

REQUEST FOR PROPOSAL

DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY

(RFP No. CO: BSD: BANCA: 2022-23:182 dated 01.02.2023)

Bancassurance Cell

Central Bank of India

4th Floor Chandermukhi building, Nariman point, Mumbai-400021



Directors & Officers Liability Insurance Policy of Central Bank of India

Sealed tenders are invited by Central Bank of India for their Directors & Officers Insurance Policy. The Bank has authorized Marsh India Insurance Brokers Pvt. Limited (Marsh) to solicit proposals through a bidding process (comprising of Technical Bids & Financial Bids) only from IRDAI licensed Public Sector/Private Sector General insurance companies operating in India.

Bid made strictly as per provisions of the RFP document should be submitted latest by the timelines mentioned below, to representatives of Central Bank of India at the address mentioned below:

Kind Attention:

Chief Manager
Business Support Department/Bancassurance Cell.,
Central Bank of India, Central Office
4th floor, Chander Mukhi,
Nariman Point, Mumbai -400021

1. Introduction

Central Bank of India is one of the oldest and largest Public Sector banks in India. It is based in Mumbai which is the financial capital of India and capital city of state of Maharashtra.

The Bank has network of 4493+ branches, 3264 ATMs, 12 Zonal Offices and 90 Regional Offices. The Pan India presence covering all 28 States, 7 out of 8 Union Territories and NCT Delhi, 574 District Head Quarters and 642 Districts out of 766 districts in the country.

CENTRAL BANK OF INDIA has authorized Marsh India Insurance Brokers Pvt. Limited (Marsh) to solicit proposals, through a bidding process from IRDAI Licensed Public Sector/ Private Sector General insurance companies operating in India, for Directors & Officers Liability Insurance Policy to insure CENTRAL BANK OF INDIA and/or its Service providers against losses suffered and in respect of their liabilities arising as a result of liability arising out of claims by third party. Bidders are invited to submit their proposal in accordance with the enclosed Request for Proposal terms. Information provided here should be used for its intended scope and purpose only. Retention of this RFP signifies your agreement to treat the information as confidential.

Bid submission, queries and all other terms and conditions are detailed in the following sections of this document. All communication with regard to this proposal needs to be directed to CENTRAL BANK OF INDIA only.

Proposal Requirements

The following sections include the information necessary for your organization to respond to this RFP. Your proposal must:

- Provide confirmation of covers as requested
- Provide premium quotes in the requested format
- Proposal Bids are to be submitted in the form of sealed envelopes only

Failure to submit the proposal within the stipulated time may result in disqualification.

2. General Information

The objective is to ensure that this Directors & Officers liability Insurance Policy is managed at a high service level and in the most cost-effective manner as possible. The insurer must have the flexibility necessary to respond to Central Bank of India's current and changing needs.

Bank's primary objective in conducting this RFP is to contract with an Insurance Company which can:

- ✓ Match the desired coverage plan and contract provisions
- ✓ Demonstrate the ability to deliver high quality services & claims paying ability at a competitive price

This RFP provides following information to enable you to prepare and submit proposals for consideration:

- ✓ Proposed Plan design
- ✓ Details required for underwriting the risk

Time Table

Task	Completion Date
Request for proposal (RFP) release date	01.02.2023
Insurance companies to send written questions regarding RFP to Bank	06.02.2023 (5 PM)
Pre bid meeting	09.02.2023 (3 PM) 9 th floor Chandermukhi Nariman Point Mumbai
Bank's written response by email to substantive questions	14.02.2023
Date/Time of Submission of Bid documents	22.02.2023 (11.00 AM) 4 th floor Chandermukhi Nariman Point Mumbai
Date/Time of Opening of Technical Bid	22.02.2023 (3.00 PM)
Date/Time of Opening of Financial Bid	22.02.2023 (After opening of Technical Bid)

Response Format

If you intend to respond to this proposal, please send a confirmation mail to Bank latest (06.02.2023). Your proposal must clearly indicate the name of the responding organization, as well as the name, address and telephone number of the primary contact at your organization for this proposal. Your proposal must include the contact name for local service and account management team that Bank can call/contact/liaise directly.

Please submit your proposal response in sealed envelope to the authorized representative of Central Bank of India as mentioned as per timelines mentioned earlier.

No extension will be granted for submission.

Questions concerning the RFP are to be directed to Central Bank of India and no answers will be provided over the phone. Please submit all questions in writing by email to Central Bank of India by 06.02.2023

Central Bank of India will send a written response by email to substantive questions by 14.02.2023

□ Mr. Pawan Kumar Jha
Chief Manager
cmnid@centralbank.co.in

- Mr. Parag Jawale
Chief Manager
agmnid@centralbank.co.in
- Mr. Hiren Shirsat
8291897164
hiren.shirsat@marsh.com
- Mr. Tushar Gupta
8291247721
tushar.gupta@marsh.com
- Mr. Aravind Manickam
75067 06177
aravind.manickam@marsh.com

Marsh India Insurance Brokers Private Ltd. 1201-02, Tower 2,
One World Centre, Jupiter Mills Compound,
Senapati Bapat Marg, Elphinstone Road (W), Mumbai 400 013

Central Bank of India assume no responsibility or liability for any costs you may incur in responding to this RFP, including travel costs, attending meetings, etc.

Deviations from RFP Specifications

It is mandatory that you should conform to RFP's specifications in full and provide a declaration for the same. Do not quote any Alternative Plan Designs.

Please quote the requested financial arrangements only.

Any deviation will make you liable to be disqualified. Your company will be bound to comply with the provisions set forth in this RFP.

3. Proposal Instructions

(A) Proposal Requirements

You may note that for the purpose of the appointment of insurance company for Directors & Officers Liability Insurance Policy, a Financial Bidding process will be followed.

Your response should be organized into 2 separate envelopes:

Envelope 1: Eligibility and Technical Bid submission

1. Certificate of incorporation / Certificate of registration
2. Valid license/ license renewal receipt

3. Extract of annual report highlighting Gross written premium of INR 1000 cr for year ended March 31,2022
4. Proposal Compliance Letter (as per Annexure I to this RFP)

Envelope 2: Financial bid submission (as per Annexure II to this RFP)

Premium quotes should be enclosed as per prescribed format.

All proposal responses will be opened in front of a committee constituted for this purpose in Central of India in the presence of representatives of Marsh India Insurance Brokers Pvt. Ltd.

(B) Bid Eligibility Criteria:

- Insurance company should be registered with IRDA with at least 05 years of experience in the field of general insurance and its registration/license valid as on the date of bidding.
- Insurance company should have gross written premium of INR 1000 Cr from Indian operations. Kindly attach balance sheet.
- Copy of IRDA license and Certificate of Incorporation are to be submitted as Evidence/supporting documents to be submitted by the bidder.

(C) Important Terms:

Quotes: The rates quoted must be final and considered firm regardless of actual claims experience as on the policy effective date. The rate must include maximum IRDAI stipulated remuneration for the insurance intermediary.

Terms:

1. Your proposal must not have any "Premium / Claims Review" clause.
2. Your proposal must clearly mention the policy being non-cancellable for any reason except for non-payment of Premium.

(D) Process to be adopted for Evaluation of the Bids

The Financial Bids of only those bidders will be considered who have submitted a proposal compliance letter declaring acceptance of all terms & conditions of this RFP without any deviations.

The contract for the Directors & Officers Liability Insurance Policy will be awarded to the insurer, which has submitted the best competitive quote (L1) for the Coverage / Sum Insured option as chosen by Central Bank of India and has agreed to the coverages and terms & conditions mentioned in this RFP in totality. L1 premium considered would be calculated as total premium of all sections/extensions of the policy, if applicable.

The bidder shall keep the bid valid for 30 days from the last date of submission of bids.

Central Bank of India reserves the right to:

- Reject any or all responses received in response to the RFP without assigning any reason.
- Cancel the RFP / Tender at any stage, without assigning any reason.
- Waive or Change any formalities, irregularities, or inconsistencies in this proposal (format and delivery). Such a change / waiver would be duly notified to all insurance companies before the closure of the bid date.
- Extend the time for submission of all proposals and such an extension would be duly communicated to all the companies.
- Select the next most responsive bidder if the first most responsive bidder evaluated for selection fails to result in an agreement within a specified timeframe.
- Share the information / clarifications provided in response to RFP by any bidder, with all other bidder(s) / others, in the same form as clarified to the bidder raising the query.
- Renew the policy with same successful bidder for a period of 3 years subject to satisfactory service levels and mutual agreement on terms and commercials.

(E) Bid Submission

- a. Response Format: The Bid documents (2 separate envelopes for technical and price bid) should be put in single sealed outer envelope to be super-scribed as **"Bid Documents: CENTRAL BANK OF INDIA: Directors & Officers Liability Insurance Policy"**.
- b. The bid should be signed by the bidder or any person duly authorized to bind the bidder to the contract. The signatory should give a declaration and through authenticated documentary evidence, establish that he/she is empowered to sign the tender documents and bind the bidder. All pages of the tender documents are to be signed by the authorized signatory.
- c. The bid should contain no interlineations, erasures or over-writings, except as necessary to correct errors made by the bidder. In such cases, the person/s signing the bid should initial such corrections.
- d. The bidder is expected to examine all instructions, forms, terms and conditions and technical specifications in the Bidding Documents. Failure to furnish all information required by the Bidding Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder's risk and may result in rejection of the bid.
- e. No rows/columns of the tender should be left blank. Offers with insufficient information and Offers which do not strictly comply with the stipulations given above, are liable for rejection.
- f. The bids will be opened in the presence of authorized representatives of the bidders. However, the representative of the bidder has to produce an authorization letter from the bidder to represent them, at the time of opening of Technical / Financial Bids. Only two representatives will be allowed to represent any bidder. In case the bidder's representative is not present at the time of opening of bids, the quotations / bids will still be opened at the scheduled time at the sole discretion of the Bank.

4. Product Proposition & related documents

The Financial Bid submitted by the bidders must conform to the following terms & condition in totality:

Bank intends to obtain a Directors & Officers Liability Insurance policy with Indemnity Limits of INR 100 crore with list of coverages as stated in this section below. The Policy's territory and Jurisdiction shall be worldwide and the policy period being 1 year from date of its inception.

1. Bidder should be insurance service provider and should be registered with the IRDAI.
2. Bidder should have staff with requisite experience for analyzing the settlement for any claim settlement for the Directors & Officers Liability insurance policy once procured.
3. The following are the terms and conditions of the policy (to be adhered to) and form the basis upon which the Technical Bid is to be provided:

INSURED:	M/S Central Bank of India
ADDRESS:	4 th Floor Chandermukhi Building Nariman Point, Mumbai 400021
PERIOD OF INSURANCE:	24 th March 2023 to 23 rd March 2024
LIMIT OF INDEMNITY	INR 100 Crores.

Retention under the Policy	SIDE A- NIL SIDE B - Company reimbursement- India- INR 1,00,000 & Rest of world-INR 2,00,000 each and every claim Company Employment practices Violation claims- INR 500,000 each and every claim. Company Securities claims- INR 500,000 each and every claim Rest of World –INR 750,000 each and every claim.
Territory & Jurisdiction	Worldwide
Retroactive date	24 th March 2020



POLICY EXTENSIONS

- All extensions and covers are for full limits except where sub limits are mentioned
- Full policy limit to be available for all Directors and all officers of the Insured
- Defence costs within the overall limit of Indemnity & for full limits for all Directors & Officers of the bank.
- Cover for Legal representation expenses
- Cover for Regulatory Crisis response cost
- Advancement of Defence costs & Legal representation expenses within thirty days of receipt of Invoices for the same
- Emergency Defence costs, legal representation expenses, Crisis expenses can be incurred without prior consent of Insurer for defence or investigation work performed during a period of thirty (30) days
- 'Named Insured' to include all subsidiaries, associate & affiliate offices, trusts or Joint Ventures entered into by the bank.
- Insured vs Insured cover
- Entity Securities coverage- Full Limits
- Entity EPLI-- Full Limits
- Outside Directorship Liability.
- Outside Directorship Liability run-off.
- Outside entity' can include any institution where such outside directorship is taken except for US/Canada jurisdiction.
- Full Severability
- Non- rescindability
- Life-time runoff for retired Directors & Officers.
- Psychological Support Expenses for each Director & Officer under the Policy.
- Employed Lawyers extension
- Coverage for FCPA, UK Bribery Act and other similar laws around the world.
- Cover for Self-reporting expenses
- Crisis Communication Cover without linkage to drop in share price



- Mitigation and prosecution expenses
- Tax liability Cover
- Corporate manslaughter endorsement
- Occupational safety and health defence costs
- Management buyout endorsement
- Assets & liberty costs & prosecution costs
- Professional Indemnity Exclusion with Carveback for failure to supervise & shareholder derivative claims.
- Interpretive Counsel cover
- Waller Steiner Endorsement
- Pre Investigation Cost Extension
- Prospectus Exclusion with carve back for private placements, debt placements or bond offerings
- Employed lawyers extension
- No major shareholder exclusion
- Carve back for whistle blower claims
- Investigation cost cover covering 'Investigation costs' of each insured person.
- Mitigation costs cover
- Automatic Cover for all newly acquired subsidiaries- 35%
- Conduct exclusion' only when established by final adjudication of a judicial or arbitral tribunal.
- Civil Fines and penalties extension
- Derivative investigation hearing costs
- Personal expenses in case of Confiscation order
- 'Loss' definition under the policy shall also include punitive and exemplary damages, non-monetary relief
- Bodily injury and property damage exclusion with carve back for defence costs.
- Cover for Spouses and legal heirs (or) executors of a deceased, incompetent, insolvent or bankrupt estate under the policy.
- Cover for Extradition costs.
- Cover for Kidnap response costs Pollution Defence costs.
- Pre-claim enquiry costs.
- Discovery period- 90 days at no additional premium, 365 days at



	<p>50% of full annual premium and 3 years at 125% of full annual premium</p> <ul style="list-style-type: none">• Control group Clause• All related claims and circumstances to be treated as one single claim under the policy.• 'Employee' definition to include all employees and members of Committees (appointed by the company). Such members may not be directors or officers of the company.• Cover for bail bond and Civil bond premium.• Order of Payments Clause.• No Hammer clause.• Dedicated additional limit of liability for Directors & Officers – Sublimit to INR 10 Crs per NED and INR 50 Crs in the aggregate• Change in Control in case of Merger & Acquisition• Legal panel extension• Brexit endorsement• Trustee cover• Pension trustee cover• No employment benefits exclusion• Policy to be primary and non-contributory• Acquisition or merger of another organization/ creation of subsidiary: Asset threshold 50% and automatic cover for 90 days• Cover for employee claims for actual and alleged unfair contract of employment• Claim definition amended to include mediation and counter claim.• Employment practices wrongful act to include "Denial of natural justice" and violation of "Fair labour standard".• Employee to include contractors & Sub – Contractors – EPLI Claims• Cover for Third party EPLI Claims – Sub-limited to INR 10 Crs• Court attendance cost.• Cessation of subsidiaries• Definition of claim to be amended to include non-monetary relief
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5. RFP Terms & conditions

(a) **Bidder warranties** - By submitting a Response, bidder represents and warrants to CENTRAL BANK OF INDIA that, as at the date of submission:

- i. the Bidder has fully disclosed to CENTRAL BANK OF INDIA in its responses all information which could reasonably be regarded as affecting in any way CENTRAL BANK OF INDIA's evaluation of the Response;
- ii. all information contained in the Bidder's Response is true, accurate and complete
- iii. and not misleading in anyway;
- iv. no litigation, arbitration or administrative proceeding is presently taking place, pending or to the knowledge of the Bidder threatened against or otherwise involving the Bidder which could have an adverse effect on its business, assets or financial condition or upon CENTRAL BANK OF INDIA's reputation if the Response is successful;
- v. the Bidder will immediately notify CENTRAL BANK OF INDIA of the occurrence of any event, fact or circumstance which may cause a material adverse effect on the Bidder's business, assets or financial condition, or CENTRAL BANK OF INDIA's reputation or render the Bidder unable to perform its obligations under the Policy contract / Service level agreement, if any or have a material adverse effect on the evaluation of the responses by CENTRAL BANK OF INDIA; and
- vi. the Bidder has not and will not seek to influence any decisions of CENTRAL BANK OF INDIA during the evaluation process or engage in any uncompetitive behavior or other practice which may deny legitimate business opportunities to other Bidders.

(b) **Confidentiality** - Bidder must keep confidential, any information received from or about CENTRAL BANK OF INDIA as a result of or in connection with the submission of the Response. All information contained in the Response, or in subsequent communications shall be deemed confidential and may be used only in connection with the preparation of Bidder's Response. Unless expressly agreed in writing, prior to submissions, responses are not confidential and may be used by CENTRAL BANK OF INDIA in whole or part. CENTRAL BANK OF INDIA, however, will not disclose the information provided by Bidder in a Response other than to its affiliates or to its professional advisors, unless required otherwise by any provisions of law. Additionally, and at any point of the evaluation and selection process, CENTRAL BANK OF INDIA may require the Bidder to execute an NDA if the Bidder has not executed an NDA with CENTRAL BANK OF INDIA previously.

(c) This RFP is not an offer to contract, nor should it be construed as such; it is a definition of specific CENTRAL BANK OF INDIA requirements and an invitation to recipients to submit a responsive proposal addressing such requirements. CENTRAL BANK OF INDIA reserves the right to make no selection and enter into no agreement as a result of this RFP.

(d) It should be understood that your response to this RFP constitutes an offer to do business on the terms stated in your response and that, should a contract be awarded to you, CENTRAL BANK OF

INDIA may, at its option, incorporate all or any part of your response to this RFP in the contract. CENTRAL BANK OF INDIA reserves the right to accept your offer without further discussions and without any additional opportunity for you to amend, supplement or revise your submitted offer.

- (e) Financial documents - CENTRAL BANK OF INDIA may request additional financial/business information from the Bidder at its discretion.
- (f) Selection criteria - The selection criteria, inquiries, questions or information put forth in the Response are meant to be provided on the aforesaid and established through the details submitted by the bidder in the Bid.
- (g) Termination/or suspension of evaluation process—CENTRAL BANK OF INDIA to suspend or terminate the Bidder evaluation process (in whole or in part) at any time in its absolute discretion and without liability to the Bidder or any third party. Bidders will be notified if any suspension or termination occurs but CENTRAL BANK OF INDIA is not obliged to provide any reasons.
- (h) Other Rights- Without limiting its rights under any other clause of this evaluation process or at law, and without liability to the Bidder or any third party, CENTRAL BANK OF INDIA may at any stage of the evaluation process:
 - i. Require additional information from a Bidder;
 - ii. Change the structure and timing of the evaluation process;
 - iii. Terminate further participation in the evaluation process by a Bidder;
 - iv. Vary or extend the timetable and evaluation process
- (i) Responsibility for Costs- Bidder is responsible for all costs, expenses or liabilities incurred by them or on their behalf in relation to the evaluation process (including in relation to providing CENTRAL BANK OF INDIA with the response, the revised response or any additional information).
- (j) Non-Reliance by Bidder- Bidder, by submitting a Response, acknowledges that:
 - i. it does not rely on any information, representation or warranty, whether oral or in writing or arising from other conduct, other than that specified in this RFP or otherwise provided by CENTRAL BANK OF INDIA in writing;
 - ii. it has made its own inquiries as to regarding the risks, contingencies and other circumstances that may have an effect on the Bidder's Response as well as the accuracy, currency or completeness of such information; and
 - iii. Information provided in its Responses are based on historical trends does not constitute a representation that such trends will continue into the future or occur again and nothing contained in its Response can be relied upon as a commitment, guarantee or representation regarding future events or performance.
- (k) CENTRAL BANK OF INDIA's right to vary— CENTRAL BANK OF INDIA, reserves the right to vary any aspect of this valuation process, without liability to Bidder. Where CENTRAL BANK OF INDIA

varies any aspect of this evaluation process or the agreement, CENTRAL BANK OF INDIA shall notify the Bidder of that variation as far as possible.

- (l) Incorporation of Responses into agreement- The successful Bidder as concluded by CENTRAL BANK OF INDIA shall sign a service level agreement. CENTRAL BANK OF INDIA will incorporate the successful Response of a successful Bidder in to the final service level agreement. Marsh may require a successful Bidder to submit, before negotiation of the service level agreement, details of issues which may affect their ability to act as a Bidder.
- (m) Precedence of Documents- If there is any inconsistency between the terms of this RFP and any of its appendices, schedules or attachments then, unless the contrary is explicitly stated in this RFP, the terms of the RFP will prevail to the extent of any inconsistency.
- (n) Governing Laws -The RFP and selection process shall be governed by and construed in accordance with the laws of India. This RFP as well as the subsequent contract shall be governed and construed and enforced in accordance with the laws of India applicable to the contracts made and to be performed therein, and both Parties shall agree that in respect of any dispute arising upon, over or in respect of any of the terms of this RFP, only the courts in Mumbai City shall have exclusive jurisdiction to try and adjudicate such disputes to the exclusion of all other courts.
- (o) Dispute Resolution - Any dispute with selected bidder, arising out of the RFP process shall be referred to arbitration by a sole Arbitrator acceptable to both parties OR the number of arbitrators shall be three, with each side to the dispute being entitled to appoint one arbitrator. The two arbitrators appointed by the parties shall appoint a third arbitrator shall act as the chairman of the proceedings. The venue of arbitration shall be in Mumbai.
- (p) The evaluation process as communicated earlier shall continue without any changes.
- (q) In the event that you elect not to respond to this RFP, then the restrictions shall continue to apply to use or disclosure of the information. Additionally, Bidders must immediately return this document and certify in writing to CENTRAL BANK OF INDIA, that all copies have been returned to CENTRAL BANK OF INDIA, or destroyed.
- (r) Communication in this regard, if any, may be addressed at the following address:

Kind Attention:

Chief Manager
BSD/Bancassurance Cell
Central Bank of India
4th floor Chandermukhi Nariman Point,
Mumbai-400021

Annexure I
On the letter head of the Insurance Company

Proposal Compliance Declaration

To,

Chief Manager
Business Support Department/Bancassurance Cell.,
Central Bank of India, Central Office
Chander Mukhi, Nariman Point, Mumbai -400021

Dear Sir / Madam,

We, _____(name of Insurance Company), hereby confirm that our bid conforms to all the proposed terms, conditions of this RFP including but not limited to proposed covers, additional covers, limits of insurance, deductibles, additional clauses as mentioned in the section “**Product Proposition and Related Documents**” including **Service Level Agreement**.

Yours truly,

Name: Designation:

Name of Company:

Annexure II

On the letter head of the Insurance Company Premium for Policy Period for Directors & Officers Policy

Directors & Officers Insurance Policy

Particulars	Total Aggregate limit- INR 100 Crore
Premium (Excluding GST)	
Rate applied -In Percentage(%) terms	
Applicable GST	
Total premium including GST	

Yours truly,

Name: Designation:

Name of Company: