

Invitation for Expression of Interest

For

**Consultancy Services for implementation of Risk Based
Supervisory Framework**



Insurance Regulatory and Development Authority of India,
Survey No. 115/1,
Financial District, Nanakramguda,
Hyderabad – 500 032.

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1. Introduction:

The Insurance Regulatory and Development Authority of India (herein after referred to as 'IRDAI') is the regulator for Insurance Industry in India, established in the year 2000 under an act of Parliament, to ensure protection of policyholders' interest as well as to promote orderly growth of insurance industry in India.

IRDAI deals with all regulatory and supervisory aspects pertaining to the insurance industry in India including licensing/registration, market conduct, prudential aspects and enforcement of all the regulated entities. IRDAI issues regulations, guidelines, circulars and directives from time to time to the regulated entities and assesses their performance through various regulatory returns, onsite inspections and offsite monitoring.

In the current day context, the performance of the regulated entities is measured against the laid down regulations, guidelines, circulars and directives from a compliance perspective. While such approach is in use, IRDAI envisages moving into 'Risk Based Supervision' (hereinafter referred to as 'RBS' or 'RBSF') regime where the primary focus would be to assess, monitor and supervise the functions, operations and performance of the entities being regulated from a 'Risk based' perspective rather than from a 'Compliance based' perspective alone.

IRDAI believes that such a perspective would enable identification of the inherent risks entities are exposed to, at an early stage, and provides the advantage of initiating remedial measures in an appropriate manner so as to prevent large scale consequences from a potential failure of a regulated entity. While IRDAI intends to develop the RBS models internally, it is believed that consultancy support in the process would aid in speedier development, testing and implementation of the RBS framework.

This notice intends to invite interested parties with requisite capabilities to make an expression of interest for the consultancy support to IRDAI for the development, testing and implementation of the RBS framework.

2. Broad requirements:

The RBS approach for regulating the entities in insurance industry is being conceived for the first time in the country. While IRDAI would internally constitute committees/working groups to build the RBS framework, as appropriate, consultancy support on areas like evaluating and defining risks, devising risk matrices, best practices, implementation approach, review, training, developing suitable templates,

experience sharing would greatly benefit speedy development, testing and implementation of the RBS framework.

3. Scope of Work:

In the current setup, IRDAI uses a pre-defined set of periodic returns substantiated by offsite monitoring and onsite inspections for the purpose of assessment of the regulated entities. Since this is majorly compliance based, moving towards a RBS methodology requires a change in the manner the data from the regulated entities is collected, collated and analyzed.

The consultant vendor (hereinafter referred to as 'bidder organization') is expected to help IRDAI in identifying significant activities, defining various risks, devise various templates – both for data capture as well as for risk assessment, identification and assessment of control mechanisms, identification and assessment of additional support, intervention strategies, suggest on the best practices for implementation, industry consultation, conduct trainings as required and help the internal team throughout the implementation phase by sharing experiences gained earlier in such implementations.

It is expected that the implementation of the RBS framework and its stabilization would require a period of around three years and the selected bidder organization is expected to work with IRDAI team during this period.

4. Pre-Qualification Criteria:

The bidder organization must possess the requisite experience, strength and capabilities in providing the services necessary to meet the requirements, as described in this document. The bidder organization must also possess the technical know-how required to successfully support development of the RBS framework and implementation in India. The invitation to bid is open to all bidder organizations who qualify the eligibility criteria given below:

Sr. No.	Pre-Qualification Criteria	Documents to be provided	Bid response Annexure reference
			Annexure -1

1	The bidder organization should have been in existence for a period of at least 5 years prior	List of Clients/Jurisdictions where Risk Based Supervision Framework was developed and implemented.	Annexure -2 (as per the format given below)
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	to the date of this document and should also have been working in the field of insurance.	List of Clients/Jurisdictions where Risk Based Supervision Framework was developed and implemented.	Annexure -2 (as per the format given below)
	The bidder organization should have aided the devising of RBSF in at least one jurisdiction for insurance sector and the same should have been successfully implemented in such jurisdiction.	Copies of Work Orders confirming year and area of activity.	Annexure – 3
		Letter from the insurance regulator in the country where RBSF is developed and implementation is completed successfully.	Annexure – 4 (as per the format given below)

2	The bidder organization should have aided the devising of RBSF in at least one jurisdiction for insurance sector and the same should have been successfully implemented in such jurisdiction.	Letter from the insurance regulator in the country where RBSF is developed and implementation is completed successfully.	Annexure – 4 (as per the format given below)
3	The bidder organization should have at least three consultants on RBS in its employment. Each of them should have at least one complete RBS development and implementation experience for insurance sector in one jurisdiction that is preferably a signatory to IAIS.	CV of the consultants	Annexure – 5
		Declaration from the bidder	Annexure – 6 (as per the format given below)
4	The bidder organization should deploy at least 3 resources stated in (3) above as consultants for this assignment and should ensure their continuous commitment to this assignment.	Declaration from the bidder	Annexure – 7 (as per the format given below)
5	The bidder organization agrees not to engage any outsider for this purpose nor outsource any part of this assignment to an outside entity, even if	Declaration from the bidder	Annexure – 8 (as per the format given below)

	such entity is within their group/conglomerate.	Declaration from the bidder	Annexure – 8 (as per the format given below)
6	The bidder organization should have		

	readymade templates for the RBSF that facilitate customization and easy adoption by IRDAI	Declaration from the bidder suggesting number of	Annexure – 9 (as per the format
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		templates for Life Insurance, General Insurance, Health Insurance, Reinsurance.	given below)
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5. Earnest Money Deposit (EMD).

- 5.1 Every applicant has to submit EMD of INR. 1,00,000/- (Indian Rupees - One Lakh only) along with the bid. Any bid without any EMD shall not be considered for evaluation or further bidding process.
- 5.2 The EMD shall be paid only by **Demand Draft/Pay Order** drawn in favour of
of
“Insurance Regulatory and Development Authority of India” payable at
Hyderabad.
- 5.3 The EMD shall not carry any interest.

Refund of EMD

- 5.4 EMD of the successful bidder shall be refunded only six months after completion of the implementation of RBSF.
- 5.5 EMD will be refunded to those applicant firms which are not shortlisted in the Pre-Qualification bid and the unsuccessful tender bidders within 30 days from close of tender process.

Forfeiture of EMD

The EMD made by the applicant shall be forfeited:

- 5.6 If they withdraw the tender after acceptance by IRDAI or
- 5.7 Withdraw the EOI before the expiry of the validity period of the tender or violates any of the provisions of the terms and conditions of the tender or
- 5.8 During the EOI process if an applicant indulges in any such activity as would jeopardize the tender process, or
- 5.9 In the event of non-submission of the Performance Bank Guarantee as may be stipulated in Request for proposal (RFP) or non-signing of the contract within the stipulated time after award of contract.

The decision of IRDAI regarding forfeiture of the bid security shall be final and shall not be called into question under any circumstances.

6. Submission of EOI

- 6.1 The bid documents (Pre-qualification criteria template, all Annexures (1 to 9)) to the Expression of Interest shall be submitted in a sealed envelope superscribed "EOI for RBSF Consulting.", "CONFIDENTIAL"
- 6.2 The bidder organization shall submit documentary evidence for all the claims/certifications made.
- 6.3 Each page of the documents submitted in the EOI shall be initialed by an authorized official along with their Company seal.
- 6.4 On request, original documents shall be produced failing which the EOI is liable for rejection.

7. Place and Time of Submission

The EOI shall be addressed to:

Ms. J Meenakumari, Chief General Manager,
Insurance Regulatory and Development Authority of India,
Sy No. 115/1, Financial District,
Nanakramguda, Hyderabad – 500032

Telephone No: +91 40 20204000

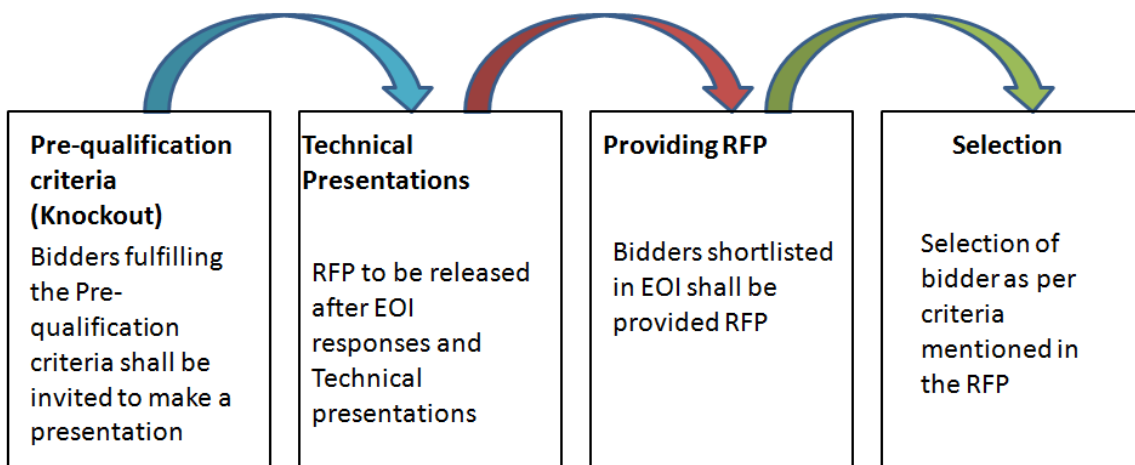
Email : rbsf-ic@irda.gov.in

EOI shall be submitted by 1500 hours IST on 16th April, 2019. IRDAI shall not be responsible for delay in submission of the EOI under any circumstances. IRDAI shall not be responsible for delayed delivery or non-delivery of EOI that are sent by post. If the last date for submission of EOI is declared a holiday by the authorities, then the same may be submitted on the next working day before 1500 hours.

8. Method of Selection of Bidder Organization

- 8.1 The documents submitted by the applicants to the **Invitation for Expression of Interest (EOI)** will be opened on (on the last day of the bid submission date) 16th April, 2019 and shall be submitted for examination by a **Technical Evaluation Committee (TEC)** of IRDAI.

- 8.2 The bidder organizations will need to fulfill the pre-qualification criteria set out in paragraph 4 completely. Any bidder organization not fully in compliance with the pre-qualification criteria shall be subjected to disqualification in the further bidding process. The bidder organizations fulfilling the pre-qualification criteria shall be required to make a presentation before the **Technical Evaluation Committee** of IRDAI.
- 8.3 Based on the response to the pre-qualification criteria and the technical presentations, the bidder organizations shall be shortlisted for further bidding process.
- 8.4 Short listed bidder organizations will be sent an invitation to submit their technical and financial bids as per Request for Proposal (RFP) to be made available by IRDAI.
- 8.5 The contract shall be awarded to the bidder organization as per the criteria prescribed in the RFP.
- 8.6 The bidding process is summarized in the diagram below:



9. Rejection of Expression of Interest

The EOI is liable to be rejected due to any one of the following reasons –

- 9.1 If it is received after the expiry of the due date and time.
- 9.2 If it is not accompanied by the requisite EMD payment.
- 9.3 If it is not received in sealed condition as specified.

9.4 If it is conditional.

- 9.5 If it is not in conformity with the instructions mentioned herein.
- 9.6 If it is not properly signed by the applicant as required.
- 9.7 If it is incomplete including non-furnishing of the requisite documents.
- 9.8 IRDAI reserves the right to reject the EOI without assigning any reasons whatsoever and the decision of IRDAI is final and no correspondence would be entertained.

10. Cost Borne by Respondents

All costs and expenses (whether in terms of time or material or money) incurred by the bidder organization in any way associated with the development, preparation and submission of responses, including but not limited to attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by IRDAI, will be borne entirely and exclusively by the bidder organization.

11. No legal relationship

No binding legal relationship shall exist between any of the bidder organization and IRDAI until execution of a contractual agreement.

12. Bidder Organization's obligation to inform itself

The bidder organization must apply its own care and conduct its own investigation and analysis regarding any information contained in the EOI document and the meaning and impact of that information.

13. Errors and Omissions.

Each bidder organization shall notify IRDAI, by email addressed to rbsfic@irda.gov.in, of any error, fault, omission, or discrepancy found in this EOI document but not later than ten business days prior to the due date for submission of Response to EOI.

14. Pre-Qualification Criteria Template

SR.NO.	ITEM	INFORMATION TO BE FURNISHED BY THE BIDDER ORGANIZATION
1.	Name of Organization:	
2.	Type of organization:	
3.	Year of incorporation/registration Ref. : Pre-qualification-1	
4.	Address (including telephone numbers and email-id)	
5.	Name of the official in charge of this bid with phone / mobile number and email-id.	
6.	Nature of business Ref. : Pre-qualification-1	(I) (II) (III)
7.	Development and Implementation of RBSF Experience. Ref.: Pre-qualification - 2	Country: Industry: Year of Development: Year of Implementation: Duration of the Development process: Duration of the Implementation process: Status of Implementation:
8.	List of consultants with RBSF development and implementation experience Ref.: Pre-qualification – 3	
9.	List of consultants earmarked for this assignment.	

	Ref.: Pre-qualification – 4	
	Number of readymade templates available for the RBSF that facilitate customization and easy adoption by IRDAI. Ref: Pre-qualification - 6	

10	Number of readymade templates available for the RBSF that facilitate customization and easy adoption by IRDAI. Ref: Pre-qualification - 6	
11.	Details of previous job, if any, done for IRDAI	
12.	Any other relevant submission	

Notes:

The documents as listed above should be of bidder organization, and not of corporate group / affiliated / associate company.

On request, original documents should be produced failing which the EOI response would be liable for rejection.

IRDAI reserves the right to independently verify the claims of the bidder organization.

15. Deliverables

Earnest Money Deposit

Pre-qualification criteria template

Annexure 1 to 9

Presentation on bidder organization's capabilities with reference to the scope of work.

=End of the notice=

Formats of annexures:

Annexure – 2 (On the official letter head of the bidder organization)

S.No.	Name of the Client of the bidder organization and their full address	Nature of engagement and scope of work	Year of work agreement to develop and implement RBSF with the Client	Year of completion of development of RBSF for the Client.	Year of successful implementation of the RBSF for the Client	Status of implementation as on last date of submission of EOI

(Signature, Name, Designation and Seal of the official signing on behalf of the bidder organization)

Annexure – 4(On the official letter head of the Regulator)

To:

The Chairman,
Insurance Regulatory and Development Authority of India,
Survey No. 115/1,
Financial District, Nanakramguda,
Hyderabad – 500 032.

Dear Sir,

Re: Engagement with M/s (Name of the bidder organization) for development and implementation of Risk Based Supervisory Framework for Insurance Sector.

This is to confirm that M/s (Name and address of the bidder organization) was engaged to assist with the development and the implementation of Risk Based Supervisory Framework for Insurance Sector in (Name of the country/territorial jurisdiction) during the period from to The scope of engagement is as follows:

- 1.
- 2.
- 3.....

We have successfully completed the development and the implementation of RBSF with effect from and the performance of M/s (Name of the bidder organization) was satisfactory and meeting our expectations.

Thanking you,

Yours faithfully

(Signature, Name, Designation and official seal of the official signing along with the address of the Insurance Regulator)

Annexure – 6(On the official letter head of the bidder organization)

To:

The Chairman,
Insurance Regulatory and Development Authority of India,
Survey No. 115/1,
Financial District, Nanakramguda,
Hyderabad – 500 032.

Dear Sir,

Re: Engagement with M/s (Name of the bidder organization) for development and implementation of Risk Based Supervisory Framework for Insurance Sector.

This is to confirm that the following officials in our employment were engaged to assist with the development and implementation of Risk Based Supervisory Framework for Insurance Sector in (Name of the country/territorial jurisdiction-use additional rows for more than one implementation experience). The scope of their engagement is as follows:

S.No.	Name and Designation of the bidder's organization resource	Jurisdiction in which the resource was involved in the development and implementation of the RBSF	Role assigned during the development and implementation of RBSF	Number of years of experience in development and implementation of the RBSF for insurance sector	Remarks

Thanking you,

Yours faithfully

(Signature, Name and Designation of the authorized representative of the bidder with official seal)

Annexure – 7 (On the official letter head of the bidder organization)

To

The Chairman,
Insurance Regulatory and Development Authority of India,
Survey No. 115/1,
Financial District, Nanakramguda,
Hyderabad – 500 032.

Dear Sir,

Re: Commitment on continuous availability of Resources

This is to confirm that the following Resources would be available continuously for a period of at least three years from the date of award of the contract for the purpose of assisting IRDAI in development and implementation of the RBS (use additional rows for more than one implementation experience). In case of unforeseen situations, suitable alternate resource with equivalent experience and to the satisfaction of IRDAI shall be provided.

Name	Role for this assignment	Jurisdiction where the resource developed and implemented RBSF	Area handled during the said development and implementation RBSF for Insurance sector	Status of RBSF in such jurisdiction.

Thanking you,

Yours faithfully,

(Signature, Name and designation of the authorized representative of the bidder organization with official seal)

Annexure – 8 (On the official letter head of the bidder organization)

To

The Chairman,
Insurance Regulatory and Development Authority of India,
Survey No. 115/1,
Financial District, Nanakramguda,
Hyderabad – 500 032.

Dear Sir,

Re: Commitment not to outsource or engage any outsider for this assignment

This is to confirm that the entire work that may be entrusted as a part of this assignment shall be handled internally by us and no part of this task shall be outsourced to any outside party or to the group/affiliate/subsidiary companies.

Thanking you,

Yours faithfully,

(Signature, Name and designation of the authorized representative of the bidder organization with official seal)

Annexure – 9 (On the official letter head of the bidder organization)

To

The Chairman,
Insurance Regulatory and Development Authority of India,
Survey No. 115/1,
Financial District, Nanakramguda,
Hyderabad – 500 032.

Dear Sir,

Re: Readymade templates

This is to confirm that we have readymade templates for development and implementation of the RBSF that facilitate customization and easy adoption by IRDAI. The details are as follows:

Line of Business	Number of templates	Remarks
Life Insurance		
Health Insurance		
General Insurance (Property and Casualty)		
Reinsurance		
Others		
Total		

Thanking you,

Yours faithfully,

(Signature, Name and designation of the authorized representative of the bidder organization with official seal)