



NATIONAL INSURANCE TRUST FUND

INVITATION FOR INTERNATIONAL COMPETITIVE BIDDING

PROCUREMENT OF THE RETROCESSION PROGRAMME TO COVER 30% COMPULSORY REINSURANCE CESSION FOR THE PERIOD FROM 01/02/2023 TO 31/07/2024

1. The Chairman, Standing Cabinet Appointed Procurement Committee, (hereinafter called SCAPC) Ministry of Finance Economic Stabilization and National Policies on behalf of the National Insurance Trust Fund (hereinafter called NITF) invites bids from eligible International Reinsurers and from eligible Brokers who are registered with the Insurance Regulatory Commission of Sri Lanka for the procurement of the Retrocession Programme to cover 30% Compulsory Reinsurance Cession for the period from 01/02/2023 to 31/07/2024.
2. NITF was established by the National Insurance Trust Fund Act No. 28 of 2006 and subsequently amended, by National Insurance Trust Fund (Amendment) Act No. 28 of 2007; whereby the NITF was empowered to accept compulsory reinsurance cessions from local insurance companies. Accordingly, it is mandatory for all insurance companies transacting general insurance business in Sri Lanka to cede 30% of their reinsurance cessions with the NITF. In order to manage its possible liabilities arising from the 30% compulsory reinsurance programme, the NITF has decided to obtain the retrocession programme for the period from 01/02/2023 to 31/07/2024.
3. Interested parties may obtain a complete set of bidding documents from the National Insurance Trust Fund, 4th Floor, No. 95, Sir Chittampalam A Gardiner Mawatha, Colombo 2, Sri Lanka from **09:00 hours** to **15:00 hours** on working days till **30th December 2022** upon payment of a **non-refundable tender fee of LKR 90,000/- or USD 245** by a bank draft drawn in favor of **National Insurance Trust Fund**, to the appropriate below mentioned bank accounts. Bidding documents can also be downloaded from the websites of the NITF (www.nitf.lk), Ministry of Finance (www.treasury.gov.lk), and Ministry of Foreign Affairs (www.mfa.gov.lk). The bank draft of the non-refundable deposit should be submitted along with the bid.

	LKR Bank Account	USD Bank Account
Name of the bank	People's Bank	People's Bank
Branch	Queens Branch	Queens Branch
Account Name	National Insurance Trust Fund	National Insurance Trust Fund
Account No	033-1-001-0-0000061	033-4-021-4-2467951
Swift Code	PSBKLKLX	PSBKLKLX

4. Bids must be submitted in a sealed envelope, either delivered by hand or couriered to reach the Chairman, Standing Cabinet Appointed Procurement Committee, National Insurance Trust Fund, 4th Floor, No. 95, Sir, Chittampalam A Gardiner Mawatha, Colombo – 02, Sri Lanka, not later than **13:00 hours Sri Lanka standard time** on 02nd January 2022, be clearly marked **“Bid for procurement of Retrocession Programme to cover 30% compulsory reinsurance cession for the period from 01/02/2023 to 31/07/2024- NITF/PRO/SCAPC/2022/01** at the top left corner of the envelope. Subsequently, the original bids should be submitted without any amendments within two weeks after the opening of bids.
5. Bids shall be opened immediately after the closing of bids at the Board Room of NITF, 4th Floor, No. 95, Sir, Chittampalam A Gardiner Mawatha, Colombo – 02, Sri Lanka in the presence of International Reinsurers and Brokers who are registered with the Insurance Regulatory Commission of Sri Lanka or their authorized representatives with an official authorization letter. The NITF will declare the names of bidders and bid prices at the meeting.
6. The language of correspondence is English. However, if any of the above documents are in a language other than in English, such documents should be accompanied by a certified English translation. This translation will be deemed final and be used for interpreting the information provided.
7. All bidders (International Reinsurers / Brokers who are registered with Insurance Regulatory Commission of Sri Lanka) shall furnish the Bid Security either obtained from any commercial bank approved by the Central Bank of Sri Lanka or a bank based in another country but the guarantee must be confirmed by a commercial bank operating in Sri Lanka. The amount of the **Bid Security value is LKR 10,000,000.00** or USD equivalent, converted by using the selling rate established for similar transactions by the Central Bank of Sri Lanka on the published date of this advertisement should be deposited to the NITF bank accounts mentioned above, valid for a period for 147 days from the date of the Bids closing and addressed to the National Insurance Trust Fund, No. 95, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.
8. Interested parties may obtain further information from the following contact person;
Contact Person :- **Manager Reinsurance & SRCC**
Direct :- **+94 112026669**
Fax :- **+94 114700988**
E-mail :- **pro_reinsurance@nitf.lk**

The Chairman
Standing Cabinet Appointed Procurement Committee
National Insurance Trust Fund
No. 95, Chittampalam A Gardiner Mawatha,
Colombo 02.
Sri Lanka.

Section I.

Instructions to the Bidders (ITB)

General

The Chairman, Standing Cabinet Appointed Procurement Committee (hereinafter called SCAPC), on behalf of the National Insurance Trust Fund invites sealed bids from International Reinsurers and from eligible Brokers who are registered with the Insurance Regulatory Commission of Sri Lanka to provide a Retrocession Programme to cover 30% compulsory reinsurance cession for the period from 01/02/2023 to 31/07/2024

1. Scope of Bid

1.1 Scope of bid has been **indicated in the Bidding Data Sheet (BDS)**, issued with these Bidding Documents for Retrocession programme for 30% compulsory reinsurance cession thereto as specified in Section IV, Schedule of Requirements. The name and identification number of this International Competitive Bidding (ICB) procurement are **specified in the BDS**.

1.2 Throughout these Bidding Documents:

- a) The term “in writing” means communicated in written form by mail or hand delivered with proof of receipt unless it is specified;
- b) If the context so requires, “singular” means “plural” and vice versa; and
- c) “Day” means calendar day.

2. Source of Funds

2.1 Payments under this contract will be financed by the source **specified in the BDS**.

3. Ethics, Fraud and Corruption

3.1 The attention of the bidders is drawn to the Procurement Guidelines of Sri Lanka:

- a) Parties associated with Procurement Actions, namely International Reinsurers and Brokers who are registered with the Insurance Regulatory Commission of Sri Lanka and officials shall ensure that they maintain strict confidentiality throughout the process;
- b) Officials shall refrain from receiving any personal gain from any Procurement Action. No gifts or inducement whatsoever financial and/or in kind shall be accepted. International Reinsurers and Brokers who are registered with the Insurance Regulatory Commission of Sri Lanka are liable to be disqualified from the bidding process if found offering any gift or inducement whatsoever financial and/or in kind which may have an effect of influencing a decision or impairing the objectivity of an official.

3.2 NITF requires the bidders to observe the highest standard of ethics during the procurement and execution of such contracts. In pursuit of this policy:

- a) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the procurement process or in contract execution;
- b) “fraudulent practice” means a misrepresentation or omission of facts in order to influence a procurement process or the execution of a contract;
- c) “collusive practice” means a scheme or arrangement between two or more bidders, with or without the knowledge of NITF to establish bid prices at artificial, noncompetitive levels; and

- d) “Coercive practice” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the procurement process or affect the execution of a contract.

3.3 If NITF found any unethical practices as stipulated under ITB Clause 3.2, NITF will reject the bid.

3.4 If any bidder has been involved in one of the following actions and or several such bidders and or agents on behalf of such bidders bid will be rejected. If any bidder involves in such action would be considered material deviation and are major deviations. The below mentioned are considered material deviations.

- a) Any bidder or an agent, have defaulted execution of reinsurance recovery in full or partial and payment of the premium to the panel of reinsurers regard to NITF.
- b) Any bidder or an agent have acted fraudulently and willfully in such a manner as to disrupt the rights and interest of NITF by way of defaulting the reinsurance recovery, financial mishandling, operational negligence causing financial loss to NITF.
- c) Any bidder or an agent during the bidding period, contract period and post contract period submitting fault information altered distorted and or faults documents to NITF and to the other stake holders which cause financial losses and or disputation of NITF.
- d) Any act in writing or by action leading to violation of National Procurement Guideline.
- e) Any bidder or an agent individually and or combine attempted to gain undue advantage in tender procedures by way of perpetrating, unethical practice and baseless legal actions against the competitors/bidders. If any bidder or an agent have acted in such a manner to prevent healthy competition which would be disadvantage to NITF.
- f) If any bidder or an agent on behalf of the bidder has acted singly and or in combination to bring the financial losses and disputation for NITF such violation and or violations stipulated above will be considered major deviations and such bidder or an agent will be disqualified ab initio.

4. Eligible Bidders

4.1 All bidders shall possess legal rights to supply the Reinsurance related services under this contract.

4.2 A Bidder shall not have a conflict of interest. All bidders found to have conflict of interest shall be disqualified. Bidders may be considered having a conflict of interest with one or more parties in this bidding process, if;

- a) they are or have been associated in the past, with a firm or any of its affiliates which have been engaged by NITF to provide any form of consultancy services used for the procurement of their insurance services to be supplied under these Bidding Documents; or
- b) A Bidder who is under a declaration of ineligibility by the Government of Sri Lanka (GOSL) and or NITF, at the date of submission of bids or at the date of contract award, shall be rejected.

4.3 A bidder who has been awarded to provide reinsurance services, such bidder found to have not delivered the services intended where the bidder has been in breach of the contractual obligations as service provider and as reason of that, such bidder has been blacklisted by NITF.

5. Eligible Reinsurance and Related Services

5.1 All reinsurance services under this contract shall be complied with applicable international standards, ethics and practices adopted by the International Reinsurance Industry/Regulatory bodies of Reinsurance in the country of domicile.

Contents of Bidding Documents

6. Sections of Bidding Documents

6.1 The Bidding Documents consist of one (1) Volume, which include all the sections indicated below, and should be read in conjunction with any addendum issued in accordance with ITB Clause 8.

Invitation for Bid

- Section I - Instruction to Bidders (ITB)
- Section II - Bidding Data Sheet (BDS)
- Section III - Evaluation and Qualification Criteria
- Section IV - Schedule of Requirements
- Section V - Bidding Forms

6.2 The Bidder is expected to examine all instructions, forms; and terms in the Bidding Documents. Failure to furnish all information or documentation required by the Bidding Documents may result in the rejection of the bid. The Bidder should take the absolute responsibility to examine all instructions filling of Forms and submission of the required documents.

7. Clarification of Bidding Documents

7.1 A prospective Bidder requiring any clarification of the Bidding Documents including the restrictiveness of its specifications shall inform the NITF in writing to the NITF's address or by e-mail **specified in the BDS**. The NITF will respond in writing to any such requests for clarification but the NITF will not respond to any clarification raised by the bidder or the representative after the pre bid clarification meeting **as specified in the BDS**. The NITF shall forward copies of its response to all those who have purchased the Bidding Documents including the response to the inquiries but without disclosing the source. Should the NITF deem it is necessary to amend the Bidding Documents as a result of a clarification, it shall do so by following the procedure under ITB Clause 8.

8. Amendment of Bidding Documents

- 8.1 At any time prior to the deadline for submission of bids, NITF may amend the Bidding Documents by issuing an addendum.
- 8.2 Any addendum issued shall be part of the Bidding Documents and shall be communicated in writing to all who have purchased the Bidding Documents.
- 8.3 To give prospective Bidders reasonable time in which to take an addendum in to account in preparing their bids, NITF may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB Sub-Clause 23.2

Preparation of Bids

9. Cost of Bidding

9.1 The Bidder shall bear all costs associated with the preparation and submission of its bid, and NITF shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

10. Language of Bid

10.1 The Bid, as well as all correspondence and documents relating to the bid (including supporting documents and printed literature) exchanged by the Bidder and NITF, shall be written in English language. Further it is noted that if any other language is used in documentation other than English language where the English translation will stand as the final authorized document for consideration in respect of the bid submission.

11. Documents Comprising the Bid

11.1 The Bid shall comprise the following:

- a) Bid Submission form and the applicable Price Schedule, in accordance with ITB Clauses 12,13,14, 15 and 21;
- b) Bid Security or Bid-Securing Declaration, in accordance with ITB Clause 20;
- c) Documentary evidence in accordance with ITB Clauses 18 and 29, that the Reinsurance services conform to the Bidding Documents;
- d) Documentary evidence in accordance with ITB Clause 18 establishing the Bidder's qualifications to perform the contract if its bid is accepted; and
- e) Any other document required in the BDS.

12. Bid Submission Form and Price Schedule

The Bidder shall submit the Bid Submission Form using the form furnished in Section V, Bidding Forms. This form must be completed without any alterations to its format and no substitutes shall be accepted. All blank space shall be filled in with the information requested. Scanned copies of the documents shall be considered.

13. Alternative Bids and Bid Options

13.1 Alternative bids shall not be considered and the bids as per the price schedule will only be considered under the conditions stipulated **in the BDS**.

14. Bid Pricing

14.1 The Bidder shall indicate on the Price Schedule, the layers and total bid prices of the reinsurance services it proposes to supply under the Contract including one per treaty period 100% of reinstatement should be clearly indicated in the column named "Terms of Reinstatement" in the "Price Schedule"

14.2 Any discount offered shall be included in the price of the bid.

14.3 If so, indicated in ITB Sub-Clause 1.1, bids are being invited for individual layers or for any combination of contracts. Unless otherwise indicated in the **BDS**, prices quoted shall correspond to 100% of the limits specified for each layer and to 100% of the reinsurance services supplied.

14.4 The Prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to variation on any account. A bid submitted with an adjustable price quotation will be treated as non-responsive and rejected.

14.5 Minimum Deposit Premium and year ended adjustable rate must be given for each layer separately.

14.6 If there is a discrepancy in the amount in figures and in words, the amount in words will be considered as correct.

14.7 The bidder should clearly indicate the pricing for a period of Eighteen months at the beginning of the contract including the reinstatement percentage and adjustment rates.

15. Currencies of bid and mode of Payment.

15.1 (i) Bid prices should be in Sri Lankan Rupees (LKR) and Minimum Deposit Premium should be quoted on 90% basis.

(ii) Minimum deposit Premium will be paid in quarterly installments. Premium will be remitted in LKR or USD at the current exchange rate equivalent to LKR value, converted using the selling rate established for similar transactions by the Central Bank of Sri Lanka on the dates defined by the agreement (in six equal installments in quarterly basis)

(iii) Claims receivable may receive in LKR or USD by NITF on the conversion of the exact LKR value of the claim at the date of occurrence of loss.

16. Documents Establishing the Eligibility of the Bidder

16.1 To establish their eligibility in accordance with ITB Clause 4, Bidders shall complete the Bid Submission Form, included in Section V Bidding Forms.

17. Documents Establishing the Conformity of the Reinsurance Services

17.1 To establish the conformity of the Reinsurance Services to the Bidding Documents, the Bidder shall furnish documentary evidence as part of the Bid.

17.2 The documentary evidence may be in the form of technical literature, certificates or data and shall consist of a detailed item by item description of the essential and performance characteristics of the Reinsurance Services, demonstrating substantial responsiveness of the reinsurance services to the technical specification of bidding.

18. Documents Establishing the Qualifications of the Bidder

18.1 The documentary evidence of the Bidder's qualifications to perform the contract eligibility if its bid is accepted shall establish to NITF's satisfaction:

18.2 Eligibility of Broker

- a. A certified Copy of the current Registration as a Broker with the Insurance Regulatory Commission of Sri Lanka
- b. Profile of the company, names of the key technical staff (first three technical heads in hierarchical order of the said company), professional qualification, and experience of each person and the contact details of the key technical officers in the company.
- c. The eligible broker who is registered with the Insurance Regulatory Commission of Sri Lanka should possess a valid professional Indemnity cover for a limit of liability LKR 100 million.

- d. Experience in handling insurance business for a period of two (02) years and at least one year (01) in reinsurance business. Fulfill the Form 5 and Form 6 of Section V – Bidding Forms
- e. Summary of audited financial details for the immediate past two (02) years as per the Form 7 of Section V – Bidding Forms and certified copies of Financial Statements for the year 2020 and 2021
- f. The Eligible Broker who is registered with the Insurance Regulatory Commission of Sri Lanka should obtain quotation directly from the reinsurers and not through any other intermediary and it should be submitted only on their letter heads.

18.3 Eligibility of Reinsurers

- a. Experience in accepting Treaty Reinsurance Programmes of insurers operating in the International Reinsurance market for a minimum period of three (3) years. (At least from the beginning of year 2019, fulfill the Form 8 of Section V – Bidding Forms.)
- b. Lead Reinsurer's rating must be S & P "A-", AM Best "A-", Moody's "A3-", Fitch "A-" or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- c. The followers' rating must be S & P "BBB", AM Best "bbb", Moody's "Baa3", Fitch "BBB" or above. Preference will be given for "A" rated followers.
- d. Summary of Audited Financial details of each reinsurer for the last three years as per Form 9 of Section V- Bidding Forms and certified copies of Financial Statements for the years 2019, 2020 and 2021.
- e. Details of Registration of lead reinsurer in the country of domicile.
- f. Original signed slip (Complete Cover Note, Lead Share and Signing Page) by the lead reinsurer.
- g. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.
- h. The Procurement Entity, National Insurance Trust Fund has the right and will contact direct the lead Reinsurers, Reinsurers at any given time for clarification and or information. The eligible Broker who is registered with Insurance Regulatory Commission of Sri Lanka should provide the contact person of lead Reinsurer/Reinsurers and designation, contact number and e mail address along with the bid.

19. Period of Validity of Bids

- 19.1 Bids shall remain valid until the date **specified in the BDS (119 days from closing date of bid)**
A bid valid for a shorter period shall be rejected by NITF as non- responsive.
- 19.2 In exceptional circumstances, prior to the expiration of the bid validity date, NITF may request bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB Clause 20, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its bid.

20. Bid Security

20.1 The Bidder shall furnish as part of its bid, a Bid Security, as **specified in the BDS**.

20.1.1 The Bid Security shall be in the amount **specified in the BDS** and shall:

i) submit either unconditional on demand Bid Security (Bond) or ii) bid security in form of cash. The bidder should deposit the amount **specified in the BDS**.

20.1.2 If the bidder intends to submit bid security in form of bid bond the bidder should comply the following criteria:

i) All Bidders (International Reinsurers and Brokers who are registered with Insurance Regulatory Commission of Sri Lanka) shall furnish a Bid Security obtained from any commercial bank approved by the Central Bank of Sri Lanka or a bank based in another country but the guarantee “confirmed” by a commercial bank operating in Sri Lanka for the amount **specified in the BDS** and addressed as **indicated in the BDS**.

ii) Be substantially in accordance with the form 3 included in Section V, Bidding Forms in the Bidding Document;

iii) Be payable promptly upon written demand by NITF in case the conditions listed in ITB Clause 20.5 are invoked;

iv) Be submitted in its original form; copies will not be accepted

v) Remain valid for the period **specified in the BDS**.

20.2 Any bid not accompanied by a substantially responsive Bid Security or Bid Securing Declaration in accordance with ITB Sub- Clause 20.1 and 20.2, shall be rejected by NITF as non-responsive.

20.3 The Bid Security of unsuccessful Bidders shall be returned as promptly as possible upon the completion of the bidding process.

20.4 The Bid Security may be forfeited or the Bid Securing Declaration executed:

a) If a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Submission Form, except as provided in ITB Sub-Clause 19.2;
or

b) If a Bidder does not agree to correction of arithmetical errors in pursuant to ITB Sub-Clause 30.3

c) If the successful Bidder fails to sign the Contract in accordance with ITB Clause 44;

21. Format and Signing of Bid

21.1 The Bidder shall prepare one original of the documents comprising the bid as described in ITB Clause 11 and clearly mark it as “ORIGINAL.” In addition, the Bidder shall submit a copy of the bid and clearly mark it as “COPY.” In the event of any discrepancy between the original and the copy, the original shall prevail.

21.2 The original and the Copy of the bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder.

- 21.3 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.
- 21.4 The following documents would be considered as the formal prerequisite of any bid to be considered as materially responsive in line with the bidding documents or scanned copies.
- a. Pricing details (Quotation Slip as per the Form 2 of Section V – Bidding Forms) should be properly authorized by the lead reinsurer by placing the official stamp of lead reinsurer and should be signed by the authorized person of the lead reinsurer.
 - b. Signing Page should be properly signed and stamped by the lead reinsurer stating the percentage of lead share of each layer of the proposed cover.
 - c. The Reinsurance Slip should be signed and stamped by the lead reinsurer (each and every page of the full set of the document shall be stamped, numbered and signed by an authorized person of lead reinsurer).
 - d. A specimen copy of Excess of loss Reinsurance agreement as attached with Form 2
 - e. The Letter of Authorization should be signed and stamped by the lead reinsurer and by the authorized person of the Bidder.
 - f. Scanned copies relevant pages of the Annual Reports and the web link to be provided for all Audited Reports.

Submission and Opening of Bids

22. Submission, Sealing and Marking of Bids

22.1 Bidders shall submit their bids by post/courier/by hand
as specified in the BDS.

- a) Bidders submitting bids shall enclose the original and the copy of the Bid in separate sealed envelopes, dully making the envelops as “ORIGINAL” and “COPY”. These envelopes containing the original and the copy shall then be enclosed in one single envelope.

22.2 The inner and outer envelopes shall:

- a) Bear the name and address of the Bidder;
- b) Be addressed to NITF in accordance with ITB Sub Clause 23.1;
- c) Bear the specific identification number of this bidding process as indicated in the BDS; and
- d) Bear a warning not to open before the time and date for bid opening, in accordance with ITB Sub-Clause 26.1.

If all envelopes are not sealed and marked as required, NITF will assume no responsibility for the misplacement or premature opening of the bid.

23. Deadline for Submission of Bids

23.1 Bids must be received by NITF at the address by hand / post /courier **specified in the BDS** and not later than the date and time **specified in the BDS.**

23.2 NITF may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Documents in accordance with ITB Clause 8, in which case all rights and obligations

of NITF and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

24. Late Bids

24.1 NITF shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB Clause 23. Any bid received by NITF after the deadline for submission of bids shall be declared late, rejected, and returned unopened.

25. Withdrawal and Modification of Bids

25.1 A Bidder may withdraw, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 22, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITB Sub- Clause 21.2, (except that no copies of the withdrawal notice are required). The corresponding substitution or modification of the bid must accompany the respective written notice. All notices must be:

- (a) Submitted in accordance with ITB Clauses 21 and 22 (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked “Withdrawal,” or “Modification” and
- (b) Received by NITF prior to the deadline prescribed for submission of bids, in accordance with ITB Clause 23.
- (c) If a bid is withdrawn by a written communication, such bidder shall be not allowed to be present in the bid opening meeting and they would not be considered as bidders.

25.2 Bids requested to be withdrawn in accordance with ITB Sub- Clause 25.1 shall be returned to the Bidders only upon notification of contract award to the successful bidder in accordance with sub clause 42.1.

25.3 No bid may be withdrawn, substituted, or modified after the deadline for submission of bids.

26. Bid Opening

26.1 NITF shall conduct the bid opening in the presence of bidders or their authorized representatives at the address, date and time **specified in the BDS**.

26.2 First, envelopes marked “WITHDRAWAL” shall be opened and read out and the envelope with the corresponding bid may be opened at the discretion of NITF. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Envelopes marked “MODIFICATION” shall be opened and read out with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modifications notice contains a valid authorization to request the modification and is read out at Bid opening. Only envelopes that are opened and read out at the Bid opening shall be considered.

26.3 All other envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the Bid Prices, alternative offers; the presence of a Bid Security or Bid-Securing Declaration, if required; and any other details as NITF may consider appropriate. The original bidding price indicated in the price schedule of the bidding documents and the discounts are read out at Bid opening shall be considered for evaluation. No Bid shall be rejected at Bid opening except for late bids, in accordance with ITB Sub-Clause 24.1.

26.4 NITF shall prepare a record of the Bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, or modification; the Bid Price, per layer if applicable, and the presence or absence of a Bid Security or Bid-Securing Declaration. The bids that are opened shall be resealed in separate envelopes, promptly after the bid opening. The Bidders’ representatives’ who are present shall be requested to sign the attendance sheet.

Evaluation and Comparison of Bids

27. Confidentiality

- 27.1 Information relating to the examination, evaluation, comparison of bids, and recommendation of contract award, shall not be disclosed to bidders or any other parties.
- 27.2 The bidders, interested Parties or any third party will not be disclosed any information leading to have undue advantage for further tendering/ bidding when the tender process is going on and or even after the closure of bidding process.
- 27.3 Any effort by a Bidder to influence NITF in the examination, evaluation, comparison, of the bids or contract award decisions may result in the rejection of its Bid.
- 27.4 Notwithstanding ITB Sub-Clause 27.2, if any Bidder wishes to contact NITF on any matter related to the bidding process, from the time of bid opening to the time of Contract Award, it should do so in writing.

28. Clarification of Bids

- 28.1 To assist in the examination, evaluation, comparison and of the bids, NITF may, at its discretion, request any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by NITF shall not be considered for purpose of evaluation. NITF's request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by NITF in the Evaluation of the bids, in accordance with ITB Clause 30. Clarification sought by NITF for the purpose of evaluation of bids will whatsoever not constitute for the confirmation and or offer to a respective bidder.

29. Responsiveness of Bids

- 29.1 NITF's determination of a bid's responsiveness is to be based on the contents of the bid itself.
- 29.2 A substantially responsive Bid is one that conforms to all the terms, conditions, and specifications of the Bidding Documents without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:
- a) Affects in any substantial way the scope, quality, or performance of the Reinsurance services specified in the Contract; or
 - b) Limits in any substantial way, inconsistent with the Bidding Documents, NITF rights or the Bidder's obligations under the Contract' or
 - c) If rectified would unfairly affect the competitive position of other bidders presenting substantially responsive bids.
- 29.3 If a bid is not substantially responsive to the Bidding Documents, it shall be rejected by NITF and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation, or omission.

30. Nonconformities, Errors and Omissions

- 30.1 Provided that a Bid is substantially responsive, NITF may waive any nonconformities or omissions in the Bid that do not constitute a material deviation.
- 30.2 Provided that a bid is substantially responsive, NITF may request that the Bidder to submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial non conformities or omissions in the bid related to documentation requirements.

Such omission shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

30.3 Provided that the Bid is substantially responsive, NITF shall correct arithmetical errors on the following basis:

- a) If there is a discrepancy between the layer price shall prevail and total, the layer price shall prevail total shall be corrected, unless in the opinion of NITF there is an obvious misplacement of the decimal point in the layer price, in which case the line item total as quoted shall govern and the layer price shall be corrected;
- b) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) above.

30.4 If the Bidder that submitted the lowest evaluated Bid does not accept the correction of errors, its Bid shall be disqualified and its Bid Security shall be forfeited or its Bid Securing Declarations shall be executed.

31. Preliminary Examination of Bids

31.1 NITF shall examine the bids to confirm that all documents and technical documentation requested in ITB Clause 11 have been provided, and to determine the completeness of each document submitted.

31.2 NITF shall confirm that the following documents and information have been provided in the Bid. If any of these documents or information is missing, the Bid shall be rejected

- (a) Bid Submission Form, in accordance with ITB Sub-Clause 12.1;
- (b) Price Schedules, in accordance with ITB Sub-Clause 12 and 21;
- (c) Bid Security or Bid Securing Declaration, in accordance with ITB Clause 20

32. Examination of Terms and Conditions; Technical Evaluation

32.1 NITF shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 17, to confirm that all requirements specified in Section IV, Schedule of Requirements of the Bidding Documents have been met without any material deviation or reservation.

32.2 If, after the examination of the terms and conditions and the technical evaluation, NITF determines that the Bid is not substantially responsive in accordance with ITB Clause 29, NITF shall reject the Bid.

33. Conversion to Single Currency

The bidders are not allowed to quote in foreign currencies in accordance with sub clause 15.1, for evaluation and comparison purposes, NITF shall consider all bid prices expressed in Sri Lankan Rupees only.

34. Domestic Preference

Domestic preference shall not be a factor in bid evaluation.

35. Evaluation of Bids

35.1 NITF shall evaluate each bid that has been determined, up to this stage of the evaluation, to be substantially responsive.

35.2 To evaluate a Bid, NITF shall only use the factors, methodologies and criteria defined in this ITB Clause 35.

35.3 To evaluate a Bid, NITF shall consider the following:

- a) The Bid Price as quoted in accordance with clause 14;
- b) Price adjustment for correction of arithmetic errors accordance with ITB Sub-Clause 30.3;
- c) Adjustments due to the application of the evaluation criteria **specified in the BDS** from amongst those set out in Section III, Evaluation and Qualification Criteria;

35.4 NITF's evaluation of a bid may require the consideration of other factors, in addition to the factors listed in ITB Sub-Clause 35.3, **as specified in the BDS**. These factors may be related to the characteristics, performance, and terms and conditions of purchase Reinsurance Services.

36. Comparison of Bids

NITF shall compare all substantially responsive bids to determine the lowest-evaluated bid, in accordance with ITB Clause 35.

37. Post qualification of the Bidder

37.1 NITF shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated and substantially responsive bid is qualified to perform the contract satisfactorily.

37.2 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB Clause 18.

37.3 An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the bid, in which event NITF shall proceed to the next lowest evaluated bid to make a similar determination of that Bidder's capabilities to perform satisfactorily.

38. NITF's Right to Accept Any Bid, and to Reject Any or All Bids

NITF reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to Bid, contract award, without there by incurring any liability to Bidders.

39. Contractual Obligations and delivery of the Services by Brokers registered with Insurance Regulatory Commission of Sri Lanka and the Reinsurance Providers

If the service delivery as per the contractual obligation has been dissatisfactory by any eligible Broker who is registered with Insurance Regulatory Commission of Sri Lanka and or reinsurance providers within the agreed / attached reinsurance contract has been dissatisfied and not up to the expected service delivery in both obtaining proper reinsurance coverage, price and or claims recovery in time with due diligence and good governance / transparency would be considered disqualified / rejected.

If such deviations, delays in claim recovery including any such dishonest act committed and or perpetrated to have committed and caused impediments in execution of the contractual obligating by such

incumbent Broker and reinsurance providers will be disqualified and rejected as not eligible to provide services intended in this bidding and which is as a whole considered a material deviation.

Award of Contract

40. Award Criteria

NITF shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated bid and is substantially responsive to the Bidding Documents, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

41. NITF's Right to vary coverage at time of Award

At the time the Contract is awarded, NITF reserves the right to increase or decrease the level of reinsurance services originally specified in Section IV, Schedule of Requirements, provided this does not exceed fifteen percent (15%) of the total cover subject to ratable premium change in the price without any sort of changes to the terms and conditions of the bid and the Bidding Documents.

42. Notification of Award

42.1 Prior to the expiration of the period of bid validity, NITF shall notify the successful Bidder of intention to award the contract in writing, that its Bid has been accepted subject to appeal process and Cabinet of Ministers approval.

42.2 Until a formal Contract is prepared and executed, the notification of award shall not constitute a binding Contract.

42.3 Upon the successful Bidder's furnishing of the signed Treaty Agreement and NITF will promptly notify each unsuccessful Bidder and will discharge its bid security, pursuant to ITB Clause 20.4.

43. Appeal against Contract Awards recommended by the Procurement Committee

43.1 As per the section 8.5 of the Government Procurement Guidelines 2006, unsuccessful bidder who is aggrieved by a recommendation of a SCAPC, is given an opportunity to make his/her representation (if any) in writing against the said recommendation to the Procurement Appeal Board (PAB) within 7 days.

44. Signing of Contract

44.1 Within Seven (7) days after notification, NITF shall complete the Agreement, and inform the successful Bidder to sign it.

44.2 Within fourteen (14) days of receipt of such information, the successful Bidder shall sign the Agreement.

44.3 Having been substantially responsive lowest bidder who would be the successful bidder should sign the final agreement of reinsurance contract with NITF without incorporating any additional condition, modification and or deletion to the cover originally submitted at the time of the bidding. If the successful bidder has included any additional conditions, modifications and or deletions to the original reinsurance cover proposed in the form of slip would constitute to the rejection and the successful bidder would be immediately disqualifying and, in such case, the next lowest substantially responsive lowest bidder would be issued the Broker on Record (BOR) to complete the bidding process.

Section II Bidding Data Sheet (BDS)

The following specific data for the reinsurance services to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

ITB Clause Reference	A. General
ITB 1.1	<p>The Purchaser is: National Insurance Trust Fund</p> <p>Scope of Bid: Whole Account Excess of Loss Risk and Catastrophic reinsurance programme to protect 30% compulsory reinsurance cession to NITF of all proportional, non- proportional, treaty and facultative reinsurance of the General Insurance business of each company transacting General Insurance Business in Sri Lanka.</p> <p>The name and identification number of the Contract are: Procurement of Retrocession Programme to cover 30% compulsory reinsurance cession for the period from 01.02.2023 to 31.07.2024</p> <p>Contract Number: NITF/PRO/SCAPC/2022/01</p> <p>To qualify for evaluation, Bidders are required to bid for the total solution.</p> <p>Partial bids shall be treated as non-responsive and shall be rejected / disqualified.</p> <p>Conditional bids shall be treated as non-responsive and shall be rejected / disqualified.</p>
ITB 2.1	The source of funding is: By National Insurance Trust Fund
	B. Contents of Bidding Documents
ITB 7.1	<p>For <u>Clarification of bid purposes</u> only, NITF's address is: Attention: Manager - Reinsurance & SRCC Address: National Insurance Trust Fund No.95, Sir, Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka Telephone: +94 112206669 Facsimile: +94 114700988 E-mail : pro_reinsurance@nitf.lk</p> <p>A Pre-bid meeting will be held: Yes</p> <p>Date : 15th December 2022</p> <p>Time: 10:00 hrs.</p> <p>Venue: National Insurance Trust Fund, 4th Floor, No.95, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.</p>

C. Preparation of Bids																									
ITB 13.1	<p>The bidders are not allowed to submit Alternative bids, and such bids will not be considered for evaluation. The bidders should strictly submit the bids for the Option indicated in the 13.1 of ITB. The other alternative bids submitted by bidders shall be treated as non-responsive and rejected.</p> <p>Submission of more than one bid in this bidding process by a single lead reinsurer or bids by multiple lead reinsurers in one bid will be rejected.</p> <p>If any reinsurer intends to bid, they are allowed to submit only one bid for the 100% reinsurance cover as required in the bidding documents.</p>																								
ITB 14.3	The bidder may quote as follows																								
	<table border="1"> <thead> <tr> <th>Layer</th> <th>Minimum and Deposit Premium 90%</th> <th>Adjustable Rate</th> <th>Terms for Reinstatement</th> </tr> </thead> <tbody> <tr> <td>With Reinstatement</td> <td></td> <td></td> <td></td> </tr> <tr> <td>LKR 1,000 Mn Xs LKR 1,000 Mn</td> <td></td> <td></td> <td>One Reinstatement</td> </tr> <tr> <td>LKR 3,000 Mn Xs LKR 2,000 Mn</td> <td></td> <td></td> <td>One Reinstatement</td> </tr> <tr> <td>LKR 2,500 Mn Xs LKR 5,000 Mn</td> <td></td> <td></td> <td>One Reinstatement</td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td>One Reinstatement</td> </tr> </tbody> </table>	Layer	Minimum and Deposit Premium 90%	Adjustable Rate	Terms for Reinstatement	With Reinstatement				LKR 1,000 Mn Xs LKR 1,000 Mn			One Reinstatement	LKR 3,000 Mn Xs LKR 2,000 Mn			One Reinstatement	LKR 2,500 Mn Xs LKR 5,000 Mn			One Reinstatement	TOTAL			One Reinstatement
	Layer	Minimum and Deposit Premium 90%	Adjustable Rate	Terms for Reinstatement																					
	With Reinstatement																								
	LKR 1,000 Mn Xs LKR 1,000 Mn			One Reinstatement																					
LKR 3,000 Mn Xs LKR 2,000 Mn			One Reinstatement																						
LKR 2,500 Mn Xs LKR 5,000 Mn			One Reinstatement																						
TOTAL			One Reinstatement																						
If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover as required in the bidding documents.																									
ITB 15.1	The bidder shall quote in Sri Lankan Rupees.																								
ITB 19.1	The bid validity period shall be 147 days from the date of bid closure; accordingly, the bid shall be valid until																								

20.1.1. ii	The Bid security submitted in cash should be deposited to a bank account as mentioned below,		
		LKR Bank Account	USD Bank Account
	Name of the bank	People's Bank	People's Bank
	Branch	Queens Branch	Queens Branch
	Account Name	National Insurance Trust Fund	National Insurance Trust Fund
	Account No	A/C No: 033-1-001-0-0000061	A/C No: 033-4-021-4-2467951
	Swift Code	PSBKLK LX	PSBKLK LX

	<p>The Bid Security submitted in the form of Bid Bond shall be ;</p> <p>A Bid security obtained from any commercial bank approved by the Central Bank of Sri Lanka or a bank based in another country but the guarantee “confirmed” by a commercial bank operating in Sri Lanka in the format prescribed in section V “Bidding Forms – Bid Guarantee”</p> <p>The amount of the Bid Security shall be as follows;</p> <p>LKR 10,000,000/- or USD equivalent, converted using the selling rate established for similar transactions by the Central Bank of Sri Lanka on the published date of this advertisement</p> <p>Bid Security shall be issued in favor of;</p> <p>Chairman National Insurance Trust Fund, 4th Floor, No.95, Sir Chittampalam A Gardiner Mawatha, Colombo 02. Sri Lanka.</p> <p>The Bid Security validity period shall be 147 days from the date of bid closure; accordingly, the bid security shall be valid until</p>
--	---

	D. Submission and Opening of Bids
ITB 22.1	<p>The original bids should be submitted without any amendments within two (02) weeks after the opening of bids –</p> <p>Bid Form, Bid Security and the Price Schedule should be submitted separately, when submitted via email.</p>
ITB 22.2	<p>The inner and outer envelopes shall bear at the following identification marks:</p> <p>Procurement of Retrocession Programme to cover 30% compulsory reinsurance cession for the period from 01.02.2023 to 31.07.2024</p> <p>Contract Number: NITF/PRO/SCAPC/2022/01</p>
ITB 23.1	<p>For bid submission purposes, NITF’s address is:</p> <p>Attention: The Chairman – Standing Cabinet Appointed Procurement Committee</p> <p>Address: National Insurance Trust Fund, 4th Floor, No.95, Sir Chittampalam A Gardiner Mawatha, Colombo 02. Sri Lanka.</p> <p>The deadline for the submission of bids is: Date: 2nd January 2022 Time:13:00 hrs</p>

ITB 26.1	<p>The Bid opening shall take place at: Address : National Insurance Trust Fund, 4th Floor, No.95, Sir Chittampalam A Gardiner Mawatha, Colombo 02. Sri Lanka In the presence of bidders or representatives</p> <p>Time : 13:00 hrs (immediately after dead line for bid submission)</p>
-----------------	---

	E. Evaluation and Comparison of Bids
ITB 35.3.c	There will be no price adjustments; the selection is based on the substantially responsive lowest evaluated bid price.
ITB 35.4	<p>The following factors and methodology will be used for evaluation:</p> <p>a. Technical Compliance b. Vender Competency & Reputation, reinsurance Market Share and reinsurance service Reputation, Quality and Reliability.</p>
	F. Signing of Contract
ITB 44.2	After NITF complete the agreement and inform the successful Bidder to sign it, within Fourteen (14) days of receipt of such information, the successful Bidder shall sign the agreement.

Section III Evaluation and Qualification Criteria

1.1 Contents

1. Evaluation Criteria- ITB 35.3(d)
NITF's evaluation of a bid will be based on Evaluated Bid Price.
2. Evaluation of received bids will be done at two stages. (ITB37.2)
 - 2.1 Preliminary Examination
 - 2.2 Detailed evaluation

2.1 Preliminary Examination

The bids received will be examined to determine;

- i. Whether all documents requested available.
- ii. Whether bidders are eligible Brokers (Please refer ITB Clause 18.2)
- iii. Whether bidders are eligible Reinsurers (Please refer ITB Clause 18.3)

- iv. Whether the Bid Form (Form 1 of section V- Bidding Forms) is duly signed by an authorized officer and stamped.
- v. Whether the original lead signed/stamped slip is available from the lead reinsurer.
- vi. Whether the original Pricing schedule (Form 2 of section V- Bidding Forms) signed/stamped by the lead Reinsurer.
- vii. Whether the original Signing Page has been properly signed by the lead Reinsurer with stamp and the lead share as well as all layers are protected by the lead share percentage.
- viii. Whether the specimen copy of the Excess of Loss Reinsurance agreement is attached.

2.2 Detailed Evaluation

Each bid will be analyzed to verify the following requirements and/or information are given by the bidder and they match with requirements given in the Bidding Document.

Description	Lead Reinsurer	Reinsurance Broker
Scope of Cover	Yes / No	Yes / No
Period of Cover	Yes / No	Yes / No
Territorial Scope	Yes / No	Yes / No
Layering	Yes / No	Yes / No
Loss Occurrence Clause	Yes / No	Yes / No
Reinstatements	Yes / No	Yes / No
Premium	Yes / No	Yes / No
Reinsurer's Security/Rating	Yes / No	Yes / No
Reinsurer's Share	Yes / No	Yes / No
Arbitration/Jurisdictions	Yes / No	Yes / No
Declared ineligible by the government of Sri Lanka / NITF	Yes / No	Yes / No
Validity of the bid (147 days from the claiming date)	Yes / No	Yes / No

- ❖ If any of above information not provided, the bid shall be rejected.
- ❖ If the details are submitted, other than the detail required will be rejected.

Section IV Schedule of Requirements

Information and Special Conditions

1. Introduction

NITF was established by the National Insurance Trust Fund Act No. 28 of 2006 and subsequently, by National Insurance Trust Fund (Amendment) Act No. 28 of 2007. NITF was empowered to accept compulsory reinsurance cessions from local insurance companies. Accordingly, it is mandatory for all insurance companies transacting general insurance business in Sri Lanka to cede 30% of their reinsurance cession with NITF. In order to manage its possible liabilities arising from the 30% compulsory reinsurance programme, NITF has decided to obtain the retrocession programme for the period from **01.02.2022 to 31.07.2023**

2. Scope of cover

Whole Account Excess of Loss Risk and Catastrophic reinsurance programme to protect 30% compulsory reinsurance cession to NITF of all proportional, non- proportional, treaty and facultative reinsurance of the General Insurance business of each company transacting General Insurance Business in Sri Lanka.

2.1 Period : For the period from 01.02.2023 to 31.07.2024

2.2 Territorial Scope

- i. Sri Lanka and Maldives (as applicable) for all classes other than Marine Hull, Marine
- ii. Cargo and Personal Accident and Liability
- iii. Worldwide for Personal Accident and Marine Cargo
- iv. Worldwide for Marine Hull business underwritten in Sri Lanka.
- v. Worldwide (excluding USA and Canada) for Liability

2.3 Layering

Layer	Minimum and Deposit Premium 90%	Adjustable Rate	Terms for Reinstatement
With Reinstatement LKR 1,000 Mn Xs LKR 1,000 Mn			One Reinstatement
LKR 3,000 Mn Xs LKR 2,000 Mn			One Reinstatement
LKR 2,500 Mn Xs LKR 5,000 Mn			One Reinstatement

(cover required in total LKR 7.5 Bn with deductible LKR1 Bn.)

The words "loss occurrence" shall mean all individual losses arising out of and directly occasioned by one and the same event. However, the duration and extent of any loss occurrence so defined shall be limited to:

- a) 168 consecutive hours as regards hurricane, cyclone, tempest, typhoon, windstorm, rainstorm, hailstorm, tornado/ earthquake, seaquake, tidal wave, volcanic eruption and/or flood, tsunami and any other natural catastrophe.

- b) The Retrocedent may choose the date and time when any such period of consecutive hours commences and, if any accident or event is of greater duration than the above periods, the Retrocedent may divide that accident or event into two or more “loss occurrences” provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the Retrocedent in that accident or event.

2.4 Reinstatements

Bids must comprise with 100% one full reinstatement for each layer with the pricing details in section V – Bidding Forms.

2.5 Premium

Minimum Deposit Premium is payable in six equal installments in quarterly basis.

2.6 Reinsurer’s Security/ Rating

- i. Lead Reinsurer’s rating must be S & P “A-”, AM Best “A-”, Moody’s “A3-”, Fitch “A-” or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- ii. The followers’ rating must be S & P “BBB”, AM Best “bbb”, Moody’s “Baa3”, Fitch “BBB” or above. Preference will be given for “A” rated followers.
- iii. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.

2.7 Multiple bids and multiple lead reinsurers

Submission of more than one bid in this bidding process by a single lead reinsurer and bids by multiple lead reinsurers in one bid will be rejected. (as per ITB 13)

2.8 Submission of multiple bids by a single broker registered with Insurance Regulatory Commission of Sri Lanka

If any eligible broker who is registered with Insurance Regulatory Commission of Sri Lanka intends to submit more than one lead terms where such submission of lead terms should be tendered as separate bids following the tender procedure. (as per ITB 13)

3. Contractual Obligations for the Successful Bidder

Bidder should comply with the following requirements;

- i. The successful Bidder should actively participate in the claims handling process.
- ii. Upon receipt of the Broker on Record the following time line should be met.
- iii. Original contract document should be submitted within seven days.
- iv. Follow market should be completed within two weeks’ time.
- v. Confirm official receipts of the receipt of the portion of the premium by each panel member of the reinsurers should be submitted within two weeks’ time upon the payment of the quarterly premium & E mail confirmation not accepted, original should be received.

4. Laws: Arbitration/Jurisdictions

Sri Lankan Law.

5. Gross Net Premium Income

LKR (Mn)

01/01/2016 to 31/12/2016	1,840
01/01/2017 to 31/12/2017	2,863
01/01/2018 to 31/12/2018	3,249
01/01/2019 to 31/12/2019	3,386
01/01/2020 to 31/12/2020	2,532
01/01/2021 to 31/12/2021	2,560
01/01/2022 to 31/12/2022 (Estimated)	2,489
01/01/2023 to 31/12/2023 (Estimated)	2,501
01/01/2024 to 31/12/2024 (Estimated)	2,513

6. Validity of the bid:

147 days from the closing date of the bids.

7. Eligibility/ Financial Information

The following documents should be submitted along with the bid to prove eligibility of Reinsurer.

- a. Lead Reinsurer's rating must be S &P "A-", AM Best "A-", Moody's "A3-", Fitch "A-" or above. The minimum signed share should be 10/100 and maximum signed share should be 35/100 of the said Reinsurance Programme.
- b. The follow reinsurers' rating must be S & P "BBB", AM Best "bbb", Moody's "Baa3", Fitch "BBB" or above. Preference will be given for "A" rated followers.
- c. Audited Final Accounts/ Annual Reports of each reinsurer for the last three years.
- d. Details of Registration of each reinsurer in the country of domicile.
- e. If a Reinsurer is submitting a direct bid, it must cover 100% reinsurance cover of the said programme.

8. Reinsurance completion of the panel of reinsurance follow market

The bidder should agree that completion of the panel of reinsurance for 100% of risk with the prior approval of NITF.

9. General

- a. Bidders must acquaint themselves fully with conditions of the bid.
- b. The bid and any contract resulting thereof shall be governed by and construed according to the laws of Sri Lanka.
- c. No bid shall be considered for evaluation or award unless all the conditions laid down in the document have been strictly fulfilled.
- d. The language of correspondence is English. However, if any of the above documents are in a language other than in English, such documents should be accompanied by a certified English translation. This translation will govern and be used for interpreting the information provided.
- e. The attachment of the risk should be forthwith executed and the cover should be effective upon the BOR is issued. The broker should hold the responsibility onward with immediate

effect irrespective of the terms and conditions formally laid down in the quotation and or in any other documents submitted as part of the formal bid. In case of reinsurer has quoted direct where such reinsurer should forthwith attach the risk as per the terms and conditions of the Bidding Document.

- f. Bidders will be disqualified from the bidding process if found offering any gift or inducement which may have an effect of influencing a decision or impairing the objectivity of an official.

10. Arbitration

All disputes arising out of contract agreement should be dealt in accordance with the provisions of Arbitration Act No. 11 of 1995 and amendments thereto. The place of Arbitration shall be Colombo, Sri Lanka and the language of communication shall be English only.

Chairman,
Standing Cabinet Appointed Procurement Committee.
National Insurance Trust Fund,
No. 95,
Sir Chittampalam A Gardiner Mawatha,
Colombo 02,
Sri Lanka.

Section V Bidding Forms

Table of Forms

1. Bid Submission Form
2. Price Schedule (*with Specimen copy of Excess of Loss Reinsurance Contract agreement. However, contract agreement may subject changes with the observations of the Attorney General*)
3. Bid Guarantee
4. Letter of Authorization
5. Details of the members of the board of Directors of Bidder
6. General Information and Experience of Eligible Broker who is registered with Insurance Regulatory Commission of Sri Lanka
7. Financial capabilities of Eligible Broker who is registered with the Insurance Regulatory Commission of Sri Lanka
8. General Information and Experience of Lead Reinsurer
9. Financial Capabilities of Lead Reinsurer

Form 01 1. Bid Submission Form

[The Bidder shall fill in this Form in accordance with the instructions indicated No Section I. alterations to its format shall be permitted and no substitutions shall be accepted.]

Date: *[insert date (as day, month and year) of Bid Submission]*

No: NITF/PRO/SCAPC/2022/01

To: **National Insurance Trust Fund**

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Documents, including Addenda No.: *[insert the number and issuing date of each Addenda]*;
- (b) We offer to supply in conformity with the Bidding Documents and in accordance with the Delivery Schedules specified in the Schedule of Requirements the following Reinsurance services.

.....

[insert a brief description of the Reinsurance Services];*

- (a) The total net price of our Bid (90%, after any discounts offered is:

Gross (90% of MDP)	
Discount (If Applicable)	
Net Amount	

.....

..... *[Insert the total bid price in words and figures];*

- (b) Our bid shall be valid for the period of time specified in ITB Clause 19.1, from the date fixed for the bid submission deadline in accordance with ITB Sub-Clause 23.1, and it shall remain binding upon us and maybe accepted at any time before the expiration of that period;
- (c) We have no conflict of interest in accordance with ITB Sub-4:2
- (d) Our firm, its affiliates or subsidiaries including any subcontractors or suppliers for any part of the contract or any individual director or directors have not been declared blacklisted by the National Procurement Agency;
- (e) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, the reinsurance contract is signed. The formal contract and the written acceptance of your bid (BOR) will constitute the permanent contract between the bidder / Reinsurance panel and NITF.
- (f) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

Signed: *[Insert signature of person whose name and capacity are shown]*

In the capacity of *[Insert legal capacity of person signing the Bid Submission Form]*

Name:*[insert complete name of person signing the Bid Submission Form]*

Duly authorized to sign the bid for and on behalf of..... *[insert complete name of Bidder]*

Dated on day of, *[insert date of signing]*

Form 02 2. PRICE SCHEDULE FOR 01.02.2023 to 31.07.2024

Layer	Minimum and Deposit Premium (LKR) 90%	Adjustable Rate	Terms for Reinstatement
<p><u>With Reinstatement</u></p> <p>LKR 1,000 Mn Xs LKR 1,000 Mn LKR 3,000 Mn Xs LKR 2,000 Mn LKR 2,500 Mn Xs LKR 5,000 Mn</p>			<p>One Reinstatement @ 100% One Reinstatement @ 100% One Reinstatement @ 100%</p>
Total			

- The format of the price schedule should be strictly adhered.
- Alternative price schedules and or altered price schedules in submission of the price shall be treated as non-responsive and shall be rejected.

Signature :

Name of the Authorized Officer :

Official frank :

REINSURANCE SLIP

RISK DETAILS

- Type** : Whole Account Excess of Loss Reinsurance Contract (Risk and Catastrophe)
- Reinsured** : **National Insurance Trust Fund, Sri Lanka (NITF)**
- Original Insureds** : **Insurers of Sri Lankan Insurance Market**
- Reinsurers** : The subscribing Insurance and/or Reinsurance Companies and/or Underwriting Members of Lloyd's (thereinafter referred to as the Reinsurers), for a participation as stated in the individual signing pages.
- Period** : This Contract shall apply to losses occurring during the period:
- Effective from : 01st February 2023
Expiring on : 31st July 2024
- Both days inclusive, Local Standard Time at the place where the loss occurs.
- Reinsurers agree to extend for a further period of one calendar month at terms to be agreed, if required by the Reinsured.
- The rights and obligations of both parties to this Contract shall remain in full force until the effect date of expiry or termination, after which the liability of the Reinsurers shall cease absolutely, except in respect of losses occurring during the period of this Contract, the claims for which remain unsettled at that date.
- Subject to no known or reported losses prior to binding of risk.
- Class of Business** : This Contract shall indemnify the Reinsured in respect of all losses arising out of mandatory cessions at 30% of the General Insurance business of each insurance company transacting General Insurance including Property, Engineering, Business Interruption, Marine Cargo and Hull, Motor and Liability or any form of treaty reinsurance proportional or non-proportional or by way of facultative reinsurance.
- Territorial Scope** : This Contract shall apply to losses occurring in Sri Lanka and Maldives but to apply worldwide in respect of Marine Cargo, Marine Hull and Personal Accident Policy (ies) issued. Liability policy (ies) underwritten in Sri Lanka shall have worldwide coverage excluding USA and Canada.
- Limits and Deductibles** : The Reinsurers hereby agree to indemnify the Reinsured up to but not exceeding the Limit of Indemnity of:
- Ultimate Net Loss each and every risk, each and every loss occurrence, each and every loss and/or series of losses arising out of one event.
- Layer 1**
LKR 1,000,000,000 in excess of LKR 1,000,000,000
- Layer 2**
LKR 3,000,000,000 in excess of LKR 2,000,000,000
- Layer 3**
LKR 2,500,000,000 in excess of LKR 5,000,000,000

Reinsuring Clause : Reinsurers shall only be liable if and when the Ultimate Net Loss or payable by the Reinsured in respect of the Limit of Indemnity of each Layer, as defined herein exceeds the amount as specified under the Underlying Loss of each layer, for each and every risk, for each and every loss occurrence and the Reinsured shall be the sole judge on which basis recoveries are to be made hereunder.

The Reinsurers shall thereupon be liable for the amount in excess thereof but their liability under this Contract is limited to the amount as specified under Limit of Indemnity above, for each and every loss occurrence.

However, for recoveries on a Loss Occurrence basis, losses from any one Loss Occurrence shall not be subject to this Contract unless two or more risks insured or reinsured by the Reinsured are involved in such Loss Occurrence.

Minimum and Deposit Premium : A premium of :-
Adjustable at expiry.

Layer 1 LKR ...
Layer 2 LKR
Layer 3 LKR ...

Minimum and Deposit premium amount is payable in six equal instalments due on following dates:

1st February 2023
1st May 2023
1st August 2023
1st November 2023
1st February 2024
1st May 2024

Broker (Intermediary) is responsible for the remittance of Minimum Deposit Premium (MDP) installments to the panel of reinsurers on due dates.

As soon as possible after the expiry of this Contract, the above Deposit premium shall be adjusted to an amount equal to the rate of:

**Minimum and
Deposit Premium
(Continue)**

Layer 1:% of GNPI
Layer 2:% of GNPI
Layer 3:% of GNPI

The above is based on the estimated Gross Net Premium Income in respect of the Entire Portfolio is estimated at **LKR (Mn) 3385** at the inception of this Contract. The adjustable rates are to be applied to the declared GNPI at expiry of this contract to be carried out within 90 days of the expiry of this Contract.

Reinstatements

Layer 1

One full reinstatement at 100% additional premium, pro rata as to amount only

Layer 2

One full reinstatement at 100% additional premium, pro rata as to amount only

Layer 3

One full reinstatement at 100% additional premium, pro rata as to amount only

**Premium Payment
Terms**

Within 90 Days from due dates for all other installments except 1st installment, which will be within 60 days from risk binding.

Non-payment of premium within premium payment warranty period will lapse the reinsurer's liability automatically, unless otherwise agreed.

**Taxes Payable by
Reinsured and
Administered by**

None.

**Reinsurers
Conditions**

To follow all terms, clauses, conditions and warranties as are now or may be hereafter covered by or contained in original insurances subject to Ultimate Net Loss.

- Scope of cover / Business as defined
- Underwriting Policy Clause
- Reinstatement Clause
- Several Liability Clause
- 75% Loss Reporting Clause
- Claims Co-operation Clause with Third Party Professional Administrator Appointed when original claims exceed LKR 1,000,000,000.
- Errors and Omission Clause
- Extended Expiration Clause
- Notification of Losses
- Inspection of Records
- Rates of Exchange Clause
- Amendments and Alterations Clause
- Insolvency Clause
- Termination Clause
- Special Acceptances to be agreed by Overall Contract Leader only and binding on all following Reinsurers.
- Definition of Loss Occurrence – LPO 98A Amended
- Definition of Any One Risk
- Intermediary Clause
- Jurisdiction Clause
- Arbitration Clause
- Sanctions Clause

Exclusions : This contract shall exclude:

- Nuclear Energy Risks Exclusion Clause (Reinsurance) 1994 (NMA 1975a).
- Clause 370 and 380 as applicable to Marine Business only.
- USA / Canada Territory Legal Liability Insurance covers.
- Liability classes not included within the Miscellaneous / Accident Insurance classes under any treaty agreement
- Bankers' Indemnity Insurance covers.
- Political Risks Exclusion Endorsement (Reinsurance)
- Terrorism Exclusion Endorsement (Reinsurance) (NMA 2921)
- Radioactive Exclusion Clause
- Transmission and Distribution Lines Exclusion Clause
- War and Civil War Exclusion Clause
- Information Technology Clarification Agreement attached.
- Credit and Solvency Bonds
- Cargo Termination of Transit Clause (Terrorism) 2009
- Terrorism Risks
- Political Risks other than those provided under a Marine Policy.
- Kidnap & Ransom Risks
- Aviation Risks
- Space & space related risks
- Overseas Medical Risks
- Medical malpractice
- Communicable Diseases Exclusion
- Marine Risks
- Offshore Energy risks
- Contingent Business Interruption on standalone basis
- Total Asbestos Exclusion Clause
- Difference in Conditions or Difference in Limits Policies

- Event Cancellation Risks
- Tobacco / tobacco products
- Loss of Damage caused by or resulting from an act or incident which occurs or is committed whether directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, or seizure of power arising from a military conspiracy or strike, riot and civil commotion.

All special acceptance are to be agreed by the Slip Leader only and such agreement shall be binding on all other Reinsurers hereon. Any special acceptance previously agreed are to remain covered and automatically renewed hereunder. All Reinsurers shall be advised of the special acceptances which are covered hereunder at the renewal of this Contract.

Law and Jurisdiction

This Contract shall be governed by and is construed in accordance with Sri Lankan law in all respects.

: Any dispute or matter which requires reference to a court arising out of or relating to an arbitration, or falling outside the scope of the Arbitration clause, shall be submitted to the exclusive jurisdiction of the courts of Sri Lanka.

This document details the Contract terms entered into by the Reinsurers and constitutes the Contract Document.

This Contract Document has been produced by(*Name of the Bidder*) to provide a copy thereof to the Reinsured as the evidence of cover.

Reinsurers agree that any pages forming part of this document that contain handwritten amendments made by Reinsurers, may be retyped and agreed by the Slip Leader only for the purpose of issuing this Contract Document as the evidence of cover. Pages containing handwritten amendments will be retained on file by(*Name of the Bidder*)

No further Contract Document will be issued other than endorsements to note additions, deletions and amendments.

**Exclusions
(Continue)**

Warranties

: None other than as may exist in this document or in the wording that forms part of this Contract.

Subjectivities

: None other than as may exist in this document or in the wording that forms part of this Contract.

Conditions Precedent

: None other than as may exist in this document or in the wording that forms part of this Contract.

**Recording,
Transmitting and
Storing Information**

:(*Name of the Bidder*) may maintain, records or transmit all documents in relation to this Insurance electronically.

Reinsurer Contract Documentation

: This document details the contract terms entered into by Reinsurers and constitutes the contract document.

Slip Leader

:(*Name of the lead reinsurer*)
regardless of market security structure attaching to this slip.

Basis of Agreement to Contract Changes

: To follow automatically original policies in every respect, including any alterations, additions, deletions, amendments, agreements, endorsements and wording amendments. However, in no event shall this be construed in any way to provide coverage outside the terms and conditions set forth in this Contract.

Any amendments and/or additions and/or agreements of whatsoever nature to the terms of this reinsurance to be agreed by the Slip Leader only and binding on all others hereon.

Basis of Claims Agreement

: When details of an agreed endorsement are required to be provided to following underwriters, electronic transmission or fax may be used by(*Name of the Bidder*), as they may deem appropriate. If Such information is sent electronically,(*Name of the Bidder*) is not to be held responsible for the message failing to arrive, or being corrupted or distorted during transmission.

As Evidence of Cover to the client,(*Name of the Bidder*), has the option of providing a Broker Insurance Documentation comprising of a copy of the Risk details and Information together with a summary of the security(es) and signed lines. Unless requested by the Insured or Underwriters, no formal policy is to be issued.

Claims to be managed in accordance with

- i) The Lloyd’s Claims Scheme (Combined), or as amended or any successor thereto.
 - ii) IUA claims agreement practices
 - iii) The practices of any company (ies) electing to agree claims in respect of their own participation.
- Claims Agreement Parties :**
- i) For Lloyd’s syndicates
The leading Lloyd’s syndicate and, where required by the applicable Lloyd’s Claim Scheme, the second Lloyd’s syndicate and/or the Scheme Provider.
The Leader Lloyd’s Syndicate is
The Second Lloyd’s Syndicate is
 - ii) Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii) below.
 - iii) Those companies that have specifically elected to agree claims in respect of their own participation.

-
- iv) All other subscribing Insurers that are not party to the Lloyd's/IUA claims agreement practices, each in respect of their own participation or agree to follow the settlement and/or settlement decisions of the Slip Leader.

**Claims
Administration**

Current Xchanging Ins-sure Services claims procedures to be followed, where applicable.

IUA Contractual Condition to apply in respect of CLASS circulations to IUA following market.

Broker to enter claim advices via ECF onto CLASS system, as appropriate, for agreement by Underwriters.

Distribution of claim file information to Underwriters by(*Name of the Bidder*) may be by mail, fax or electronic means, as the latter may deem appropriate.

Payment to be made via(*Name of the Bidder*), within 7 working days of submission of collection to market(s) following agreement of claim by Slip

In the event of partial premium being received from the Insured by(*Name of the Bidder*), Underwriters agree to accept such premium and Exchanging Ins- sure Services are authorized to take down such premium including from individual insureds and/or territories as required.

Leader, unless specified otherwise by(*Name of the Bidder*) or within the Risk Details.

.....(*Name of the Bidder*) and (Re)insurers agree that may claims hereunder (including any claims related costs/fees) may be notified and administered via ECF with any payment(s) processed via CLASS.

Rules and Extent of any other Delegated Claims Authority

: None, unless otherwise specified here by any of the claims agreement parties shown above.

Expert(s) Fees Collection

: Adjustment, legal and other costs and fees to be agreed by Claims Agreement Parties and collect by(*Name of the Bidder*), unless they are specifically instructed for all contract security, including overseas security, to defer collection to the expert or any other approved third party.

Deferred Premium Period of Credit

: 0 Days

Adjustment Premium Period of Credit Bureaux Arrangements

: 90 Days

: Premium and/or accounts to be presented to Exchanging Ins-sure Services Accounts to be presented on a delinked basis, where considered appropriate.

Premium payment requirements are deemed met if premium and/or Accounts are presented and/or presented and/or correctly released for settlement to Exchanging Ins-sure Services in line with bureaux procedures on or before the Settlement Due Date (SDD). Where the SDD or due date falls upon a weekend or public holiday, presentation to Exchanging Ins-sure Services or Insurers hereon as applicable on the next working day thereafter will be deemed to be in compliance with SDD and/or any Premium Payment Warranty (PPW) or Premium Condition (PPC).

Exchanging Ins-sure Services are authorized to accept and settle accounts, received by(*Name of the Bidder*), in convertible currencies, at rates of exchanged declared by(*Name of the Bidder*).

Premiums, additional premiums, return premium, adjustments, cancellations, non-premium endorsements and/or claims may be agreed and collected on certified copies of slips, signing slips, policies or slip policies. Exchanging Ins- sure Services are authorized to sign as presented on off-slip and/or to accept renewal receipts, all without production of the policy or the expiring slip, as required.

Non Bureaux Arrangements : All non-bureau companies hereon, including overseas insurers, hereby authorize the leading non-Bureau company to sign policies, endorsements and renewal receipts on their behalf without production of signed authorization forms or equivalent documentation.

Taxes Payable by Reinsurers : None

Country of Origin : Sri Lanka

Allocation of Premium to years of Accounting : 2022

Regulatory Client Classification : Reinsurance

Fee Payable by Client : No

Other Deductions from Premium : None

Order Hereon :

Layer 1	:	100.00% of 100.00%
Layer 2	:	100.00% of 100.00%
Layer 3	:	100.00% of 100.00%

Basis of Written Lines : Percentage of Whole

Signing Provisions : In the event that the written lines hereon exceed 100% of the order, any lines written “to stand” will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the Reinsurers.
However:

- a) In the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) The reinsured may elect for the disproportionate signing of Reinsurers lines, without further specific agreement of Reinsurers, providing that any such variation is made prior to the commencement date of the period of the contract, and that lines written “to stand“ may not be varied without the documented agreement of those Reinsurers;
- c) The signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the Reinsured and all Reinsurers whose lines are to be varied. The variation to the contracts will take effect only when all such Reinsurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

Written Lines

: In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurer may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

Information :

Reinsurer's Liability Clause ~ LMA3333

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M

7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to “this contract” in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10 LMA3100

CONTRACTUAL WORDING

EXCESS OF LOSS REINSURANCE CONTRACT agreed between THE REINSURED As specified in the attached Risk Details and the subscribing reinsurers whose names and proportions hereof are set out in the attached Signing Pages(s). (here in after called the “Reinsurers”)
For and in consideration of the Premium specified in this Contract being paid by the Reinsured to the Reinsurers and subject always to the terms and conditions of this Agreement, which includes the Risk details, the Reinsurers agree to indemnify the Reinsured hereunder:

INTEREST CLAUSE

This Contract is to indemnify the Reinsured in respect of liability which may accrue to them under any and all policies and/or contracts of insurance in respect of the class(es) of business as specified in the Risk Details.

PERIOD CLAUSE

This Contract is in respect of Loss Occurring during the period as specified under “PERIOD” of the Risk Details.

TERRITORIAL SCOPE

This Contract is subject to Territorial Scope as specified under “TERRITORIAL SCOPE” in the Risk Details.

REINSURING CLAUSE

This Contract is only to pay in excess of an Ultimate Net Loss to the Reinsured of the amount specified under “LIMITS AND DEDUCTIBLES” in the Risk Details each and every risk, each and every loss occurrence, each and every loss and/or series of losses upto a further amount Ultimate Net Loss each and every risk, each and every loss occurrence, each and every loss and/or series of losses as specified under “LIMITS AND DEDUCTIBLES” in the Risk Details subject to the provisions of (Reinstatement Clause).

UNDERWRITING POLICY

The Reinsured undertakes not to introduce any material changes in its established acceptance and underwriting policy in respect of the class of business to which this Contract applies without prior approval of the Reinsurer and any reinsurance arrangements relating thereto shall be maintained or deemed to be maintained unaltered for the purpose of this Contract.

ULTIMATE NET LOSS

The terms "Ultimate Net Loss" shall mean the sum actually paid by the Reinsured in settlement of losses or liability after making deductions for all recoveries, all salvages and all claims upon other reinsurance, whether collected or not, and shall include all costs and adjustment expenses arising from the settlement of claims other than the salaries of employees and the office expenses of the Reinsured.

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this Agreement shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto. Nothing in this clause shall be construed to mean that a recovery cannot be made hereunder until the Reinsured's Ultimate Net Loss has been ascertained.

Recoveries under any underlying Excess of Loss Reinsurance Agreements (as far as applicable) are for the sole benefit of the Reinsured and shall not be taken into account in computing the Ultimate Net Loss or Losses in excess of which this Agreement attaches, not in any way prejudice the Reinsured's right of recovery hereunder.

Notwithstanding the foregoing, Reinsurances effected by any Proportional Treaty Reinsurers protected hereunder, if described in this Agreement as being reinsured hereunder shall not be taken into account in computing the Ultimate Net Loss or losses in excess of which this Agreement attached, nor in any way affect the amount recoverable hereunder.

NET RETAINED LINES CLAUSE

This Contract shall only protect that portion of any business covered hereunder which the REINSURED acting in accordance with its established practices, retains net for its own account. REINSURER's liability hereunder shall not be increased due to an error or omission which results in an increase in the Reinsured's normal net retention nor by Reinsured's failure to reinsure in accordance with its normal practice, nor by the inability of the Reinsured to collect from any other reinsurers any amounts which may have become due from them whether such inability arises from the insolvency of such other or otherwise.

PREMIUM CLAUSE

The Company shall pay a Minimum and Deposit premium as defined under the Premium in Risk Details.

As soon as possible after the close of each period of this Contract, the above deposit premium shall be adjusted to an amount equal to the rate specified in the Schedule applied to the Reinsured's Gross Net Premium Income for the period covered hereunder, subject however, to a minimum premium of the amount as set out in the Risk Details. Any adjustment of premiums due between the parties shall be payable forthwith.

The term Gross Net Premium Income shall be understood to mean the gross premiums less commission, brokerage, policy taxes and profit commission, cancellation and return premium, and after deduction of premium in respect of business excluded from the protection of this Reinsurance.

The Estimated Gross Net Premium Income in respect of the Declared Portfolio of Facultative and Treaty accounts is estimated at LKRat inception this Contract. The adjustable rates are to be applied to the declared Gross Net Premium Income at expiry of the contract to be carried out within 90 days of the expiry of this contract.

REINSTATEMENT CLAUSE

In the event of loss or losses occurring under this Contract it is hereby mutually agreed to reinstate this Contract to its full amount, as specified under “LIMITS AND DEDUCTIBLES” in the Risk Details, from the time of the commencement of the occurrence of such loss or losses until expiry of this Contract on payment of an additional premium calculated at Pro-rata of the percentage stated under “REINSTATEMENT” in the Risk Details.

The additional premium due shall be paid simultaneously by the Reinsured when any loss or losses (or part thereof) arising hereunder are settled, but nevertheless the Reinsurers shall never be liable for more than the amount specified under “LIMITS AND DEDUCTIBLES” in the Risk Details, in respect of any one Loss Occurrence nor for more than the maximum recoverable amount specified under “LIMITS AND DEDUCTIBLES” in the Risk Details.

For the purpose of the foregoing, the calculation(s) of the reinstatement premium shall be based on the full final premium payable hereunder in accordance with Premium Clause. In the event of there being a loss settlement prior to the final premium adjustment, then a provisional calculation shall be made based on the percentage specified under “REINSTATEMENT” in the Risk Details of wither the Minimum and Deposit Premium or if a premium adjustment has been made then the calculation shall be made based on the latest adjusted premium figure as appropriate. Such provisional calculation shall then be adjusted subsequently as may be necessary.

For all purposes of this Contract, losses shall be considered in date order of their occurrence, but this shall not preclude the Reinsured from making provisional collections in respect of claims, which may ultimately not be recoverable hereon.

75% LOSS REPORTING CLAUSE

The Reinsured shall report as soon as possible claims for losses estimated to amount to 75% or more of the retention of this Contract. The Reinsured shall keep the Reinsurers informed of all significant developments related to such claims. The Reinsured shall furnish the Reinsurers with such documents and papers as they may require in connection with any loss in which the Reinsurers may be interested hereunder.

CLAIMS CO-OPERATION CLAUSE

A further condition precedent to the Reinsurer’s obligation to pay is that the Reinsured shall, on the Reinsurer’s request, co-operate with the Reinsurer and the Third Party Professional Administrator Appointed in the adjustment and settlement of claims when original claims exceed LKR 1,000,000,000.

In particular, the Reinsurer may require the Reinsured, after consultation with the Reinsurer, appoint a recognized firm of independent loss adjusters and that it be kept informed of the progress of the settlement and/or be given an opportunity to take part at its own expense, in the settlement of the claim by delegating a duly authorized representative.

ERRORS & OMISSION CLAUSE

Any inadvertent error or omission on the part of either the Reinsured or the Reinsurers, shall not relieve either party from any liability which would have attached to this Contract and such error or omission shall be rectified immediately upon discovery. Nevertheless, nothing in this Clause shall be held to override any of the terms and conditions of this Contract and no liability shall be imposed on either party greater than would have attached hereunder if the error or omission had not occurred.

EXTENDED EXPIRATION CLAUSE (*Not applicable for Liability class*)

If this Contract should expire or be terminated while a Loss Occurrence covered by this Contract is in progress, it is understood and agreed that subject to the other terms and conditions of this Contract, the Reinsurers hereon are responsible as if the entire loss or damage had occurred prior to the expiration or termination of this Contract, provided that no part of that Loss Occurrence is claimed against any renewal or replacement of this Contract.

INSPECTION OF RECORDS

The Lead Reinsurer(s), or representatives duly authorized by them, may at any time during normal office hours of the Reinsured and at a place to be mutually agreed between the parties, inspect and take copies of such of the Reinsured's records and documents which relate to business cover under this Contract. It is agreed that the Lead Reinsurers right of inspection shall continue as long as either party has a claim against the other arising out of this Contract or whilst any liability remains hereunder.

RATES OF EXCHANGE CLAUSE

For the purpose of this Contract, currencies other than Sri Lanka Rupees (LKR) shall be converted into such currency at the rates of exchange used in the Reinsured's books, or where there is specific remittance for a loss settlement, at the rate of exchange used in making such remittance.

AMENDMENTS AND ALTERATIONS CLAUSE

Any amendment and/or alteration to this Contract that are agreed by correspondence shall be automatically binding hereon and unless otherwise agreed by the parties hereto shall be formally documented by an exchange of correspondence signed by the parties or by issue of a contract addendum which shall be considered to form an integral part hereof.

INSOLVENCY CLAUSE

Where an Insolvency Event occurs in relation to the Reinsured the following terms shall apply (and, in the event of any inconsistency between these terms and any other terms of this Agreement, these terms shall prevail):

A. Notwithstanding any requirement in this Agreement that the Reinsured shall actually make payment in discharge of its liability to its policyholder/cover holder before becoming entitled to payment from the Reinsurer:

- (i) the Reinsurer shall be liable to pay the Reinsured even though the Reinsured is unable actually to pay, or discharge its liability to, its policyholder/ cover holder; but
- (ii) nothing in this clause shall operate to accelerate the date for payment by the Reinsurer of any sum which may be payable to the Reinsured, which sum shall only become payable as and when the Reinsured would have discharged, by actual payment, its liability for its current net loss but for it being the subject of any Insolvency Event.

B. The existence, quantum, valuation and date for payment of any sum which the Reinsurer is liable to pay the Reinsured under this Agreement shall be those and only those for which the Reinsurer would be liable to the Reinsured if the liability of the Reinsured to its policyholders/cover holders had been determined without reference to any term in any composition or scheme of arrangement or any similar such arrangement, entered into between the Reinsured and all or any part of its policyholders/cover holders, unless and until the Reinsurer serves written notice to the contrary on the Reinsured in relation to any composition or scheme of arrangement.

C. The Reinsurer shall be entitled (but not obliged) to set-off, against any sum which it may be liable to pay the Reinsured, any sum for which the Reinsured is liable to pay the Reinsurer.

Any Insolvency Event shall occur if:

- (i) (a) (in relation to A, B and C above) a winding up petition is presented in respect of the Reinsured or a provisional liquidator is appointed over it or if the Reinsured goes into administration, administrative receivership or receivership or if the Reinsured has a scheme of arrangement or voluntary arrangement proposed in relation to all or any part of its affairs; or
(b)(in relation to A above) if the Reinsured goes into compulsory or voluntary liquidation;

or, in each case, if the Reinsured becomes subject to any other similar insolvency process (whether under the laws of the country specified under “CHOICE OF LAW, JURISDICTION & ARBITRATION” in the Risk Details) and

- (ii) the Reinsured is unable to pay its debt as and when they fall due within the meaning of the appropriate section of the Insolvency Act or equivalent legislation (or any statutory amendment or re-enactment of that section) in accordance with the laws of the country specified under “CHOICE OF LAW, JURISDICTION & ARBITRATION” in the Risk Details.

TERMINATION CLAUSE

Either party shall have the right to terminate this Agreement immediately by giving the other party written notice:

- (a) The performance of the whole or any part of this Agreement be prohibited or rendered impossible de jure or de facto in particular and without prejudices to the generality of the preceding words in consequence of any law or regulation which is or shall be in force in any country or territory or if any law or regulation shall prevent directly or indirectly the remittance of any payments due to or from either party.

- (b) The other party has become insolvent or unable to pay its debts or has lost the whole or any part of its capital.
- (c) If there is any material change in the ownership of control of the other party
- (d) The country or territory in which the other party resides or has its head office or is incorporated shall be involved in armed hostilities with any other country whether war be declared or not or is wholly or partly occupied by another power.
- (e) The other party shall have failed to comply with any of the terms and conditions of this Contract.

All notices of termination served in accordance with any of the provisions of this Clause shall be by Telex, Facsimile or any other means of instantaneous communication that leaved a permanent record of that communication and shall be deemed to be served upon dispatch, or where communications between the parties are interrupted, upon attempted dispatch, addressed to the party concerned at its head office or at any other address previously designated by the party.

All notices of termination served in accordance with any of the provisions in this Clause shall be addressed to the party concerned at its Head Office or at any other address previously designated by that party.

In the event of this Contract being terminated at any date other than the expiry date stated under Period then the premium due to the Reinsurers shall be calculated pro rata temporis of the premium calculation in accordance with the Premium hereon.

SPECIAL ACCEPTANCES

All special acceptances are to be agreed by the Slip Leader only and such agreement shall be binding on all other Reinsurers hereon. Any special acceptances previously agreed are to remain covered and automatically renewed hereunder. All Reinsurers shall be advised of the special acceptances which are covered hereunder at the renewal of this Contract., subject to no material change in the underlying risk.

DEFINITION OF LOSS OCCURRENCE - LPO 98A (Amended)

The term "Loss Occurrence" shall mean all individual losses arising out of and directly occasioned by one event, to be determined in accordance with the underwriting guidelines, submission and/or underwriting information given to Reinsurers. However, the duration and extent of any "Loss Occurrence" so defined shall be limited to: -

168 consecutive hours as regards to a hurricane, cyclone, tempest, typhoon, windstorm, rainstorm, hailstorm, flood and/or tornado, earthquake, seaquake, tidal wave, tsunami and/or volcanic eruption and any other natural catastrophe.

The Reinsured may choose the date and time when any such period of consecutive hours commences and if any catastrophe is of greater duration than the above periods, the Reinsured may divide that event into two or more "Loss Occurrences", provided no two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the Reinsured in that event.

DEFINITION OF LOSS OCCURRENCE – Liability Business

For liability class of business, the term “event” or “Loss Occurrence shall mean any one accident, disaster, casualty, or happening, or series of accidents, disasters, casualties, or happenings resulting from the same proximate cause.

DEFINITION OF ANY ONE RISK

Definition of any one risk is to be determined in accordance with the underwriting guidelines, submission and/or underwriting information given to Reinsurers.

INTERMEDIARY CLAUSE

Name of the Bidder is hereby recognized and bound to be appeared as the Intermediary negotiating this Contract for all business hereunder. All communications (including notices, statements, premiums, return premiums, commissions, taxes, losses, loss expense, salvages, and loss settlements) relating thereto shall be transmitted to the Reinsured or the Reinsurer through (**Name of the Bidder... and address...**). Said broker is legally responsible to all communications with the reinsured or the reinsurer.

JURISDICTION CLAUSE

Subject to the prior application of the Arbitration Clause, this Agreement shall be subject to the sole jurisdiction of the High Court of Justice or its equivalent in the country specified under “CHOICE OF LAW, JURISDICTION & ARBITRATION” in the Risk Details which shall apply the laws of the country specified under “CHOICE OF LAW, JURISDICTION & ARBITRATION” in the Risk Details as the proper law of this Agreement.

ARBITRATION CLAUSE

All disputes and differences arising under or in connection of this Agreement *including the formation or validity thereof*, shall be referred to Arbitration under Sri Lanka Arbitration Act,

The Arbitration Tribunal shall consist of three arbitrators, one to be appointed by the Claimant, one to be appointed by the Respondent and the third to be appointed by the two appointed arbitrators.

The third member of the Tribunal shall be appointed as soon as practicable (and no later than 30 days) after the appointment of the two party appointed arbitrators. The tribunal shall be constituted upon the appointment of the third arbitrator.

The Arbitrators shall be persons (including those who have retired) with not less than ten years’ experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving in the industry.

Where a party fails to appoint an arbitration within 30 days of being called upon to do so or where the two party appointed arbitrators fail to appoint a third within 30 days of their appointment, then upon application the Sri Lanka Regulator will appoint an arbitrator to fill the vacancy. At that time prior to the appointment by the Sri Lanka Regulator the party or arbitrators in default may make such appointment.

The Tribunal may in its sole discretion make such orders and directives as it considers to be necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

The place of arbitration shall be as specified in the "Risk Details".

NUCLEAR ENERGY RISKS EXCLUSION CLAUSE (REINSURANCE) (1994)
(WORLDWIDE EXCLUDING U.S.A. AND CANADA) NMA 1975 (a)

This agreement shall exclude Nuclear Energy Risks whether such risks are written directly and/or by way of reinsurance and/or via Pools and/or Associations.

For all purposes of this agreement Nuclear Energy Risks shall mean all first party and/or third party insurances or reinsurances (other than Workers' Compensation and Employers' Liability) in respect of:

- I All Property, on the site of a nuclear power station. Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.
- II All Property, on any site (including but not limited to the sites referred to in I above) used or having been used for:
 - (a) The generation of nuclear energy; or
 - (b) The Production, Use or Storage of Nuclear Material.
- III Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and/or Association.
- IV The supply of goods and services to any of the sites, described in I to III above, unless such insurances or reinsurances shall exclude the perils of irradiation and contamination by Nuclear Material.

Except as undernoted, Nuclear Energy Risks shall not include:-

- (i) any insurance or reinsurance in respect of the construction or erection or installation or replacement or repair or maintenance or decommissioning of Property as described in I to III above (including contractors' plant and equipment);
- (ii) any Machinery Breakdown or other Engineering insurance or reinsurance not coming within the scope of (i) above.
Provided always that such insurance or reinsurance shall exclude the perils or irradiation and contamination by Nuclear Material.

However, the above exemption shall not extend to:-

1. The provision of any insurance or reinsurance whatsoever in respect of:-
 - (a) Nuclear Material;
 - (b) Any Property in the High Radioactivity Zone or Area of any Nuclear Installation as from the introduction of Nuclear Material or - for reactor installations - as from fuel loading or first criticality where so agreed with the relevant local Nuclear Insurance Pool and/or Association.
2. The provision of any insurance or reinsurance for the undernoted perils:
 - Fire, lightning, explosion;
 - Earthquake;

- Aircraft and other aerial devices or articles dropped therefrom;
- Irradiation and radioactive contamination;
- Any other peril insured by the relevant local Nuclear Insurance Pool and/or Association;

in respect of any other Property not specified in 1 above which directly involves the Production, Use or Storage of Nuclear Material as from the introduction of Nuclear Material into such Property.

Definitions

“Nuclear Material” means Nuclear fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of nuclear fission outside a Nuclear Reactor, either alone or in combination with some other material; and

“Radioactive Products or Waste” means any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilization of nuclear fuel, but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose.

“**Nuclear Installation**” means:

- (i) Any Nuclear Reactor;
- (ii) Any factory using nuclear fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, including any factory for the reprocessing of irradiated nuclear fuel; and
- (iii) Any facility where Nuclear Material is stored, other than storage incidental to the carriage of such material.

“**Nuclear Reactor**” means any structure containing nuclear fuel in such an arrangement that a self-sustaining chain process of nuclear fission can occur therein without an additional source of neutrons.

“**Production, Use or Storage of Nuclear Material**” means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling and disposal of Nuclear Material.

“**Property**” shall mean all land, buildings, structures, plant, equipment, vehicles, contents (including but not limited to liquids and gases) and all materials of whatever description whether fixed or not.

“**High Radioactivity Zone or Area**” means:

- (i) For nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (including its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store; and
- (ii) For non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.

Additional Nuclear Extension

Unless specifically agreed in respect of an insured loss involving Nuclear Material under determined circumstances, this Agreement does not cover legal liability, loss (including consequential loss) or damage, cost or expense caused directly or indirectly by any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Nuclear Material, Nuclear Fission, Nuclear Radiation, Nuclear Waste from the use of Nuclear Fuels, Nuclear Explosives or any Nuclear Weapon.

For the sake of clarity, the above exclusion does not cover legal liability loss (including consequential loss) or damage, cost or expense caused directly or indirectly by or contributed to by or arising from ionizing radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

Definitions:

“Nuclear Material” as defined in NMA 1975 (A)

“Nuclear fusion” means a nuclear reaction in which atomic nuclei of low atomic number fuse to form a heavier nuclear with the release of energy.

“Nuclear radiation” means the absorption of electro-magnetic radiation by a nucleus having a magnetic moment when in an external magnetic field.

“Nuclear waste” as defined in NMA 1975 (A)

“Nuclear fuels” means a substance that will sustain a fission chain reaction so that it can be used as a source of nuclear energy.

“Nuclear weapon” means a nuclear device designed, used or capable of being used for the inflicting of bodily harm or property damage.

POLITICAL RISKS EXCLUSION ENDORSEMENT (REINSURANCE)

Notwithstanding any provision to the contrary within this reinsurance or any endorsement thereto it is agreed that this reinsurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (1) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction of or damage to property by order of the government de jure or de facto or by any public authority, Mutiny, civil commotion assuming the proportions of or amounting to an popular rising, tribunal rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or stage of siege or any of the events or causes which determine the proclamation or maintenance of martial law or state of siege; or usurped power; or
- (2) Strike, riot, looting, plundering, locked-out workers, persons taking part in labour disturbances, malicious persons (other than thieves); or
- (3) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group (s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government (s) committed

for political, religious, ideological, or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) and/or (3) above.

If the Reinsurer allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this reinsurance the burden of proving the contrary shall be upon the Reinsured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

TERRORISM EXCLUSION ENDORSEMENT (REINSURANCE) (NMA 2921)

Notwithstanding any provision to the contrary within this reinsurance or any endorsement thereto it is agreed that this reinsurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to that loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group (s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government (s), committed for political, religious, ideological or similar purposes including the intention to influence any government and / or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by or resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Reinsurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this reinsurance the burden of proving the contrary shall be upon the Reassured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

RADIOACTIVE EXCLUSION CLAUSE

Unless specifically agreed for an insured loss involving nuclear material under determined circumstances, this reinsurance does not cover loss, damage, cost or expense of whatsoever nature directly or indirectly caused, resulting from or in connection with nuclear energy or radioactivity of any kind including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

1. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof

3. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.
5. any chemical, biological, bio-chemical, or electromagnetic weapon.

TRANSMISSION AND DISTRIBUTION LINES EXCLUSION

Damage and Consequential Loss in respect of overhead transmission and distribution lines, including wire, cables, poles, pylons, standard towers or other supporting structures which may be attendant to the transmission and/or distribution of electrical power and/or telephone communications, but this exclusion shall not apply to such property which is the property of the Insured or which they are legally responsible and which is located on the Insured's premises or within one thousand (1,000) feet thereof.

WAR AND CIVIL WAR EXCLUSION CLAUSE

Notwithstanding anything to the contrary contained herein, this Contract does not cover any Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or usurped power, or confiscation of nationalization or requisition or destruction of or damage to property by or under the order of any Government or public or local authority.

SEEPAGE, POLLUTION AND CONTAMINATION CLAUSE

This Agreement does not cover any liability for-

- a) Loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph shall not apply to loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Agreement.
- b) The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Agreement.
- c) Fines, penalties, punitive or exemplary damages.

This clause shall not extend this Agreement to cover any liability which would not have been covered under this Agreement had this Clause not been attached.

INFORMATION TECHNOLOGY CLARIFICATION AGREEMENT

Property damage covered under this Agreement shall mean physical damage to the substance of property.

Physical damage to the substance of property shall not include damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure.

Consequently, the following are excluded from this Agreement:

Loss or damage to data or software, in particular any detrimental change in data, software or computer programs that is caused by a deletion, a corruption or a deformation of the original structure, and any business interruption losses resulting from such loss or damage. Notwithstanding this exclusion, loss of or damage to data or software which is the direct consequence of insured physical damage to the substance of property shall be covered.

Loss or damage resulting from an impairment in the function, availability, range of use or accessibility of data, software or computer programs, and any business interruption losses resulting from such loss or damage.

COMMUNICABLE DISEASES EXCLUSION

Notwithstanding anything to the contrary, this reinsurance does not cover and shall exclude all liability, loss, cost, and/or expense of any nature whatsoever, that, directly or indirectly, in whole or part, results and/or arises from, is in connection with, is related and/or contributed to, and/or is caused by any infectious and/or contagious disease or condition including, but not limited to any pandemic, epidemic or other spread of pathogen, howsoever styled and whether or not declared or acknowledged as such by any government or competent authority.

REINSURER SIGNING PAGE

REINSURED	:	National Insurance Trust Fund, Sri Lanka (NITF)
TYPE	:	Whole Account Excess of Loss Reinsurance Contract (Risk and Catastrophe)
LIMITS AND DEDUCTIBLES	:	<p>The Reinsurers hereby agree to indemnify the Reinsured up to but not exceeding the Limit of Indemnity of:</p> <p>Ultimate Net Loss each and every risk, each and every loss occurrence, each and every loss and/or series of losses arising out of one event.</p> <p><u>Layer 1</u> LKR 1,000,000,000 in excess of LKR 1,000,000,000</p> <p><u>Layer 2</u> LKR 3,000,000,000 in excess of LKR 2,000,000,000</p> <p><u>Layer 3</u> LKR 2,500,000,000 in excess of LKR 5,000,000,000</p>
PERIOD	:	<p>This Contract shall apply to losses occurring during the period:</p> <p>Effective from : 01st February 2022 Expiring on : 31st July 2023</p> <p>Both days inclusive, Local Standard Time at the place where the loss occurs. Subject to no known or reported losses prior to binding of risk</p>

The Reinsurer Hereby agrees to the terms and conditions of this Reinsurance as contained in this Contract and also allows the Broker to subsequently allocate a signed line, which is entered below.

.....

Name Of the Reinsurer

Signed in this day of 20

For and on behalf of:

Order: % of 100%

REINSURED SIGNING PAGE

TYPE	:	Whole Account Excess of Loss Reinsurance Contract (Risk and Catastrophe)
LIMITS OF LIABILITY	:	<p>The Reinsurers hereby agree to indemnify the Reinsured up to but not exceeding the Limit of Indemnity of:</p> <p>Ultimate Net Loss each and every risk, each and every loss occurrence, each and every loss and/or series of losses arising out of one event.</p> <p><u>Layer 1</u> LKR 1,000,000,000 in excess of LKR 1,000,000,000</p> <p><u>Layer 2</u> LKR 3,000,000,000 in excess of LKR 2,000,000,000</p> <p><u>Layer 3</u> LKR 2,500,000,000 in excess of LKR 5,000,000,000.</p>
PERIOD	:	<p>This Contract shall apply to losses occurring during the period:</p> <p>Effective from : 01st February 2022 Expiring on : 31st July 2023</p> <p>Both days inclusive, Local Standard Time at the place where the loss occurs. Subject to no known or reported losses prior to binding of risk</p>

The Reinsured hereby agrees to the terms and conditions of this Reinsurance as contained in the Contract.

The Reinsured, being
NATIONAL INSURANCE TRUST FUND, SRI LANKA

Signed in this day of 20

For and on behalf of:

Order: % of 100%

BROKER SIGNING PAGE

TYPE	:	Whole Account Excess of Loss Reinsurance Contract (Risk and Catastrophe)
LIMITS OF LIABILITY	:	<p>The Reinsurers hereby agree to indemnify the Reinsured up to but not exceeding the Limit of Indemnity of:</p> <p>Ultimate Net Loss each and every risk, each and every loss occurrence, each and every loss and/or series of losses arising out of one event.</p> <p><u>Layer 1</u> LKR 1,000,000,000 in excess of LKR 1,000,000,000</p> <p><u>Layer 2</u> LKR 3,000,000,000 in excess of LKR 2,000,000,000</p> <p><u>Layer 3</u> LKR 2,500,000,000 in excess of LKR 5,000,000,000.</p>
PERIOD	:	<p>This Contract shall apply to losses occurring during the period:</p> <p>Effective from : 01st February 2022 Expiring on : 31st July 2023</p> <p>Both days inclusive, Local Standard Time at the place where the loss occurs. Subject to no known or reported losses prior to binding of risk</p>

The Broker Hereby agrees to the terms and conditions of this Reinsurance as contained in this Contract.

.....

The Broker

Signed in this day of 20

For and on behalf of:

Order: % of 100%

Form 03 3. Bid Guarantee

[This Bank Guarantee form shall be filled in accordance with the instructions indicated in Brackets]

----- *[Insert issuing agency's name, and address of issuing branch or office]*-----

***Beneficiary:** National Insurance Trust Fund, No.95, Sir Chittampalam A Gardiner Mawatha, Colombo 02, Sri Lanka.

Date: -----*[insert (by issuing agency)date]*

Bid Guarantee No.: -----*[insert(by issuing agency)number]*

We have been informed that-----*[insert(by issuing agency) name of the Bidder; if a joint venture, list complete legal names of partners]*(herein after called "the Bidder") has submitted to you its bid dated -----*[insert(by issuing agency)date]*(herein after called "the Bid")for the supply of*[insert name of Supplier]*under Invitation for Bids No.-----*[insert IFB number]*("the IFB").

Furthermore, we understand that, according to your conditions, Bids must be supported by a Bid Guarantee.

At the request of the Bidder, we-----*[insert name of issuing agency]* here by irrevocably undertake to pay you any sum or sums not exceeding in total an amount of-----*[insert amount in figures] -----[insert amount in words]*upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s)under the bid conditions, because the Bidder:

- (a) Has withdrawn its Bid during the period of bid validity specified; or
- (b) Does not accept the correction of errors in accordance with the Instructions to Bidders (here in after "the ITB"); or
- (c) Having been notified of the acceptance of its Bid by NITF during the period of bid validity, fails or refuses to execute the Contract Form, in accordance with the ITB.

This Guarantee shall expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the Contract signed by the Bidder (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder that the Bidder was unsuccessful.

Consequently, any demand for payment under this Guarantee must be received by us at the office on or before that date. __

[name & signature(s) of authorized representative(s)]

Form 04 4. Letter of Authorization

4.1 The bidding Broker should submit the letter of authorization using the following format and endorsed by the lead reinsurer in agreement to communicate direct with the lead reinsurer as and when required.

Format of the Letter of Authorization

Date:

The Chairman
Standing Cabinet Appointed Procurement Committee
National Insurance Trust Fund
No. 95,
Chittampalam A Gardiner Mawatha, Colombo 02.
Sri Lanka.

We, hereby declare & agree that the reinsured namely – NITF will have the full authority to access the lead reinsurer and reinsurers in the panel of this programme without the consent of the incumbent broker and or their representative. We herewith authorized to do so.

.....

Name & Signature of authorized signatory of bidder

Lead Reinsurer:

Stamp:

Name & Authorized Signatory:

Date:

Form 05 5. Details of the members of the Board of Directors of Bidder

Declaration of the names and contact numbers of the Insurance Brokers.

Name	Date of appointment	Correspondence Address	NIC/Passport no: or any personal identification no: of country of domicile.	Nationality

Name of Authorized Officer:

Signature :

Official frank :

Form 06 6. General Information and Experience of Insurance Brokers registered with Insurance Regulatory Commission of Sri Lanka

1. Name of Company
2. Address:
3. Telephone:
4. Facsimile/e-mail:
5. Place and year of Incorporation/Registration:
6. Date of Registration with Insurance Regulatory commission of Sri Lanka
7. Certification of current validity:
8. Name of the contact person: Contact No: E-Mail:

9. Main lines of Business:

1.	Since:	
2.	Since:	
3.	Since:	
4.	Since:	
5.	Since:	

10. Previous experience in providing reinsurance services

1. Previous Experience in Providing Reinsurance Services/Retrocession Programmes.

Country	Name of Client	Address of Client	Contact Person, Phone, Fax, email	Type of Reinsurance Cover	Value of Reinsurance Cover	Year

Name of Authorized Officer:

Signature :

Official frank :

Form 07

7. Financial Capabilities of Eligible Broker

Name of Company:

Summarized Actual Assets and Liabilities based on the audited Financial Statements for the previous three (3) years (copies attached)

Financial Information	2019 LKR	2020 LKR	2021 LKR
1. Total Assets			
2. Current Assets			
3. Total Liabilities			
4. Current Liabilities			
5. Shareholders Fund			
6. EBITDA*			
7. Annual Turnover			
8. Net Profit			

*Earnings before interest, tax, depreciation and amortization.

Name of authorized officer :

Signature :

Official frank :

Form 08 8. General Information and Experience of Lead Reinsurer

1. Name of Company:
2. Address:
3. Telephone:
4. Facsimile/e-mail:
5. Place and year of Incorporation/Registration:
6. Name of the contact person: 1. Contact No: E-Mail:
2. Contact No: E-Mail:
7. Main lines of Business:

1.		Since:	
2.		Since:	
3.		Since:	
4.		Since:	
5.		Since:	

8. Previous Experience in Providing Reinsurance Services/Retrocession Programmes.

Country	Name of Client	Address of Client	Contact Person, Phone, Fax, email	Type of Reinsurance Cover	Value of Reinsurance Cover	Year

Name of Authorized Officer:

Signature :

Official frank :

Form 09 9. Financial Capabilities of Lead Reinsurer

Name of Company:

Summarized Actual Assets and Liabilities based on the audited Financial Statements for the previous three (3) years (copies attached)

Financial Information (values in USD)	2019	2020	2021
1. Total Assets			
2. Current Assets			
3. Total Liabilities			
4. Current Liabilities			
5. Shareholders Fund			
6. EBITDA*			
7. Annual Turnover			
8. Net Profit			

*Earnings before interest, tax, depreciation and amortization.

Name of authorized officer :.....

Signature :.....

Official frank:.....