

Request for Proposal (RFP)

Reference Number: 2/2018-19

Corporate Agency Arrangement

For

Health Insurance Business

General Information

Punjab Gramin Bank (hereinafter called the “Bank”) invites Request for Proposal for Health insurance business by way of multiple Corporate Agency Arrangement from existing Health Insurance Companies in India (Bidders) for entering into Corporate Agency Arrangement with the Bank for Distribution of health Insurance products in India”.

Bidders are hereby advised to carefully review and submit all relevant information in the same chronology under the relevant sections only, with their RFP responses.

Details of the objectives, scope of the services, eligibility and qualification criteria and other data & documents required to be submitted along with RFP, criteria that would be adopted for evaluation of the responses and other information is contained in the RFP document. The RFP document can be downloaded from the Bank’s website www.pgb.org.in and alternatively hard copies of the document can be obtained from Punjab Gramin Bank, Head Office: Jalandhar Road, Kapurthala-Punjab.

The last date and time for submission of proposals, complete with all the requirements is given in the RFP document.

General Manager

Marketing

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Request for Proposal (RFP) for suitable partner for selection of Health Insurance Business under Multiple Corporate Agency Arrangement.

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1. Timelines

Process	Date & Time
RFP Issuance Date	23.01.2019
Seeking queries for RFP	29.01.2019
Response to the queries	31.01.2019
Last date & time for submission of Response to the RFP	15.02.2019 by 5.00 PM
Date & Time of opening of Bid	21.02.2019 by 4.00 PM
Address for Submission of Bid and related materials	General Manager, Marketing, Punjab Gramin Bank, Head Office: Jalandhar Road, Kapurthala, Punjab-144601
Name and Contact Details of Bank's Representative	Sh.Neyaz Ahmad General Manager (Marketing Department) 01822-502201 gmpgbho@gmail.com
Bank's website	www.pgb.org.in

Note:

RFP to remain valid for 180 days from the last date of submission.

Bank reserves the right to change these dates with appropriate intimation to the Bidders.

The Bids received will be opened as per the date and time mentioned. At the time of opening of Bids, the Bidder or its representatives can be present and witness the process.

2. Background:

Punjab Gramin Bank is a joint undertaking of Govt. of India, Punjab National Bank and Govt. of Punjab. The Bank has been established under sub-section (1) of Section 3 of Regional Rural Bank Act 1976 having its Head Office at Kapurthala (Punjab). Under the provisions of the Banking Regulations Act 1949, in addition to the business of banking, the Bank can undertake other business as specified in Section 6 of the Banking Regulations Act, 1949.

The Bank has a large network of branches spread all over the State of Punjab. As on 01.01.2019 the total network of branches is 416 with 100% Core Banking System (CBS). All the branches are fully equipped with sufficient space to carry out banking business.

The Bank has partnered with PNB MET in life insurance, IFFCO TOKIYO General Insurance Co. Ltd. & Future Generali India Insurance Co. Ltd. in general insurance and Religare Health Insurance Co. Ltd in health insurance.

Recent Development

With the Insurance (Amendment) Act 2015 and Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, a corporate agent can have tie-up arrangement with maximum 3 insurance companies in each category i.e. 3 in Life, 3 in General and 3 in Health Insurers to solicit, procure and service their insurance products.

Objectives

Punjab Gramin Bank has planned to expand its distribution strength of health insurance products by way of a Corporate Agency Arrangement with a Health insurer to provide a health Insurance product to its customers and to realize full value of its reach and customer base. Bank has taken a view to develop goals and objectives for new partnership to evaluate new partner and thereafter enter into Corporate Agency Arrangement for distribution of health Insurance product, subject to all statutory clearances and approvals from all relevant Authorities in this behalf under the extant laws and regulatory framework.

3. Eligibility Criteria (All mandatory provisions)

It is mandatory for the potential Bidders to ensure that the following minimum eligibility criteria are met in order to participate in the process:

-The bidders should have been registered with IRDAI under the Health Insurance category and valid IRDAI license as on the date of submission of RFP response for procuring Health insurance business in India.

-The bidders should have the minimum Solvency Ratio of 1.5 for the last three years.

-Authorised representative of Bidder should submit the declaration form.

How to Apply:

The eligible and interested insurance company may download the documents from the Bank's website- **www.pgb.org.in** The Request for Proposal (RFP) with documents of credentials as required in RFP shall be submitted to the Bank (as per address furnished below in a sealed cover and super scribed as "Application for Corporate Agency arrangement for Health Insurance Business")

Whom to Submit:

General Manager

Marketing Department

Punjab Gramin Bank

Head Office,

Jalandhar Road,

Kapurthala-144601

4. Terms and Conditions

a) **Period of Contract:**

The period of Contract shall be for 36 months. The contract may be renewed for a further period on mutual understanding, performance of partnership, achievement of objectives and consent of all parties.

b) **Scope of Services: (FLOATER GROUP MEDICLAIM POLICY)**

-This insurance will be available to Family consisting of self, spouse and three dependent children and will be on Floater basis to customers of Punjab Gramin Bank between the age of 3 months to 79 years, provided the minimum age of the proposer is 18 years. Dependent children will include unemployed children between 3 months to the age of 26 years. The dependent children may also include unmarried daughters including divorcee, widowed daughters provided the maximum number of dependent children under the entire policy does not exceed three.

Sum Insured	Premium (INR) inclusive of GST Age Group 03 months to 79 years
50000	
100000	
200000	
300000	
400000	
500000	

-Cashless through Empanelled hospitals

- No pre Policy health checkup

-Pre existing diseases covered after 3 years.....

-Diseases excluded.....

Wait period: 30 days except injury

c) What will policy cover:

The policy will cover hospitalization expenses for the treatment of illness/injury provided hospitalization is more than 24 hours. Pre-hospitalisation expenses for 30 days and post hospitalization expenses for 60 days. Ambulance charges for shifting the insured from residence to hospital.

Day-care treatment- The medical expenses towards specific technologically advanced day-care treatments/ surgeries where 24 hours hospitalization is not required.

d) Critical illness benefit: If during the period of insurance any insured person discovers that he or she is suffering from any critical illness (as listed below) which results in a claim admissible under this policy, Rs.20000/- flat would be paid as Critical Care Benefit along with the admissible claim amount. Critical Care Benefit is payable only once in the life time of insured Person and is not applicable to any Insured persons whom it is pre-existing conditions/disease. Any payment under this clause would be in addition to the sum insured and shall not deplete the sum insured. If critical care benefit is paid under this policy to any insured person, then no other insured person of that policy shall be ever eligible for critical care benefit.

List of Critical illness:

Cancer
First Heart attack
Open heart CABG
Replacement/repair of heart valve
Coma
Kidney failure
Stroke resulting in permanent symptoms
Major organ/bone marrow transplant
Permanent paralysis of limbs.
Motor neurone disease with permanent symptoms
Multiple sclerosis with persisting symptoms

e) Exclusions

Diseases contracted within 30 days of insurance, pre-existing diseases not covered for 36 months (not applicable on accidental cases)

Cosmetic surgery, plastic surgery unless required to treat injury or illness.
Vaccination and inoculation.

General debility

Dental treatment except arising out of accident

Domiciliary treatment

Treatment outside India

Contact lenses and cochlear implants.

f) Treatment of any Pre-existing condition/disease- Any pre-existing disease will be covered after thirty six months of continuous coverage of insured person have elapsed, from the date of inception of his/her first policy with any insurer.

Pre-existing conditions like hypertension, diabetes and their complications will be covered after two years of continuous insurance.

g) Amendments

At any time before the submission of Proposals, the Bank may amend the RFP by issuing an addendum and hosting it in the Bank's website. The addendum will be binding on all the Bidders. To give Bidders reasonable time for taking into account the amendments made by the Bank in their proposals, the Bank may, if the amendment is substantial, extend the deadline for the submission of Proposals.

h) Right to reject Application

- The Bidders does not meet any of the eligibility criteria mentioned under EligibilityCriteria (All mandatory provisions):
- Any condition stated by the Bidders is not acceptable to the Bank
- If the RFP and any of the terms and conditions stipulated in this document are not accepted by the authorized representatives of the Bidders.

- Any information submitted by the Bidders is found to be untrue / fake / false
- The Bidders does not provide, within the time specified by the Bank, the supplemental information / clarification sought by the Bank for evaluation of the application.

i) No Obligation / Liability of the Bank

The Bank shall be under no obligation to accept any offer received in response to this RFP and shall be entitled to reject any or all offers without assigning any reason whatsoever. The Bank may abort entire process at any stage without thereby incurring any liability to the affected Bidder(s) and without any obligation to inform the affected Bidder(s) of the grounds for Bank's action.

It shall be sole responsibility of Health Insurance Company to comply with all statutory and regulatory provisions (including RBI and IRDAI) while delivering the services mentioned in the RFP.

Bank shall be under no obligation for honouring any claim of insurance policy holder. The insurance company will indemnify the Bank for any loss / expenses incurred on account of any action initiated by the policy holder for their claim, against the Bank.

j) Signing of Contract

The Bidders whose application is selected shall have to execute an agreement containing terms and conditions of contract including indemnity, non-disclosure clauses etc.

k) Confidentiality Agreement

Disclosure of any information received by the successful Bidders in course of business to parties not involved in the supply of contracted services will be treated as breach of trust and could invite legal action. This will also mean termination of the contract and disqualification of the said Bidders.

l) Publicity

Any publicity by the company in which the name of Bank is to be used may be done with the explicit written approval of Bank.

m) Jurisdiction of the Court

All the disputes and controversies between Bank & Bidder shall be subject to the exclusive jurisdiction of the Court at Kapurthala and the parties agree to submit themselves to the jurisdiction of such courts. This RFP/contract agreement shall be governed by the laws of India.

n) Right to amend Terms & Conditions

Punjab Gramin Bank reserves the right to alter the terms & conditions of RFP document, including the last date for submission of application in connection with the Request for Proposal.

o) Termination of Corporate agency agreement to be executed with successful bidder

Punjab Gramin Bank shall be entitled to terminate the agreement at any time by giving **90 days** prior written notice to the successful Bidder.

Further, Bank shall be entitled to terminate the agreement at any time by giving notice if:

The successful Bidder breaches its obligations under the RFP or the subsequent agreement and if the breach is not cured within 30 days from the day of notice.

The successful Bidder:-

- has a winding up order made against it; or
- has a receiver appointed over all or substantial assets; or
- is or becomes unable to pay its debts as they become due; or
- enters into any arrangement or composition with or for the benefit of its creditors; or
- passes a resolution for its voluntary winding up or dissolution or if it is dissolved.

5. Selection/ Evaluation Process:

Evaluation of all eligible Bidders will be done on the basis of parameters and the weightage as mentioned in the table below:

Sr. No.	Parameters	Weightage		
			Marks	Marks obtained
1.	Number of years in operation in India	Score Between 100-81%	5	
		Score Between 80-61%	4	
		Score Between 60-41%	3	
		Score Between 40% or less	1	
2.	Number of branches in Punjab	Score Between 100-81%	5	
		Score Between 80-61%	4	
		Score Between 60-41%	3	
		Score Between 40% or less	1	
3.	Net worth of Insurance Company	Score Between 100-81%	5	
		Score Between 80-61%	4	
		Score Between 60-41%	3	
		Score Between 40% or less	1	
4.	Average business during the last three years in Bancassurance	Score Between 100-81%	5	
		Score Between 80-61%	4	
		Score Between 60-41%	3	
		Score Between 40% or less	1	

Sr. No.	Parameters	Weightage		
			Marks	Marks obtained
5.	Profitability average of last three years	Score Between 100-81%	5	
		Score Between 80-61%	4	
		Score Between 60-41%	3	
		Score Between 40% or less	1	
6.	Bancassurance business with public sector Banks	2 or more Banks	5	
		1 Bank	3	
		None	0	
7.	Renewal Ratio	91% to 100%	5	
		71% to 90%	4	
		51% to 70%	3	
		31% to 50%	1	
		Below 31%	0	
8.	Claim Repudiation	0-10%	5	
		11-20%	4	
		21-30%	3	
		More than 30%	1	
9.	Penalty in last three years	No	3	
		Yes	0	
10	Greivance Redressal	91-100%	5	
		71-90%	4	
		51-70%	3	
		50% & below	1	
11	Manpower Support (Exclusive for Punjab Gramin Bank staff)	40 & above	5	
		30-39	3	
		20-29	2	
		Below 20	1	
12	Training support of SP & product awreness	Yes	2	
		No	0	

Sr. No.	Parameters	Weightage		
			Marks	Marks obtained
13.	Technology support(Integration of platforms and other)	Yes	5	
		No	0	
14	Hospital network at District, Tehsil & Sub-Tehsil level	90-100%	5	
		80-89%	4	
		70-79%	3	
		60-69%	2	
		59% and below	1	
TOTAL			65	

Marking on certain parameters of the above given table is based on percentile method wherein highest performer will get 100% marks and the value which made him highest performer will become benchmark for rest participants.

For example, Bidder A has branch network of 300 which is the largest branch network among all Bidders and then 300 is the 100% score. A got 5 full marks in branch network parameter and those who got branch network between 300 to 243 will also get 5 marks since evaluation method provides 5 marks to those whose performance are in between 100% to 81%. If Bidders B has 200 branches which is 66% of 300 and therefore his mark on branch network parameter is 3. If Bidders C has 40 branches then his performance is 13.33% and therefore 1 mark will be given to C.

Selection Process:

- A Proposal shall be rejected, if it does not meet the bidder's eligibility criteria as elaborated in this RFP. Only eligible proposals shall be further taken up for evaluation.

- The selection process shall consist of technical proposal evaluation on the basis of information sought in parameters and weightage table.
- The Companies scoring at least 39 marks will only be considered for final selection in which due regard will be given to quoted premium and commission to be given to the Bank as a percentage of premium.
- The Committee will conduct evaluation to prepare a list of bidders health insurance companies, fulfilling the objectives and meeting the eligibility criteria, based on parameter weightage table as given in this Request For Proposal. Bank may call bidders for any additional details.
- Bank's decision in this regard would be final.
- In case the successful Bidder is not agreeable to signing the service level agreement or impose any conditions not acceptable to the Bank or communicates any changes from their stated response in the RFP, the Bank may at its sole discretion decide to partner with other eligible bidder.
- The bank reserves the right to accept or reject any application without assigning any reason whatsoever.
- Bank will not be responsible for any postal delays and submission by way of e-mail is not acceptable.

6. COMPANY INFORMATION

A brief description of the background and organization of your entity. The brief description should include ownership details, date and place of incorporation, authorized person submitting the proposal, his contact details, objectives of the firm etc. Also provide snapshot of your operations in the format given below:

A)

Amount in Cr.

Company Profile	
Name of Insurance Company	
Head Office Website	
Complete address	
Type of company, i.e., Private limited or Public limited or a Bank promoter company, please provide details	
Year of establishment/Incorporation	
Date of Commencement of business	
PAN	
GST	
TAN	
Date of registration with IRDAI	
License No. /period of validity	
Number of Employees as on 31.03.2018	
Number of Branches as on 31.03.2018	
Market Share as on 31.03.2018	

Financial Information	2015-16	2016-17	2017-18
Invested Capital			
Operating Profit/Loss			
Profit/Loss after Tax			
Accumulated profit / loss			
Net worth			
Solvency Ratio			

Other Information	2015-16	2016-17	2017-18
Invested Capital			
Grievance Redressal Ratio			
Average claim settlement time (TAT)			
Claim repudiation ratio in retail			
Claim repudiation ratio in Group			

**B. INDIVIDUAL BUSINESS CLAIMS OF HEALTH INSURERS
(NUMBER OF POLICIES)**

Particulars	2015-16	2016-17	2017-18
Claims pending at start of year (A)			
Claims intimated / booked (B)			
Total Claims (C=A+B)			
Claims paid (D)			
Claims repudiated (E)			
Claims pending at end of year (G=C-D-E)			

C. GROUP BUSINESS CLAIMS OF HEALTH INSURERS (NUMBER OF POLICIES)

Particulars	2015-16	2016-17	2017-18
Claims pending at start of year (A)			
Claims intimated / booked (B)			
Total Claims (C=A+B)			
Claims paid (D)			
Claims repudiated (E)			
Claims pending at end of year (G=C-D-E)			

D. Please provide information about the business done by the organization-Channel wise Business break up Amt. in Cr

	NOPs Issued			Gross Premium Collected		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Individual Agents						
Corporate Agents-Banks						
Corporate Agents-Others						
Brokers						
Direct Selling						
TOTAL						

E. Bancassurance Experience**Amt. in Cr.**

Sr. No.	Name of Bank	Date of commencement	Gross Premium		
			2015-16	2016-17	2017-18

Third-party agreement or outsourcing services:

Sr. No.	Name of TPA	No. of Hospitals at beginning of the year	No. of Hospitals added to the network during the year	No. of Hospitals withdrawn till date	No. of Hospitals in network till date

Details of the Retail and Group products offered and Approved Commission rates

Name of the Product		Maximum Commission approved by IRDA	Maximum Commission offered to the Bank*
Retail	Group		

* Within the permissible IRDA regulations and permission.

Key Observation in last three years:

Particulars	2015-16	2016-17	2017-18
IRDA Penalties/ warnings etc			
Internal Audit			
Promoter / company issues with SEBI and/ or any other exchange			
Others			

PRODUCT CUSTOMIZATION

Is the insurer open to customizing products based on the bank's requirements (for individual or group products). Please give any example of product customization in any of the existing relationships.

7. Declarations:

- All the information furnished by us here in above is correct to the best of our knowledge and beliefs.
- We have no objection if enquiries are made about the work listed by us in the accompanying sheets/ annexures.
- We agree that the decision of PUNJAB GRAMIN BANK in selection process will be final and binding on us.
- We confirm that we have not been barred/blacklisted/disqualified by any regulators/Statutory Body in India and we understand that if any false information is detected at a later date, the assignment shall be cancelled at the discretion of the Bank.

Place:

SIGNATURE OF THE BIDDERS

Date:

NAME & DESIGNATION

SEAL OF ORGANISATION