



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

Retrocession Department

Ref. No. 138(PRCL-RETRO-PARCO-1)/2024

December 13, 2023

Invitation to Bids
Pak Arab Refinery Limited (PARCO)
PD/MBD/BI and TPL Reinsurance
Period From: 01-02-2024 to 31-01-2025
Method of tender: Single stage - Two Envelope Basis

Pakistan Reinsurance Company Limited (PRCL) invites sealed technical and financial bids from international (re)insurance brokers, having a 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	Loss Limit (100%)	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	Property Damage/MBD/BI	01-02-2024 to 31-01-2025	10-01-2024 at 11:00 AM	10-01-2024 at 11:30 AM	USD	Lead share must be at least 15% and not more than 25%	Single Stage-Two Envelope Basis (Technical and Financial)
PARCO	As mentioned in the attached documents	Third Party Liability			10-01-2024 at 11:40 AM			

Note: This advertisement is available in the newspaper, PRCL, and PPRA website, and the tender letter along with the relevant documents can be obtained from HOD (Retrocession) 11th Floor, PRC Towers, 32-A, Lalazar Drive, M.T Khan Road, Karachi.

Bidders must obtain most competitive and economical quotations from international reinsurer(s) on a "facultative basis" strictly following the requirements mentioned in the bidding documents on a 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 the 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 on the 11th floor, HOD Retrocession PRC Towers, 32-A, Lalazar Drive, M. T. Khan Road, Karachi (Pakistan).



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

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 a valid SECP license, NTN, Sales Tax (if services are taxable), and on active taxpayers' list of FBR. PRCL may any time ask for a 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. Foreign brokers as well as local affiliates both are required to submit copies of their respective valid professional indemnity policies meeting regulatory requirements of their respective countries of registration.
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 bids 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. **Further please note that any email from local affiliated brokers, if sent without keeping in loop international broker, the same will not be entertained by PRCL. Hence, international brokers must be kept in the loop in all emails/correspondences with PRCL.**
5. Bidder must submit a signed/ stamped compliance matrix that must be on foreign broker's letter-head 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. **Leader's written confirmation must be submitted by the brokers to support any clarification/correction in their bid/policy wording that may be provided by them in response to PRCL's request.**
8. Bid should be without any expressed or implied **subjectivities/conditions/additional exclusions and warranties** otherwise it may lead to disqualification.
9. **All non-conditional discounts (e.g. Client and special Discounts etc.) must be separately mentioned in the bid. PRCL will include these discounts in financial evaluation.**
10. **All conditional discounts and bonuses (e.g. No claim bonus, prompt payment discount, and continuity discount) must separately be mentioned in the bid. Being conditional such discounts/bonuses whether upfront or otherwise, will not be included in the financial evaluation/comparison. Only in case of a tie such conditional discounts/bonuses will be included in comparison.**



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11. Bidder shall ensure that the lead reinsurer, whose quotes are being submitted, shall later be reflected in the placement sheet with the required lead share. The cover notes/policy wordings must also be signed by the same leader with the share quoted in bids.
12. 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.
13. 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.
14. Successful bidder shall complete placements at the earliest but not later than 15 days from the date of issuance of the placement order.
15. **If requested by the client or circumstances so warrant during the reinsurance period, the incumbent brokers may be asked for amendment(s) in the scope of cover &/or additions / deletions in the items covered &/or increase / decrease in the sum(s) insured / limit(s) of liability / deductible(s) / in the period of reinsurance etc. The terms and conditions of these endorsements will be mutually agreed upon by all the parties involved.**
16. If requested by the client or circumstances so warrant during the reinsurance period (such as change in market conditions or in business exposures/volume or in claims experience etc.), the incumbent brokers may be required to arrange and provide extension in the cover for subsequent partial or full period on terms and conditions as may be mutually agreed. Further, in case a discount is offered by the incumbent brokers/reinsurers in lieu of an LTA (Long Term Agreement) or Extension of the reinsurance covers for a period of two or three years, the same may be accepted by PRCL on insured's approval thereto
17. **In case of appointed brokers' poor services especially with regards to the claim(s) recoveries under the cover in question whether slow &/or no response to the client's/PRCL's emails/correspondence &/or delay in collection of claims proceeds from the relevant reinsurers &/or delay in transferring claims proceeds so collected to PRCL, the contract awarded to the brokers as a result of this tender may be discontinued before completion of its full period and the brokers (foreign and their local affiliates) may also be debarred from participating subsequent PRCL tenders till their issues are resolved to the full satisfaction of PRCL.**

Specific Conditions: -

18. 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. **Share of the lead reinsurer must be at least 15% and not more than 25%** and must hold at minimum "A" ratings per S&P/ AM Best/ Moodys/ Fitch that should be clearly confirmed by the bidder in their technical Bid.
19. The remaining risks must also be placed with "A" securities or above as per the rating signed by S&P/ AM Best/ Moodys/Fitch. Underwriting agencies who write the risk on behalf of minimum A- rated securities are allowed to be used as follow/support market up to 20% of 100% , but in no case any underwriting agency (irrespective of its principal or owner) is allowed to be used as leader. Further, Takaful/Re-takaful/Operator/Company are also not allowed even as follower.
20. The Bidders to provide copies of actual quotation received by them from the lead re-insurers in support of the rates, terms, condition and details of security in their quote.



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21. Quoted rate must be valid for **45 days** from the date of bid opening and the bidder must affirm this in their technical submissions.
22. The quote submitted by the bidder should include **4.2% (for PD/MBD/BI)** and **6.6% (for TPL)** reinsurance commission that must be paid to NACL/PRCL by the successful bidder. Further, the bidder should provide stepwise computation to arrive at the Net to Broker Amount from the Quoted amount i.e. deduction(s) of discounts and reinsurance commission payable to NACL/PRCL etc.
23. Premium Payment Warranty (PPW) should be of 90 days from the inception of the policy period.
24. No additional premium or differential premium other than the leader's quoted rate/ premium shall be allowed. Therefore, the Broker has to complete the placement within the leader's quoted rate.

Information for Bidders: -

25. PRCL has the right to cancel the contract at any time if it is found that the bidder was non-compliant with the terms and conditions mentioned in the bidding documents. However, in case of non-compliance, 15 days' time to comply shall be given. In case of failure, PRCL may take action as deemed appropriate.
26. 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**.
27. Any query relating to the risk should be sent to PRCL, preferably within 10 days of the issuance of this letter so that required information is gathered and sent timely.
28. Direct Communication by the broker with the client/insured/NACL without keeping in loop the procuring agency i.e. PRCL is against the rules hence not allowed at any stage of the tender and even after placement of reinsurance order as well as during/after currency of reinsurance cover. If it is done, this may lead to disqualification of that broker
29. If any participants/brokers use unethical/threatening wording/language it may lead to their disqualification.
30. Internal Procurement committee comprising Executive Director (Underwriting), Chief Internal Auditor, Chief Financial Officer and Head of Retrocession shall evaluate all bids.
31. 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.
32. PRCL does not bind itself to accept the lowest or any quote (if technically non-compliant) and as per above stated conditions and reserves its right to accept and/ or reject any or all offers without assigning any reasons.
33. 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.



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34. This letter may also serve 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)