

TERMS OF REFERENCE - AMENDED

TERMS OF REFERENCE FOR PROVISION OF A GROUP LIFE ASSURANCE COVER AND LAST EXPENSE INSURANCE FOR KENYA REVENUE AUTHORITY STAFF

A. Background

Kenya Revenue Authority (KRA), is the agency of the Government of Kenya responsible for the assessment, collection and accounting for all revenues that are due to the government, in accordance with the laws of Kenya. KRA has a staff establishment of 9,499 (as at 1st September 2024) employees with offices and staff in all the Counties.

The Authority as an employer of choice is focused on offering competitive benefits to its employees in the unfortunate event of death, disability or upon diagnosis of critical illness. It is on this premise that the Authority seeks to partner with a credible Service Provider to provide a competitive Group Life Benefit cover to its staff.

The cover shall be on a two years term subject to satisfactory performance of the contract.

<p>1.Objective</p>	<ul style="list-style-type: none"> • To provide a Group Life Assurance (GLA) and Last Expense Insurance cover for the entire workforce of the Authority at an affordable and competitive premium rate. The commencement date of the cover shall be 1st March 2025 to 28th February 2027. • To partner with a customer-centric insurance broker for the day-to-day administration of the scheme for the purpose of delivering efficient services. • To provide professional advice on the existing insurance covers and the areas of improvement. <p>Specific Objectives</p> <ul style="list-style-type: none"> • To provide Group Life Assurance cover for the various categories of staff as specified in the scope of cover below • To provide Funeral Expenses Cover on a stand-alone basis as specified in the scope of cover below • To provide Critical Illness Cover on a stand-alone basis as specified in the scope of cover below • To negotiate for competitive premium rates from the market indicating both the with-profit sharing and without-profit sharing premium rates and resulting amounts. • To follow up claims
<p>2.Scope of consultancy services</p>	<p>To provide a 24-hour cover for all members of Kenya Revenue Authority Staff against death arising from any cause with no exclusions. The cover should be for death while in Kenya and outside Kenya.</p>

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<p>3.Expected Deliverables</p>	<ul style="list-style-type: none"> • To negotiate unit rates and the premiums for each category. • To obtain Confirmation from the insurance company to underwrite the Group Life Assurance and the Funeral Expense Cover, critical illness and other riders included e.g. disability cover. (The underwriters' Authorization Letter and Quotation must be attached). • To negotiate a Free Cover Limit (Non-medical limit). • To obtain Confirmation that:- <ul style="list-style-type: none"> ○ The contract will not have exclusion clauses. ○ The Funeral expenses claims will be settled by the insurer within 48hours of notification and submission of requisite claim documents. ○ The Claims sum assured will be settled by the insurer within Fourteen (14 days) upon submission of all claim documents. ○ There will be no alterations to the terms during the contract period. ○ The actual costing will be based on the membership details as of the policy start date of 1st March 2025 and the regular updates to be provided by the Authority • Information on deletions and inclusions of new members shall be updated as and when provided.
<p>4.Expertise</p>	<p>Specify the Insurance brokerage and Insurance Underwriters firms and their background plus previous experience in the provision of GLA cover. The details to be submitted must include;</p> <p><u>Insurance Brokers</u></p> <ul style="list-style-type: none"> • The Legal and professional status of the organization in form of certificate of incorporation/registration, current licenses and any other testimonials for ease of reference. • The Principal Officer must hold an Associate qualification (ACII, AIIK or any other recognized professional body) qualifying him or her to undertake or engage in insurance business. Attach copies of professional certificates. • Provide CVs of at least five (5) technical staff who have professional qualifications in insurance (FCII, ACII, AIIK, Dip CII etc) together with valid /current membership with professional insurance bodies namely: The Chartered Insurance Institute, London, Insurance Institute of Kenya, Insurance Institute of India, Insurance Institute of South Africa, Life Office Management Association or their equivalent. Attach copies of professional certificates and valid membership to the relevant professional bodies. • Details of current client base indicating annual premiums underwritten over the last five years. • Details of Company ownership/directorship with

	<p>respective shareholding details.</p> <ul style="list-style-type: none"> • A valid certificate of registration with the Insurance Regulatory Authority. • Current membership of the Association of Insurance Brokers (AIBK) Copy of the membership certificate must be attached. • Provide a copy of the Professional indemnity insurance cover of at least Shillings One Hundred (100) million. • Provide certified audited accounts for the last three (3) consecutive years ie 2021, 2022, 2023. • Current Tax compliance certificates for the firm • Specify the lead contact person(s) for the entire procurement process. • Specify the contact person(s) who shall be in charge of the day-to-day administration of the scheme. Attach an Organogram. <p>Copy of Service Level Agreement (SLA) showing turnaround times with the proposed underwriter within the last one year (2023) – stamped by underwriter.</p>
<p>5.Reference</p>	<ul style="list-style-type: none"> • Provide a list of at least five reputable corporate clients where you have implemented GLA covers of annual premiums of above Kshs.50 million within 2022, 2023 and 2024. Attach documentary evidence in form of copies of Letters of Award, LSO or relevant excerpts of the contracts. <p>Proof of Satisfactory Service from the clients listed above.</p> <ul style="list-style-type: none"> • Submit letters of reference/recommendation letters dated within last one (1) year to the date of tender closing, from the client (on clients letter head), which should include a summary of services rendered, value of contracts and contact person, address, and telephone numbers. • Provide a list of at least 5 GLA claims settled within the last 3 years indicating the claims turnaround time. <p><u>Requirements for the proposed Underwriter.</u></p> <ul style="list-style-type: none"> • Details of Company ownership/directorship with respective shareholding and details of citizenship. • Copy of Certificate of Incorporation. • A copy of valid certificate of registration with the Insurance Regulatory Authority. • A copy of valid membership certificate of registration with the Association of Kenya Insurers (AKI). • A copy of valid Tax compliance certificate for the firm • Attach documentary evidence of the current Re – insurance arrangements duly certified by IRA. • Provide proof of paid-up capital for Kshs.400 million and above. • Proof of solvency margin of not less than 120% in the year 2023.

	<ul style="list-style-type: none"> • Proof of Claims settlement ratio (by Ksh) of at least 60% and by number of claims of at least 75% as maintained by IRA in Quarter 1, Quarter 2 and Quarter 3 – Attach printout of IRA report. • The Underwriters proposed by the Broker should be limited liability companies registered under the Companies Act and must have been in existence in underwriting Life Business for a minimum period of not less than ten (10) years.
6.Reporting Systems &Time Schedules	Bidders are expected to ensure that the cover runs for the entire period without disruptions and that renewals are done promptly with costing schedules ready within a maximum period of one (1) month.
7.Terms of Payment	Payment will be made once the costing schedules are submitted together with their voices. The bidder should indicate the premium payable and how the amounts have been arrived at.
8.Cost	Submit a duly filled, signed and stamped Financial Proposal with Summary of Costs indicating the total cost in Kenya Shillings for the provision of GLA covers as guided by the below Scope of Cover detailing benefit summary and projected staff count.

B. Scope of the Cover

FY 2024/25 – 2026/2027 GLA Insurance Scope of Cover		
	Item	Description
Benefits Structure	Death & PTD	<ul style="list-style-type: none"> • 3 years consolidated salary- for Fixed Term Contract & Executive Contract. • 3 years gross salary- for Permanent & Pensionable, Seconded & Staff on probation.
	Critical Illness (stand Alone)	Standalone 30% of Sum assured up to a maximum of 20million.
	Last Expense (Stand Alone)	<ul style="list-style-type: none"> • Ksh. 250,000.00 for Main member. • Kshs. 200,000 for declared Spouse. • Ksh.150,000.00 for declared children to a maximum of 24 years.
	Free cover limit	At least Ksh. 30,000,000.00.
	Eligibility	All KRA staff on Executive contract. Permanent & Fixed term.
	Exclusions	None.
	Rider to last expense	Free Hearse & Coffin. Free Grief & Counselling.

C. Projected Staff Numbers

GLA Financial projections FY 2024/25 – 2026/2027			
1) Current Staff	No. of Staff	Monthly Total pay (Basic, House, Transport and Utility Allowances only)in Ksh.	Total Annual pay (Basic, House, Transport and Utility Allowances only)in Ksh.
Totals current Staff complement(1 st September 2024)	9,499	1,556,428,500.00	18,677,142,000.00
2) Projected Staff Numbers			
Estimated Projected Staff Numbers FY2024 - 2025	10,790	1,856,359,268.42	22,276,311,221.08
Estimated Projected Staff Numbers FY2025 - 2026	12,027	2,069,178,213.28	24,830,138,559.40

D. Supervision

The Brokers will report to the Deputy Commissioner, Human Resource but will work closely with the Chief Manager, Compensation & Benefits and Payroll & Benefits unit. These will be the contact persons within the Authority.

E. Disclaimer:

The material arising from the contract shall be the property of KRA and cannot be used without expressed written consent from KRA

