



INVITATION FOR BIDS

PROCUREMENT OF REINSURANCE COVER FOR STRIKE, RIOT, CIVIL COMMOTION AND TERRORISM FUND FOR THE PERIOD FROM 01.01.2018 TO 31.12.2018 (BOTH DAYS INCLUSIVE)

NATIONAL INSURANCE TRUST FUND

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Government of the Democratic Socialist Republic of Sri Lanka
MINISTRY OF NATIONAL POLICIES AND ECONOMIC AFFAIRS
NATIONAL INSURANCE TRUST FUND

INVITATION FOR BIDS

**PROCUREMENT OF REINSURANCE COVER FOR STRIKE,
RIOT, CIVIL COMMOTION AND TERRORISM FUND FOR
THE PERIOD FROM 01.01.2018 TO 31.12.2018 (BOTH DAYS
INCLUSIVE)**

1. The Chairman, Ministry Procurement Committee, (herein after called MPC) Ministry of National Policies and Economic Affairs on behalf of the National Insurance Trust Fund (herein after called NITF) invites bids from eligible Reinsurers' / Reinsurance Brokers for procurement of Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism Fund for the period from 01.01.2018 to 31.12.2018 (Both days inclusive)
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 functions coming under the purview of the Strike, Riot, Civil Commotion and Terrorism Fund have been absorbed by the National Insurance Trust Fund. NITF provides Insurance covers for Strike, Riot and Civil Commotion and Terrorism for those who obtain insurance covers for Strike, Riot, Civil Commotion and Terrorism risks from the registered Insurance Companies in Sri Lanka.
3. Interested parties may obtain a complete set of bidding documents from NITF office from **0900 hours to 1500 hours** on working days till **21st September 2017 to 20th October 2017** upon payment of a non-refundable fee of **USD 150** or **LKR 22,500.00** by bank draft in favour of **A/C No: 033-4-022-3-2467951 National Insurance Trust Fund**. Bidding documents can also be downloaded from the NITF website (www.nitf.lk).

4. Bids must be submitted in a sealed envelope, either delivered by hand or couriered to reach the Chairman, Ministry Procurement Committee, National Insurance Trust Fund, No. 97, Maradana Road, Colombo – 10, Sri Lanka, not later than **1600 hours** on **20th October 2017** and be clearly marked “Bid for procurement of Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism Fund for the period from 01.01.2018 to 31.12.2018 (Both days inclusive)– NITF/SRCC/03/2018”.(Those who obtained the bids through NITF web site should enclose the bank draft for the non refundable 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, 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	Chief Executive Officer NITF	AGM- Insurance NITF
Direct	+ 94 112323007	+94 114873900-5 Ext 333
Mobile:	+ 94 773 423450	+94 710920845
Fax:	+94 112323155	+94 112333893
E-mail:	ceo@nitf.lk	nimalip@nitf.lk

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

National Insurance Trust Fund

PROCUREMENT OF REINSURANCE COVER FOR STRIKE, RIOT, CIVIL COMMOTION AND TERRORISM FUND FOR THE PERIOD FROM 01.01.2018 TO 31.12.2018 (BOTH DAYS INCLUSIVE)

Instructions to the Bidders and General Conditions of the Bid

1. Introduction

The Chairman, Ministry Procurement Committee (MPC), on behalf of the National Insurance Trust Fund invites sealed bids from Reinsurers' / Reinsurance Brokers to provide a Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism Fund for the period from 01.01.2018 to 31.12.2018 (Both days inclusive)

2. Invitation to Bids

Bids are invited for the procurement of reinsurance cover to protect NITF against claims arising out of Strike, Riot, Civil Commotion and Terrorism Fund, for a period of 12 months from 01.01.2018.

3. Eligibility

3.1 Eligibility of Reinsurance Broker

Bidder should meet the following criteria and documents /information should be submitted to prove the eligibility when submitting the Bid.

- a. Experience in handling/ placing Treaty Reinsurance Programmes of insurers operating in the International Reinsurance market for a minimum period of Five (5) years.
- b. Experience in handling reinsurance arrangements in Asian Market.
- c. Profile of the company, names and the contact details of the key technical officers.
- d. If local broker participating in bidding, collaborated with international broker, all agreements should be submitted from international broker and such local broker should properly authorized by the international broker in writing (Duly signed authorization letter should be submitted)
- e. Summary of audited financial details for last five years as per the Form 03 and certified copy of Financial Statements in year 2015/2016.
- f. Certified copy of Registration in the country of domicile & copy of the current license to transact reinsurance business.
- g. Certified copy of Professional Indemnity Insurance Cover.(Applicable only for Reinsurance Brokers)

3.2 Eligibility of Reinsurers

Reinsurance Broker should submit quotation with lead terms through eligible reinsurers. Following criteria should be complied by the reinsurers providing the programme.

- 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. Original signed slip by the lead reinsurer.

4. Submission and opening of the bids

Bids must be submitted in sealed envelopes, either delivered by hand or couriered to the Chairman, Ministry Procurement Committee, National Insurance Trust Fund, No. 97, Maradana Road, Colombo – 10, Sri Lanka not later than **1600 hours** on **20th October 2017** and be clearly marked "Bids of Procurement of Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism for the period from 01.01.2018 to 31.12.2018 (Both days inclusive) -NITF/SRCC/03/2018"

Bids should be submitted by the reinsurance broker in duplicate clearly labeled as "Original" and "Copy".

Bid must be submitted & accompanied with a Quotation Slip, Original Signed Slip of lead Reinsurer and Reinsurance Agreement wording with lead share from the leading reinsurer.

All Bidders should submit **on demand** an irrevocable bid bond from a local licensed commercial bank for a value of LKR 400,000.00 Validity period of the bid bond should be 90 days from the date of bid opening.

The Ministry Procurement Committee reserves the right to accept or reject bids of a Reinsurer / Reinsurance Broker whose bid is not acceptable to the National Insurance Trust Fund without giving any reason. Any Reinsurance Broker who has submitted the bid without the original closing slip duly signed by the lead reinsurer along with the reinsurance share will be disqualified.

Bids will be opened immediately after closing time, in the presence of bidders or their authorized representatives. Bids will be opened by a Bid Opening Committee at **1600 hours** on **20th October 2017** at the office of the National Insurance Trust Fund, No.97, Maradana Road, Colombo 10, Sri Lanka. Quoted price only will be declared at the bid opening meeting.

Late submissions will be rejected as disqualified.

5. Language of the Bid

All information required shall be provided in English language and all the perfected forms should be signed by the authorized officials.

6. Bid prices and Currency

- (i) Bid price should be in Sri Lankan Rupees (LKR) and MDP should be quoted on 90% basis.
- (ii) If there is a discrepancy in the amount in figures and in words, the amount in words will be considered as correct.

(iii) Quarterly MDP will be remitted in USD at the current exchange rate equivalent to the LKR value of the quarterly premium payment.

(iv) Claims receivable may receive in USD by NITF on the conversion of the exact LKR value of the claim.

7. Validity of Bid

All Bids shall be valid for a minimum period of ninety (90) days from the date of closing of Bids.

8. Evaluation of bids

Evaluation of received bids will be done at two stages.

- (i) Preliminary Examination
- (ii) Detailed evaluation

8.1 Preliminary Examination

The bids received will be examined to determine;

- Whether bids are completed.
- Whether bidders are eligible Reinsurers' / Reinsurance Brokers.
- Whether the Bid Form (Form 1) is duly signed by an authorized officer.
- Whether the required evidence have been provided.
- Whether the original lead signed slip is available from the lead reinsurer.

8.2 Detailed Evaluation

The Bids will be analyzed and evaluated in depth by giving substantial weightage on the following aspects. This will be performed in addition to the preliminary examination of the bid opening.

- i. Minimum and deposit premium.
- ii. Adjustable rates.
- iii. Reinstatement rate.
- iv. International credit and financial rating of the Reinsurers.
- v. Reinsurance slip wording.(Cover Note)
- vi. Financial status of the Reinsurance Broker & Reinsurers'.
- vii. Experience of handling Reinsurance arrangements and extent of exposure.

9. Award of bid

Award will be made to the most competitive bid. The NITF will notify the successful bidder in writing, by e-mail followed by a registered letter. The unsuccessful bidders will neither be informed nor any clarifications entertained by NITF.

10. Agreement

Successful Bidder should submit the original reinsurance treaty agreement/s signed by all the participating reinsurers in original letter heads within 14 days of acceptance of the bid.

11. Governing Law

The bids and any contract resulting there from shall be governed by and construed according to the Laws of Sri Lanka.

12. Arbitration

- (a) All disputes including liability and quantum arising in connection with the contract shall be finally settled in accordance with the provisions of the Arbitration Act No 11 of 1995 and amendments thereto.
- (b) Performance of the contract shall be continued during arbitration proceedings.
- (c) All proceedings and hearings by arbitrators or umpires shall be held in Sri Lanka.

13. Clarifications

Clarification meeting will be held at **1400 hours** on **04th October 2017** at the office of the National Insurance Trust Fund, No.97, Maradana Road, Colombo 10, Sri Lanka.

Further clarification could be obtained in writing from;

Contact Person	Chief Executive Officer NITF	AGM- Insurance NITF
Direct	+ 94 112323007	+94 114873900-5 Ext 333
Mobile:	+ 94 773 423450	+94 710920845
Fax:	+94 112323155	+94 112333893
E-mail:	ceo@nitf.lk	nimalip@nitf.lk

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

National Insurance Trust Fund

PROCUREMENT OF REINSURANCE COVER FOR STRIKE, RIOT, CIVIL COMMOTION AND TERRORISM FUND FOR THE PERIOD FROM 01.01.2018 TO 31.12.2018 (BOTH DAYS INCLUSIVE)

Information and Special Conditions

1. Introduction

It is mandatory for all Insurance companies transacting General Insurance business in Sri Lanka to cede total liability accepted for Strike, Riot, Civil Commotion and Terrorism covers to NITF. NITF has decided to obtain a reinsurance cover to protect its possible liabilities arising from the above.

2. Scope of cover

Whole Account Excess of Loss reinsurance programme to protect the NITF liabilities arising from Strike, Riot, Civil Commotion and Terrorism covers of the General Insurance Businesses of each Insurance company transacting in all General Insurance classes of business.

2.1 Period

12 months commencing from 1st January 2018.

2.2 Territorial Scope

Sri Lanka & Maldives (as applicable) for all classes other than Marine Hull, Marine Cargo and Personal Accident and Liability.

Worldwide for Personal Accident and Marine Cargo.

Worldwide for Marine Hull business written in Sri Lanka.

Subject to based on Limits and rate schedule as attached.

2.3 Layering

LKR 1000 Mn Xs LKR 1000 Mn
LKR 3000 Mn Xs LKR 2000 Mn
LKR 5000 Mn Xs LKR 5000 Mn



LKR Amount or each and every risk, each and every loss occurrence, each & every loss and / or series of losses arising out of one event

2.4 Reinstatements

Bids must comprise with one reinstatement for each layer as per item no.2.3

2.5 Premium

Minimum & Deposit Premium is payable in four equal installments.

2.6 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.

3 Laws: Arbitration/Jurisdictions

Sri Lanka

4 Gross Net Premium Income

01/01/2014 to 31/12/2014 (Actual)	2835Mn	LKR
01/01/2015 to 31/12/2015 (Actual)	3019Mn	LKR
01/01/2016 to 31/12/2016 (Actual)	3533Mn	LKR
01/01/2017 to 31/08/2017 (Actual)	2458Mn	LKR
2018 Estimated–	3275Mn	LKR

5 Validity of the bid:

90 days

6 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. Original signed slip by the lead reinsurer.

7 General

- 7.1 Bidders must acquaint themselves fully with conditions of the bid.
- 7.2 The bid and any contract resulting there from shall be governed by and construed according to the laws of Sri Lanka.
- 7.3 No bid shall be considered for evaluation or award unless all the conditions laid down in the document have been strictly fulfilled.
- 7.4 A list of reinsurers stating the lead reinsurer, follow reinsurers and the respective percentage of cover supported by them must be enclosed, along with their ratings and proof of the same.

8 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.

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

Bid Form

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

**BID FOR PROCUREMENT OF REINSURANCE COVER FOR STRIKE, RIOT, CIVIL
COMMOTION AND TERRORISM FUND FOR THE PERIOD FROM 01.01.2018 TO 31.12.2018
(BOTH DAYS INCLUSIVE)**

1. I/We, the under signed having read and fully acquainted myself/ ourselves with the contents of the “Instructions to the Bidders and General Conditions and Information and Special Conditions of Bid” pertaining to the above Bid, along with Annexure 1 & 2 thereto do hereby undertake to provide Reinsurance cover for Strike, Riot, Civil Commotion and Terrorism Fund for the period of 01.01.2018 – 31.12.2018 and to submit all supporting documents as specified in the bidding documents.

2. I/We confirm that this offer/bid will be open and acceptance valid until (90 days from the date of closing of the Bid) and that it will not be withdrawn or revoked prior to that date.

3. I/We attached hereto the following as a part of my/our bid.

- a) Documentary evidence to establish eligibility to bid.
- b) Documentary evidence to establish qualification for the performance of the contract.
- c) Certificate of Incorporation or Business Registration Certificate or other relevant documents.
- d) Pricing details.

4. I/We understand that you are not bound to accept the lowest bid and that you reserve the right to reject or accept the bid without giving any reason for rejection, even if the value quoted by me/us is the lowest.

Signature of Bidder	:	Telephone	:
Name of Bidder	:	Fax	:
Designation	:	E-mail	:
Official address	:		
Date	:		
Official Frank	:		

General Information and Experience of Reinsurance Broker

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

6. Main lines of Business:

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

7. Previous Experience in Providing Reinsurance Services in the past 5 years.

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 :

Financial Capabilities 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	2012	2013	2014	2015	2016
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 :

Pricing Details

Layer	Minimum and Deposit Premium 90%	Adjustable Rate	Terms for Reinstatement
LKR 1000 Mn Xs LKR 1000 Mn			
LKR 3000 Mn Xs LKR 2000 Mn			One Reinstatement
LKR 5000 Mn Xs LKR 5000 Mn			One Reinstatement
			One Reinstatement