

INDIAN PORTS ASSOCIATION, NEW DELHI

Sub: Clarifications of Pre-Bid Meeting on RFQ No. IPA/FA/Insurance Intermediary/2018, Dated 26.07.2022

Date & Time of Pre-Bid Meeting: 23.08.2022 at 1430 Hrs.

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
1.	Under Section B of Eligibility Criteria – Point D	Should have handled at least 3 PSUs each with assets worth Rs.500 crores and above covered by insurance, other than ports, during the last 3 years as on date of RFQ	Should have handled at least 3 PSU/Govt. owned organizations/Government projects with assets worth INR 500 crores and above covered under Insurance, other than ports, as on date of inception.	The tender becomes less limiting and allows healthy completion. More brokers will be able to participate. Restricting the experience to 3 years will reduce competition. The experience of handling a govt. owned and quasi Govt. is similar to that of a PSU.	PSUs/Govt. Organizations shall be considered.
2.	Under Section- B of Eligibility Criteria below point to be included.	No reference new Clause suggested.	There should have been no midyear cancellation of a running broker mandate by any PSU/Govt. entity, whatsoever OR there should be no case pending with SEBI, CBI or any Indian Court of Law, on the broker any of its Directors or the broker should not have faced any regulatory investigation or legal action in the past 10 years.	IPA will be able to appoint brokers which are high on integrity and will work with IPA in a transparent way.	Provision exists under Assessment criteria Point No.11 of RFQ

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3.	Under Section C. Assessment criteria Point (4)	No of PSUs or Central/State Govt. Undertakings with assets worth Rs.500 crores and above covered by insurance, serviced as a mandated direct/composite Broker as on the date of RFQ 3 - 2 Points Between 4-5 -3 Points 6 and above - 5 Points	No. of PSUs/Govt. owned organizations/Government projects with assets worth Rs.500 crore handled by the broker as on date of inception. 3 nos - 2 Points 4 nos - 3 Points 5 nos and above - 5 Points	IPA will have more choices with a broader definition of PSUs	PSUs/Govt. Organizations shall be considered.
4.	Under Section C of Assessment Criteria Point (11)	Has there been a mid-year cancellation of running mandate issued by any Government Undertaking/PSU (State/Central)/Ports as on date &/or have you ever been penalized by IRDA/Government Authority	Has there been a midyear cancellation of running mandate issued by any Government Undertaking/PSU(State/Central)/Ports as on date &/or have you ever been penalized by IRDA or any other regulatory body.	This will help IPA appoint brokers with better track record and brokers which are high on integrity	This clause stands modified as under "Has there been any adverse remarks/observations on the performance of the bidder during the last 3 years by any Government Undertaking /PSU (Central/State) /Ports as on date & /or have you ever been penalized by IRDA/Government Authority"
5.	Note No.2, on Page.8	Selected insurance intermediary shall not	The insurance intermediary participating on the reinsurance	Placement of large risks like port risks are	RFQ Clause shall be retained.

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		take up re-insurance broking of such port insurance proposal.	placement of the port package policy of all ports should have direct access to international reinsurance markets and to Lloyd's through their own parent company and should be able to introduce the widest form of policy wording and the best practices applicable to our business. Representative offices or affiliates will not be allowed to approach the RI markets	mostly reinsurance driven, hence access to the reinsurance market for wider wordings and better premium can be achieved only if IPA has reachability and visibility to the international markets through the RI brokers. All large Clients do have access to the reinsurers, though informally, through the RI brokers.	

Point No.3 Assessment Criteria

RFQ Clause	RFQ Clause	Comments of Applicant	Reason for Change	Clarifications
Number of Sea ports with insured assets of at least INR 1000 crores or more, handled by the broker in the last 3 years. Give details (Domestic/International) 1 Port - 5 marks 2 Ports - 7 marks Above 2 Port -10 marks	Attach documentary evidence (Along with a self-declaration of & duly signed by the CEO/Authorized Signatory	Number of Sea ports with insured assets of at least INR 1000 crores or more, handled by the broker in the last 10 years . Give details (Domestic/International) 1 Port - 5 marks 2 Ports - 10 marks	The exposure in handling ports should not have time constraint. The ports having Sum Insured more than 1000 CRs are limited in numbers & very few of them deploy brokers. The focus should be restricted to	The modified clause shall be as under "Number of Sea ports with insured assets of at least INR 500 crores or more, handled by the broker in the last 3 years. Give details (Domestic/International)

			insurance broker having exposure in handling ports.	1 Port - 5 marks 2 Port - 7 marks Above 2 Port - 10 marks”
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Point No.9

Risk Inspection and/or Risk Assessment conducted by Broker’s own Risk Management team of seaports with insured assets of at least 500 crores are more during the last 3 years.	Attach details with an undertaking of & duly signed by the CEO/Authorized Signatory		RFQ’s original Clause
1 Port - 5 marks 2 Port - 7 marks Above 2 Ports - 10 marks		5 7 10	

Changes Required

Risk Inspection and/or Risk Assessment conducted by Broker’s own Risk Management team of seaports or Risk Inspection of any Asset with Sum Insure greater than 500 CR. with insured assets of at least 500 crores.	Attach details with an undertaking of & duly signed by the CEO/Authorized Signatory		RFQ Clause shall be retained.
1 Asset - 5 marks		5	

2 Asset - 10 marks		10	
<p><u>Reason for Change</u> - As sought in the criteria, the broker should have conducted risk inspection of the ports. We would like to bring to notice that the assets complexity irrespective of the risk category remains same. A broker who has done risk inspection or has carried out risk inspection under their supervision are equally qualified. The size of the assets should be a criterion. Based upon the fact, we would request you to consider the Changes.</p>			

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
1.	Eligibility criteria- Point No. C, Page 5	Should have been functioning as a broker for last 3 years as on the date of this RFQ, holding mandate of at least one sea port, have covered assets worth Rs.1000 crores or above.	We request that the word “sea-port” be replaced with “one or more large corporate entity”.	The word “sea-port” be replaced with “one or more large corporate entity”.	The modified clause shall be as under: - Should have been functioning as a broker for last 3 years as on the date of this RFQ, holding mandate of at least one sea port, have covered assets worth Rs.500 crores or above
2.	C. Assessment criteria - Point No.3, page No.6	<p>Number of Sea ports with insured assets of at least INR 1000 crores or more, handled by the broker in the last 3 years. Give details (Domestic/International)</p> <p>1 Port - 5 marks 2 Ports - 7 marks Above 2 Ports - 10 marks</p>	We request to also include that if the experience can be showcased by the professional employed by the interested bidder then the same should be considered at part whether it's the firm or the employed professionals who can fulfil the requirement. It is a well-established fact that the scope of work is executed by the employees of the bidder and therefore what is more (or at least equally) important is for the experience of	Same as comments	<p>The modified clause shall be as under: -</p> <p>Number of Sea ports with insured assets of at least INR 500 crores or more, handled by the broker in the last 3 years. Give details (Domestic/International)</p> <p>1 Port - 5 marks 2 Port- 7 marks Above 2 Ports -10 marks</p>

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
			<p>the employed professionals as opposed to the firm/entity. Alternatively, you could also include “Power/Mining/Heavy manufacturing” so as to make the tender broad based and competitive and give other competent brokers a fair chance to participate for the sole benefit of IPA.</p>		
3.	Assessment criteria - Point No.9, page No.7	<p>Risk Inspection and/or Risk Assessment conducted by Broker's own Risk Management team of sea ports with insured assets of at least 500 crores are more during the last 3 years.</p> <p>1 Port - 5 marks 2 Ports - 7 marks Above 2 Ports - 10 marks</p>	<p>We once again request to include the experience of the professionals employed by the interested bidders at par with that of the firm/entity and or also include “Power/Mining/Heavy manufacturing” and modify the score slabs as below: 1 port or 2 Power/Mining/Heavy manufacturing 2 ports or 4 Power/Mining/Heavy manufacturing</p>	Same as comments	RFQ clause shall be retained

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
			<p>Above 2 ports or above 6 Power/Mining/Heavy manufacturing Our above made suggestions are in overall interest of IPA and humbly request IPA to kindly look into it.</p>		
4.	Assessment criteria - Point No.11, page No.8	<p>Has there been a midyear cancellation of running mandate issued by any Government Undertaking/PSU(State/Central)/Ports in the last 3 years till date &/or Have you ever been indicted or penalized by</p> <p>Yes (Please provide details) – 0 mark No - 5 marks</p>	<p>In our opinion, “midyear cancellation” happens due to performance related issued which is a serious offence, and IPA must include the same under assessment criteria, however, penalties applied by IRDA are a matter of routine business and are for procedural matters. Serious irregularities would attract cancellation of license. Please note the IRDA penalties are applied regularly even on insurance companies, and if not all then most insurers/intermediaries may have multiple IRDA penalties in the</p>	<p>In our considered view the term Penalized by IRDA would seriously limit the choices for IPA and thus even restrict the participation in the tender. If similar terms were to introduced in all the tenders by IPA then perhaps it would become impossible for you to Bank with most major Banks as there would be some penalty or the</p>	<p>This clause stands modified as under “Has there been any adverse remarks/observations on the performance of the bidder during the last 3 years by any Government Undertaking /PSU (Central/State) /Ports as on date & /or have you ever been penalized by IRDA/Government Authority”</p>

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
			<p>past or currently. Would be correct to understand that the same parameters would be applicable to the insurance company who are the ultimate carriers of risk for the client? Or is this a specific parameter only for the insurance intermediary?</p>	<p>other in routine business by RBI and similarly by IRDA on insurance companies/brokers. Hence, we hope you would appreciate the perspective we are sharing and would therefore request you to kindly modify the Point as below: “Has there been a midyear cancellation of running mandate issued by any Government Undertaking/PS U(State/Central) /Ports in the last 10 years till date.”</p>	
5.	Page No.8, Note-1	In case of tie in the marks, the preference will be given on the basis of strength of the company in no of years of experience in Port Insurance as mandated broker. IPA reserves the right to	We once again request IPA that focusing only on those brokers who has experience with sea ports will defeat IPA’s purpose of	“In case of tie in the marks the preference will be given on the basis of fully owned	RFQ Clause shall be retained.

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
		empanel more than one Insurance intermediary(ies)	inviting wider participation. Also, this may cause financial losses, due to lack of competition, IPA may not be able to get the most competitive premium costs. Also our below suggestion ties in with the Honorable Prime Minister's and the GOI's emphasis on Make In India and Aatmanirbhar Bharat. As a proud and premier PSU we would request you to kindly consider our suggestion to change the tie-breaker.	Indian entity, and in case of further tie it would be on basis of MSME."	

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
1.	Item A-h Scope of work- Pre-Placement Activities	Valuation of Assets of the Ports on Reinstatement Value basis	As an IRDAI licensed broker the scope of work has been strictly defined by regulation. Valuation of assets do not fall within the purview of the scope of an Insurance Broker. There are specialized registered professional entities that can be engaged for undertaking this activity. We would be happy to assist IPA in empaneling capable organizations to undertake this activity.	“ <u>Facilitate an exercise</u> of valuation of assets of the Ports on Reinstatement Value basis”.	The modified clause shall be as under:- “Valuation of Assets of the Ports on Reinstatement Value basis through registered valuer in consultation with Port shall be within the scope of insurance intermediary”
2.	B-e-Eligibility & C-5-Assessment Criteria	The bidder must have turnover(only from insurance broking activities) for the last 3 completed financial years i.e. 2019-20, 2020-21 and 2021-22 as per duly audited financial statements to be submitted along with the bid	The annual accounts for 2021-22 are currently under audit and provisional results have already been provided to IRDA as per regulations on this basis. We	The bidder must have turnover....for the last 3 completed audited financial years i.e. 2019-20, 2020-21 and for the unaudited period <u>of 2021-22 (filled with IRDAI)</u> to be	The modified clause shall be as under :- “The bidder must have turnover(only from insurance broking activities) for the last 3 completed financial years i.e. 2018-19, 2019-20

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
			suggest that the provisional financials for 2021-22 as submitted to IRDAI be taken cognizance of for the purpose of this tender. We would be happy to furnish the audited accounts before 30 th Sept (on your request) for the previous financial year.	submitted along with the bid.	and 2020-21 as per duly audited financial statements to be submitted along with the bid
3.	C-3/C10- Assessment Criteria.	<p>Number of Sea ports with insured assets of at least INR 1000crores or more, handled by the broker in the last 3 years. Give details (Domestic/International)</p> <p>1 Port - 5 marks 2 Ports - 7 marks Above 2 Ports - 10 marks</p>	As the proposed RFQ is for domestic ports, the experience and expertise of a broker in handling domestic ports needs to be considered as the servicing will be done by the local broking entity.	Number of Sea ports with insured assets of at least INR 1000 crores or more, handled by the broker in the last 3 years. Give details (<u>Domestic</u>)	The modified clause shall be as under: - "Number of Sea ports with insured assets of at least INR 500 crores or more, handled by the broker in the last 3 years. Give details (Domestic/ International) 1 Port - 5 marks 2 Ports- - 7 marks Above2Ports -10 marks
4.	C10- Assessment Criteria.	Have you settled any Material Damage (MD) and Business Interruption (BI) claim of a Port/PSU. Please provide a brief on the nature of the MD & BI claims settled. Give details	To gauge the expertise and experience it will be appropriate to seek claim handling experience for MD &	<u>Number</u> of Non-Health Domestic Claims Settled per policy in excess of 1 crore from 1 st April 2019 to date.	RFQ Clause shall be retained.

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications																					
			<p>BI claims in any property risk. It can be further classified into number of claims and amount of claims. Both put together will enable you to assess the claims handling experience MD & BI segment from 2019 till date. This would be help better appreciate the capability of claims department in India to handle claims of diverse nature and scale.</p>	<p>Claim Count</p> <table border="1" data-bbox="1283 326 1587 500"> <thead> <tr> <th>From</th> <th>To</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>5</td> <td>2</td> </tr> <tr> <td>5</td> <td>10</td> <td>5</td> </tr> <tr> <td>Greater than 10</td> <td></td> <td>10</td> </tr> </tbody> </table> <p>Settlement of <u>High value</u> domestic claims</p> <table border="1" data-bbox="1283 634 1587 938"> <thead> <tr> <th>Criteria</th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>Property Claim in excess of 50cr</td> <td>5</td> <td>0</td> </tr> <tr> <td>Terrorism claim in excel of 50cr</td> <td></td> <td></td> </tr> </tbody> </table>	From	To	Score	2	5	2	5	10	5	Greater than 10		10	Criteria	Yes	No	Property Claim in excess of 50cr	5	0	Terrorism claim in excel of 50cr			
From	To	Score																								
2	5	2																								
5	10	5																								
Greater than 10		10																								
Criteria	Yes	No																								
Property Claim in excess of 50cr	5	0																								
Terrorism claim in excel of 50cr																										
5.	C11 Assessment Criteria.	Has there been a midyear cancellation of running mandate issued by any Government Undertaking/PSU(State/Central)/Ports in the last 3 years till ate &/or Have you even been indicted or penalized by IRDA/Govt. Authority	It is suggested that certain additional clauses safeguarding the interest of the Port Authority be included as part of compliance declaration requirements than what has been currently provided. Accordingly, a draft declaration that	The <u>compliance declaration</u> to be signed by CA who has been your Internal Auditor for 3 years. If such is not the case, then current statutory auditor must sign the above declaration compliance protocols to be part of the panel. This draft template would be stamped and notarized.	This clause stands modified as under "Has there been any adverse remarks/observations on the performance of the bidder during the last 3 years by any Government Undertaking /PSU (Central/State) /Ports as on date & /or have you ever been penalized by																					

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Clarifications
			includes disclosures on incidence of conflict of interest and cases of corrupt and fraudulent practices etc. has been included below for your consideration. This would help the port authority to select a broker driven by stringent.		IRDA/Government Authority”
6.	Note-2 to Assessment Criteria	Selected insurance intermediary shall not take up re-insurance broking of such port insurance proposal	The IRDA 2018 Broker Regulation has clear guideline that an insurance intermediary can also take up re-insurance broking and the suggested clause would be superfluous. The wordings# from the Regulation 4 – Schedule I-Form A –Para 3 subsection 2 (page 118) are appended below for your reference	It is therefore suggested that this <u>restrictive clause be dropped.</u>	RFQ Clause shall be retained
7.	New	New	Ports are entities of national importance. The selected broker would possess	Third Party Certification (Renewed at least twice) from <u>(Accreditation Agency</u>	Proposed changes not acceptable

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			<p>sensitive port data that requires to be secured by a diligent process backed by suitable infrastructure. Such data should mandatorily be warehoused in India based servers. The recent global level developments are clearly suggestive of the importance of Data Security and its potential breach by vendors/consultant's route. Towards this, the broking entities should hold a valid accredited certificate on Information security management. An appropriate criteria be incorporated to credit brokers with this.</p>	<p>(Like (SO) on <u>Information security management/Data Security for Indian Operations: (Attach Certificate) – Tenure</u></p> <p>Renewed Once – 3 marks. Renewed Twice – 5 marks. Renewed Thrice – 10 marks.</p>	

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Remarks of Committee
1	Section B- Eligibility Criteria, Point-a and Section C "Assessment Criteria" S. No.3 mentioned in page no.5&6 of RFQ	<p>a) The bidder must be an IRDA licensed Broker at least for the last 5 years in continuous operations in India as on the date of RFQ</p> <p>S. No.3 Assessment Criteria</p> <p>Number of Sea ports with insured assets of at least INR 1000 crores or more, handled by the broker in the last 3 years. Gove details (Domestic/International)</p> <p>1 Port - 5 marks 2 Ports - 7 marks Above 2 Ports - 10 marks</p>	<p>We wanted to bring into your notice that Aon has a longstanding presence in India, and is currently a 100% wholly owned subsidiary of Aon PLC. Aon held a composite broking license from 2003-2016 (13 years) under an old JV arrangement. Aon's current composite broking license has been valid since October, 2017. We request you to consider the tenure of Aon holding a license in India from 2003-2016, and 2017-current totaling more than 10 years, and allow us to present</p>	<p>We request relaxation in the clause of minimum 5 years' experience and consider the total experience of Aon above 10 years.</p>	<p>Section-B-Eligibility Criteria point-a-Point a-RFQ Clause shall be retained.</p> <p>S. No. 3-Assessment Criteria-RFQ-Modified clause shall be as under: -</p> <p>Number of Sea Ports with insured assets of at least INR 500 crores or more, handled by the broker in the last 3 years. Give details (Domestic/International)</p> <p>1 Port - 5 marks 2 Ports- -7 marks Above 2 Ports -10 marks</p>

			detailed journey of Aon during these years.		
2.	Section C “Assessment Criteria” Detail of Port Policies managed and expertise in handling such policies other than reinsurance. (Domestic/International)	All signed by CEO/Principal Officer	In above point its mentioned “All signed by CEO/Principal Officer”.	As per tender all the document has to be signed by Authorized Signatory , so please allow us to get the above documents signed by Authorized Signatory.	RFQ Clause shall be retained.

Sr. No.	RFQ Clause No.	RFQ Clause	Comments of Applicant	Suggestions of Applicant	Remarks of Committee
1.	A- Scope of work- Pre-Placement Activities	As per IPA's RFQ Clause- A- Scope of work- Pre-Placement Activities	For Valuation of assets- who will bear the cost.		The modified clause shall be as under: - "Valuation of Assets of the Port on Reinstatement value basis through registered valuer in consultation with Port shall be within the scope of insurance intermediary"
2.	A- Scope of work Placement Activities	As per IPA's RFQ Clause- A- Scope of work- Placement Activities	Inviting bids from Government insurance (PSU) companies/private insurance licensed to operate in India and evaluation of qualified bidders.		Suggestions not related to RFQ
3.	B- Eligibility Criteria- Point-C	Should have been functioning as a broker for last 3 years as on the date of this RFQ, holding mandate of at least one sea port, have covered assets worth Rs.1000 crores or above.	The period of last 3 years be reduced to 1/2 years.		The modified clause shall be as under: - Should have been functioning as a broker for last 3 years as on the date of this RFQ, holding mandate of at least one sea port, have covered assets worth Rs.500 crores or above
4.	F- Bid preparation	Bidders registered under MSME/NSIC for the subject work with valid	EMD waiver for MSME/NSIC		The modified clause shall be as under:- "Bidders registered

	and submission-	certificate shall be exempted from submission of EMD.			under Micro and small Enterprises with valid certificate shall only be exempted from submission of EMD.
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The following clauses of RFQ No. IPA/FA/Insurance Intermediary/2018 DATED 26.07.2022 stand modified as follows: -

Section B. Eligibility Criteria:- Mandatory Pre-Qualifications (PQ) Criteria (Applications/Bids shall be evaluated further only if they comply with all these criteria)

Existing criteria-

b. Total Non-Health premium handled for the last 3 financial years (2021-22, 2020-21 & 2019-20) should be Rs. 100 Crores or above.

Modified Criteria

b. Total Non-Health premium handled for the last 3 financial years (2020-21, 2019-20 & 2018-19) should be Rs. 100 Crores or above.

Existing criteria-

e. The bidder must have turnover of Rs. 10 Crores (only from insurance broking activities) for the last 3 completed financial years i.e. 2019-20, 2020-21 and 2021-22 as per duly audited financial statements to submitted along with the bid.

Modified Criteria

e. The bidder must have turnover of Rs. 10 Crores (only from insurance broking activities) for the last 3 completed financial years i.e. 2018-19, 2019-20 and 2020-21 as per duly audited financial statements to submitted along with the bid.