**POSTAL LIFE INSURANCE COMPANY LIMITED**

TENDER NOTICE

IFRS 17 (INSUARANCE CONTRACTS)

 PHASE 3: CONTENTS OF SYSTEM DESIGN & METHODOLOGY

Postal Life Insurance Company Limited (PLICL) is an unlisted public limited company registered under Insurance Ordinance, 2000 & Companies Act 2017 as a life insurance company. The Company is 100% owned by Government of Pakistan under the administrative control of Ministry of Communications, Government of Pakistan, having its registered office in Islamabad and presence across Pakistan.

Postal Life Insurance Company Limited (PLICL) intends to hire services of a firm or consultant to carry out the IFRS -17 phase 3 “Contents of System Design & Methodology”. The appointed firm shall perform detailed system designing and methodology for company-wide implementation of IFRS –17 in compliance with the regulatory requirements.

Detailed tender notice along with scope of work and selection criteria is placed on (www.plic.com.pk) & (www.ppra.org.gov) websites. Sealed tender clearly marked as “IFRS Phase 3 - System Design & Methodologies” must contain complete information, firm profile & documents required under tender notice must be delivered on or before 24th October 2024 by 11:00 am at the Company Head Office. Bids will be opened in the presence of bidder / their representative on the same day at 11:30 am. The Company reserves the right to call off the bidding process and reject all the bids at any time prior to award of contract as per PPRA rules.

Further details and information regarding PLICL operations can be obtained from the Company website.

Postal Life Insurance Company Limited 2nd Floor, ECO, Postal Staff College, G8/4, Islamabad

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Postal Life Insurance Company Limited (PLICL) intends to hire services of a Firm or consultant to carry out the “IFRS -17 Phase 3: System Design & Methodology” in line with the guidelines issued by the SECP. The appointed firm or consultants shall perform detailed Phase 3: System Design & Methodology for company-wide implementation of IFRS –17, covering the scope of work as provided in ANNEXURE-A.

Interested Firms are requested to submit complete information as per following details:

* Copy of registration of the firm
* Detailed profile of the firm
* List of life insurance clients during the last five (5) years
* Details of International Affiliation (if any)
* Details of IFRS 17 projects of the firm
* Work plan and methodology
* Assignment Fee for the task
* Any other documents / information in support of the firm’s fitness / worthiness in the light of the selection criteria

**SELECTION CRITERIA:**

|  |  |  |
| --- | --- | --- |
| **S. No.** | **Criteria** | **Weight** |
| 01 | Fee for the Assignment | 40% |
| 02 | IFRS – 17 Project Clients; | More than 5: 20% 3 to 5: 10%1 or 2: 5%  |
| 03 | Team dedicated to this project (actuarial & financial) | More than 5 members including at least a Qualified Actuary & Accountant (FCA/ACA/ACCA/FCMA): 20%More than 3 to 5 members including at least a Qualified Actuary: 10%Less than 3 members including at least a Qualified Actuary: 5% |
| 03 | Presentation to the PLICL Management | 20% |
| **TOTAL** | **100%** |

Interested firms may offer their services along with the information requested. The sealed quotations clearly marked as “**IFRS -17 Phase 3: System Design & Methodology”** and addressed to the Chief Executive Officer should be dropped at Postal Life Insurance Company Limited Head Office, 2nd Floor, ECO Postal Staff College, Sector G-8/4, Islamabad latest on 24th October, 2024 by 11:00 am. Received tenders will be opened in presence of Firms’ authorized representative (if any), on the same day at 11:30 am. PLICL may reject all bids at any time prior to the acceptance of bid [Ref: PPRA Rule # 33]

POSTAL LIFE INSURANCE COMPANY LIMITED

**IFRS 17 PHASE 3: SYSTEM DESIGN & METHODOLOGY**

The purpose of the report is to ensure that the company has:

1. The policies and processes that are required to be in place for IFRS 17 implementation.
2. Identified and selected any software required to be implemented.
3. Work plan in place to produce and publish, under the required laws, the audited financial statements complying with IFRS 17.

Phase 3 report shall cover the sections below including:

1. Data Considerations
2. System & Operational Design.
3. Summary of decisions finalized under Methodology papers
4. Governance Structure, Approval and Sign-offs

**PHASE 3 SCOPE OF WORK**

**PART 1 – DATA CONSIDERATIONS**

* Data request of IFRS 4 reporting structure for operational, actuarial and accounting data.
* Identify document sources and quality of data.
* Assess granularity of the data available for IFRS 17 for level of aggregation.
* Review availability of segregation and connectivity of gross and reinsurance data.
* Additional data reconciliations exercise to reconcile data at granular level across different data sets.
* Review historical data to identify availability of reliable data.
* Identify data gaps.

**PART 2 – SYSTEM & OPERATIONAL DESIGN**

* Review existing systems in place for current reporting.
* Assess integrability and enhancement capability of existing systems.
* Propose and give initial feedback on available IFRS 17 calculation tools available.
* Review and propose changes to actuarial modelling practice to align with IFRS 17.
* Review existing operational processes for reporting.
* Propose changes in existing operational process to adapt to IFRS 17 reporting.

**PART 3 – METHODOLOGY PAPERS**

* IFRS 17 Scope and IFRS 9 Applicability.
* Level of Aggregation.
* Measurement Approach.
* Cashflows.
* Expense Allocation & Discounting.
* Risk Adjustment.
* CSM and Loss Component.
* Subsequent Measurement.
* Reinsurance.
* Transition Approach.
* Presentation and Disclosure.
* Eligibility Assessments.
* Identify portfolios for which PAA or VFA Eligibility assessment needs to carried out.
* Raise data request including actuarial modelling cashflows to carry out assessment.
* Carry out tests and based on thresholds agreed with the Company determine PAA or VFA eligibility of the portfolios.
* Expense Allocation.
* Review expense allocation exercise carried out by the Company.
* Identify any gaps and communicate to the Company.
* Agree on final expense allocation strategy after updates.
* Discounting.
* Review discount rate / curve calculation carried out by the Company.
* Identify any gaps and communicate to the Company.
* Agree on final expense allocation strategy after updates.
* Draft methodology papers for all major aspect of IFRS 17 standard.
* Update the methodology papers based on discussions with the Company, results of PAA and VFA eligibility exercise, expense allocation strategy and discounting calculation.
* Summarize and highlight initial decisions taken by the Company within methodology papers and send out for the Company’s review.

**PART 4 – GOVERNANCE STRUCTURE**

* Propose a governance structure based on two-tier structure; a steering committee consisting of upper management.
* Propose terms of reference of the Committee, including meeting frequency (at least monthly), reporting and assigning responsibilities.
* Propose hierarchy for owner, reviewer and approver.
* Monitor progress of all planned key activities and tasks to be carried out during phase 3.
* Advise on internal resource requirements of the Company considering full transition to IFRS 17.
* Based on our industry experience in Gulf region, help the Company with Budgetary requirements for transition to IFRS 17.
* Propose different options available in the market for IFRS 17 software solutions (Software purchase vs Managed Solutions).

**PART 5 - CONSOLIDATED REPORT**

* SECP Reporting Template.
* Review the SECP’s template for phase 3 reporting.
* Prepare a consolidated report to be sent to SECP.

**SUMMARY OF PORTFOLIO**

Postal Life Insurance Company Limited (PLICL) deals in traditional Individual and Group Life Business.

**INDIVIDUAL LIFE**

The individual life portfolio consists of below Ordinary Life participating products and supplementary riders;

1. Endowment Assurance Plan
2. Anticipated Endowment Assurance Plan
3. Child Protection Plan
4. Marriage & Education Endowment Assurance Plan
5. Whole Life Assurance Plan
6. Joint Life Assurance Plan
7. Accidental Death Benefit Rider
8. Accidental Death & Disability Benefit Rider
9. Benefit for Treatment of Cancer Rider
10. Benefit for Bypass Surgery Rider

**GROUP LIFE**

The group life portfolio consists is below type of coverage;

1. Group Term Life (death due to any cause)
2. Accidental Death Benefit Rider
3. Permanent Total/Partial Disability Benefit Rider (Accidental)
4. Permanent Total Disability Benefit Rider (Natural)
5. Temporary Total Disability Benefit Rider
6. Critical Illness Rider
7. Accidental Hospitalization Expense
8. Terminal Illness

**TERMS AND CONDITIONS & INSTRUCTIONS TO BIDDER**

The firm is expected to examine the RFP thoroughly, including all terms and conditions. The firm shall bear all costs/ expenses associated with the preparation and submission of the proposal and PLICL shall, in no case, be responsible/ liable for those costs/ expenses. The prospective firms may solicit clarification as mentioned in the RFP in writing.

 **Fee**

The fee must be stated separately and must be **exclusive** of all out-of-pocket (maximum of 5% of fee quoted) and taxes applicable in Pakistan.

**Validity of Proposal**

The proposal validity period shall be four (4) months from the last date for submission of the same.

**Only One Bid**

Bidders may participate only in one bid for the project. If a Bidder submits more than one bid for the project, all bids that include that bidder shall be rejected.

**Name & address**

The name and mailing address of the applicant shall be clearly marked on the envelope.

**Original Affidavit**

Applicants shall be required to submit an affidavit affirming and declaring on oath that the Applicant:

1. Is not in bankruptcy or liquidation proceedings;
2. Is not making any misrepresentations or concealing any material fact and details;
3. Has not been convicted of fraud, corruption, collusion or money laundering;
4. Is not aware of any conflict of interest or potential conflict of interest arising from prior or existing contracts or relationships which could materially affect its capability to comply with its obligations; and
5. Does not fall within any of the circumstances for ineligibility or disqualifications
6. Has not been black listed by Government/ Semi-Government / Agency or Authority of the Government.

**Additional Information**

PLICL reserves the right to seek additional information, missing information, and/or clarification of submitted information, from any Applicant. In such case, opportunity shall be provided to all Applicants similarly affected.

**Bid Rejection**

A bid shall be rejected if the Applicant’s qualification thresholds are no longer met at before the award of contract.

**Verification**

PLICL may verify information provided in bidding documents through any means necessary, and reserves the right to disqualify a bid at any stage of the bidding process if the Applicant is found to have willfully misrepresented information.

**Bid Security**

The bidders shall provide Bid Security of Rs. 25,000/- in the form of a Demand Draft / Pay Order in favor of Postal Life Insurance Company Limited. Bid Security shall be a part of the **Technical Proposal**. If Bid Security is not provided with the Technical Proposal, the Technical Proposal shall be considered non-responsive. Bid Security shall be returned to the bidders who fail to obtain the minimum score in Technical Evaluation by informing them regarding the outcome of Technical Evaluation and requesting them to collect the Bid Security from the Client’s office. Bid Security of the remaining bidders shall be retained until a Contract is signed with the Bidder who is finally selected.

**Arbitration and Dispute Resolution**

In case of any difference or dispute arising between the parties relating to this proposal or contract, the same shall be referred for resolution to the Finance Secretary, Board whose decision shall be final and binding on both the parties and shall not be challenged in any court of law.

**Annexure A - Application for Bid**

(Letter head paper of the Applicant including full postal address telephone no. and fax no.)

To:

Chief Executive Officer, PLICL Head Office, Islamabad.

Date:

Dear Sir,

1. Being duly authorized to represent and act on behalf of (hereinafter referred to as “the Applicant”), and having reviewed and fully understood all of the information provided in the RFP for appointment as consultant of the Postal Life Insurance Company Limited, the undersigned hereby applies to be appointed as Consultant of the Postal Life Insurance Company Limited for undertaking work in accordance with the terms of reference provided in the request for proposal.

2. Attached to this proposal/bid are copies of original documents specifying:

1. Profile of the Firm.
2. Copy of registration of the firm
3. Detailed profile of the firm
4. List of life insurance clients during the last five (5) years
5. Details of International Affiliation (if any)
6. Details of IFRS 17 projects of the firm
7. Work plan and methodology
8. Assignment Fee for the task
9. Any other documents / information in support of the firm’s fitness / worthiness in the light of the selection criteria

3. The PLICL and its authorized representatives are hereby authorized to conduct inquiries or investigations to verify the statements, documents and information submitted in connection with this application, and to seek clarification from our clients regarding any technical aspects. The letter of application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information as deemed necessary and requested by the PLICL or its authorized representative in order to verify statements and information provided in this application, or with regard to the resources, experience, and competence of the firm.

4. The undersigned declares that the statements made and the information provided in the proposal are complete, true and correct in all aspects.

Signed: Name: For and on behalf of

(Firms name)

**ANNEXURE-B**

**INSTRUCTION FOR PREPARATION OF POWER OF ATTORNEY**

1. To be executed by an authorized representative of the bidder.
2. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executants and when it is so required the same should be under common seal affixed in accordance with the required procedure.
3. Also, wherever required, the bidder should submit for verification the extract of the charter documents and documents such as a resolution/power of attorney in favor of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the bidder.
4. In case the Application is signed by an authorized Director / Partner or Proprietor of the

Applicant, a certified copy of the appropriate resolution / document conveying such authority may be enclosed in lieu of the Power of Attorney.

**Format of Power-of-Attorney**

**POWER OF ATTORNEY**

**(On Stamp Paper of relevant value)**

Know all men by these presents, we (name of the company and address of the registered office) do hereby appoint and authorize Mr. (full name and residential address) who is presently employed with us and holding the position of as our attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to our proposal for (name of the project) in response to the tenders invited by the (name of the Bidder) including signing and submission of all documents and providing information/responses to (name of the Bidder) in all matters in connection with our Bid.

We hereby agree to ratify all acts, deeds and things lawfully done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by our aforesaid attorney shall and shall always be deemed to have been done by us.

Dated this day of 20

For

(Signature)

(Name, Designation and Address)

Accepted

(Signature)

(Name, Title and Address of the Attorney) Date:

**ANNEXURE-C UNDERTAKING**

It is certified that the information furnished here in and as per the document submitted is true and correct and nothing has been concealed or tampered with. We have gone through all the conditions of tender and is liable to any punitive action for furnishing false information / documents.

Dated this day of 20

Signature

(Company Seal)

In the capacity of

Duly authorized to sign bids for and on behalf of:

**ANNEXURE-D**

**(To be submitted on legal stamp paper)**

**AFFIDAVIT**

We (Name of the bidder )\_ being the first duly sworn on oath submit, that Mr. / Ms.

(if participating through agent / representative) is the agent / representative duly authorized by \_(Name of the bidder company)\_ hereinafter called the Bidder to submit the attached bid to the \_(Name of the Bidder)\_. Affiant further states that the said M/s (Bidding Firm/Company Name) has not paid, given or donate or agreed to pay, given or donate to any line officer or employee of the \_(Name of the Bidder)\_ any money or thing of value, either directly or indirectly, for special consideration in the letting of the contract, or for giving undue advantage to any of the bidder in the bidding and in the evaluation and selection of the bidder for contract or for refraining from properly and thoroughly maintaining projects implementations, reporting violation of the contract specification or other forms of non-compliance.

[The Firm’s name] certifies that it has made and will make full disclosure of all agreements

and arrangements with all persons in respect of or related to the transaction with the Bidder and has not taken any action or will not take any action to circumvent the above declaration, representation or warranty.

[The Firm’s name] accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefit obtained or procured as aforesaid shall, without prejudice to any other right and remedies available to the Purchaser under any law, contract or other instrument, be voidable at the option of the Purchaser.

The Firm’s name] further certifies that it has not been blacklisted by any authority in any manner or matter.

Not with standing any rights and remedies exercised by the Purchaser in this regard, [the Seller/Supplier/Bidder] agrees to indemnify the Purchaser for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to the Purchaser in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder’s fee or kickback given by [The Firm’s name] as aforesaid for the purpose of obtaining or inducing the procurement of

any contract, right, interest, privilege or other obligation or benefit in whatsoever form from the

Purchaser.

Signature & Stamp

Subscribed and sworn to me this day of 20

 Notary Public

**ANNEXURE-E**

**BID SECURITY FORM**

WHEREAS [Name and Address of the Bidder] (hereinafter called "the Bidder ") has submitted

Tender against Tender Name , Tender No. \_, Item No.\_ \_(hereinafter called "the Tender") to the [Name and Address of the Purchaser] (hereinafter called "the Bidder ") for the Total Tender Price of PKR (in figures ) (in words ).

AND WHEREAS [Name of the Bank] having registered office at [Address of the Bank] (hereinafter called "the Guarantor") has agreed to give the Bidder a Guarantee;

THEREFORE the Guarantor hereby affirms to bind himself, his successors and his assigns to the Bidder, for the sum of PKR (in figures ) (in words ) and undertakes to pay to the Bidder, upon receipt of his written demand(s), any sum(s) as specified by him, not exceeding the above limit in aggregate, without cavil / argument and without the Purchaser having to substantiate / prove or to show grounds / reasons for such claim(s), on the occurrence of any / all of the following conditions:

1. If the Bidder withdraws the Tender during the period of the Tender validity specified by the Bidder on the Tender Form; or
2. If the Bidder does not accept the corrections of his Total Tender Price; or
3. If the Bidder, having been notified of the acceptance of the Tender by the Bidder during the period of the Tender validity, fails or refuses to furnish the Performance Security, in accordance with the Tender Document.

Provided that the Bidder shall specify the occurred condition(s) owing to which the said sum is due to him.

Provided further that any demand(s) / claim(s) from the Purchaser shall be paid by the Guarantor within thirty working days after the expiry of the Guarantee.

This guarantee shall remain valid up to or until furnishing of the Performance Security, whichever is later.

Date this day of 2024. GUARANTOR

Signature CNIC # Name Designation Address