

Tender Number: T04/01/20

Tender description: Request for Proposal for the provision of short-term insurance broker services to the IDC

Question and Answers Version 1

No.	Question	Type	Answer
1	Please advise if there are any compulsory meetings or vendor registration processes we have to do	Admin	There is no compulsory meeting or briefing session applicable to this tender. The successful bidder will however be required to be registered on IDC's SAP system after successful contract conclusion.
2	Is it possible to disclose with which insurance company you are currently insured for underwriting purposes and if you have a current schedule that would help a lot.	Technical	Bidders are advised that the Portfolios have a range of insurers and there is a mixed spread of Insurers. The schedule of cover is in Annexure 2 (Summary of cover) of the tender document.
3	Tender requires a Professional Indemnity cover for R 300 000 000 and Fidelity Guarantee insurance for R 200 000 000. However our current insurance cover for both insurances mentioned above is R 100 000 000. Please kindly advise if it will be acceptable to Industrial Development Corporation SOC Ltd (IDC), if we obtain a letter of intent from our underwriter, to the effect that if we are appointed as a Broker of choice we will be able to increase the sum insured from R 100 000 000 to R 300 000 000 (Professional Indemnity) and R 100 000 000 to R 200 000 000 for Fidelity Guarantee.	Technical	IDC will accept an original letter from Insurers confirming that they are willing to provide cover for the minimum required limits upon successful appointment of the bidder.
4	Please confirm renewal date of the insurance programme?	Technical	Expires 31 March each year, renewal date is 1 April each year.
5	D&O – Completed proposal form, audited financial statements, company organogram – please provide same if you have?	Technical	Directors & Officers (D&O) information will only be shared upon appointment, directors information can be obtained from the Annual Financial Statements on IDC website (www.idc.co.za).
6	Travel – besides local travel to the IDC head office, is any other travel expected either nationally or internationally?	Technical	Yes, there is travel expected ie, National, International as well as travel into Africa.
7	Self-insurance – do you make use of any self-insurance or alternative risk transfer system or a cell captive and if so, please provide details? If not, are you open to suggestions in the tender submission on how this can complement your insurance programme?	Technical	Currently IDC has a Cell Captive Programme with Guardrisk insurance.
8	Business Interruption – what is your indemnity period in months? 6/12/18/24/36?	Technical	18 months for business interruption.
9	Risk Control Programme – will this be dealt with separately (required and recommended surveys) or should we include this in our pricing?	Technical	All costs must be included in the price.
10	Pricing – will the accuracy/validity/relevance of the market pricing be a factor for consideration during the tender? It is becoming a common deceptive tactic by some brokers to under-price insurance, in order to score more points during the tender process. Unfortunately these brokers are then found out only after the tender has been awarded and often very close to renewal time, with very little consequence to the broker, but at a massive inconvenience or adverse financial implications to the client. The originally appointed broker has unfortunately already blocked the market, which makes it very difficult for another broker to rebroke. Our recommendation would therefore be to either disregard the pricing completely, or to enforce this by making brokers commit to their terms or at least being within 10%-20% of it. Please advise?	Technical	In terms of the IDC cost model, bidders are required to complete pricing for part 8.A under the cost model, which should include Fixed Annual Brokerage Fee, and Part 8.B - which is the Human Resource Fee as required and this will form the basis for cost evaluations. However, the premium based on the current portfolio is required as part of the tender and will be considered for reasonability purposes based on the IDC's insurance requirements as specified in the tender. Further the IDC has clearly indicated the covers and indemnity it requires and bidders should provide comprehensive premiums accordingly. Please refer to the pricing schedule as provided in the tender and the specific appendices (2 and 3) on the IDC website for details of what is to be covered. Pricing changes to covers may change based on the IDC requirements over the period of the contract, however, premiums must be provided based on the current insurance requirements for which bidders must quote on and provide firm pricing on, for reasonability checks.
11	Kindly assist by completing the following attached proposal forms in order for us to obtain terms from the respective insurers: 1. Broadform Public Liability; 2. Professional Indemnity; 3. Directors and Officers Liability; 4. Commercial Crime; 5. Employment Practice Liability	Technical	Due to confidential information, the requested information will only be shared with the successful service provider upon appointment and based on strict confidentiality provisions to safeguard this information in terms of relevant acts and regulations (POPIA etc.).
12	Please could you email me a list of vehicles in the fleet. (the insurance companies do require this to enable them to quote correctly, if we don't provide this they will rate on R2 000 000-the own damage limit) Do the vehicles have trackers fitted? Which insurance company currently insures the IDC?	Technical	Kindly see the list of fleet attached (Annexure 1) and please note that all vehicles have got trackers fitted, currently insured by SHA underwriters.
13	Bidders must submit a B-BBEE verification certificate indicating the contribution level of the bidding entity. For Exempted Micro Enterprises (EME) with an annual revenue of less than R10 million and Qualifying Small Enterprises (QSE) with an annual revenue of between R10 million and R50 million per annum, a sworn affidavit confirming the annual total revenue and level of black ownership may be submitted. Any misrepresentation in terms of the declaration constitutes a criminal offence as set out in the B-BBEE Act as amended. What about the entity with the revenue of greater than R50 Million – do they qualify for this bid?	Commercial	This bid is open to any bidder irrespective of the bidder's size based on revenue however, bidders must be a BEE level 4 entity or better.

14	<p>Also does this tender require the broker fee only in terms of pricing, meaning we don't need to go to the insurance market to obtain the respective quotes?</p> <p>If you require the respective premiums for the holistic portfolio; please let us have the following:</p> <ul style="list-style-type: none"> •Completed Questionnaire for the Directors and Officers Liability •Completed Questionnaire for the Employment Practices Liability •Completed Questionnaire for the Cyber Liability •Completed Questionnaire for the Pension Fund Trustees •Completed Questionnaire for the K & R <ul style="list-style-type: none"> •Completed Questionnaire for the Professional Indemnity •Completed Questionnaire for the Commercial Crime 	Technical	<p>Bidders are required to provide premiums based on the IDC's insurance portfolio, however, the premiums will only be considered in terms of reasonability thereof and not as part of the cost evaluations. The cost evaluations will only be based on parts 8 A and 8 B as specified under Section 4 (Price Proposal) of the tender document.</p>
15	<p>May you please assist with a recent survey report</p>	Technical	<p>The IDC has no survey reports. The appointed service provider will have to commission a survey, if required.</p>
16	<p>May you please assist with the following information;</p>	Technical	<p>Due to confidential information , the requested information will only be shared with the successful service provider upon appointment and based on strict confidentiality provisions to safeguard this information in terms of relevant acts and regulations (POPIA etc.).</p>
17	<p>Please can you also provide us with a breakdown in the Assets claims. I see the total Assets claims for 3 years is R 2,2m.</p> <p>May you please forward the detailed claims history.</p> <p>policy</p>	Technical	<p>See attached asset claim breakdown as requested.(Annexure 2)</p> <p>Refer to Appendix A for detailed claims history.</p> <p>Staff numbers of funeral policy is 850 staff members, survey reports not available, and proposal forms have confidential information and cannot be shared with bidders at this stage.</p> <p>Split of values per location is not available - the IDC has a consolidated value as per the schedule (Appendix 2 - Summary of Cover)</p> <p>IDC is not a manufacturing concern therefore no Gross Profit, IDC Profit margins can be obtained from the Audited Financial Statements accessible through our website on www.idc.co.za.</p> <p>Question of deductible structure is unclear, therefore the IDC cannot respond</p> <p>IDC is occupied in all regions as well as the Head Office as office premises refer to annual report for detail accessible through our website on www.idc.co.za.</p> <p>The period of insurance required is 12 months commencing on 01st April 2020 and renewal 31st March 2021</p>
18	<p>Unfortunately, so far insurers such as AIG Insurance, Hollard and Emerald have declined to quote as they require survey reports in order to proceed with offering terms.</p> <p>And for specialists covers such as Public Liability, Directors and Officers Liability and Employment practises, insurers will not quote without the proposal forms. The challenge now will be your Wednesday deadline that is if we do not obtain information on time.</p> <p>Kindly also please advise the name of your current insurer/underwriter.</p>	Technical	<p>The IDC has no survey reports. The appointed service provider will have to commission a survey, if required.</p> <p>Due to confidential information , the requested information will only be shared with the successful service provider upon appointment and based on strict confidentiality provisions to safeguard this information in terms of relevant acts and regulations (POPIA etc.).</p> <p>Bidders are advised that the Portfolios have a range of insurers and there is a mixed spread of Insurers.</p> <p>Your request to extend the closing date cannot be considered at this stage.</p>