

Nepal Insurance Authority



Request For Proposal For Appointment of Actuary for Actuarial Related Work

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**Nepal Insurance Authority
Kupandole, Lalitpur, Nepal**

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Nepal Insurance Authority

Kupandole, Lalitpur-10

**REQUEST FOR PROPOSAL FOR APPOINTMENT OF ACTUARIAL
VALUATION SERVICE BY ACTUARY**

Nepal Insurance Authority, Kupandole, Lalitpur-10, an autonomous Insurance Supervisor and Regulator under Insurance Act, 2022 invites offer from experienced Actuaries/ Firms, who are fellow members of the recognized Institute of Actuaries of concern countries, for the Review of Actuarial Valuation and product designing of Life Insurance and Micro Life Insurance Companies, conducting life insurance business in Nepal. The details can be downloaded from the website of the Authority at www.nia.gov.np. The last date to submit proposal is on 21st April 2024. The Authority reserves the right to reject or accept or withdraw the offer in full or part without assigning any reason thereof.

NEPAL INSURANCE AUTHORITY



Nepal Insurance Authority

Kupondole, Lalitpur-10

**REQUEST FOR PROPOSAL FOR APPOINTMENT OF ACTUARY FOR
ACTUARIAL RELATED WORK**

1- Introduction

Nepal Insurance Authority (“The Authority”) is the Insurance Regulatory Authority of Nepal. It is constituted to systematize, regularize, develop and regulate the insurance business within the country under the Insurance Act, 2022, the Insurance Regulation, 1992 and the Directives issued by the Authority. This Authority is responsible for overseeing all insurance-related activities within the nation. As a regulatory body, our primary objective is to foster a professional, healthy, and advanced insurance market in Nepal. The Authority invites enlisted actuaries, who are Fellow members of the Recognized Actuarial Associations in relevant countries, to submit proposals for the Review of Actuarial Related Work of insurance, reinsurance and microinsurance companies registered and operating in Nepal. Reference in this document to insurers shall apply to reinsurers as well as micro-insurers unless otherwise explicitly stated.

2- Existing Legislative Provisions:

- a. Insurance Act, 2022.
- b. Insurance Regulations, 1992
- c. Actuarial Valuation directive of Life insurance Companies, 2020

3- Objective:

The main objective of this proposal is to Review Actuarial Related Work of insurance companies registered and operating in Nepal.

The objectives of proposed project are:

- a. To identify whether the financial and solvency conditions of the insurance companies are sound.

- b. Improve and increase efficiency and effectiveness of the overall Insurance Sector while ensuring compliance with the regulatory standards and business being conducted in a fair manner.
- c. Increase accuracy and reliability of actuarial information of insurance companies.

4- Eligibility Criteria:

The individual engaged in the actuarial work must fulfil the following eligibility criteria:

- a) Must have Fellowship designation from a Recognized Actuarial Association with at least 2 years of post-fellowship qualification experience in the field of insurance (life and Non-life) or insurance regulatory bodies.
- b) Must have valid membership and Certificate of Practice (COP)/Continuous Professional Development (CPD) from their professional body.
- c) The bidder, or the firm/company/technical service provider that the bidder works for/is a partner of/consults for, is currently not engaged and does not expect to be engaged in any actuarial or consulting work with any insurance/reinsurance/microinsurance company in Nepal during the proposed contract period with the Authority. The Authority reserves the right to terminate the contract immediately if information of such conflict of interests is found before or during the proposed contract period.
- d) Regulatory experience and knowledge/experience in Asia and in emerging/developing countries is desirable. Preference will be given to a senior actuary that has experience working on similar assignments.
- e) Should have knowledge of international best practices.
- f) Detailed Curriculum Vitae of the actuary should demonstrate adequate experience on similar assignments.
- g) Excellent English communication and writing skills.
- h) Ability to build collaborative relationships with different stakeholders.

5- Work Description

To recruit competent actuary to provide consultancy services in actuarial related work as briefly highlighted in the table below. The actuary will be part of the pooled

resources of consulting actuaries with assignments being allocated by Nepal Insurance Authority.

No	Area	Types
1	Supervision	Review of annual actuarial valuation reports filed by all insurance companies and coordinate with the Nepal Insurance Authority's Valuation Team.
		Review of product design and pricing prepared by life insurance companies and non-tariff products prepared by non-life companies.
		Approval of appointments of Appointed Actuaries of insurance companies.
2	Development and Amendment	Formulate/amend various Regulations, Directives and Guidelines of Nepal Insurance Authority.
		Frameworks, Insurance Policies, Procedural documents as per need. Develop standardized insurance product.
		Determine/Revise tariff rates for insurance products
3	Support Implementation	Support the implementation of Risk Based Capital (RBC), Risk Base Supervision (RBS) and Risk Informed Pricing as per need.
4	Capacity Building	Supervise the work and provide training to the Nepal Insurance Authority staff.
		Engage with the industry as and when required.
		Training to the Industry on technical topics as per need.
		Provide any consultancy services as mutually agreed.

6- Scope of the Services:

To review the actuarial related work presented to Nepal Insurance Authority as per the Insurance Act, 2022 by insurance companies registered and operating in Nepal. For all the Key Activities and Deliverables mentioned below, the Actuary need to consult and coordinated with the Actuarial Teams or relevant department of Nepal Insurance Authority. For the above purpose, Nepal Insurance Authority is planning to appoint the actuary. This request for proposal (RFP) document is intended to select that person which has adequate experience, capability, and resources to fulfill the requirements of Nepal Insurance Authority.

7- General Information for the bidder:

GENERAL INFORMATION	
Purpose of inviting the RFP:	The main purpose is to assist in short-listing a suitable actuary for the Authority.
Place of submitting of Bid Documents and RFP	<u>Submission to:</u> Nepal Insurance Authority Kupondole, Lalitpur-10, Nepal <u>Email:</u> maunata.dhaubanjar@nia.gov.np or info@nia.gov.np
Minimum eligibility:	-Must have Fellowship designation from a Recognized Actuarial Association with at least 2-years of post-fellowship qualification experience in the field of life and Non-life insurance or insurance regulatory bodies. -Must have valid membership and Certificate of Practice (COP)/Continuous Professional Development (CPD) from their professional body.
Deadline for submission:	21st April 2024.
Number of copies to be submitted:	One (Technical and Financial separately).
Duration of the contract	The duration of the contract shall be 12 months from the date of signing of the contract.
Submission of Document	Interested person of firm should submit all necessary documents for evaluation purpose. The Actuary may submit separate documents matching exactly to the format provided by Nepal Insurance Authority or they may fill the same RFP documents and submit within timeline stated by Nepal Insurance Authority. Furthermore, RFP documents obtained from Nepal Insurance Authority should be included along with the submitted

	documents, either physically with the requisite stamp and authorized signature, or electronically via email, as applicable.
Information from Nepal Insurance Authority:	The selected actuary shall be published on our official website.: http://nia.gov.np . The Authority shall inform the selected actuary to initiate for the further process of contract.
Contact Details:	Nepal Insurance Authority Kupondole, Lalitpur-10, Nepal Phone: 977-1-5428604,5421079 Website : www.nia.gov.np E-mail: maunata.dhaubanjar@nia.gov.np , info@nia.gov.np

8- Responsibilities and Expected Outputs of the Actuary:

The selected actuary shall comply with the terms and conditions mentioned in the contract.

The main area of the service shall be as mentioned below:

- a. Ensure the insurance companies are compliance with statutory obligations, requirements of various laws as applicable to Nepal Insurance Authority and indicate any non-compliance, if any, observed during the audit/valuation period.
- b. Highlight any recurring areas of defaults or constraints in the implementation of financial or actuarial directives and issues in relation to the interpretation of the same.
- c. Detail scrutiny of yearly financial and actuarial valuations.
- d. Review of actuarial valuation reports of insurance companies submitted to Nepal Insurance Authority as mandatory compliance.
- e. Review of Bonus distribution and level of bonus rates determined by the insurers to their policyholders.
- f. Review of insurance products designed by Nepal Insurance Authority and insurance companies.
- g. Recommendation regarding analysis of future bonus provision.
- h. Comments on the Action Taken Report provided by insurers.
- i. Review of reports from Peer Review Actuaries as and when required.

9- Data, Services and Facilities to be provided by the Authority:

Nepal Insurance Authority shall provide available documents, data, services, and facilities to the extent possible as per the need.

10- Duration for the Project:

The total duration of the service is **12** months from the signing of the contract. Time plan for the project shall be determined as per agreement between Nepal Insurance Authority and the actuary. The duration can be extended on mutual agreement.

11- Experience and Technical Skills

- i) The Actuary should be a practicing fellow member of a Recognized Actuarial Associations with at least 2 years post-fellowship qualification experience in the field of insurance or insurance regulatory bodies. Authenticated self-attested copies to be submitted.
- ii) The Actuary must have done at least two actuarial valuations for any purpose in the last two years. Evidence of such documentation should accompany.
- iii) Preference shall be given to an actuary having experience in similar types of work.
- iv) The bidder should be able to demonstrate the best capability to handle the assignments solely or in joint venture in relation to the human resource, financial capability, past track record etc.
- v) Preference will be given to individuals with a demonstrated track record in developing various types of Monitoring and Evaluation-related projects, particularly in the domains of actuarial valuation, or reporting within the corporate and regulatory sectors.

12- Offers in Two parts are invited.

Part-1: Technical bid

The details of Actuary, commercial details etc. are to be provided along with supporting documents in Annexure-I.

Part-II: Financial bid

The price offered for the work is to be submitted in Annexure-II. Technical requirements mentioned in Part I and financial information mentioned in Part II can be

submitted through email addressing to the Chairman, Nepal Insurance Authority, Kuponhole, Lalitpur-10, Nepal.

The offers are to be submitted with a covering letter duly sealed and signed by an authorized signatory. The offers must be submitted by 21st April 2024.

The offers in will be opened on 22nd April **2024** in the office of Nepal Insurance Authority in the presence of the authorized representative of the Actuary/ Firm who may like to attend the offer opening.

13- Mandatory Requirement in the RFP

The Actuary should submit Request for Proposal along with the following details. Failure to submit the following documents and information, the Actuary will not be eligible to be included for the selection process.

- a) Duly RFP form filled up in compliance with standard format prescribed under annexure of this proposal.
- b) Recent year Tax Clearance certificate.
- c) Self-Declaration Letter of not being disqualified and having no conflict of interest should be submitted along with RFP requirements.
- d) Provide the CVs of the Actuary, duly signed, along with declarations affirming their commitment to this project. List of similar works completed by the Actuary during last Two (2) years and similar works in hand.
- e) Copy of Membership Certificate issued from the Recognized Actuarial Association.

14- Methodology:

The Actuary shall propose a set of methods in the methodology part of the technical proposal. Basically, the following methods will be used to collect the information:

- a) Revisit existing documents including Nepal Insurance Authority's documents, Account system, quarterly and annual reports and other publications presented by the Authority.

- b) Cooperation with Nepal Insurance Authority's relevant teams and concerned insurance companies etc.
- c) Conduct Focus Group Discussion where appropriate.
- d) Field visit if needed.

The selected actuary will work closely with Nepal Insurance Authority to refine the methodology and developed detail work plan.

15- Mode of Payment:

The mode of payment would be based on the monthly basis after recommendation from the Actuarial Teams or relevant department of Nepal Insurance Authority. Payment installment may be changed as per mutual understanding.

16- Duration and Expected Deliverables:

- a) All actuarial-related service provided are up to the required quality and in line with international best practices.
- b) Expected Deliverable will be as per need of the assignments.
- c) Expected Deliverable types can be in a form of develop, review, recommendation, observation,
- d) Feedback for improvements and implementation support.
- e) Timeframe: The duration of the contract will be for one year with renewal options.
- f) The actuary will report to the Head of Insurance Development and Promotion Division.
- g) Progress report on the assignments to be submitted on a regular basis.
- h) At least 30 days' notice shall be provided for termination of Contract.
- i) The Actuary, or the firm/company/technical service provider that the Actuary works for/is a partner of/consults for, shall be prohibited from engaging in any actuarial or consulting work with any insurance/reinsurance/microinsurance company in Nepal during the proposed contract period with the Authority as well as a period of 6 months following the termination of this contract.
- j) The draft reports should be submitted to Nepal Insurance Authority for feedback and recommendations. The final report of assignments and any other reports as per requirement should have the revision recommendations incorporated.

k) The reports submitted shall be accepted subject to approval by the Authority.

17- Transfer of Knowledge

The Actuary will transfer knowledge (presentation, training sessions) as well as data and technology (back end raw data, survey instruments, original survey forms or survey data in accessible formats, manuals, etc.) to Nepal Insurance Authority.

18- Facilities to be provided by the Authority.

The Authority will provide all project-related documents, reports, and necessary information to the Actuary to ensure the delivery of quality and timely work. If the Actuary is required to visit Nepal for work, Nepal Insurance Authority will be responsible for logistic arrangements. The Actuary is expected to manage all arrangements within their own office premises, including staffing and infrastructure, and no costs for such arrangements will be covered by Nepal Insurance Authority.

19- Ownership and Disclosure of Data/Information

All documents, product designs, data and information shall be treated as confidential and shall not be made available to any third party without the written approval of Nepal Insurance Authority. In addition, the Actuary formally undertakes not to disclose any parts of the confidential information to unauthorized parties. The utilization of the report and format is solely at the decision and discretion of Nepal Insurance Authority. All the documents containing both raw data/materials provided by Nepal Insurance Authority and final reports are to be returned to Nepal Insurance Authority upon completion of the assignment. All documentation and reports written as, and as a result of the research or otherwise related to it, shall remain the property of Nepal Insurance Authority. No part of the reports shall be reproduced except with the prior, expressed and specific written permission of Nepal Insurance Authority.

20- Other Term and Conditions

a) The Nepal Insurance Authority should provide the related documents to the Actuary.

- b) The Actuary should propose the detail cost/budget in lumpsum for one years of service period and that amount should be breakdown into monthly cost to Nepal Insurance Authority.
- c) The Actuary shall be responsible for all taxes and duties including income tax applicable as per the rules and regulations of the Government of Nepal.
- d) The actuary will work in close contact of the Nepal Insurance Authority staff and will provide constant feedback.
- e) Request for extension for the submission of offer shall not be considered. Proposal received after deadline shall not be acceptable.
- f) Nepal Insurance Authority will not consider any request for increase in the price quoted by the Actuary for this proposal during contract period.
- g) No overwriting, corrections and cutting is permitted.
- h) Offers received not as per prescribed form will be summarily rejected.

21- Award of Work

The offers from the Actuary who fulfils the eligibility criteria will be evaluated based on total amount (inclusive of taxes). The offers from the Actuary who fulfils the eligibility criteria will be evaluated on the basis of total amount (inclusive of taxes) under Quality and Cost Based Selection (QCBS) methods set forth in Public Procurement Act, 2063 BS and Nepal Insurance Authority Procurement bylaws 2022. Substantially responsive lowest amount quoted by the Actuary will be awarded the assignment of actuarial related work subject to fulfilment of other conditions.

22- Disclaimer

Nepal Insurance Authority has the right to change, add, amend, and alter the term and condition of this proposal with or without prior notice to prospective actuary. It reserves the right to reject or accept or withdraw the proposal in full or part without assigning reasons thereof.

The Financial Offers of those Actuaries who qualify the eligibility criteria shall be opened.

The contract to service may or may not include the above provisions and the Authority has right to provide additional requirements that shall be communicated to selected actuary. The Authority can reject selected actuary which cannot fulfilled the specified requirements and customizations according to Nepal Insurance Authority requirements.

ANNEXURE-I

GENERAL PARTICULARS/DETAILS OF THE ACTUARY

1	Name of the Actuary	
2	Address of the Actuary	
3	-Contact Details of the Actuary	
4	-Mobile No	
5	Landline No.	
6	Email Id	
7	Membership No. of the Institute of Actuaries of concern country	
8	Details of Similar works carried out (Attach Synopsys)	
9	Time available for work	
10	Document proving the Eligibility Criteria mentioned Section-4 of this RFP	
11	Document relating to mandatory requirements mentioned Section-13 of this RFP	

(Please enclose CV of the Actuary)

Signature with stamp:

Date:

Full Name:

Address:

ANNEXURE-2
FORMAT FOR FINANCIAL OFFER

1	Monthly Actuarial Service Charges	
2	Converted in NPR (if applicable)	
3	Taxes (if any)	
4	Total cost for yearly actuarial service (1*12)	
5	Total Actuarial Service cost in words	

(Note: please provide the fixed lumpsum cost for yearly service.)

Signature with stamp Date:

Full Name:

Address: