

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
3RD FLOOR, PARISRAMA BHAVAN, BASHEER BAGH HYDERABAD 500 004 ANDHRA PRADESH

REQUESTS FOR PROPOSAL

IRDA requests for proposal from reputed Firms/Organisations to report on industry-wide trends of fraudulent behaviour affecting the insurance industry. The important dates are listed below for ready reference.

| S.No. | Activity | Date |
|-------|---|--------------------------|
| 1 | Issue of RFP | 30-04-2011 |
| 2 | Pre bid Conference at IRDA Hyderabad Office | 10-05-2011 Time 12:00 pm |
| 3 | Prebid questions and answers | 14-05-2011 |
| 4 | Receiving Technical and Commercial Bids separately in sealed covers | 20-05-2011 Time 3:00 pm |
| 5 | Opening of Technical Bids | 25-05-2011 Time 12:00 pm |
| 6 | Technical Presentations | 28-05-2011 |
| 7 | Commercial Bid Opening at IRDA Hyderabad Office | 31-05-2011 Time 12:00 pm |
| 8 | Selection of Vendor and Award of Contract | 03-06-2011 |

REQUEST FOR PROPOSAL FOR ANALYSIS AND REPORTING OF INDUSTRY – WIDE FRAUD TRENDS

The Insurance Regulatory and Development Authority (IRDA) is a Regulatory Body to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto.

Insurance Regulatory and Development Authority has constituted the Insurance Information Bureau (IIB), a central repository of insurance industry data. The IIB which is collecting, processing and disseminating data ensures that this information of insurance companies makes available to the industry regular intervals. IIB functions as a single point official reference for the entire data requirement on the insurance sector. Currently all non-life insurers upload the insurance data on motor, health and other lines of business online as per the data formats prescribed. The aggregate level data for the nonlife industry as a whole is made available to the insurers for making better underwriting decisions.

In order to report on industry-wide trends of fraudulent behaviour affecting the insurance industry, IRDA requests for proposal from reputed Firms/ Organizations for developing effective reporting on industry – wide fraud within healthcare insurance based on data collected by the IIB.

Now, through this tender, IRDA proposes to enter into a partnership with a Firm/ Organization to report on industry-wide trends of fraudulent behaviour affecting the insurance industry. Firms/ Organizations having proven expertise in analyzing, interpreting and reporting on industry-wide fraud trends can quote for this tender: The tender document contains the following parts:

Part 1: Instructions to Firm/ organizations

Part 2: Terms and Conditions

Part 3: Technical Bid with Annexures

Firm/ organizations are advised to study the Tender Document carefully. Submission of the Bid shall be deemed to have been done after careful study and examination of all instructions, forms, terms and conditions,

requirements, specifications etc. in the tender document with full understanding of its implications. Bids not complying with all the given clauses in this tender document are liable to be rejected. Failure to furnish all information required in the tender document will be at the firm/ organization's risk and may result in the rejection of the bid.

1. The last date of submission of 'Technical/Commercial bid' is 20th May 2011
2. At any time before the submission of proposal, the Authority may, for any reason, whether at its own initiative or in response to a clarification requested by the service provider, carry out amendment(s) to this RFP document. The amendment will be made available in our website (www.irda.gov.in) and will be binding on them. The Authority may at its discretion extend the deadline for the submission of proposals.
3. The Authority has a process to shortlist the RFP responses and only the short-listed parties would be required to make a presentation before the Technical Committee of the Authority.
4. A pre-bid meeting for the shortlisted will be convened at the Authority on 10th May, 2011. The purpose of this meeting will be to clarify the requirements as envisaged by the Authority and also to address the queries if any, of the firm/ organizations.
5. The functional requirements and technical specifications of the proposed system have been made available in this document. Any other available information, to the extent possible, will be provided to the shortlisted firm/ organizations to facilitate their Technical presentation.
6. The Authority reserves the right to accept or reject any application without assigning any reason there for.
7. Applications/ Bids that are incomplete in any respect or those that are not consistent with the requirements as specified in this document or those that do not adhere to formats, wherever specified may be considered non-responsive and may be liable for rejection and no further correspondences will be entertained with such firm/ organizations .
8. Canvassing in any form would disqualify the applicant.
9. The Authority would select the suitable party for the execution the work.
10. The selected Firm/ organization is expected to commence the Assignment on the date specified in the Work Order.

(A.Giridhar)

Executive Director (Administration & IT)

Part 1
INSTRUCTIONS TO FIRM/ ORGANIZATIONS

1. Introduction:

Insurance Regulatory and Development Authority has constituted the Insurance Information Bureau (IIB), an advisory body which is collecting, processing and disseminating data. IIB has been formed to ensure that the business data of insurance companies is collected and processed in an orderly manner and is made available at regular intervals. It is useful for the various market players, researchers, policyholders as well as the public at large for real-time decision making. IIB functions as a single point official reference for the entire data requirement on the insurance sector. The decisions regarding processing and dissemination of data are undertaken as per the policy laid down by the Bureau. All non-life insurers are required to upload the insurance data on motor, health and other lines of business online as per the data formats prescribed and provided by IRDA. As part of the initiative, aggregate level data for the nonlife industry as a whole is made available to the insurers for making better underwriting decisions.

2. Project Vision:

The objective of this exercise is to benefit the insurance industry by developing effective reporting on industry-wide fraud trends within health care insurance and increasing the difficulty of committing fraud against insurer, which lowers their costs and leads to better rates and better service for consumers.

3. Scope of work

Based on the above objective, the firms/ organizations are advised to submit their proposal that helps IIB establish an appropriate data analysis, reporting environment and establish a process to accomplish the following on a regular basis:

- i. Aggregate relevant data to inform analysis of claims fraud
 - a) Initial data set will be the data that IIB currently collects about healthcare claims
 - b) Identify additional data that IIB may request from its members that will aid in claims fraud modeling.
The data can include data flag on any claim that a carrier has identified as fraudulent or abusive.
- ii. Perform analysis of the data
 - a) Analyse the data submitted and determine the scope and the frequency of the descriptive predictive models to be built
 - b) Determine the best method, consistent with the laws and regulations of India to have access to the data needed for analysis and model building
- iii. Output actionable information based on the analysis
 - a) build a statistical model that will allow IIB to identify likely concentrations of claims fraud in carrier, geographic or other segments of the market
 - b) Models to identify likely fraud at claim level and aggregations of like claims into actionable concentrations (including healthcare provider types)
 - c) Determine the best method, consistent with the laws and regulations of India to have access to the data needed for analysis and model building
- iv. Interpret information to maximize the effectiveness of fraud reduction initiatives
 - a) To determine formats for reports from both the analysis and the model results as well as alternatives for IIB to consider in employing model results with the carriers.
- v. Specify software tools and services used in process
- vi. Provide comprehensive training of IIB in
 - a) Understanding the fundamental concepts to carry out the process
 - b) Using software tools required
 - c) Interpreting analysis and modeling and translating them into actionable insights

4. Output

- i. Qualitative information regarding indicators of fraud – this will be the output from analysis of the IIB dataset and from the model that is built that will allow IIB to characterize and monitor claims fraud patterns as they arise in the Indian healthcare market.
- ii. Statistical models to describe claims fraud in the healthcare line of business in India – IIB will own the model that will be developed based on the variables to be used in the model, algorithm employed and definition of target claims (the dependent variable) such that IIB will be able to maintain and refresh the model in future.
- iii. India Specific morbidity tables for different segment of Indian population.
- iv. Regular written reports – IIB employees should be able to produce half-yearly reports based on the findings of the analysis process to inform insurers and other stakeholders of the industry-wise fraud trends. The report may suggest ways for insurers to combat fraud or inform about new regulatory requirements for fraud reduction.
- v. Shall deploy resources physically at IIB premises in Hyderabad for the project.
- vi. The IIB will provide working environment and data access for the successful bidder only at the IIB facility in Hyderabad.
- vii. IRDA would not allow remote access of insurance data.

5. Eligibility Criteria

This invitation of Bids is open to firm/ organization provided they fulfill the minimum qualification criteria as mentioned below:

- i. The firm/ organization must have a consulting practice in the financial sector specifically in the insurance market.
- ii. The firm/ organization shall have experience of having worked with other insurance regulators of suitable size and diversity. The firm/ organization needs to submit satisfactory performance certificate from at least one of their clients.
- iii. The firm/ organization should have a minimum shall have a minimum annual turnover of Rs.500 crore each year during the last 3 financial years.
- iv. The firm/ organization should not have been black listed by central / state governments / Regulatory Authorities as on date of submission.

Note: Please attach documentary proofs in support of above eligibility criteria

7. Cost of Bidding

The firm/ organization shall bear all the costs associated with the preparation and submission of its bid and IRDA. IRDA will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

8. Bidding Document

The firm/ organization 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 firm's/ organization's risk and may result in the rejection of its bid without any further reference to firm/ organization.

9. Amendment of Bidding documents

At any time prior to the deadline for submission of bids, IRDA may, for any reason, modify the Bidding documents by amendments at its sole discretion. Amendment in the bidding documents would be put up on the IRDA website for download. The prospective firm/ organizations, which have downloaded the bidding

documents from the website of IRDA are required to advise their FAX/e-mail to IRDA at the address provided, so that amendment in the bidding documents, if any, may be notified by fax/email to all such prospective Firm/ organizations. Such amendment will be binding on the prospective firm/ organization. In order to provide, prospective Firm/ organizations, reasonable time to take the amendment into account in preparing their bid, IRDA may, at its discretion, extend the dead line for submission of bids, in such cases.

10. Period of Validity

Bids shall remain valid for six months after the date of bid opening prescribed by IRDA. A bid valid for shorter period shall be rejected by IRDA as non-responsive.

11. Bid Currency

Prices shall be expressed in the Indian Rupees only.

12. Bidding process

- i. For the purpose of the present job, a multi-stage bidding process will be followed. The response to the present tender will be submitted in two parts, Technical Bid and Commercial Bid. The firm/ organization will have to submit the Technical Bid and Commercial Bid Portion of the Bids separately in sealed envelopes (wax seal), duly super scribing "TENDER FOR ANALYSSI AND REPORTING FOR INDUSTRY-WIDE FRAUD TRENDS" and "TECHNICAL BID" or "COMMERCIAL BID" as the case may be.
- ii. TECHNICAL BID will also contain the Firm/ organizations information in the format given, Other information, Compliance Statement.
- iii. TECHNICAL BID will NOT contain any pricing or commercial information at all. Technical bid with commercial information will be rejected. In the first stage, eligibility criteria, would be examined. TECHNICAL BID of only those firm/ organizations who satisfy eligibility criteria will be evaluated.
- iv. Those firm/ organizations satisfying the eligibility criteria and technical requirements as determined by IRDA and accepting the terms and conditions of this document shall only be short-listed. Subsequent to the Technical Bid evaluation, the firm/ organizations may be asked to make a presentation before the Evaluation Committee of IRDA. The Evaluation Committee members may also visit call centre(s) operated by the firm/ organizations, at a mutually agreed date and the firm/ organization should facilitate such visits.
- v. In the final stage, the COMMERCIAL BID of only those firm/ organizations, whose technical bids are short listed, will be opened.
- vi. IRDA has the right to reject any or all the bids and IRDA's decision would be final. The bid shall be typed or written in indelible ink and shall be signed by the Firm/ organization or a person duly authorized to bind the firm/ organization to the contract. The authorization shall be indicated by written power of attorney accompanying the Bid. All pages of the bid except un-amended printed literature shall be initialed by the person(s) signing the Bid. The bid shall contain no interlineations, erasures or over writing except as necessary to correct errors made by the Firm/ organization, in which case such corrections shall be initialed by the person(s) signing the bid.

13. Submission of Bids

The firm/ organization shall duly seal each envelope with Wax Seal. The bid should be addressed to IRDA at the given address and reach on or before the date and time mentioned under Bid Details. IRDA will not be responsible for any postal delay.

14. Bid Earnest money/EMD

The firm/ organization have to submit the Bid Earnest Money/EMD of Rs.10,000/-(Rs. Ten Thousand Only) in the form of Demand Draft/ Pay Order favouring IRDA payable at Hyderabad. In absence of Earnest Money, bid will

be rejected. EMD of unsuccessful firm/ organization will be refunded within 45 days from the date of opening of commercial bid. EMD of the successful firm/ organization will be refunded within one month after successful completion of contract & finance settlement, upon proper request. IRDA will not pay any interest on the EMD amount.

15. Deadline for Submission of Bids

Bid must be received by IRDA at the address specified in Bid Document not later than the specified date and time as specified in Bid Document. In event of the specified date for submission of bids being declared a holiday for IRDA, the bids will be received up to appointed time on next working day. IRDA may, at its discretion, extend this deadline for submission of bids by amending the bid, in which case all rights and obligations of IRDA and firm/ organization previously subject to the deadline will thereafter be subject to the deadline as extended.

16. Late Bids

Any bid received by IRDA after the deadline for submission of bid will be summarily rejected and/or returned unopened to the firm/ organization, if firm/ organization desired so, against proper receipt.

17. Modifications and Withdrawal

Bids once submitted will be treated, as final and no further correspondence will be entertained on this. No bid will be modified after the deadline for submission of bids. No firm/ organization shall be allowed to withdraw the bid after the deadline for submission of bids. In case of successful firm/ organization, he will not be allowed to withdraw/back out from the bid commitments. The bid earnest money in such eventuality shall be forfeited and all interests/claims of such firm/ organization shall be deemed as foreclosed.

18. Contents of Documents to be submitted

The firm/ organization shall submit the following documents: Documents required in Technical Bid Envelope (Sealed Cover)

1. Technical Bid
2. Supporting documents in respect of minimum qualification criteria
3. Firm's/ organization's information and Other Information.
4. Acceptance of the terms and conditions and compliance of the terms mentioned in the RFP
5. Any other documents indicating the features of services offered.
6. Last three years balance sheet with profit & loss account statements
7. Bid Earnest Money in the form of Pay Order/Demand Draft.
8. Copies of Memorandum & Article of Association and Certificate of Incorporation.
9. Client References/Testimonials
10. Proposed Solution of the Analysis and reporting of industry-wide fraud trends.
11. Specification of formats to gather requisite data.
12. Statistical model to describe claims fraud
13. Training and capacity building programme
14. Performance security form as in the format given in Annexure
15. Document required for Commercial Bid (Sealed Cover) as in the format given in Annexure 1.

Commercial offer: The offer should be all-inclusive except of all taxes, statutory levies.

19. Bid Opening and Evaluation

- i. IRDA will open the bids, in the presence of firm/ organization representative who chooses to attend, at the time and date mentioned in Bid document at the address mentioned in Para "Submission of Bids". The firm/ organization representatives who are present shall sign register evidencing their attendance.

In the event of the specified date of bid opening being declared a holiday for IRDA, the bids shall be opened at the appointed time and place on next working day.

- ii. The Technical Bids will be evaluated based on the 'Eligibility Criteria' stated in this document. Only those firm/ organization's who satisfy the 'eligibility criteria' will be shortlisted for further stages of bidding process.
- iii. Technical Bids to the RFP would be evaluated on the technical criteria set below by assigning the relevant scoring on each of the technical parameters. Technical bids shall be opened and evaluated for acceptability of the techno-functional requirements, deviations and other technical suitability. The Firm/ organizations shall respond to the requirements as per the Forms and Data template requested in this document. The firm/ organizations will be required to present their proposal to the IRDA Technical Committee. The technical evaluation would be carried out on the following parameters and associated weightages thereof are as given below:

| Sl.No. | Evaluation Criteria | Weightage |
|--------|---|-----------|
| 1 | Firm's/ Organization's responsiveness and understanding of requirements | 10 |
| 2 | Firm's/ Organization's background & Financials | 15 |
| 3 | Previous Experience of similar nature and record of accomplishment based on competency & expertise requirements specified in this RFP | 15 |
| 4 | Proposed approach and methodology | 15 |
| 5 | Solution Proposed | 25 |
| 6 | Quality Assurance Mechanism | 10 |
| 7 | Level of compliance with contractual terms | 10 |

Each of these data fields (information category defined above) have been detailed out with their specific metrics, their scoring methodology and specific information, as given in their respective forms. The score against each of these information categories shall be calculated as below:

Score on a data field = Total score achieved/ Maximum score achievable * Weightage of the respective data field
 No score shall be awarded against any forms, items and data fields where the relevant information is not provided.

- iv. Technical score: Total score of the each bidding party shall be determined based on their total technical score. IRDA may choose to invite the firms/ organization to discuss and clarify their technical proposal. Any change in the proposal, however, shall not be permissible after the bid submission.
- v. Failure to demonstrate to the satisfaction of IRDA on the working of the solution in BFSI sector will be treated as not fulfilling all the terms and conditions of RFP and will make the bid liable to be rejected. The decision of IRDA will be final and no correspondence will be entertained in this regard. IRDA reserves the right to reject any and all proposals without assigning any reason. IRDA will scrutinise the offers received to determine whether they are complete as per RFP requirement, whether technical documentation as asked for and required to evaluate the offer has been submitted and whether the documents have been properly signed. IRDA may, at its discretion, waive any minor non-conformity or any minor irregularity in the offer. This waiver shall be binding on all the vendors and IRDA reserves the right for such waivers.
- vi. IRDA may choose to invite the firm/ organizations to discuss and clarify their technical proposal. Any change in the proposal, however, shall not be permissible after the bid submission. IRDA reserves the right to accept or reject any bid or to annul the bidding process and reject all bids at any time prior to the award of contract, without thereby incurring any liability to the affected firm/ organizations; without giving any reasons whatsoever. All the Firms who submitted the Technical Bids shall be required to make presentation to the Technical Committee.

- vii. The commercial bid shall be opened in the presence of Firm/ organizations' representative, whose bids are considered as responsive as per the technical and other qualification criteria as underlined in the bid document. The intimation of time and place of opening of commercial bids will be informed separately to successful firm/ organization(s) only. Specific details of price bid evaluation shall be provided along with the price bid format- shall be made available to the vendors shortlisted after the technical presentations. Subsequent to the price bid evaluation, the successful vendor shall be issued a letter of intent as per specified timelines. The implementer shall furnish the performance guarantee as per the attached format within two weeks of the receipt of the letter of intent.

20. Clarifications

To assist in the examination, evaluation and comparison of bids IRDA may, at its discretion, ask the firm/ organization for clarification, presentation, and response in writing and no change in the price or substance of the bid shall be sought, offered or permitted.

21. Preliminary Examination

IRDA will examine the Technical bids to determine whether they are complete, whether required information has been provided as underlined in the bid document, whether the documents have been properly signed and whether bids are generally in order.

22. Calling IRDA

Any effort by firm/ organization to influence IRDA in the bid evaluation, bid comparison or contract award decision may result in the rejection of the firm's/ organization's bid and forfeiture of the EMD. IRDA's decision will be final and without prejudice and will be binding on all parties.

23. Clarifications

A firm/ organization requiring any clarification of the bidding documents may notify IRDA in writing or by fax. IRDA will respond in writing to any request for clarifications which it receives not later than 10-05-2011. Any questions concerning this RFP must be submitted in writing on or before the last date for clarifications to: Randip Singh Jagpal, Joint Director (Non-Life), Insurance Regulatory and Development Authority, 5th floor, Parisrama Bhavanam, Basher Bagh, Hyderabad – 500 004 Phone: 91-40-65500292 Mail: randip@irda.gov.in. Similarly, the vendor should nominate a person as a single point of contact from within its organisation. The name, postal address, e-mail address and contact phone numbers of such person should be mentioned in the proposal. No requests for clarification will be entertained by telephone or in person. If a firm/ organization discovers any significant ambiguity, error, conflict, discrepancy, omission or other deficiency in this RFP, the firm/ organization should immediately notify to the above official of such error and request modification or clarification of the RFP document, which modification/clarification shall be provided at the sole discretion of IRDA.

24. Pre-Bid Conference

IRDA will organise a vendor conference on 30-04-2011 as indicated above, to communicate the background and scope to the firm/ organization and also to resolve any queries, which the firm/ organization may have. Any further information will be provided to all firm/ organization in writing (or by e-mails)

Part 2

TERMS AND CONDITIONS

1. Method

IIB and the selected firm/ organization shall work together to:

- i. Complete an appropriate contractual agreement defining the obligations and rights of each party in performing work to complete the initial project (trial) including the terms and conditions under which the trial will be conducted.
- ii. Develop a preliminary project plan and estimated timetable for the trial.
- iii. Provide written inventory of the resources to be provided by each party in order to perform its obligations in completing the trial.
- iv. Enable access for the firm/ organization to appropriate data.
- v. Determine anticipated level of on-going support or technical involvement following conclusion of the trial
- vi. Following the agreement on the above items the firm/ organization will:
 - a. Help IIB establish an appropriate data analysis and reporting environment as described in the scope of work
 - b. Specify software tools or services used in the process
 - c. Provide comprehensive training for a pilot team in:
 1. Understanding the fundamental concepts required to carry out the process
 2. Using any software tools required
 3. Interpreting analysis and modeling results and translating them into actionable insights

2. Payment Terms:

- Signing of the agreement and submission of BG: 10%
- Project plan and timetable for trial & project including written inventory of the resources to be provided by each party: 10%
- On successful implementation of the trial containing quantitative information regarding fraud indicators: 20%
- On successful implementation of the project: 30%
- Submission of half-yearly reports – 10%
- Capacity Building & handing over of source code and manuals: 20%

2. Acceptance of Order

The firm/ organization shall give acceptance within ten working days from the date of order. IRDA has a right to cancel the order, if the same is not accepted within a period of ten working days from the date of the order.

3. Taxes

The prices are exclusive of all Taxes, Statuary levies etc. No other charges are payable by the IRDA.

4. Payment

The payment will be released after completion of the month within three weeks of the submission of the bill after deducting applicable taxes.

5. Exclusivity Clause

- i. The firm/ organization shall work at the IIB premises in Hyderabad.
- ii. In consideration of IRDA data privacy and confidentiality, IIB will provide the working environment for the firm/ organization resources and also provide insurance industry data access only at the IIB facility in Hyderabad.
- iii. IRDA shall not allow remote access of the insurance industry data

6. Security Clause

The firm/ organization shall share its IT security policy and shall ensure to take all steps for security of the data of the process. The data created will be the exclusive property of IRDA and firm/ organization shall not be authorized to utilize/share with any third party/sell the same to any third party.

7. Bank Guarantee

Within 21 days of the receipt of notification of award from IRDA, the successful firm/ organization shall furnish the performance security in the nature of Bank Guarantee in the Performance Security Form provided herein or in another form acceptable to IRDA for Rs.1,00,000/- (Rupees one lakh only) for 2 years, which the firm/ organization will have to get extended for the period which IRDA may decide to extend the contract at the discretion of IRDA. Failure of the successful firm/ organization to comply with the requirement shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event IRDA may make the award to the next lowest evaluated firm/ organization.

8. Disruption of progress

The firm/ organization shall give notice to IRDA whenever planning or execution of the Works is likely to be delayed or disrupted.

9. Extension of time

Delivery of the services shall be made by firm/ organization in accordance with the work schedule. However, the firm/ organization may claim extension of time limits as set forth in the work schedule in case of:

- a) Changes ordered by IRDA.
- b) Delay in providing any material, drawing or services, which are to be provided by IRDA.
- c) Force Majeure and
- d) Delay in performance of work caused by orders issued by the IRDA relevant to but not included in the contract.

The firm/ organization shall submit to IRDA a notice of a claim for an extension of the time for achieving Operational Acceptance, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. After receipt of such notice and supporting particulars of the claim, the purchaser and the firm/ organization shall agree in writing upon the period of such extension.

10. Coordination

The firm/ organization shall at all times co-operate with IRDA with respect to Technical Assistance and IRDA shall provide suitable counter-party to co-operate with and assist the personnel in carrying out the services.

11. Amendments

No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refer to the Contract, and is signed by a duly authorized representative of each party hereto.

12. Liquidated damages for delay in completion

If the firm/ organization fails to deliver and successfully implement the proposed solution within the stipulated time schedule framed by IRDA or by the date extended by IRDA, it will be considered as breach of contract. In such case, the firm/ organization shall be liable to pay liquidated damages (LD), which would be mutually agreed at the time of signing of the contract. However, no such Liquidated Damages shall be levied where the delay is attributable to IRDA or due to Force Majeure.

13. Liability of firm/ organization

In case any defect or inadequacy appear in the services rendered by the firm/ organization prior to the date of final acceptance of the work by IRDA, the firm/ organization shall perform at his own initiatives and free of any cost to IRDA, all such services as shall be necessary to remedy the identified defect or inadequacy.

14. Risk and cost

Without prejudice to any of its legal rights, IRDA shall have the power to recover the amount due to damage, from any money due or likely to become due to firm/ organization from any contractual value pending or liable to be pending at IRDA. The payment or deduction of such compensation shall not relieve the firm/ organization from its obligation to complete the work or from any of other obligations/ liabilities under the contract. In case of failure of firm/ organization to complete the work, IRDA will have the right to order some other agency to complete the work after issuance of a notice in writing of minimum ten days by IRDA. The firm/ organization will be liable to bear the cost of work by the other agency to the extent of the value of the contract.

15. Signing of Contract

The successful firm/ organization shall be required to enter into a Service Level Agreement as provided by IRDA within Seven days of the award of the work or within such extended period as may be specified by IRDA. The agreement shall include system & procedure to be adopted by firm/ organization as desired by IRDA. The Firm/ organization is also required to enter into a Non-Disclosure Agreement with IRDA for confidentiality/secretcy of data/system and processes.

16. Tenure of the Contract

The initial contract shall be for two years (unless terminated by IRDA before that date). However, after completion of initial contract, IRDA reserves its right to extend the contract on the terms and conditions mutually agreed between IRDA and the firm/ organization. The firm/ organization shall provide necessary help and necessary training to IRDA's staff for running the solution without any additional cost.

17. Confidentiality

All information which is marked as "confidential" or if disclosed orally will be identified as "confidential". The Purchaser and the bidding firm/ organization shall keep confidential and shall not, without the written consent of the either party hereto, divulge to any third party. The bidding firm/ organization may use in its business activities the ideas, concepts and know-how contained in the confidential information which are retained in the memories of bidding party's employees who have had access to the confidential under this contract. The bidding firm/ organization shall take all necessary steps to ensure confidential handling of all information developed or acquired by the party form IRDA.

18. Dispute Resolution

All disputes or differences whatsoever arising between IRDA and the firm/ organization in relation to work awarded pursuant to this RFP shall be settled through arbitration as per terms and conditions under the contract and in accordance with applicable India Laws. The venue of the arbitration shall be Hyderabad. During the arbitration proceedings the successful firm/ organization shall continue to work under the contract unless otherwise directed in writing by IRDA or unless the matter is such that the work cannot possibly be continued

until the decision of the arbitrator or the umpire, as the case may be, is obtained. However in such contingency, IRDA shall be entitled to make alternative arrangements to tackle the situation in the manner it deems fit, at the cost of the firm/ organization, so that the business of IRDA continues without any disruption.

19. Use of Contract Document and Information

The firm/ organization shall not, without IRDA's prior written consent, make use of any document or information provided by IRDA in Bid document or otherwise except for purpose of performing contract.

20. Assignment

The firm/ organization shall not assign to anyone, in whole or in part, its obligations to perform under the contract, except with IRDA's prior written consent.

21. Performance Review

IRDA reserves the right to conduct end-to-end half-yearly audit of analysis & reporting of industry-wide fraud trends, through internal/external Auditor. IRDA can engage a third party for the same. The firm/ organization has to provide all the necessary support for the same. The firm/ organization has to comply with the audit report submitted by the auditors within a maximum period of one month from the date of submission of the Audit report. If the services are not found satisfactory IRDA may take recourse to terminate the contract and invoke Bank guarantee. The decision of IRDA in this regard would be final and binding on the firm/ organization.

22. Arbitration

Any dispute or difference whatsoever arising between the parties out of in course of or relating to, the construction, meaning and operation or effect of the contract or the breach thereof shall be raised within two months from the date of occurrence shall be settled through arbitration in India by a Sole Arbitrator from the panel of Indian Council of Arbitration and in accordance with its Rules under the provision of Arbitration and Conciliation Act 1996 and all statutory modification thereof shall be governed such arbitration proceedings. The arbitration will be conducted in English language and Indian law will be applicable. The venue of such arbitration shall be at Hyderabad only.

23. Termination

In case the successful firm/ organization fails to fulfill the contractual obligation within stipulated time frame without any valid reason, IRDA reserves the right to terminate the contract by giving 30 days notice provided the failure is not cured within such 30 days notice period. Upon receipt of such notice, the firm/ organization will terminate all tasks in an orderly manner, as soon as practical or in accordance with a schedule agreed to by the parties. In the event of termination, the firm/ organization shall surrender all the information, documents, material gathered during the course of the work to the Authority.

- i. In the event there is any material breach of any of the terms and conditions of this Agreement by any party to this Agreement the other Party may terminate this Agreement provided that the party shall serve a non-compliance one month notice to the defaulting party to rectify the breach or restore the same within the said notice period. After the expiry of said notice period the Agreement shall come to end if the material breach is not rectified or restored by the defaulting party within the said notice period and thereafter IRDA shall pay to Firm/ organization all payments due as of the termination date stated in the notice on pro rata basis including those for the proportion of work completed in the on-going stage and to the extent the deliverables supplied and the services rendered upto the date of termination.
- ii. Either Party shall be entitled to terminate this Agreement forthwith in the event of the other Party:
 - a. going into compulsory or voluntary liquidation or winding up; or assigning its property and/or assets for the benefit of its creditors materially affecting its abilities to perform this Agreement.

b. by giving a 3 months notice in writing to the other upon situations arising due to non-compliance of the stipulations of this contract or for any other reason.

iii Any termination of this Agreement howsoever caused, shall not effect any accrued rights or liabilities of either party nor shall it effect the coming into force or the continuance in force of any provision hereof which is expressly or by implication intended to come into or continue in force on or after such termination. Upon the termination of the Agreement:

a) firm/ organization shall hand-over of all the necessary documents and other materials obtained by it in relation to the managed services during the term of this Agreement.

b) firm/ organization shall ensure that the hosting arrangements, if any are transferred (with no cost to IRDA) smoothly to the service provider identified by IRDA

29. Force majeure:

Neither IRDA nor the firm/ organizations shall be held responsible or considered to be in default if the execution of the contract is delayed/ interrupted due to the cause absolutely beyond their control, such as acts of God, natural calamities, war, major civil commotion, fire, storms, strikes and floods. However, only these causes which have a bearing of more than 7 days will be considered as being causes of 'Force Majeure'. In such event neither party shall compensate the other for the loss that might accrue or might have accrued because of the effect of such event upon the execution of the contract. If the Firm/ organization is unable to perform the contract beyond 7 days due to the reasons attributable to force majeure conditions, IRDA reserves the right to make immediate arrangement for engaging another supplier(s) for the same work without assigning any liability to the original supplier.

Part 3
Technical Bid document

Please provide following information about the Company (Attach separate sheet if required)

1. Company Name (including Holding Company or Parent Company (if any))
2. Date of Incorporation and years in Business
3. Company's Head Office/Registered Office and addresses

Call person(s):

Phone

Fax

E-mail

Website

4. Please provide details of ownership: private/public; ultimate parent; major shareholders. Any significant changes in ownership in the last two years? Names of Directors indicating full time or part time or independent, Names of Promoters etc.

5. Management Structure

6. Where you believe you have a competitive advantage over your competitors. Provide examples of the service areas where your company has domain expertise which differentiates you from other service providers. You may indicate Staff at Indian Centre with a break-up of the number of employees by function, e.g. Domain Experts (Banking, Financial Services, Insurance), Implementation staff, Technical Support staff, Other (please specify).

7. Please indicate experience in handling similar projects with year wise break-up for last 3 years. You may also please quote at least three Indian reference sites out of which at least one that may be contacted for a discussion on the solution proposed. Give the company's address and telephone number and the name and designation of the person(s) at each site who may be contacted to discuss the proposed systems. Also provide the hardware details for these reference sites.

8. Any pending or past litigation (within three years)? If yes, please give details: Also mention the details of claims and complaints received in the last three years (About the Company/Software that are sold/licensed by the company)

9. Please mention turnover for last three years and include the copies of Balance Sheet in support of it.

10. Company strategy and mission statement

11. How you feel your company is a good fit with IRDA

12. Value and behaviour (or equivalent) policy

13. Proposed Solution of the Analysis and reporting of industry-wide fraud trends.

14. Specification of formats to gather requisite data.

15. Statistical model to describe claims fraud

16. Training and capacity building programme

17. COMPLIANCE STATEMENT

Firm/ organization needs to give a Declaration undertaking and agreeing to abide by all the terms and conditions stipulated by IRDA in the RFP including all annexure(s), addendum(s) and corrigendum(s). The Vendor needs to certify that the systems/services offered by us for tender conforms to the specifications stipulated by IRDA with the deviations clearly described. If deviations are left blank it will be construed that there is no deviation from the specifications given above)

Signature and Seal of Firm/ organization

Annexure – 1

PROFORMA FOR COMMERCIAL OFFER

To
The Joint Director,
IRDA, Hyderabad

Ref: Analysis and reporting of industry wide fraud trends

We, (Name of Company in Block Letters) hereby offer and undertake on the acceptance of this RFP to manage all the works and items as described in the RFP at prices quoted herein. Our offer complies with all Terms and Conditions of RFP. Our Response is fully consistent with and does not contradict or derogate or downgrade from anything in your RFP. You are entitled to reject our Response if it is inconsistent with or contradict or derogate or downgrade anything from your RFP. We undertake that we shall, as and when required by you, execute with you a formal Agreement in the appropriate form incorporating in the Conditions of Contract, the Terms & Conditions set out in RFP together with such further terms and conditions, if any, agreed upon between IRDA and us. Until the said Agreement is prepared and executed, this offer together with your written acceptance thereof, shall constitute a binding agreement between us.

OUR OFFER IS VALID FOR SIX(6) CALENDAR MONTHS FROM THE CLOSING DATE OF THIS RFP

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| <p>We agree as and when requested by IRDA, to extend the validity of this offer for one or more periods not exceeding in total three (3) calendar months. We agree that IRDA reserves the right not to accept any response and need not assign any reasons for the rejection of response. Our price, inclusive of all taxes, (herein referred to as "the Contract Price") for the analysis and reporting of industry – wide fraud trends</p> | |
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