



ADDENDUM "SET 1"

21st April, 2022

To all bidders,

KRA/HQS/NCB-064/2021-2022:

KRA wishes to inform prospective bidders of the following clarifications

S/ No	CLARIFICATION	KRA RESPONSE
1	<p>No. 10: Must provide evidence of the latest credit Rating for Claims Paying Ability from a reputable rating agency</p> <p>We Request the client to consider changing the requirement to: Letter of Credit Worthiness from Bankers since only a few insurance companies in the industry have been rated. This will increase the rate of responsiveness and increase the number of participants in the tender.</p>	<p>Bidders are advised that the Authority maintains "latest credit Rating for Claims Paying Ability from a reputable rating agency"</p>
2	<p>No: 11 Must have Solvency Margin of not less than 150% in 2020/2021 and provide evidence</p> <p>Consider: Solvency Margin to be reviewed to 120% since not many underwriters have reached the 150% threshold and this may lock out many Underwriters.</p>	<p>Bidders are advised that these criteria have been expunged and replaced with "Must have Solvency Margin of not less than 120% in 2020/2021 and provide evidence".</p>
3	<p>No. 1: Under Vendor Evaluation Criteria for underwriters "Must have done average annual gross premium of at least Kshs. 3 Billion for General business over the last two years (Excluding Motor Premiums)"</p> <p>In order to enhance the number of qualifiers to participate, kindly consider either;</p> <p>i. Excluding Medical Business and Including Motor Business</p> <p>ii. If Excluding Motor Business, reducing the Gross Premiums to 2 Billion</p>	<p>Bidders are advised that these criteria have been expunged and replaced with "Must have done average annual gross premium of at least Kshs. 3 Billion for General business over the last two years(Excluding Medical Premiums)".</p>
4	<p>No. 2: Must provide a list of 5 Reputable Clients whose Annual premiums for each is above Kshs. 50million under General Business within 2020 & 2021(Excluding Medical Policies)</p> <p>Due to the hard economic times brought about by the covid pandemic, its hard to get clients with a premium portfolio of 50Million. Kindly Consider</p>	<p>Bidders are advised that these criteria have been expunged and replaced with "Must provide a list of 5 Reputable Clients whose Annual premiums for each is above Kshs. 50million under General Business within 2019,</p>



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	Reducing the Client's Value to 30million, furthermore consider graduating the marks to the number of clients provided i.e. 1 Mark for Each Client	2020 & 2021(Excluding Medical Policies)” .
5	<p>No. 3: Must Give Current Recommendation letters (dated jan 2022-March 2022) from 5 Reputable Clients (Excluding KRA) wherein they have provided general insurance cover with contract sum of at least Kshs. 50Million. each per year within the last 2 years (2020 & 2021)</p> <p>Due to the hard economic times brought about by the Covid pandemic, it's hard to get clients with a premium portfolio of 50Million. Kindly Consider Reducing the Client's Value to 30million, furthermore consider graduating the marks to the number of clients provided i.e. 1 Mark for Each Client</p>	Bidders are advised that these criteria have been expunged and replaced with “Must Give Current Recommendation letters (dated within six (6) months from the date of tender opening) from 5 Reputable Clients (including KRA) wherein they have provided general insurance cover with contract sum of at least Kshs. 50 Million. each per year within the last 3 years (2019, 2020 & 2021)” .
6	<p>No. 1 General Insurance Premium Turnover for per year in the last years (2020,2021) Excluding Motor Business</p> <p>Kindly consider the following</p> <p>i. Amending the years to 2019/2020 because Many Insurance Companies have not completed the Audit Process and hence the Audit Accounts for 2021 have not been released</p> <p>ii. If proposal above can't be amended to 2019/2020 then allow use of IRA Report(Q4) for 2021</p> <p>iii) Also consider Excluding Medical Business and Including Motor Business</p> <p>iv) If Excluding Motor Business, reducing the Gross Premium to 2 Billion</p>	Bidders are advised that these criteria have been expunged and replaced with “General Insurance Premium Turnover for per year in the last years (2019,2020) Excluding medical business.
7	<p>No. 2 Solvency Ratio for the 2021 Financial Year</p> <p>Consider: Solvency Margin to be reviewed to 120% for the year 2020</p>	Bidders are advised that these criteria have been expunged and replaced with “Must have Solvency Margin of not less than 120% in 2020/2021 and provide evidence” .
8	<p>No. 3 GCR Rating</p> <p>We Request the client to consider changing the requirement to: letter of Credit Worthiness from Bankers</p>	Bidders are advised that the Authority maintains “latest credit Rating for Claims Paying Ability from a reputable rating agency”
9	<p>7. List of Reputable Clients whose premium is Kshs. 50,000,000 and above each falling within 2020-2021</p> <p>Consider reducing the premium per client to 30M</p>	“Must provide a list of 5 Reputable Clients whose Annual premiums for each is above Kshs. 50 million under General Business within 2019,



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		2020 & 2021(Excluding Medical Policies)".
10.	Schedule of requirements, policy no. 2: (Medical Insurance – Board of Directors): The Outpatient limit be Kshs.2,000,000/-	Bidders are advised that these criteria have been expunged and replaced with " Schedule of requirements, policy no. 2: (Medical Insurance – Board of Directors): The Outpatient limit be Kshs.100,000/-

The clarification / addendum form 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.

Regards,

Bernard Mukundi

For: Deputy Commissioner - Supply Chain Management

R/N

