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NOT FOR PUBLICATION

BHARAT HEAVY ELECTRICALS LIMITED

REQUEST FOR PROPOSAL (RFP) FOR

EMPANELMENT OF INSURANCE COMPANIES
FOR
PROJECT INSURANCE POLICIES OF THERMAL POWER PROJECTS



RFP NO: BHEL:CO:FIN:INS:EMPL:INSURANCE:PROJECT

Bharat Heavy Electricals Limited (BHEL)
Corporate Finance
BHEL House,
Siri Fort,
New Delhi -110049, India.

Date for Submission of Proposal/Bid : On or before 1600 Hrs. on 21-03-2024

Date of Opening of Proposal/Bid : 1630 Hrs. on 21-03-2024

Place of Opening of Proposal/Bid : BHEL House, Siri Fort, New Delhi-110049

Signature & Seal of the
authorized official of BHEL



Signature & Seal of the
authorized officials of Underwriter



BHARAT HEAVY ELECTRICALS LTD.
(A Government of India Undertaking)
CORPORATE FINANCE DEPARTMENT
BHEL HOUSE, SIRI FORT
NEW DELHI – 110 049.

By Courier/Hand/Regd. Post

REQUEST FOR PROPOSAL

REF: RFP NO: BHEL:CO:FIN:INS:EMPL:INSURANCE:PROJECT
Dated 11.03.2024

M/s _____

Sub: Empanelment of Insurance Companies for Project Insurance Policies of Thermal Power Projects-RFP

Dear Sir/Madam,

Sealed Offers are invited from General Insurance Companies having business experience of at least 5 years 'as on 29.02.2024 for empanelment of Insurance Companies for Project Insurance Policies of Thermal Power Projects. RFP is enclosed for submission of your offer along with supporting documents requested in the RFP specifications, to the undersigned, **latest by 16:00 hrs on 21.03.2024. Offer Bid shall be opened at 16:30 hrs on the same day in presence of tenderers** who may like to be present at that time

1. Receiver of this RFP document is advised to check and ensure completion of all pages of RFP document and report to the issuing authority any discrepancy in time for corrective action, if any before 16.03.2024
2. All the queries on the RFP may please be sent to us latest by 16.03.2024 through email to kamlesh.agarwal@bhel.in and ssingh@bhel.in so as to avoid any delays at the later date. Clarifications/amendments, if any, shall be sent to the Underwriters.
3. The Insurance Co(s). with whom litigation / arbitration are going on or with whom BHEL is having unresolved disputes for settlement of genuine claims may not be considered for the RFP.



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4. In case Offers are received from more than one branch of an Insurance Company, only one bid shall be considered for opening. In this regard, the choice of Offer to be opened shall be at the sole discretion of BHEL.
5. This RFP is neither an agreement nor an offer by BHEL to the prospective Applicants
6. BHEL may, in its absolute discretion but without being under any obligation to do so, update, amend or supplement information, assessment or assumptions contained in this RFP, in its further communication regarding engagement and empanelment of General Insurance Companies.
7. The tender should be submitted at BHEL's Corporate Office as per details at Section-I

Kindly note that in case you are not interested to submitting the offer for any reasons, you may please send a regret letter indicating reasons for the same immediately not later than the due date. Clarifications if any, on the tender shall be sought by the bidders on or before 16.03.2024.

For the sake of understanding, it is clarified that the contents of the Letter inviting RFP is part of RFP terms and conditions.

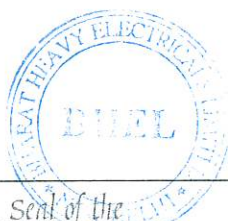
Thanking you,

Yours Sincerely

for & on behalf of BHEL


Sr. DGM (Finance)

Encl: One set of documents



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BHEL- An Introduction

BHEL is India's largest engineering and manufacturing enterprise in the energy and infrastructure sectors. Established in 1964, BHEL is a leading power equipment manufacturer globally and one of the earliest and leading contributors towards building an Aatmanirbhar Bharat. BHEL serve its customers with a comprehensive portfolio of products, systems and services to its customers in the areas of power-thermal, hydro, gas, nuclear & solar PV, transmission, transportation, defence & aerospace, oil & gas, and water. Right from developing country's power generation capacity to creating multiple capabilities in country's core industrial & strategic sectors, BHEL is deeply aligned to the vision of a self-reliant India.

Consistent expenditure of more than 2.5% of its revenue on R&D and innovation; establishment of world-class assets, development and absorption of new technologies; and creating sustainable business solutions and contribution to the society at large through initiatives in skilling youth, health & hygiene, education, cleanliness and environment protection, stand a testimony to our commitment.

A resilient workforce, more than 29,000 strong is the driving force behind BHEL's journey over the years.

BHEL is one of the few companies in the world having the capability to manufacture the entire range of power plant equipment, with proven capabilities for executing thermal, gas, hydro and nuclear power projects.

Company's Pan-India presence includes a network of 16 manufacturing facilities, 2 repair units, 4 regional offices, 8 service centres, 1 subsidiary, 3 active joint ventures, 15 regional marketing centres, 3 overseas offices and current project execution at more than 150 project sites across India and abroad.


BHEL manufactures a wide range of high quality & reliable products adhering to national and international standards.

The worldwide installed base of power generating equipment supplied by BHEL exceeds 193 GW, making it the undisputed leader amongst Indian power plant equipment manufacturers. Having installed more than 1000 thermal, hydro, nuclear, gas and solar PV based power generating sets in the country, company is now building strong foundations for cleaner and greener energy usage in future with development of critical technologies such as AUSC and coal to methanol.

BHEL plays a crucial role in the strategic sectors of the nation, being the sole Indian supplier for many technology intensive products and systems. BHEL is the only manufacturer of nuclear steam turbines in the country; the only company associated with all three stages of India's Nuclear Power programme; a major supplier of critical equipment and services in defence & aerospace sector for over three decades; and a trusted supplier of naval guns to Indian navy for their warships.

All the entities of the company are accredited to ISO 9001:2015, Quality Management Systems, with major manufacturing Units also accredited to Environmental Management Systems ISO 14001: 2015 and Occupational Health & Safety Management Systems OHSAS 18001:2007.

BHEL has been in this business for more than five decades having commissioned its first coal based set in 1969. The company has proven turnkey capabilities for executing power projects from concept to commissioning. BHEL offers a wide variety of coal based sets of upto 1000 MW rating, including 660/700/800 MW rating sets based on super critical technology and sub-critical sets of upto 600 MW unit rating. The company also offers state of the art emission control equipment for coal based plants for lower carbon footprint and compliance with revised emission norms notified by Govt. of India. BHEL sets


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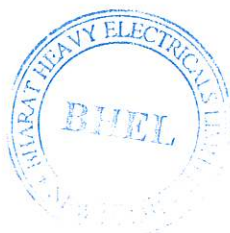
are customized for Indian conditions and fully comply with technical standards notified by the Central Electricity Authority (CEA).

For the purpose of erection of projects, BHEL engages sub-contractors of high competence level and proven capability. Selection of major sub-contractor is done with a stringent system involving BHEL's customer. All construction activities are carried out strictly in accordance with field quality plan approved by customer. Customer is also very actively involved during execution of the work at site with the well-experienced team of BHEL specialists.

BHEL is one of the few organisations which made its Quality foundation strong since its inception. During 1970-90, BHEL implemented **Quality Manual** for the entire organisation including responsibilities, systems, processes and procedures. Apart from building strong foundation on basic quality from concept to commissioning, BHEL has adopted the philosophy of **Total Quality Management** in its journey towards business excellence. To give thrust to the movement for business excellence, **BHEL has adopted EFQM model (European Foundation for Quality Management) of Business Excellence guided by CII-Institute of Quality**. The Quality First initiative launched by the company has started yielding results with focus on inculcating quality mindset in all spheres of company activities. Major divisions of BHEL have been recognised under **CII-EXIM Bank Award on Business Excellence** since year 2000.

BHEL has been obtaining different Insurance policies for its requirement, e.g, Marine-Cum-Storage-cum-Erection All Risk Policies, Comprehensive Mega Risk Project Insurance Policy and Standalone Terrorism and Sabotage Insurance, Transit Insurance, Fire and Allied Perils Policies for its Units, Contractor's Plant and Machinery Policy for T&P Assets and other Statutory and Misc. policies. Further, BHEL has also been obtaining Group Life Insurance Policies, Group Policy in lieu of EDLI etc. for its employees.

BHEL intends to empanel and engage IRDA licensed General Insurance Companies to broadly advise BHEL on global Insurance market scenario, critically analyse adequacy of coverage of present Erection Policies arranged by BHEL including suggestive detailed methodology of approaching the reinsurers for placement of BHEL risk and time Schedule for entire activity. The Project Insurance Policy for projects may also be arranged through the empanelled Insurance Companies.



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Section I

Instruction to Bidders

1. The Bidders shall submit their information & proposal in hard form with all pages numbered serially and by giving an index of submissions. Each page of the submission shall be duly signed & stamped by the Authorised Signatory of the Applicant as per the terms of this RFP. Submission of signed document will be considered as token of acceptance of all terms and conditions of the RFP.
2. This RFP, shall be duly signed & stamped on each page and submitted along with the Offer.
3. Offers shall be opened at the time and date as specified in the RFP notice in the presence of such of those Underwriters or their authorized representatives who may choose to be present.
4. Underwriters must fill up all the schedules and furnish all the required information as per the instructions given in various sections of the RFP specification, failing which Offer is liable to be rejected.
5. All corrections and insertions shall be duly counter-signed by the authorized signatory of the underwriter.
6. **Documents to be submitted in the Techno-Commercial Bid:**
 - (i) All technical and commercial details including documents in support of PQR and Techno-commercial evaluation parameters and formats as per the **Annexure -A**, Confirmation for which is required to be provided at **Annexure V (Checklist)**;
 - (ii) Bidder's Details- **Annexure I**
 - (iii) No-Deviation Certificate and Undertaking-**Annexure II**
 - (iv) Undertaking of not being banned from business- **Annexure III**
 - (v) **Claim Settlement details- Annexure IV**
 - (vi) Checklist- **Annexure V**

The following documents are also to be annexed as part of the Offer:

- (i) Original RFP document to be signed and returned as a token of acceptance of RFP terms and conditions
- (ii) Valid Power of Attorney



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7. The Offer shall be addressed to the below mentioned addressee and shall be submitted/dropped in sealed covers, scribing RFP No., RFP Name and due date of opening, on the below mentioned address **on or before 1600 hours on 21.03.2024** and dropped in the Tender box placed at 5th Floor, Corporate Finance, BHEL House, Siri Fort, New Delhi. The envelope shall bear the address of the RFP inviting officer, RFP Notice number, tender name, due date of opening of RFP and the name and address of the Insurance Company.

Sr.DGM (FINANCE)
BHARAT HEAVY ELECTRICALS LIMITED
CORPORATE FINANCE
5th FLOOR, CORPORATE OFFICE
SIRI FORT, NEW DELHI- 110049.
Phone No. 66337241, 66337253, Fax: 26001143
e-mail: kamlesh.agarwal@bhel.in ; ssingh@bhel.in

8. The submission of completed Information & Offer must be delivered on or before the specified time on last date of submission. **Offers submitted by fax, telex, telegram, e-mail or any other mode shall not be entertained.**
9. Bidders may request a clarification on any of the RFP terms upto 16-03-2024. Any request for clarification must be sent in writing to kamlesh.agarwal@bhel.in and ssingh@bhel.in.
- 1) Mr. Kamlesh Agarwal, Manager (Fin), Insurance Cell, Corp. Finance, BHEL, N. Delhi. Tel: 011-66337253; e.mail: kamlesh.agarwal@bhel.in
- 2) Ms. Sangeeta Singh, Sr. DGM (Fin.), Insurance Cell, Corp. Finance, BHEL, N. Delhi. Tel: 011-66337255; e.mail: ssingh@bhel.in
10. In case any two provisions in the tender are considered to be contradictory, the same shall be pointed out and BHEL's decision in this respect will be final. In case of any difference in interpretation of any clause, BHEL's decision will be final and binding on both parties
11. **Proposal Due Date:** On or before **1600 hrs** on the **21.03.2024**. in the manner and form as detailed in this RFP. The bid proposals shall be opened on the same date at 1630 Hrs.
12. **Validity of Proposal:** The Proposal submitted by the bidder shall remain valid for acceptance of BHEL for a period of 90 days from the date of opening of Bids/Proposals.
13. Proposals received within due date/time and complete in all respect shall only be evaluated. BHEL reserves the right to seek clarifications and further documents from bidders as may be required to evaluate the suitability of the bidder. Proposals received after the due date and time are liable to be rejected and decision of BHEL in this regard shall be final and binding.

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14. BHEL may, at its sole discretion, extend the last date of submission by issuing an Addendum uniformly for all Applicants.
15. Any canvassing or lobbying in respect of this RFP shall not be entertained and such act on the part of bidder may lead to their disqualification.
16. BHEL reserves the right to cancel the tender (RFP) at any stage at its sole discretion, without assigning any reason to the bidders.
17. **Tender Fee:** Nil

18. STEPS IN THE PROCESS OF EMPANELMENT

- 18.1 Firstly, the suitability of the bidders will be assessed based on pre-qualifying criteria of 5 years' in General Insurance Business as on 29.02.2024. The qualified bidders will be evaluated and marks will be assigned on technical and financial parameters as specified in **Annexure-A**.
- 18.2 Based on marks obtained, the bidders will be ranked from R1 to RN, where R1 is the highest and RN is the lowest scorer. The top seven, i.e, R1 to R7 will be empaneled with BHEL.
19. **Rights of BHEL:** BHEL reserves to itself the following rights in respect of this proposal / contract without entitling the insurer to any compensation.
 - 19.1 If the Underwriter gives wrong information in his proposal/offer, BHEL reserves the right to reject such Offer at any stage or to cancel the contract, if awarded.
 - 19.2 BHEL may, in its absolute discretion but without being under any obligation to do so, update, amend or supplement information, assessment or assumptions contained in this RFP, in its further communication regarding engagement and empanelment of General Insurance Companies.
 - 19.3 The acceptance or non-acceptance of Offer will entirely rest at the sole discretion of BHEL and does not bind BHEL to accept the any Offer and to reject any or all of the Offers without assigning any reasons whatsoever. The decision of BHEL in this regard shall be final.
 - 19.4 Those Insurance Cos. with whom litigation / arbitration are going on or with whom BHEL is having unresolved disputes for settlement of genuine claims may not be considered at the sole discretion of BHEL for evaluation, award of any fresh job till resolution of the same and the decision of BHEL in this regard shall be final and binding on all bidders.

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20. ARBITRATION

All disputes arising out of this engagement between the parties to the contract shall be referred to Arbitration. The arbitration will be conducted by sole Arbitrator i.e, General Manager (Finance) or his appointed nominee. The arbitration shall be conducted in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and BHEL's Arbitration guidelines. The award of Arbitrator shall be final and binding on the parties to dispute.

21. Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). (Applicable to PSU Bidders only)

"In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs) inter se, such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018".

22. Fraud Prevention: The bidder along with its associates/ collaborators/ sub-contractors/sub-vendors/ consultants/ service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website <http://www.bhel.com> and shall immediately bring to the BHEL management about any fraud or suspected fraud as soon as it comes to their notice.

23. Disqualifications:

BHEL may at its sole discretion and at any time during the evaluation of proposal, disqualify any respondent, if the respondent has:

- (i) Submitted the Proposal documents after the due date/time.
- (ii) Made misleading or false representations in the forms, statements and attachments submitted in proof of the eligibility requirements.
- (iii) Indulge into an act of Canvassing or lobbying in respect of the RFP and empanelment.
- (iv) Failed to provide related clarifications/documents within timelines provided for submission.
- (v) Declared ineligible by the Govt. of India/State/PSUs for corrupt and fraudulent practices or blacklisted in last 5 years.
- (vi) Its directors are declared ineligible by the Government of India/ State/ UT Government for corrupt and fraudulent practices or are blacklisted.
- (vii) Bidder should not have any legal proceedings pending against BHEL in a court of law.

24.0 Integrity commitment, performance of the contract and punitive action thereof:

24.1.1 Commitment by BHEL:

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BHEL commits to take all measures necessary to prevent corruption in connection with the tender process and execution of the contract. BHEL will during the tender process treat all Bidder(s) in a transparent and fair manner, and with equity.

- 24.1.2 Commitment by Bidder/ Supplier/ Contractor:
- 24.1.2.1 The bidder/ supplier/ contractor commit to take all measures to prevent corruption and will not directly or indirectly influence any decision or benefit which he is not legally entitled to nor will act or omit in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India.
- 24.1.2.2 The bidder/ supplier/ contractor will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and shall adhere to relevant guidelines issued from time to time by Govt. of India/ BHEL.
- 24.1.2.3 The bidder/ supplier/ contractor will perform/ execute the contract as per the contract terms & conditions and will not default without any reasonable cause, which causes loss of business/ money/ reputation, to BHEL.
If any bidder/ supplier/ contractor during pre-tendering/ tendering/ post tendering/ award/ execution/ post-execution stage indulges in mal-practices, cheating, bribery, fraud or and other misconduct or formation of cartel so as to influence the bidding process or influence the price or acts or omits in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India, then, action may be taken against such bidder/ supplier/ contractor as per extant guidelines of the company available on [www. bhel.com](http://www.bhel.com) and/or under applicable legal provisions".

25. Legal Jurisdiction

The Contract shall be governed by the Law for the time being in force in the Republic of India. The Civil Court at New Delhi shall have jurisdiction in case of dispute.



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SECTION II

SPECIAL CONDITIONS OF CONTRACT

1. Scope of the RFP

BHEL intends to empanel and engage IRDA licensed General Insurance Companies, registered with IRDAI for a continuous period of at least 5 years **as on 29.02.2024**, to broadly advise BHEL on global Insurance market scenario, critically analyse adequacy of coverage of present Erection Policies arranged by BHEL including suggesting detailed methodology of approaching the reinsurers or approach re-insurance market for placement of BHEL risk. The scope includes Thermal Power Projects having sum insured more than INR 7500 Crores.

In this regard, BHEL reserves the right to invite and provide mandate to eligible General Insurance Company(s) based on the requirement i.e. BHEL at a later date may decide to/not to adopt the methodology and finalization of Insurance Policy through process specified at **Annexure B** in respect of Thermal Power Projects having sum insured more than INR 7500 Crores.

2. Procedure

The procedure to be followed shall be as follows:

- 2.1 Empanelment of insurers:** Empanel Insurance Companies comprising seven best insurance companies decided on the basis of technical and financial parameters listed in **Annexure-A** may be formed.
- 2.2** The selected Empanelled insurers on receipt of Mandate shall approach Re- Insurance market for discovery of price. The detailed scope and methodology for Price Discovery is attached as **Annexure-B**.

3. Methodology for price discovery in RI market-

Empanelled Insurance company shall approach reinsurance market by using methodology for Price discovery in RI Market mentioned in **Annexure B**.

4. Non-Disclosure

The documents handled during the tenure of the contract by the Insurance Company should be treated as strictly confidential and cannot be used for any purpose other than the matter exclusively related to BHEL. The engaged insurer will be required to enter into a Non-Disclosure Agreement/Confidentiality agreement with BHEL.



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In case of breach of confidentiality, BHEL may short close the contract and take such action as may be deemed fit.

5. **Conflict of Interest**

Bidders at all times shall provide professional, objective and impartial advice and at all times hold BHEL's interest paramount, strictly avoid conflicts with other assignments or their own corporate interest and act without any consideration for future work.

6. **Period of Empanelment:**

The period of empanelment shall be for **One year** from date of Notification. BHEL may however terminate the appointment at any time at its sole discretion by giving a notice of 30 days. Further, BHEL may at its sole discretion extend the empanelment of insurance companies for further one year after the expiry of the original contract based on satisfactory performance of the said Insurance Companies. The Insurance companies shall have no right for any claim or any kind of compensation towards damages etc. due to such earlier termination of the engagement or non-extension of the same after the date of expiry of the engagement.

7. **Fee:** The empanelment do not entitle the Insurance companies for any Fee or Premium. The insurance policy premium will be paid to the successful Insurance company after price discovery for project insurance.



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Annexure A

1. **Evaluation Criteria: Empanelment** shall be based on techno commercial criteria, wherein weightage shall be given to various **Financial and Technical Sector Experience** criteria(s)

Sl. No	Parameters	Remarks	Bench Mark / Criteria	Points (max)
Section-A: Financial				
1**	Gross Direct Premium received by the insurance company out of Indian Operations (Domestic) (Only Gross Premium as appearing in the Annual Accounts shall be considered)	Average of last 3 completed financials Years*	Highest among all participating insurers	15
2**	Combined Operating Ratio of the Insurance company on overall basis	Average of last 3 completed financials Years*	Best among all participating insurers	10
3**	Profitability of the insurance company (Profitability of the insurance company should be PAT (Profit after tax) as per the accounts")	Average of Last 3 completed financial years*	Highest among all participating insurers	10
Total: Section-A				35
Section: B Technical: Sector Experience				
4.#	Number of policies underwritten as Leader under Erection All Risk Policy for Thermal Power Plant with Project value more than 7500 Crs.	Policy issued during any of the Last 5 completed financial years***	Highest amongst participating insurers (Max. 20 policies will be considered for 20 marks!!)	20
5.#	Number of policies underwritten as Leader under Erection All Risk Policy with Project value more than 7500 Crs (excluding leadership of policies given at Sl. No. 4)	Policy issued during any of the Last 5 completed financial years***	Highest amongst participating insurers (Max. 10 policies will be considered for 10 marks!!)	10
6.#	Single major risk accepted/ covered in India as Leader in respect of Erection All Risk Policy for Thermal Power Plant with Project value more than 7500 Crs in terms of Premium Paid. (As leader and 100% sum insured under the Policy to be shown)	Policy issued during any of the Last 5 completed financial years***	Highest amongst participating insurer (Premium of 100% sum insured)	20

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7.#	Number of Claims above Rs.10 Crores settled by the Insurance Company under Property/Engineering Policies	Claims settled during any of the Last 5 completed financial years***	Highest total number claims amongst insurers (Max. 15 claims will be considered for 15 marks!!)	15
	Total: Section-B			65
	Total: Section A+B			100

Notes:

* For the purpose of last three years consider FY 2020-21, 2021-22, 2022-23 (period ranging from 01.04.2020 to 31.03.2023)

** Parameter No 1-3 are financial parameter and accordingly the figure for company as a whole to be provided except in case of Parameter No 1 where Gross Direct Premium in respect of only Indian Operations (Domestic) needs to be given.

*** For the purpose of last 5 years consider FY 2018-19, 2019-20, 2020-21, 2021-22, 2022-23 (period ranging from 01.04.2018 to 31.03.2023)

Information for parameters No. 4-6 should be in relation to Erection All Risk Policies as a leader. Following category of Policies shall not be considered-

- Advance Loss of Profit cover included as part of EAR Cover
- Marine/ Aviation / Health/ Motor/ Standalone Terrorism/Credit/ Agriculture/ Crop/ Weather/ Other similar policies etc.

!! In case the bidder provides more than the required no. of policies/claim, as applicable, the maximum marks will be provided based on the maximum number indicated in the benchmark criteria. E.g, if a bidder has underwritten 25 policies as a leader (Section B, 4 of evaluation criteria), 20 policies will be considered for awarding 20 marks. The other bidder having 19 policies as a leader will be awarded 19 marks. In case the best bidder has underwritten only 15 policies, he will be awarded 20 marks and the other if underwritten for example 10 policies, will be awarded (10/15*20) i.e, 13.33 marks.

- For parameters at Sl. No. 4 to 6, number of leaderships shall be based on individual policies issued with a Sum Insured of Rs.7500 Crs. or more.
- For parameter No. 7, Claim settled for more than Rs.10 Crores in last five financial years is to be provided in Format at **Annexure "IV"** duly certified by a practicing Chartered Accountant

Annexure "IV"

Sl.no.	Name of the Insured/ Client	Nature of Insurance Policy	Date of Claim Settlement	Amount of Claim Settled in Crs.

- The amount of Claim settlement is to be considered net of deductibles.
- Claim settled (under policies underwritten as a leader) shall only to be considered. As such, Claim paid in the capacity of co-insurer will not be considered.
- The supporting document like Discharge Voucher/Letter from the Insured/System generated documents etc. need to form part of Annexure I

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- iv. In case claim has not been settled but an "On Account payment", if any, of value more than Rs. 10 Cr. has been paid to the insured, the same shall be considered. Further, if the "On Account" payment is done prior to last five financial year and claim is finally settled in last five Financial year then total claim amount paid (incl. on account payment) shall be considered for the above purpose.

2. Assignment of Marks for Evaluation

- 2.1 The best in the Evaluation criteria will get the highest marks indicated against the criteria and others will get percentage of highest marks on proportionate basis.
- 2.2 Marks scored by Best Insurance Company in each parameter will become base for award of marks for other companies in that parameter. For e.g., Net Worth of bidder "X" is higher amongst all the bidders, accordingly full Marks mentioned against parameter for "Net Worth" will be awarded to bidder "X". The best bidder needs to be identified for each given parameter. Net Worth of bidder "X" will become base for other bidder and the marks will be awarded to other bidders as per following methodology Marks = Net Worth of Bidder Under Consideration / (Net Worth of Bidder "X") * (Marks allocated for Parameter "Net Worth")

3. Formation of Empanelment

- a. Based on the marks allotted, all the bidders shall be ranked as R-1, R-2 and so on with the bidder getting highest mark shall be ranked as R-1.
- b. The above ranking is only for the purpose of selecting top seven companies forming part of Empanelment. The Leader for a Project Policy shall be decided on the basis of lowest premium quote (L-1) on price discovery through separate tender invited from the Empanelled insurance companies.
- c. The Top Seven bidders (ranked from R-1 to R-7) shall be selected for approaching Re-Insurance market for discovery of price. The methodology for Price Discovery is attached as **Annexure-B**.



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Annexure-B

1. On receipt of Mandate, the selected seven insurance companies (based on score) shall compete to become leader and shall individually/separately provide inputs to BHEL on-
 - a. Erection Market scenario (specifically thermal power plant), including benchmarking of BHEL coverages & deductibles with similar policies of peer companies.
 - b. Critical analysis of adequacy of coverage and wordings based on risk assessment of the Erection All Risk policy previously arranged by BHEL and suggest changes for improving the coverage and policy wordings
 - c. Suggestive detailed methodology of approaching the reinsurers for placement of BHEL risk and time Schedule for entire activity.
 - d. Preparation of RI slips (containing the broad terms sought by BHEL). after review of policy wordings and provide suggestions for improvements in policy wordings.
2. While suggesting the detailed methodology, the Empanelled companies must ensure:
 - i. Provide brief on the recent Insurance taking place in Project Insurance market and suggest best strategy to approach the reinsurance market to ensure best terms for BHEL.
 - ii. Ensure that all options including competition among reinsurers in a transparent manner as per best industry practice should be explored.
 - iii. Complete placement of BHEL risk with reinsures as per rules, regulations and provisions stipulated by the regulator IRDA need to be ensured. Compliance of all applicable regulation but not limited to IRDA regulation and guidelines need to be ensured. Further, Insurance Company to furnish an undertaking in this regard on completion of placement of BHEL.
3. Following points are required to be noted by the Insurance Company while approaching re-insurance market-
 - 3.1 Minimum rating requirement in respect of Re-insurer
 - a. The selected lead reinsurers should have minimum "A-" or above rating either from AM Best or S&P. The re-insurance is to be placed with high quality re-insurers meeting the minimum rating requirements.

It may be noted that placement of any part of BHEL risk with reinsurers having rating lower than what is stated above shall be treated as non-compliance of tender conditions/BHEL requirement and any changes can be allowed only subject to prior consent from BHEL
 - 3.2 Insurance Intermediaries
 - a. Each Empanelled insurance company may either directly or through an Insurance Intermediaries (Re-insurance Broker) approach reinsurance market to obtain lead terms.
 - b. Either directly or through intermediaries, an Insurance Company can approach re-insurers for providing support Letter for lead terms with minimum lead share of 10%.

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- c. The **Empanelled** Insurance Companies will need to finalize following and intimate BHEL within the stipulated timelines:
- Confirmation whether Insurance Co. is approaching reinsurance market directly or through an insurance intermediary.
 - The name of Reinsurer to be supported by a letter from the concerned Reinsurer.
 - Organize road shows wherein the risk under the proposed insurance can be presented to the representatives of the re-insurers.
 - All underwriting information will be shared with re-insurers through RI Slips (containing the broad terms sought by BHEL). BHEL and all seven contenders for Lead Insurer will interact with reinsurance markets through road shows (physical and/or virtual) to arrive at a broad consensus on major terms of policy between top seven insurance companies, their Re-Insurers and BHEL.
4. The cost of engagement of intermediary or for arranging re-insurance terms, road shows/meetings, Risk Assessments or any work as defined in this annexure is to be borne by Insurance Co.
5. **Method of Price Discovery:**
- a. Post Road Show, the Empanelled Insurance Companies will be required to submit their quotes, which shall include the total premium through tendering (e-tendering/paper bid) mode as per the terms of the tender on a date which shall be communicated separately. The Insurance company may be required to disclose the Re-insurance premium.
- b. Based on the lowest quoted total premium (L-1), the lead insurer will be decided. The Policy will be awarded to the Lead Insurer and he will be responsible for the Policy underwriting and claim servicing.
- c. The other empanelled participating insurers shall be required to accept the L1 rate to get co-insurance share. The co-insurance share shall be as below:

Rank	No. of accepting insurer (Share in % terms)						
	1	2	3	4	5	6	7
L1	100	75	70	63	56	54	51
L2	-	25	18	15	14	12	12
L3	-	-	12	12	11	11	11
L4	-	-	-	10	10	10	10
L5	-	-	-	-	9	9	9
L6	-	-	-	-	-	4	4
L7	-	-	-	-	-	-	3
Total	100	100	100	100	100	100	100

- I. In case there is tie/multiple bids on L1 position, then BHEL policy for breaking of tie will prevail.
- II. In case there is a tie/multiple bids at other than L1 position, the bidder having higher technical ranking will be considered for superior rank.

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Annexure-I**Bidder's Details**

S.No.	Particulars	Details
1.	Name of the Insurer	
2.	IRDA Registration No. and Date of Registration	
3.	PAN of Insurer (Attach Copy)	
4.	GSTN of Insurer (Attach Copy)	
5.	Communication Address	
6.	Name of the Authorised Official	
7.	Telephone Nos.	
8.	Mobile Nos.	
9.	Email id	
10.	Website, if any	

For and on behalf of underwriter

(Signature & seal of authorized signatory)



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authorized official of BHEL

Signature & Seal of the
authorized officials of Underwriter



No-Deviation Certificate and Undertaking

(On letter-head of the bidder)

We hereby undertake and confirm that we have understood the scope of work properly and have no deviations to the terms and conditions mentioned in this RFP No. **RFP NO: BHEL:CO:FIN:INS:EMPL:INSURANCE:PROJECT DT.** . We shall comply with the terms of empanelment and engagement without any demur or condition.

In case at a later date the undertaking is found to be false or incorrect, BHEL shall have the right to cancel our empanelment/appointment & take other recourse as permissible under law.

Further, we undertake and confirm that we will not indulge in any canvassing or lobbying in respect of this RFP and we understand that any such act of canvassing or lobbying by us or any of our representative will lead to our disqualification in this RFP.

Further, we understand that evaluation of Proposals for empanelment carried out by BHEL shall be final and binding on us.

For and on behalf of underwriter

(Signature & seal of authorized signatory)



*Signature & Seal of the
authorized official of BHEL*

*Signature & Seal of the
authorized officials of Underwriter*

Annexure-III

Undertaking of not being banned from business

(On letter-head of the bidder)

"We.....(name of the Insurance Company) do hereby undertake and confirm that –

- a. BHEL or any other Organization or any government department/ PSU, IRDA, SEBI etc. applicable for all Ministries have not banned/ debarred Insurance business with us as on the date of submission of offer.
- b. No directors are declared ineligible by the Government of India/ State/ UT Government for corrupt and fraudulent practices or are blacklisted.

"Further, we.....(name of the Insurance Company) do hereby undertake not to appoint such Insurance Intermediary(s) for approaching reinsurance market and to obtain lead terms who have been banned/ debarred as on the date of submission of offer by BHEL or any other Organization or any government department/ PSU, IRDA, SEBI etc. applicable for all Ministries.

For and on behalf of underwriter

(Signature & seal of authorized signatory)



Signature & Seal of the
authorized official of BHEL

Signature & Seal of the
authorized officials of Underwriter



ANNEXURE IV

Claim Settlement Details

(On letter-head of the bidder)

Details of Claim settled for more than Rs.10 Crores in last five financial years (1.04.2018 to 31.03.2023)

Sl.no.	Name of the Insured/ Client	Nature of Insurance Policy	Date of Claim Settlement	Amount of Claim Settled in Crs.

Notes:

- The amount of Claim settlement is to be considered net of deductibles.
- Claim settled (under policies underwritten as a leader) shall only to be considered. As such, Claim paid in the capacity of co-insurer will not be considered.
- The supporting document like Discharge Voucher/Letter from the Insured/System generated documents etc. need to form part of Annexure I
- In case claim has not been settled but an "On Account payment", if any, of value more than Rs. 10 Cr. has been paid to the insured, the same shall be considered. Further, if the "On Account" payment is done prior to last five financial year and claim is finally settled in last five Financial year then total claim amount paid (incl. on account payment) shall be considered for the above purpose.

(Sign & Seal of Practicing Chartered Accountant)

Countersigned by the bidder.



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authorized official of BHEL

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authorized officials of Underwriter

Annexure-V

CHECK-LIST

(On letter-head of the bidder)

S. No.	Particulars	Documents Required to be submitted by the bidders	Submitted /confirmed Yes/No
1.	Bidder should be a General insurance Company and should have been in operation for at least 5 years as on 29.02.2024, without any break in license provided by Insurance Regulatory Authority (IRDAI).	Copy of License certificate and all renewals thereof issued by IRDAI attested by authorized signatory of the bidder	
2.	Gross Direct Premium received by the insurance company out of Indian Operations (Domestic)- Average of last 3 complete FY 2020-21,21-22,2022-23	Relevant extract of Annual Report/ CA Certificate and countersigned by the authorized signatory of the bidder	
3.	Combined Operating Ratio - Average of last 3 complete FY i.e. 2020-21,21-22,2022-23	CA Certificate and countersigned by the authorized signatory of the bidder	
4.	Profit After Tax (PAT)- Average of last 3 complete FY 2020-21,21-22,2022-23	Relevant extract of Annual Report/ CA Certificate and countersigned by the authorized signatory of the bidder	
5.	Number of policies underwritten as Leader under Erection All Risk Policy for Thermal Power Plant with Project value more than 7500 Crs. in last 5 completed years (1.04.2018 to 31.03.2023)	CA Certificate along with supporting documents countersigned by the authorized signatory of the bidder	
6.	Number of policies underwritten as Leader under Erection All Risk Policy with Project value more than 7500 Crs (excluding leadership of policies given at Sl. No. 4) in last 5 completed years (1.04.2018 to 31.03.2023)	CA Certificate along with supporting documents countersigned by the authorized signatory of the bidder	
7.	Single major risk accepted/ covered in India as Leader in respect of Erection All Risk Policy for Thermal Power Plant with Project value more than 7500 Crs in terms of Premium Paid. (As leader and 100% sum insured under the Policy to be shown)	CA Certificate along with supporting documents countersigned by the authorized signatory of the bidder	

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8.	Number of Claims above Rs.10 Crores settled by the Insurance Company under Property/Engineering Policies	CA Certificate along with supporting documents-Annexure-IV countersigned by the authorized signatory of the bidder	
9.	Agrees to Evaluation Criteria/ Assignment of marks for Evaluation provide at Annexure A		
10.	Agrees to proposed Mandate/ Terms of Reference / Method of Price Discovery as per Annexure B		
11.	Firm's Details	Annexure-I	
12.	No-Deviation Certificate	Annexure-II	
13.	Undertaking of not being banned from business	Annexure-III	
14.	Signed copy of RFP as a proof of acceptance of all the terms and conditions of RFP formed part of Offer		
15.	Valid Power of Attorney/Letter of Authorisation in the name of Official signing the proposal documents formed part of Offer		

(Signature & seal of authorized signatory)



Signature & Seal of the
authorized official of BHEL

Signature & Seal of the
authorized officials of Underwriter

