

April 22, 2022

NOTICE

**INVITATION FOR EXPRESSION OF INTEREST FROM QUOTING REINSURERS FOR
GIC Re NON-MARINE DOMESTIC RETROCESSION PROGRAMME 2022-23**

General Insurance Corporation of India (GIC Re) proposes to buy retrocession cover for its Non-Marine Domestic portfolio on excess of loss basis. This programme incept on 01.06.2022.

Expression of Interest (EOI) is invited from Reinsurers either directly or through an Indian intermediary for quoting on Non-marine Domestic retrocession programme.

The reinsurer desirous of submitting Expression of Interest as above must satisfy the following criteria:

1. Reinsurer should be domiciled in a country which has Double Taxation Avoidance Agreement with India.
2. The Reinsurer must have a rating of at least "A" from Standard & Poor or A M Best.
3. Reinsurer can choose to quote either on direct basis or through an Indian intermediary. The Reinsurer evincing interest via an intermediary would be required to indicate mandate of **Exclusive Broker on Record(BOR) to only one Indian broker**. Format to provide EOI is as per **Annexure 1**.
4. Reinsurer should provide the following:
 - a. Filing Reference Number (FRN) for 2022-23 issued by IRDAI.
(In regard to the compliance of FRN requirement, this should be met at the time of quote submission if it is not possible to comply with the condition at the time of submission of Expression of Interest)
 - b. Copy of the latest (S&P / AM Best) rating certificate
 - c. Reinsurer is required to submit the EOI duly stamped, signed and dated on or after the tender upload date. Mandate in the form of e-mail shall not be considered.
 - d. If quoting through an intermediary:
 - (i) Details of the Indian broker to be mentioned clearly (for layer(s)) in **Annexure 1**. If different brokers are involved for separate layers, separate Annexure 1 giving the concerned broker details needs to be submitted. The Annexure 1 should be on letter head dated, stamped and signed on or after the tender upload date.
 - (ii) IRDAI (Insurance Regulatory and Development Authority of India) issued FRN is paramount to establish identity of the Reinsurer. Reinsurer providing EOI should use the stamp of the entity which has IRDAI issued FRN. Please note that subsidiary/sister company FRN shall not be considered
 - (iii) In case of a Lloyds syndicate, Annexure 1 should be signed and stamped by the particular Syndicate to whom IRDAI has issued the FRN and not by its branch office.
 - (iv) A copy of valid IRDAI Certificate of Registration issued to the Broker as a Reinsurance or a Composite Broker. The broker should have obtained its Composite or Reinsurance license at least 2 calendar years prior and GIC Re should have active inward business from the broker.
5. Quoting Broker should have participated either as quoting or placing broker on the class specific programme for at least 2 years in the past 3 years.
6. **No intermediary should obtain mandate/ quotes from more than Two quoting markets per layer**
7. Reinsurer to clearly mention in the EOI, the layer(s) which they are interested to quote on. Reinsurer may choose to quote on any one or more layers.

8. Please note that MGAs / Cover Holders / Fronting Companies will not be eligible to participate in this exercise.
9. Slip brokerage cannot be more than 5% on EQ only layers and not more than 7.5% on the Risk cum Cat layers (including PML error) and Cat All perils layers, if broker is to be involved.
10. No subjectivities, including minimum line to stand condition will be entertained.

11. The Structure is proposed as under (Table A1, A2 & A3):

A1:

Option 1 for layers 1 & 2

Amounts in INR mln

Layer	Description	Limit	Deductible	Reinstatement	MDP	Instl.	Adjustable rate
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	80%	Qly	To be quoted
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	80%	Qly	To be quoted

A2:

Option 2 for layers 1 & 2

Amounts in INR mln

Layer	Description	Limit	Deductible	Reinstatement*	Deposit premium*	Profit Commission*	Adjustable rate	Expenses of Management*
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	30%	80%	To be quoted	30%
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	30%	80%	To be quoted	30%

*** Notes for A2 (Option 2 for Layers 1 & 2):**

- 1) Reinstatement premium is calculated on Annual premium and not Deposit premium. Expenses of Mgmt is NIL on reinstatement premium
- 2) Deposit premium - 30% of Annual Premium payable in 4 instalments
- 3) Profit Commission - 80% (Upon Commutation, the Reinsurer will pay 80% of all reinsurance premiums and Reinstatement premiums less Management Expenses less Ceded Paid losses, if positive)
- 4) Expenses of Management of the Reinsurer – 30 % of Annual premium (to be used for calculation of Profit Commission to the Reinsured), Nil on Reinstatement Premiums
- 5) Brokerage 7.5% only on Deposit premium (Nil on Adjustment premium and Reinstatement premium)

A3:

Layer 3- Layer 11

Amounts in INR mln


Layer	Description	Limit	Deductible	Reinstatement	MDP	Instl.	Adjustable rate
3	Risk cum Cat All Perils	12,500	22,500	2 @ 100%	80%	Qly	To be quoted
4	Cat All Perils + PML Error	15,000	35,000	2 @ 100%	80%	Qly	To be quoted
5	CAT All Perils	15,000	50,000	1 @ 100%	80%	Qly	To be quoted
6	CAT All Perils	15,000	65,000	1 @ 100%	80%	Qly	To be quoted
7	CAT All Perils	20,000	80,000	1 @ 100%	80%	Qly	To be quoted
8	Earthquake Only	30,000	100,000	1 @ 100%	Flat rate	Qly	To be quoted
9	Earthquake Only	30,000	130,000	1 @ 100%	Flat Rate	Qly	To be quoted
10	Earthquake Only	30,000	160,000	1 @ 100%	Flat Rate	Qly	To be quoted
11	Earthquake Only	30,000	190,000	1@ 100%	Flat Rate	Qly	To be quoted

12. Minimum lead line:

- **A1 & A3: Risk Cum Cat All perils- 10% and EQ only 5%**
- **A2 : 15%**

13. In line with regulatory requirement, the reinsurer will need to confirm premium remittance (even if remitted via Broker), directly to GIC Re on email id **retro_bas@gicofindia.com** as and when each instalment premium is remitted, for this programme.
14. Quoted terms and conditions for each layer will be evaluated on a standalone basis without reference to those of any other layer(s). Any subjectivity linking layers will be rejected. In case there are 2 or more L1 quotes, the reinsurer with higher share will be chosen as leader.
15. GIC Re may choose to retain a layer or part thereof, thereby not placing the layer in part or full to the market.
16. The Expression of Interest as per format Annexure 1 along with required documents to be sent by way of an e-mail to **Assistant General Manager at svarghese@gicofindia.com** and to no other email id, with Subject Line as: **EOI – GIC Re Non-Marine Domestic Retro Programme 2022-23** so as to reach us on or before midnight of **30th April 2022 , 12:00 midnight (IST)**.

The acceptance of EOI would be at the sole discretion of GIC Re and the selected reinsurer(s) will be provided information pack for evaluation. Infopack, deadline for submission of quotes and other modalities will be intimated to reinsurers whose EOI has been accepted.



Hitesh R. Joshi,
General Manager

ANNEXURE 1
DATE:

 The Assistant General Manager
 Property Retrocession, GIC of India (GIC Re), Mumbai

Re: Expression of Interest published On Your Website Dated 22.04.2022 to quote on your Non Marine Domestic Retrocession Programme 2022-23.

In response to your captioned invitation for expression of interest vide notice dt _____ put up on your website, we would like to express our interest directly / through intermediary of _____ (name of the broker if interested to approach via intermediary) having IRDAI broker license no. _____ valid until _____

Our FRN No. for 2022-23 is _____

Our rating is _____ from _____ Rating Agency.
 A copy of valid rating certificate is attached.

Our engagement on below mentioned layers of the programme in this tender process is direct / exclusively through the said intermediary:

A1: Option 1 for layers 1 & 2

Layer	Description	Limit	Deductible	Reinstatement*	MDP	Interested to quote Y/N
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	80%	
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	80%	

A2- Option 2 for layers 1& 2

Layer	Description	Limit	Deductible	Reinstatement	Deposit premium	Interested to quote Y/N
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	30%	
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	30%	

A3- Layers 3-11

Layer	Description	Limit	Deductible	Reinstatement	MDP	Interested to quote Y/N
3	Risk cum Cat All Perils	12,500	22,500	2 @ 100%	80%	
4	Cat All Perils + PML Error	15,000	35,000	2 @ 100%	80%	
5	CAT All Perils	15,000	50,000	1 @ 100%	80%	
6	CAT All Perils	15,000	65,000	1 @ 100%	80%	
7	CAT All Perils	20,000	80,000	1 @ 100%	80%	
8	Earthquake Only	30,000	100,000	1 @ 100%	Flat rate	
9	Earthquake Only	30,000	130,000	1 @ 100%	Flat Rate	
10	Earthquake Only	30,000	160,000	1 @ 100%	Flat Rate	
11	Earthquake Only	30,000	190,000	1 @ 100%	Flat Rate	



The overseas co-broker / placing broker for the layers indicated above is

SIGNATURE, SEAL & DATE

NAME OF REINSURER :

DESIGNATION:

CONTACT NUMBER:

EMAIL: