



PASCHIM BANGA GRAMIN BANK
 HEAD OFFICE: NATABAR PAUL ROAD, CHATTERJEE PARA MORE
 TIKIAPARA, HOWRAH, WEST BENGAL, INDIA, PIN CODE –711 101
 Phone: 2667 9650; Email: pasc3616@dataone.in Fax: 2667 9589

In response to RFP No. PBGB/HO/PAD/2790/2017-18 dated 09.02.2018 for Insurance Broker floated in PBGB Website - some of the Broking Companies raised some quarries. Each quarry was discussed in the meeting elaborately and decided to submit Bank response against each quarry as under:

Queries of Brokers	Bank Response												
<p>1. The first point in the assessment criteria mentions the requirement of a composite broker license. As per our understanding, a broker with a direct license can easily fulfil all your requirements and you don't need any support from the reinsurance market. This clause does not do justice and only ensures less participation. We would request you to revisit this point.</p> <p>2. The second point on paid capital in the assessment criteria is again a disputable point. Having a higher paid up capital in no way ensures superior servicing and is not a metric to judge the performance of the broker. We would want you to relook this point as well.</p>	<p>Composite license is not required But IRDA licence is required.</p> <p>Paid up Capital is replaced by net worth of the Company as it is broad area to judge the financial strength of the Company</p> <p>Net Worth as on 31.03.2017:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Point System</th> <th>Maximum Possible marks</th> </tr> </thead> <tbody> <tr> <td>UP TO 20.0Cr</td> <td>3</td> <td rowspan="4" style="text-align: center; vertical-align: middle;">10</td> </tr> <tr> <td>UP TO 50.0Cr</td> <td>5</td> </tr> <tr> <td>UP TO 100Cr</td> <td>7</td> </tr> <tr> <td>More than 100Cr</td> <td>10</td> </tr> </tbody> </table>		Point System	Maximum Possible marks	UP TO 20.0Cr	3	10	UP TO 50.0Cr	5	UP TO 100Cr	7	More than 100Cr	10
	Point System	Maximum Possible marks											
UP TO 20.0Cr	3	10											
UP TO 50.0Cr	5												
UP TO 100Cr	7												
More than 100Cr	10												
<p>3. The annual revenue criteria of Rs. 50 cr is very stringent, very few brokers will qualify and hence there would be no competition in terms of pricing and servicing.</p> <p>4. Even the requirement for no. of employees should be relaxed as very few brokers would have such kind of team set up.</p>	<p>No Change</p> <p>No change</p>												
<p>5. Instead of having paid up capital in the assessment criteria Paschim Banga should look to incorporate Net worth of the</p>	<p>Please see Point No.2</p>												

<p>bidder or continuity of servicing any PSU (without any break) as one of the criteria.</p>									
<p>6. The point on paid up capital in the assessment criteria is a point which just states the financial soundness. Paid up capital in no way defines the performance of the broker . Rather since Paschim Banga is also a PSU , the focus should be to see the experience of serving a single PSU for how many years.</p> <p>7. The assessment criteria mentions the requirement of a composite broker license. There are very few brokers in India having composite license and more over there is no such requirement which needs attention of international markets. Composite broker reduces competition in a great way.</p> <p>8. Kindly clarify how the winner will be decided in case the score is the same between two brokers.</p>	<p>Please see Point No.2</p> <p>Please see Point No.1</p> <p>Bank Committee will internally select the Broker in case of equal marks of top scorers.</p>								
<p>9. Pg. 5, Section II : Eligibility criteria</p> <p>(i) Point no. (d). : The bidder should have handled insurance programme of at least 3 Public Sector Banks in last 3 financial years as broker</p> <p>This is a restrictive criterion and does not encourage fair competition. We suggest that you to amend this as at least 3 Banks/FIs instead of 3 PSBs. This would allow greater participation of insurance brokers in the bid and you would have a choice to select the best of the lot.</p> <p>10.Pg. 6, Section III : Assessment Criteria :</p> <p>(i) Paid-up capital (Rs. in Crore) as on 31.03.2017 :</p> <p>You have provided a paid-up capital norm with above INR 10 crores to be awarded max. Mark of 10. As you know, most composite insurance brokers would not have a higher paid up capital than mandated by IRDAI of Rs.2.5 crore. Instead, Net worth would certainly be a better basis to assess financial strength. We suggest you amend the criterion with Net worth in place of Paid up capital with following slabs :-</p> <table border="0" data-bbox="204 1742 702 1877"> <tr> <td>Below 50 Crore</td> <td>3</td> </tr> <tr> <td>Above 50 Crore to 70 Crore</td> <td>5</td> </tr> <tr> <td>Above 70 Crore to 90 Crore</td> <td>7</td> </tr> <tr> <td>Above 90 Crore</td> <td>10</td> </tr> </table> <p>(ii) No. of Banks being serviced by the broker as on 31.12.2017</p> <p>You have provided max. mark of 10 for more than 15.</p>	Below 50 Crore	3	Above 50 Crore to 70 Crore	5	Above 70 Crore to 90 Crore	7	Above 90 Crore	10	<p>3 PSBs including Private Banks and RRBs excluding FIs.</p> <p>Please see Point No. 2</p> <p>Number of Banks include RRBs & Private Banks</p>
Below 50 Crore	3								
Above 50 Crore to 70 Crore	5								
Above 70 Crore to 90 Crore	7								
Above 90 Crore	10								

To make it more broad-base and ensure fair competition, you suggest you amend this to Banks and FIs instead of Banks only.

(iii) Financial Strength Revenue Turnover (only from insurance broking activities/business) for the last financial year 2016-17 :

You have provided max. mark of 10 for more than 250 Crore. We understand that this is a very high and stringent norm and most brokers may not fulfil this. To make it more broad-base and ensure fair competition, you suggest you amend this to

Upto 50 Crore 3
 More than 50 up to 75 5
 More than 75 up to 125 7
 More than 125 10

No change

Please see Point No.1

(iv) Insurance Broking Company must be registered/issued License by Insurance Regulatory and Development Authority of India (IRDAI) under 'Composite' License category :

Not Considered

We suggest you may assign 5 points for this instead of 10, as this is a minimum criterion.

Not Considered

(v) No penalties levied by IRDAI during the last 3 consecutive years upto 31.03.2017

Not Considered

We suggest you may assign 5 points for this instead of 10, as this is a minimum criterion.

Not Considered

Not considered

Also, you may further strengthen this criterion for corporate governance by adding the following :-

Not Considered

Not received any warning / penalty from IRDAI for misconduct in duties to clients

Not Considered

Not failed in insurance placement at the quoted/approved premium for any of its clients

Not Considered

Not been subject to any ongoing or previous enquiry by the CVC

(vi) The 10 points thus taken out from the criteria stated in

Not Considered

(iv) and (v) above, may please be used for adding another criterion on Presentation as follows :-

Not Considered

Presentation to the Selection committee Max. 10 points

Suggest you mention that shortlisted bidders would make a presentation to the Selection Committee on their capabilities and the Committee would finally decide. The presentation should include your capability profile, Org. structure, Experience of your team, Claims service and IT Infrastructure to deliver the services.

Extended UP TO 28.02.2018

<p>We request your good self to review at your end the above points raised for your clarifications.</p> <p>We also request you to extend the timeline for submission to 26th/27th Feb'18.</p>	
<p>11. The second point on paid capital is generally used in the eligibility criteria since it signifies the financial soundness of the firm. In our opinion the point should be mentioned in the eligibility criteria and not in the assessment criteria, since having a higher paid up capital shall in no way benefit the servicing of the policy and in no way does it judge the performance of the broker.</p> <p>Request you to also confirm the basis of selection in case of tie between the two brokers.</p>	<p>Please see Point No. 2</p> <p>Please see Point 8</p>
<p>12. The point on Paid Up Capital in the assessment criteria is a point which just states the financial soundness. Paid experience of serving a single PSU for how many years. The assessment criteria mentions the requirement of a composite broker license. There are very few brokers in India broker reduces competition in a great way. Kindly clarify how the winner will be decided in case the score is the same between two brokers.</p>	<p>Please see Point No. 2</p> <p>No change Please see Point No. 1</p> <p>Please see point No.8</p>
<p>13. Please provide us the Format for the RFP</p>	<p>Format of application enclosed</p>

- NOTE: 1.Format of Application is attached to be submitted on Letter Head
2. After consideration of queries, Assessment Criteria as per section III IS AMENDED AND ENCLOSED FOR SUBMISSION BY Broking Companies within 28.02.2018. Companies already submitted the Response of RFP, may please submit again as per revised Assessment criteria with Application.
3. Other terms and conditions of RFP will remain unchanged

General Manager

Date: 21/02/2018

Section III: Assessment Criteria

Criterion	Point System	Maximum Possible Points	Marks Obtained (To be filled by the Company)
Insurance Broking Company must be registered/Issued License by Insurance Regulatory and Development Authority of India (IRDAI).	10	10	
Net Worth as on 31.03.2017: Up to 20.0 Crore More than 20 cr Up to 50.0 Crore More than 50 cr Up to 100.0 Crore More than 100.0 Crore Net Worth = (Share Capital+ Share Premium+ Reserve & Surplus+ Undistributed Profit & Loss a/c- Debit balance of P/L a/c, if any-Miscellaneous expenses, if any)	3 5 7 10	10	
The Company should have been in existence in India for a period of over 6 years as of 31/12/2017, i.e. their licenses have been renewed at least twice by IRDAI 1. Between 6 to 10 Years 2. Above 10 up to 14 years 3. Above 14 years	5 7 10	10	
The Insurance Broking Company should have a direct employee base (excluding contract and sub-contract employees) of at least 150 professionals: 1. Between 150 to 250 2. More than 250 up to 350 3. More than 350 up to 450 4. More than 450	3 5 7 10	10	
No penalties levied by IRDAI during the last 3 consecutive years up to 31.03.2017	10	10	
The Insurance Broking Company should have a direct employee base (excluding contract and sub-contract employees) of at least 5 professionals In West Bengal itself 1. Between 5 to 10 2. More than 10 up to 15 3. More than 15	5 7 10	10	
The Insurance Broking Company must have an exclusive team under Health and Wellness in India	10	10	
The Company should have placed overall Group Health Premium of at least INR 500 crores as of 31.03.2017 1. Upto 500 crores 2. More than 500 up to 750 3. More than 750 up to 1000 4. More than 1000	3 5 7 10	10	
Number of Banks including Private Banks & RRBs being serviced by the broker as on 31.12.2017: 1. Up to 5 2. More than 5 up to 10	3 5 7	10	

3. More than 10 up to 15 4. More than 15	10		
Financial Strength Revenue Turnover (only from insurance broking activities/business) for the last financial year 2016-17. 1. Up to 50 crores 2. More than 50 up to 150 3. More than 150 up to 250 4. More than 250	3 5 7 10	10	
Total		100	

Signature of the Authorized Person

With Seal of the Company

Format for application to be submitted on letter head of the broking company

SI No.	Criterion	
1	Name of the Company	
2	Address of the Head Office	
3	Address of the Kolkata Office	
4	Date of incorporation	
5	Date of 1st License obtained from IRDAI (attach copy)	
6	Date of present license and its validity (attach copy)	
7	If Insurance Broking Company is registered/issued Licensed by Insurance Regulatory and Development Authority of India (IRDAI) under " Composite" License category (attach copy)	
8	No. of Employee (excluding contract and subcontract employee) (Self declaration certified by the CA)	
9	Penalties levied by IRDAI during the last 3 consecutive years upto 31.03.2017 (Attach an undertaking duly signed by the CEO/Principal Officer/Head of Govt. Business)	
10	No. of Professional(excluding contract and subcontract employee in West Bengal itself (Self declaration certified by the CA)	
11	Does the company have exclusive Team under Health and Wellness (attach proof)	
12	Number of banks being serviced as on 31.12.2017 (attach proof)	
13	Overall Group Health premium placed as on 31.03.17 (CA Certified Copy)	
14	Financial Strength Revenue Turnover (only from insurance broking activities/ business) for the last financial year 2016 - 17	
15	Contact details of authorized person and contact person	

We hereby declare that there is no case with the Police/Court/ IRDA / SEBI / Regulatory Authority against the Company / Directors / Employees. We have not been suspended / delisted / blacklisted by any Govt. Ministry/ Department/ Public Sector Undertaking / IRDA / SEBI/ Autonomous Body / Financial Institution / Court etc. We certify that neither our Company nor any of the Directors are involved in any scam or disciplinary proceedings settled or pending adjudication.

We hereby undertake and confirm that we have understood the scope of work properly and shall comply with the terms of engagement”.

We hereby agree, undertake and declare as under:

- a) In the event that Bank discovers anything contrary to our above declarations, it is empowered to forthwith disqualify us and our Bid.
- b) We undertake that the Bank and its authorized representatives are hereby authorized to conduct any inquiry or investigation to verify the veracity of the statements, documents, and information submitted in connection with this Bid and to seek clarifications from our advisors and clients regarding any financial and technical aspects.
- c) Bank has the right to reject our Bid without assigning any reason for the proposed Tie- Up and also reject all proposals. Otherwise and hereby we waive our right to challenge the same on any account whatsoever.
- d) We acknowledge that the Bank will be relying on the information provided in the Bid and the documents accompanying such Bid for selection of Bidders and we declare that all statements made by us and all the information pursuant to this letter are complete, true and accurate to the best of our knowledge and belief.

Signature of the Authorized Signatory with seal