



# Pakistan Reinsurance Company Limited

(Under the administrative control of Ministry of Commerce, Government of Pakistan)

PRC Towers, 32-A, Lalazar Drive, M.T. Khan Road, Karachi, Pakistan

Ph: 021-99202908- 14 Fax: (92-21) 99202920-21 & 22

prcl@pakre.org.pk, Website: [www.pakre.org.pk](http://www.pakre.org.pk)

## Retrocession Department

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Ref.No. 138(PRCL-ENGG-PARCO-1)/2022

December 10, 2021

### Invitation to Bid

Method of Tender: Single Stage - Two Envelope Basis

Insured: Pak Arab Refinery Limited (PARCO)

PD/MBD/BI & TPL Reinsurance

**Renewal Period from: 01-02-2022 to 31-01-2023**

Pakistan Reinsurance Company Limited (PRCL) invite sealed technical and financial bids from international (re)insurance brokers, having minimum annual premium placement volume of USD 500 million, directly or through their local correspondent registered with SECP, income tax, sales tax departments for reinsurance arrangement against the following policy.

Insured	Sum Insured/ Limits	Policy	Period	Bids Submission Deadline (Technical and Financial)	Bids opening Time (Technical)	Premium Currency	Leader Share	Method of Tender
PARCO	As mentioned in the attached documents	PD/MBD/ BI & TPL	01-02-2022 To 31-01-2023	10-01-2022 PD at 03:00 PM TPL at 03:15 PM	10-01-2022 PD at 03:30 PM TPL at 03:45 PM	US Dollar	Lead share must be at least 15% and not more than 25%	Single Stage-Two Envelope Basis (Technical and Financial)

Note: This advertisement is available in newspaper, PRCL and PPRA website.

Bidders must obtain most competitive and economical quotations from international reinsurer(s) on "facultative basis" strictly following the requirements mentioned in the bidding documents on single stage-two envelope bidding process basis, (i.e. one sealed envelope for the technical bid, containing the slip and signed/ stamped policy wording without mentioning the amount/rates of premium and second sealed envelope for the financial bid containing the premium amount/rates). The technical bids will be opened and evaluated first. Thereafter, only those bidders whose technical bids meet the criteria will be invited for opening of financial bids.

**Both envelopes (Technical and Financial) should be submitted in a single sealed envelope. Bidders must provide three (3) copies of actual signed/ stamped bids labelling them as, "PRCL copy", "NICL copy" and "Insured copy" respectively.** Sealed envelopes must reach on or before the bid submission deadline, as mentioned above, at 11th floor, HOD Retrocession PRC Towers, 32-A, Lalazar Drive, M. T. Khan Road, Karachi (Pakistan).

Attached to this letter are documents received from the reinsured containing information related to subject risk for perusal and necessary actions of bidders.



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## **General Conditions:-**

1. Bidder should be an international (re)insurance broker having an annual premium placement volume of at least USD 500 million, evidence of which must be submitted with bids. The international broker may submit the bid directly or through its local affiliate, who must have valid SECP license, NTN, Sales Tax (if services are taxable) and on active taxpayers' list of FBR. PRCL may any time ask for foreign and local broker's written agreement or MOU etc. Nevertheless, the (re)insurance premium will only be paid/transferred into a foreign broker's account, whose signed and stamped slips are submitted with bids and similarly, refund/adjustment premiums, Claims proceed, if any, should be transferred by the foreign broker directly into PRCL's account.
2. **One Bidder (international broker) can submit only one bid, more than one bid(s) received from one broker will be liable to rejection.**
3. Bidder shall not be blacklisted by any Government Agency/Institution of Pakistan. The bidder shall affirm this condition in their technical submission. However, temporary blacklist firms/bidders can submit bid if the blacklisting period has ended before the bid submission date.
4. Bidder who wishes to participate in this tender shall also intimate the name, contact number and e-mail address of its authorized representative. Only the authorized representative shall be allowed to communicate with PRCL, seek clarification, participate in pre-bid conference/bid opening etc.
5. Bidder must submit a signed/ stamped compliance matrix that must be on foreign broker's letterhead with their Technical bid and premium calculations with their financial bid as per the format provided with this letter.
6. Bid should be a FIRM QUOTE (not an indication or subject to 'Best Terms'). Price change/variation after the opening of bids may lead to disqualification of the bidder/rejection of the bid.
7. Bid should be without any expressed or implied subjectivities/conditions and warranties otherwise it may lead to disqualification.
8. Bidder shall ensure that the lead reinsurer (s), whose quotes are being submitted shall later be reflected in the placement sheet with required lead share. The cover notes/policy wordings must also be signed by the same leader with share quoted in bids.
9. Bidder must provide risk wise break up along with the premium for each section as well as the aggregate premium in their financial bid. A computation sheet summarizing the gross premium/price to net premium/price working shall also be submitted.
10. Bidder whose submission (i) is most closely conforming to evaluation criteria and other conditions of the bidding document and client requirements and (ii) having lowest evaluated bid (excluding PRCL/NICL commission) shall be declared the successful bidder.
11. Successful bidder shall complete placements at the earliest but not later than 15 days from the date of issuance of the placement order.



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## **Specific Conditions:-**

12. Name of the leader(s) along with the country of origin and current rating must be advised by the bidders at the time of submitting the bid. No "Underwriting Agency" whom so ever should be approached for quotes even as followers.
13. Share of the lead reinsurer must be at least 15% and not more than 25% and must hold minimum "A" rating as per S&P/ A.M Best/ Moody/Fitch that should be clearly confirmed by the bidder in their technical Bid. Remaining risks must also be placed with "A-" rated reinsurers as per S&P/ A.M Best/ Moody/Fitch.
14. Layering may be allowed for different layers with different leaders and the share of the lead reinsurer under each layer must be at least 15% and not more than 25%. The leader must hold at least "A" rating as per S&P/AM Best/ Moody's/Fitch.
15. Quoted rate must be valid for 45 days from the date of bid opening and the bidder must affirm this in their technical submissions.
16. Premium Payment Warranty (PPW) should be at least 90 days from inception of the policy.
17. Successful bidder shall be liable to pay 4.2% commission to NICL/PRCL on PD/BI and 6.6% commission on TPL risk mentioned separately.

## **Information for Bidders:-**

18. PRCL has the right to cancel the contract at any time, if it is found that the bidder was non-compliant to the terms and conditions mentioned in the bidding documents. However, in case of non-compliance, a 15 days' time to comply shall be given. In case of failure, PRCL may take action as deemed appropriate.
19. In the event of a dispute arising between PRCL and the successful bidder/ reinsurers, out of or in connection with the contract, such dispute shall be amicably settled through discussion. If the dispute remains unsettled for 30 days, the parties may resort to Arbitration. The Arbitration shall be subject to the Arbitration Act of 1940 (Pakistan Law). The law and jurisdiction for arbitration/litigation must be that of the **Islamic Republic of Pakistan**.
20. Any query relating to the risk should be sent to PRCL preferably within (07) seven working days from the receipt of this letter to allow adequate time for consultation with NICL and insured.
21. Direct Communication by the broker with the client/insured/NICL without keeping in loop the procuring agency i.e. PRCL is against the rules hence not allowed and if done, may lead to disqualification of that broker
22. Procurement committee comprising Executive Director (Underwriting), Chief Internal Auditor, Chief Financial Officer and Head of Retrocession shall evaluate all bids.
23. PRCL has the right to extend the date of opening of the bid or to cancel the bidding process, if required and issue addendums, corrigendum and modifications to any or all conditions of bidding documents prior to the opening of bids.



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24. PRCL does not bind itself to accept the lowest or any quote and reserves its right to accept and/ or reject any or all offers without assigning any reasons.
25. Complaints (if any) will be entertained within 10 days of uploading the evaluation/comparative statement on the website. After this period no complaint shall be entertained.
26. This letter may also serves as an instruction to the reinsurer(s) to make their terms available to all brokers seeking to use them in a lead/ follow capacity offering quotations for their participation.

Please acknowledge receipt.

Kind regards.

**Zafar Ahmed**  
HOD (Retrocession)

Copy to: (National Insurance Company Limited)