



**POSTAL LIFE INSURANCE COMPANY LIMITED**  
2<sup>nd</sup> Floor, ECO, Postal Staff College, G8/4, Islamabad, 051 9262814-15

**TENDER NOTICE**  
**FINANCIAL IMPACT ASSESSMENT OF IFRS – 17 (INSURANCE CONTRACTS)**

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 Communication, 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 to carry out the IFRS -17 Financial Impact Assessment. The appointed firm shall perform detailed Financial Impact Assessment 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](http://www.plic.com.pk)) & ([www.ppra.org.pk](http://www.ppra.org.pk)) websites. Sealed tender clearly marked as “Financial Impact Assessment for IFRS-17 (Insurance Contracts)” must contain complete information, firm profile & documents required under tender notice must be delivered on or before 26<sup>th</sup> September 2022 by 11:00 am at 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 (<https://plic.com.pk/>) or contact Mr. Zahid Karim Shar, Chief Financial Officer, PLICL, [zahid.karim@plic.com.pk](mailto:zahid.karim@plic.com.pk) , 0345-3180387

**Ata Hussain Shah**  
**Govt. Liaison & Admin Officer**  
[ata.hashmi@plic.com.pk](mailto:ata.hashmi@plic.com.pk)  
**0345-5096255**

## POSTAL LIFE INSURANCE COMPANY LIMITED

### TENDER NOTICE

#### FINANCIAL IMPACT ASSESSMENT OF IFRS – 17 (INSURANCE CONTRACTS)

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Postal Life Insurance Company Limited (PLICL) intends to hire services of a Firm to carry out the IFRS -17 Financial Impact Assessment in line with the guidelines issued by the SECP. The appointed firm shall perform detailed Financial Impact Assessment 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 firm
- Detailed profile of 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
- Team details, Work plan and methodology
- Assignment Fee for 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%
04	Presentation to the PLICL Management	20%
<b>TOTAL</b>		<b>100%</b>

Interested firms may offer their services along with the information requested. The sealed quotations clearly marked as “FINANCIAL IMPACT ASSESSMENT OF IFRS – 17 (INSURANCE CONTRACTS)” and



addressed to the Chief Executive Officer should be dropped at Postal Life Insurance Company Limited Head Office, 2<sup>nd</sup> Floor, ECO, Postal Staff College, G8/4, Islamabad latest on 24<sup>th</sup> September, 2022 by 11:30 am. Received tenders will be opened in presence of Firms' authorized representative (if any), on the same day at 12:30 pm. PLICL may reject all bids at any time prior to the acceptance of bid [Ref: PPRA Rule # 33

# PLIC

Postal Life Insurance Company Limited  
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**POSTAL LIFE INSURANCE COMPANY LIMITED**  
**IFRS 17 - Financial Impact Assessment (“FIA”)**  
**Scope of Work**

**Introduction**

1. The purpose of this financial impact assessment exercise is to:
  - (a) determine the high level financial impact of shifting the measurement of existing insurance contracts from IFRS 4 to IFRS 17 on the financial statements of insurers operating in Pakistan; and
  - (b) help insurer to assess different approaches, assumptions and methodologies under IFRS 17;
2. The financial impact assessment will be submitted to SECP in three stages. There will be two interim submissions (June 30<sup>th</sup> 2022 and September 30<sup>th</sup> 2022) followed by a final submission on December 31<sup>st</sup> 2022. Details on the requirement of these submissions can be found at the end of these guidelines.
3. These guidelines should be read in line with the “Financial Impact Assessment Template” as provided by the SECP.
4. Measurement of insurance contract liabilities shall apply specifically on insurance contracts that are within the scope of IFRS 17. Any data entered into the FIA template must only calculate insurance contract assets and insurance contract liabilities on insurance contracts within IFRS 17 scope. All IFRS 4 sheets in the template must be filled in accordingly, with a one-to-one mapping to their corresponding IFRS 17 portfolios.
5. Contracts that were considered insurance contracts under IFRS 4 but not under IFRS 17 shall not be included in this exercise. The result of this is that the exact same policies are to be measured under both standards.
6. The opening balance sheet date (transition) is 31 Dec 2020, whereas the financials (Balance Sheet and Profit/Loss Statement) will be prepared as at/for the year ended 31 Dec 2021.
7. The template should be populated in line with the FIA Report.

**FIA Report (minimum contents)**

8. The consultant will have to submit a detailed FIA report covering the following:
  - (a) Definition of all abbreviations to be used throughout the document;
  - (b) Business Overview (types of products and business line);
  - (c) Describe the data used for the FIA (including details of reconciliation of Underwriting Years and Financial Years of all lines of business used in the FIA), including reconciliation with the financial statements;
  - (d) Level of Aggregation and Grouping of Insurance Contracts for IFRS-17 (along with one-to- one

mapping from IFRS-4 Line of business/products to IFRS-17 Portfolios' definition and the same will be used in populating the FIA template);

- (e) Basis for determining whether a group of Insurance Contracts is onerous;
- (f) IFRS-17 Measurement Models (details of which methodology has been adopted for each portfolio and particularly those which are long-term in nature in line with IFRS-17 requirements) along with rationale behind model selection;
- (g) The standard under paragraph 53(a) requires the insurer to perform a reasonability check prior to applying Premium Allocation Approach (PAA) to a group of contracts. An insurer must determine whether PAA produces a measurement of the Liability for Remaining Coverage (LRC) that would not differ materially from the one produced using paragraphs 30-53. For the purposes of this FIA, insurers may decide on whether to conduct this exercise or not, and must specify as such in the report;
- (h) Current and Future Assumptions (including Loss ratios, mortality, lapses, morbidity, expenses, acquisition costs – as per the IFRS-17 expense definition);
- (i) Details on other methodologies for FIA and how they were determined (Risk adjustment, discount rates, takaful approach etc);
- (j) Explanation on the process of modeling the fulfilment cash flows;
- (k) Details of Transition Methodology (reasons which methodology has been adopted in the FIA, along with suggestions for the future design and implementation stages in terms of data requirements, if any);
- (l) Qualitative explanation of how a reconciliation of Contractual Service Margin (CSM) and revenue would be performed to depict the impact of the transition approach;
- (m) Simplifications and assumptions employed under the Modified Retrospective Approach, if used;
- (n) Methodology and basis for setting the assumptions for estimating the fair value as per IFRS 13 if the Fair Value Approach is used for transition;
- (o) Describe the Reinsurance Approach (such as Reinsurance loss recovery ratios, treatment of reinsurance items sliding scale commissions, profit commissions, adjustment premiums, swing rates) – where applicable under PAA and General Measurement Model (GMM), as well as the method for determining whether a group of Reinsurance Contracts is onerous;
- (p) Any simplifications and judgments used (in all aspects of actuarial modeling, IFRS-17 accounting, or others);
- (q) IFRS-17 Results of P&L and BS (along with comments and comparison of IFRS-4);
- (r) Overview of insurance risk and other non-financial risks identified in the template (mortality, lapse, expense) as well as further risks identified by the company, if any,
- (s) Sensitivity Testing (based on the scenarios defined in the template along with commentary on

the results); and

### Transition (as at 31 Dec 2020)

9. The restated liabilities shall be calculated as at 31 Dec 2020 (without the need to produce the P&L for the year 2020) whereas the full FIA will be performed using the opening balances and using actual data as at 31 Dec 2021 to produce the P&L and BS.
10. Income Statement and Balance Sheets shall correspond to Insurance Contracts relating to all the UW years using FY 2020 (for transition) / FY 2021 (for full FIA) and must include all underwritten business of the beginning and closing periods.
11. The template requires two statements of Financial Position to be populated to assess the impact of transition on equity and to assess the roll forward impact under IFRS-17
12. The "Transition Impact Check" tab sheet - contains checks which you should make sure to review before you submit your spreadsheet (this will be part of the final submission)

### Deadlines for Financial Impact Assessment

13. **Interim submission 1** of IFRS 4 related sheets in the template and a status report on the progress made towards filling out the rest of the template. Due **October 25<sup>th</sup> 2022**

Interim submission 1 requires the following template sheets to be completed:

- Input - Overview – Life
- Input - Overview – General
- Input – INFO
- Input - IFRS 4 BS
- Input – IFRS 4 P&L
- Input - Sensitivity BS – for IFRS 4 only
- Input - Sensitivity P&L – for IFRS 4 only

The status summary report must comment on progress on the following tasks at the minimum:

- Decision related to the level of aggregation for IFRS-17 portfolios (such that IFRS-4 portfolios were mapped for comparison);
- Any details regarding the Governance / Steering Committee / technical committee setup, including summary of the meeting notes;
- Transition related requirements of the FIA;
- High-level comments on:
  - Risk adjustment for non-financial risks methodology;
  - Coverage units calculation;
  - Onerosity of any existing group of contracts at transition and any subsequent measurement;
  - Acquisition and Expense allocation; and
- Progress on the overall FIA report.

In addition, the status report should also provide confirmation that the FIA tasks and plan have been discussed with the Steering Committee and the Company is in line with the SECP requirements to submit the FIA as per the timelines.

**14. Interim submission 2** of all transition related sheets as well as a note on transition along with the equity impact. Due **November 15<sup>th</sup> 2022.**

Interim submission 2 requires the following template sheets to be completed:

- Input - IFRS 17 – BS (only Balance sheet for 2020 related information– the 2021 will be submitted with the final submissions)
- Input - BS Reconciliation (only Balance sheet for 2020 related information– the 2021 will be submitted with the final submissions)

Status summary report providing comments on progress of the following tasks:

- Note on transition, which should include comments on why the impact on equity is positive or negative, along with the component level details;
- Actuarial Model building for each measurement approach and assumptions setting;
- IFRS 17 Balance Sheet 2021;
- Projection of IFRS 17 P&L for all portfolios; and
- Sensitivity analysis relating to IFRS 17 scenarios.

In addition, the summary report should also provide confirmation that the transition results, FIA tasks and plan have been discussed with the Steering Committee and the Company is on track to submit the final report as per the permitted timeline.

**15. Final submission** of the full template and FIA report. Due **December 15<sup>th</sup> 2022.**



## **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

## 6. 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 along with all applicable taxes 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.

### Sub-Bidders experience

Sub-Bidders experience and resources shall not be taken into account in determining the Applicant's compliance with the qualifying criteria.

### Original

#### Affidavit

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

- Is not in bankruptcy or liquidation proceedings;
- Is not making any misrepresentations or concealing any material fact and details;
- Has not been convicted of fraud, corruption, collusion or money laundering;
- 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
- Does not fall within any of the circumstances for ineligibility or disqualifications
- 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.

### **Invoicing and Payment**

Payment will be released within 30 days of submission of invoice by the firm after completion of the assignment. Payment will be made through cross cheque after deduction of all applicable taxes in Pakistan.

### **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 Ltd. 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.

## 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, the undersigned hereby applies to be appointed as Consultant for the Postal Life Insurance Company Ltd for the IFRS 17, 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:
  - a. Profile of the Firm.
  - b. Name, title, phone numbers, fax number and email of authorized representative.
  - c. Affiliation with the international firm or Actuary.
  - d. Affidavit from the firm that it has never been blacklisted by any PLICL or any other department /authority / agency/ company.
  - e. Taxpayer registration certificates (Income Tax and Sales Tax).
  - f. Affidavit from the firm, to the effect, that all the documents, statements and information provided with the proposal are complete, true and correct in all aspects.
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**

- a) To be executed by an authorized representative of the bidder.
- b) 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.
- c) 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.
- d) 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**  
**(Integrity**  
**Pact)**

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 The Board 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 2022.

**GUARANTOR**

Sign CNIC # Name

Design

Address