



# KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

## CLARIFICATION/ADDENDUM SET "2"

16<sup>th</sup> October 2024

### KRA/HQS/NCB-011/2024 -2025: PROVISION OF GROUP LIFE ASSURANCE AND LAST EXPENSE INSURANCE BROKERAGE SERVICES FOR A PERIOD OF TWO (2) YEAR

Kenya Revenue Authority wishes to inform prospective bidders of the clarifications and amendments for the above tender as detailed below.

S/No.	CLARIFICATION	KRA RESPONSES
1.	Under Mandatory Evaluation for Brokers on Page 27 Item Number 9, the document has requested for Audited Accounts showing an Annual <b>Premium</b> Turnover. Since insurance brokers collect premiums on behalf of insurance companies and it is not the insurance broker's revenue, it is NOT indicated in the financial statement.	This criterion has been amended to read as follows; Provide certified audited accounts for the last three (3) consecutive years with an average annual turnover of Kes. 250 million and above. ie (2021, 2022, 2023). The audited accounts should be signed and certified by the auditing firm
2.	Under Mandatory Evaluation for Brokers on Page 28 Item Number 14, the document has requested for ISO certification. This requirement is prohibitive. However, we can provide Data Controller Certificate instead. Please confirm if this is adequate	Bidders are advised that this criteria has been <b>expunged</b> .
3.	Under Table 3: Vendor Evaluation Criteria on page 30, please confirm whether the requested information applies to the insurance broker OR whether it applies to the underwriter.	Bidders are advised that Vendor Evaluation Criteria on page 30 applies to the <b>Insurance Broker</b> .
4.	Annual Gross premium of not less than Kshs. 600 M in 2023	Bidders are advised that this requirement in the Terms of Reference has been amended to "Certified audited accounts for the last three (3) consecutive years (2021, 2022, 2023) with an average annual premium turnover of Kes. 500 million"  Refer to Amended Terms of Reference hereto attached.
5.	Provide proof of paid-up capital for Kshs.500 million and above.	Bidders are advised that this requirement in the Terms of Reference has been amended to Provide proof of paid-up capital for Kshs.400 million and above.  Refer to Amended Terms of Reference



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		hereto attached.
6.	Presence in 10 counties. Evidence of the broker firms branch network shall be demonstrated through presentation of a valid lease agreement, which has been running for more than twelve (12) months prior to this tender.	Bidders are advised that this requirement in the terms of reference has been expunged.
7.	The underwriter must have a minimum paid up share capital of Kes.400 million and above. <b>Attach returns from the registrar of companies.</b> We are requesting that the capital be reduced to 300 million given the IRA limit required is 100 Million.	Bidders are advised that this criterion remains unchanged.
8.	Proof of solvency margin of not less than 120% in the year 31st December 2023. We are requesting KRA to maintain the statutory ratio of 100% or 110%. In IRFS17 disrupted the assets and capital re-allocation in accordance to IRFS17 standard and this affected the capital.	Bidders are advised that this criterion remains unchanged.
9.	Proof of Claims settlement ratio (by Ksh) of at least 60% and by number of claims of a least 75% as maintained by IRA in Quarter 1, Quarter 2 and Quarter 3 – Attach printout of IRA report We are requesting our consideration of the ratio to be reduce to at least 40% from 60% and by number of claims of a least from 75% to 45%. The ratio is a bit high considering that Group life is a short-term life contract and that an year can be without claim, this ratio means that out of 100 people , an employer lost 65 people in a year which the probability is so low and indicates that the pricing model was not adhered to.	Bidders are advised that this criterion remains unchanged.
<b>ADDENDUM</b>		
10	Mandatory criteria for insurance Broker	Bidders are advised to note the amendments in the Mandatory requirements for the Insurance Broker. Table 1: Mandatory Requirements for the Broker on pages 27-29 of the tender document has been expunged and replaced with <b>“Table 1:</b>



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		<b>Mandatory Requirements for the Broker- Amended.</b>  Bidders are required to meet all the mandatory requirements in <b>Table 1: Mandatory requirements for the Broker-Amended.</b>
11.	<b>EXTENSION TENDER CLOSING DATE</b>	Bidders are advised that the Tender closing/opening date has been changed from 24 <sup>th</sup> October 2024 to <b>31<sup>st</sup> October 2024 at 11:00am</b>
Bidders are advised to align their bid securities to the new tender closing date ie bid securities should be valid until 30 <sup>th</sup> October 2025.		

The clarification/addendum forms part of the bidding document and is binding to the bidder. All other terms and conditions of the tender remain the same. You are therefore required to immediately acknowledge the receipt of this addendum.

**Dominic Opro, HSC.**

**FOR: DEPUTY COMMISSIONER - SUPPLY CHAIN MANAGEMENT**

