworthiness of farmers from damages caused to cultivations due to drought, Flood and Wild Elephants.

Accordingly, action will be taken to make every paddy farmer who obtains an agricultural loan from a registered bank or a financial institution to be covered under National Agricultural Loan Protection Insurance Scheme.

###### **2.2 Agricultural Insurance cover for farmers (Scheme B)**

Agricultural Agrarian Insurance Board implements an Agricultural Insurance cover for farmers to mitigate damages caused to paddy cultivations due to droughts, floods and Wild Elephant attacks. This scheme will also be funded by National Insurance Trust Fund.

**2.3** The following additional crops also should be covered under the reinsurance scheme as per the following basis.

- i. Potato
- ii. Big Onion
- iii. Chili
- iv. Maize
- v. Soya

### 3. Insurance Beneficiaries.

Scheme A - Banks and Financial Institutions

Scheme B – Farmers

### 4. Losses to be covered under both schemes.

- i. Flood
- ii. Drought
- iii. Wild Elephants attack

### 5. Payment Details.

Under both Schemes insurance benefits will be paid subject to the maximum limit of Rs. 25000/- per hectare (Rs. 10,000 per acre) at a total damage.

Stage of cultivation at the time Extent of cultivation	40% of the total compensation within 30 days from the date of sowing (2)	60% of the total compensation up to blooming from 31 <sup>st</sup> day of sowing (3)	100% of the total compensation until the nearing of harvesting from blooming stage (4)
Per one Acre	Rs. 4,000/-	Rs. 6,000/-	Rs. 10,000/-
Per Hectare	Rs. 10,000/-	Rs. 15,000/-	Rs. 25,000/-

To receive total compensation under columns (2), (3) and (4) above, the respective cultivation should have been totally damaged under each stage. If the damage is less than that, the amount of compensation will also be reduced in proportion to the extent of damage.

There can be two claims (one from bank/financial institution and one from the farmer) arising from the same loss. Hence the maximum payment in respect of one acre of paddy will be Rs. 20,000.00 and Rs. 50,000/= in respect of a hectare.

### 6. Financing of the Scheme.

Insurance contribution will be made by the crop levy which is 1% of the profit after tax payable by the banks, financial institutions and Insurance companies. Both Schemes will be funded by National Insurance Trust Fund Board using the Crop levy.

## **7. Procedure of reporting on cultivation Losses.**

### **a. Agricultural loan protection scheme**

Claims which have been estimated by the Committee for Crop Damage and recommended by the respective Divisional secretary, should be forwarded to NITF by Banks and Financial institutions within 6 months since the end of the relevant cultivation season.

### **b. Cultivation Insurance cover for farmer**

Agricultural and Agrarian Insurance Board also follows same process as given under 7 (a), 8 to assess cultivation losses and claim information will be forwarded to NITF by them after settlement for reimbursement.

## **8. Assessment of Cultivation Losses – Assessment Committee on Cultivation Losses.**

Following the reporting of Losses to the cultivation concerned, action should be taken by Divisional Insurance Assessment Committee to determine the losses and the amount of compensation payable in proportionate to loss incurred. This Committee consists of the following officers.

- a. Divisional Secretary (Chairman)
- b. Assistant Director of Agriculture or Representatives of Departments of Wildlife/Irrigation or Residential Project Manager as the case may be.
- c. Divisional officer of Agrarian Development
- d. Agriculture Instructor/Agriculture Research and Production Assistant for identifying damaged cultivations.

The Cultivation Loss Assessment Committee will assess the damage based on the cultivation stage as referred to under subheading 05 above

## **9. Payment of Compensation**

### **Scheme A**

Defaulted loan outstanding due to crop losses caused by drought, flood and wild elephant attack would be first indemnified to the banks and financial institutions who granted the agricultural loans on paddy only and if a balance is remaining it would then be paid to the farmer

### **Scheme B**

Directly payment of compensation by Agricultural and Agrarian Insurance Board to the farmer which will be reimbursed by NITF from crop levy based on the information.

## **10. Period**

One Year

## **11. Territorial Scope**

Geographical limits of Sri Lanka

## **12. RI Arrangement**

Stop loss basis over 110% to 200% loss ratio

(90% in excess of 110% )

The words "loss occurrence" shall mean all individual losses arising out of and directly occasioned by one and the same event. However, the duration and extent of any loss occurrence so defined shall be limited to:

- a) 168 consecutive hours as regards floods.
- b) The insurer may choose the date and time when any such period of consecutive hours commences and, if any accident or event is of greater duration than the above period, the reinsured may divide that accident or event into two or more "loss occurrences" provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the reinsured in that accident or event.
- c) Drought should be declared by metrological department and certification by that to be accepted as the period of loss occurrence
- d) Wild elephant loss occurrence should be authorized by the Divisional Secretaries.

## **13. Premium**

Premium is payable in four equal installments.

## **14. Reinsurer's Security/ Rating**

- a. Lead Reinsurer's rating must be S &P "A-", AM Best "A-", Moody's "A3-", Fitch "A-" or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- b. The follow reinsurers' rating must be S & P "BBB", AM Best "bbb", Moody's "Baa3", Fitch "BBB" or above. Preference will be given for "A" rated followers.
- c. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.

## **15. Laws: Arbitration/Jurisdictions**

Sri Lanka Law

## **16. Gross Net Premium Income**

The crop levy income is considered as the GNPI.

## **17. Validity of the bid:**

90 Days

## **18. Eligibility/ Financial Information**

The following documents should be submitted along with the bid to prove eligibility of Reinsurer.

- a. Lead Reinsurer's rating must be S &P "A-", AM Best "A-", Moody's "A3-", Fitch "A-" or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- b. The followers' rating must be S &P "BBB", AM Best "bbb", Moody's "Baa3", Fitch "BBB" or above.
- c. Audited Final Accounts/ Annual Reports of each reinsurer for the last three years.
- d. Details of Registration of each reinsurer in the country of domicile.
- e. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.

#### **19. Reinsurance completion of the panel of reinsurance follow market**

The bidder should agree that completion of the panel of reinsurance for 100% of risk should be prior approved by NITF and if any follow market NITF wishes to include the panel of reinsurer's where such rights is absolutely vested and retain with NITF. In such situation NITF will instructed successful bidder to allocate named reinsurer and the representative percentage to the bidder. It should be 100% complied in the process of completion of the panel of reinsurance follow market.

#### **20. General**

- a. Bidders must acquaint themselves fully with conditions of the bid.
- b. The bid and any contract resulting thereof shall be governed by and construed according to the laws of Sri Lanka.
- c. No bid shall be considered for evaluation or award unless all the conditions laid down in the document have been strictly fulfilled.
- d. The language of correspondence is English. However, if any of the above documents are in a language other than in English, such documents should be accompanied by a certified English translation. This translation will govern and be used for interpreting the information provided.
- e. The attachment of the risk should be forthwith executed and the cover should be effective upon the BOR is issued. The broker should hold the responsibility onward with immediate effect irrespective of the terms and conditions formally laid down in the quotation and or in any other documents submitted as part of the formal bid. In case of reinsurer has quoted direct where such reinsurer should forthwith attach the risk as per the terms and conditions of the RFP.
- f. Bidders will be disqualified from the bidding process if found offering any gift or inducement which may have an effect of influencing a decision or impairing the objectivity of an official.

#### **21. Arbitration**

All disputes arising out of contract agreement should be dealt in accordance with the provisions of Arbitration Act No. 11 of 1995 and amendments thereto. The place of Arbitration shall be Colombo, Sri Lanka and the language shall be English.

Chairman,  
Cabinet Appointed Procurement Committee  
National Insurance Trust Fund,  
No. 97,  
Maradana Road  
Colombo 10,  
Sri Lanka.

## **Section VI. Contract Forms**

### **Table of Forms**

#### **1. Contract Agreement**



## Contract Agreement

THIS CONTRACT AGREEMENT is made

the [ *insert: number* ] day of [ *insert: month* ], [ *insert: year* ].

BETWEEN

(1) National Insurance Trust Fund, of Ministry of Finance and Mass Media and having its principal place of business at No 97, Maradana Road, Colombo 10. ( hereinafter called “NITF”), and

(2) [ *insert name of International Reinsurers/International Reinsurance Brokers* ], a corporation incorporated under the laws of

[ *insert: country of International Reinsurers/International Reinsurance Brokers* ] and having its principal place of business at

[ *insert: address of International Reinsurers/International Reinsurance Brokers* ] (hereinafter called “the Bidder”).

WHEREAS NITF invited bids for Reinsurance Services, viz., [ *Procurement of Reinsurance Programme to cover the National Agricultural Insurance Scheme and Agricultural Loan Protection – For the period of one year 2019/2020* ] and has accepted a Bid by the *International Reinsurers / International Reinsurance Brokers* for the supply of those Reinsurance Services in the sum of [ *insert Contract Price in words and figures, expressed in the Contract currency ( ies )* ] (hereinafter called “the Contract Price”).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The following documents shall constitute the Contract between NITF and the *International Reinsurers / International Reinsurance Brokers* and each shall be read and construed as an integral part of the Contract:
  - (a) This Contract Agreement
  - (b) Schedule of Requirements
  - (c) The Supplier’s Bid and original Price Schedules
  - (d) NITF’s Notification of Award
  - (e) [ *Add here any other document(s)* ]
2. This Contract shall prevail over all other Contract documents. In the event of any discrepancy or inconsistency within the Contract documents, then the documents shall prevail in the order listed above.
3. In consideration of the payments to be made by NITF to the *International Reinsurers/International Reinsurance Brokers* as hereinafter mentioned, *the International Reinsurers/International Reinsurance Brokers* hereby covenants with

NITF to provide the Reinsurance Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

4. NITF hereby covenants to pay the International Reinsurers/International Reinsurance Brokers in consideration of the provision of the Reinsurance Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
5. We agrees that the NITF reserves the right to contact and or obtain any information from the panel of reinsurers under the captioned contract of reinsurance service
6. We are fully aware and agreed that NITF reserves the right to execute the terms and conditions laid down in the bidding document of ITB, BDS and we have no objection in exercising of such rights by NITF.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of *Democratic Socialist Republic of Sri Lanka* on the day, month and year indicated above.

For and on behalf of NITF

Signed: *[insert signature]*

in the capacity of *[ insert title or other appropriate designation ]*

in the presence of *[insert identification of official witness]*

For and on behalf of the Bidder

Signed: *[insert signature of authorized representative(s) of the Bidder]*

in the capacity of *[ insert title or other appropriate designation ]*

in the presence of *[ insert identification of official witness]*



