



ANNEXURE A

TERMS OF REFERENCE/ BID SPECIFICATION

INSURANCE BROKER – 3 YEAR PERIOD

Terms of reference for insurance brokerage services to the Independent Communications Authority of South Africa (ICASA) for the period of **3 years (01 April 2021 to 31 March 2024)**.

1. Introduction

The Independent Communications Authority of South Africa (hereinafter referred to as “the Authority”) intends to appoint a Short-Term Insurance Broker to provide brokerage services to the Independent Communications Authority of South Africa (ICASA) for a period of three (3) years.

2. Purpose of the bid

The purpose of this bid is to procure the services of a competent insurance broker to assist ICASA in placing and managing its short-term insurance portfolio, for a period of three (3) years from the 01st April 2021 up to the 31st March 2024.

3. Background

The broker will secure adequate insurance cover for ICASA assets (including vehicles, electronic equipment, portable computer equipment/laptops, office equipment, SASRIA & fire), Public Liability as well as Directors and Officers Liability.

Proposals made to ICASA should be based on the most cost-effective placement of the insurance portfolio in the insurance market, taking into serious consideration the limitation of financial risk exposure.



The appointed Short Term Insurance Broker will not be allowed to increase their fee and insurance premium in year 2 (two) and 3 (three) with more than the CPIX, unless substantiating proof from the quotations received from the insurers reflect a hardening insurance market based on valid known claims incidents or there is a significant increase in values insured.

Proposals received by the Short-Term Insurance Broker from the insurers must be made available for scrutiny and approval by ICASA annually.

Bidders must cover and support ICASA's Head Office situated in Centurion, Regional Offices and high sites situated in all provinces.

ICASA Offices & Sites – Current Locations

Head Office

- Eco Park: Centurion

Regional Offices

- Bloemfontein, Cape Town, Durban, Port Elizabeth, Nelspruit, Polokwane, Mahikeng & Kimberley.

High Sites (Monitoring Sites)

- East London (Woodbrook SAPS), Northern Cape (Carnavon), KZN (Hilton, Alverston), Western Cape (Koeberg, Kuilsrivie), Gauteng (Pretoria - Waterkloof, Meyersdal, Kenmare, Nooitgedacht, Observatory), Eastern Cape (Schauderville SAPS), Free State (Bloemfontein).
- Future sites will be communicated.

Important note: Goods in transit cover required (Premium to be inclusive) for instances mentioned below-

1. ICASA offices normally relocate upon termination of lease contracts, the details for the new premises will be duly communicated. Goods in Transit cover is required for any future relocations which will take place within the



3-year period at the Regional Offices.

2. Technical assets movements:

- These items are mostly utilized in the field (outside the office space);
- At times, these assets are transferred from one region to another;
- Technical assets are at times transferred to service providers who are based both locally and outside South Africa for calibration & repairs (overseas countries utilised in the past are mainly Germany, Denmark & Dubai).

3. Cross border movements – there will be instances whereby ICASA officials are required to travel to our neighbouring countries with assets for official purposes, these should be catered for.

4. Scope of work and Specific Requirements

4.1 Legislative Framework

All bidders must be compliant with all legislative framework governing insurance services, included but not limited to:

- Financial Advisory & Intermediary Services Act, 2002 (Act No. 37 of 2002)
- Short-term Insurance Act, 1998 (Act No. 53 of 1998)

All work is to be carried out in accordance with the time schedule as agreed with ICASA.

4.2 Services

The services to be rendered as a Short-Term Insurance broker over the 3-year period should include general services related to the placement, maintenance and administration of the insurance portfolio. The proposal/services should incorporate at least the following general insurance actions:

- 4.2.1. Take-over account from current service provider;
- 4.2.2. Claims administration and maintenance;



- 4.2.3. Claims logging and tracking;
- 4.2.4. Review existing cover, limits & sums insured;
- 4.2.5. Establish uninsured risks, exposures and internal self-insurance capacity (provide value-add input/ perform assessments on risks);
- 4.2.6. Conduct insurance market exercise, conduct pre-renewal meetings to discuss excess structures and alternatives for renewal;
- 4.2.7. Presentation of renewal terms and recommended options;
- 4.2.8. Compilation of comprehensive insurance procedure manual as well as full summary on cover, limits, conditions and exclusions;
- 4.2.9. Monthly & Quarterly reporting (with recommendations);
- 4.2.10. Post loss surveys (with recommendations);
- 4.2.11. Provide advisory services to ICASA on short-term insurance portfolio;
- 4.2.12. Provide account summary and handover process at the end of contract.

4.3. Briefing Session and/or Presentations

There will be a compulsory briefing session, held virtually. ICASA reserves the right to invite bidders for supplier presentations before the award of the bid.

4.4. Key requirements

ICASA is utilising sophisticated technical equipment to monitor radio frequency, interferences and any other related ICASA services. The potential service provider must have the capabilities and expertise to evaluate and assess technical equipment such as spectrum analysers, signal analysers, test receivers and mobile direction finders.

4.4.1 The Broker is expected to meet the following key requirements:

- 4.4.1.1. Provide a comprehensive and adequate short term insurance cover for various categories or classes or sections.



- 4.4.1.2. Provide a detailed list of cost effective insurances excesses for various categories or classes or sections including extensions, exclusions, claim preparation costs, general provisions, and preconditions.
- 4.4.1.3. Perform a full third party claims recovery service.
- 4.4.1.4. Attending to the re-registration of recovered vehicles, de-registration of written-off vehicles and de-installation of devices (i.e. tracking devices, e-tags etc.)
- 4.4.1.5. Provide training and or workshop to ICASA staff on the management of insurance risks and relevant insurance procedures as well as provision of insurance tracking claim tool.
- 4.4.1.6. To conduct its business activities with the utmost good faith, honesty, integrity and transparency and consistently uphold the interests and needs of ICASA as a client before any other consideration;
- 4.4.1.7. To ensure that any information acquired by the Broker from ICASA will not be used or disclosed without the written consent of ICASA;
- 4.4.1.8. To obtain all material information from ICASA relevant to the assessment and acceptance of any risks by an insurance underwriter and communicate the information to the underwriter;
- 4.4.1.9. To comply with all legislation relating to the financial services industry always. In particular, the Broker must only offer advice and render intermediary services in respect of financial products for which the Broker is authorized or mandated, in terms of the Financial Advisory and Intermediary Services Act, 2002 and the Short-term Insurance, Act No. 53 of 1998.



4.4.1.10. Specify territorial limits and requirements on insurance cover outside South Africa considering that some of the Authority assets are taken overseas for repairs and calibration. Over the past 3 years our equipment have been shipped mainly to Germany, Denmark & Dubai for repairs, as well as SADC for workshops and inter-regional collaborations (cross-border letters are required for vehicles and equipment).

4.4.2. The Broker must be an authorised Financial Services Provider and the Broker representatives must ascribe to the Code of Conduct for financial services providers as promulgated in terms of Section 15 of Financial Advisory and Intermediary Services Act. 2002.

The Broker and/or its representatives shall:

4.4.2.1. Act honestly, fairly, and with due skill, care and diligence, in the interests of ICASA and the integrity of the financial services industry;

4.4.2.2. Have and employ effective resources, procedures and appropriate technological systems for the proper performance of professional activities;

4.4.2.3. Seek from ICASA appropriate and available information regarding their financial situation, financial product experience and objectives about the financial service required;

4.4.2.4. Act with circumspection and treat ICASA fairly where there is any conflict of interests;

4.4.2.5. Comply with all applicable statutory or common law requirements applicable to the conduct of business.



4.4.2.6. Make adequate disclosures of relevant material information including disclosures of actual or potential own interests, in relation to dealings with ICASA;

4.4.2.7. Keep adequate and appropriate records;

4.4.2.8. Avoid fraudulent and misleading advertising, canvassing and marketing;

5. Insurance Portfolio

ICASA's insurable risks are placed locally and the portfolio is renewable effective annually. Assets should be covered under an **"All Risk Policy"** NOT a **"Multiple-peril"** insurance coverage.

Types of insurance cover required by the Authority are listed below.

5.1. Types of Cover Required

Type of Coverage	Sum Insured/ Indemnity Limit
See attached Schedule 1 (ICASA's asset register Summary with Net Book Values)	
Motor Vehicles/Fleet (Comprehensive) Own damage, 3 rd party liability, including medical expenses	<ul style="list-style-type: none"> • R 10 372 490.39 Maximum Any One Loss – R450,000 3rd Party Limit – R5,000,000 Maximum Medical Expense: Any 1 occupant – R5,000 Maximum Medical Expense: Any 1 occurrence – R20,000 Maximum Passenger Liability: R2,500,000 Contingent Liability: R2,500,000 Clothing/Personal Effects: R5,000



Type of Coverage	Sum Insured/ Indemnity Limit
<p>Electronic Equipment (All Risks); Technical (Test) Equipment, including mobile, loose/fitted in motor vehicles, portable equipment including software and associated programmes. <i>This also includes cellphones used for technical purposes, i.e. testing quality of service</i></p>	<ul style="list-style-type: none"> • R 59 064 003.88 <p>Maximum Any One (Individual Item) Loss, <u>NOT</u> a collective – Fixed Equipment (Sites): R7,000,000</p> <p>Maximum Any One (Individual Item) Loss, <u>NOT</u> a collective – Mobile (Installed in Vehicles) & Portable Equipment: R5,000,000</p>
<p>Computer Equipment Including portable Laptops, desktops (PCs) are office based (exceptional circumstances will be if employees are required to work from home, i.e. due to COVID-19 pandemic)</p> <p>+ software (Worldwide cover); including material damage, transit, reinstatement of data, increase in cost of working</p>	<ul style="list-style-type: none"> • R 25 856 825.41 (Including R 11 500 000 new tender for new laptops)
<p>Office Equipment</p> <p>All data processing equipment, owned, hired or leases, including PABX, Telephone system & ancillary equipment; CCTV & access control systems</p>	<ul style="list-style-type: none"> • R 5 048 397.21
<p>Public Liability</p>	<ul style="list-style-type: none"> • R 10 000 000.00



Type of Coverage	Sum Insured/ Indemnity Limit
SASRIA/Fire	• R 100 341 716.89
Directors & Officers Liability Law suits resulting from conducting ICASA functions for Council & Executives	• R 10 000 000.00

5.2. Year Loss History – Risk Profile

5.2.1 MOTOR VEHICLES

PERIOD: 2018 – 2020

2018	2019	2020	Grand Total
R253 924.15	R2 289.14	-	R 256 213.29

5.2.2. ELECTRONIC EQUIPMENT

PERIOD: 2018 – 2020

2018	2019	2020	Grand Total
R40 988.78	-	-	R40 988.78

5.2.3 PORTABLE COMPUTER EQUIPMENT & LAPTOPS

PERIOD: 2018 – 2020

2018	2019	2020	Grand Total
R465 232.25	R134 509	-	R599 741.25



5.3. Administration

The successful bidder will be required to:

- 5.3.1. Advise and consult with ICASA on the renewal strategy;
- 5.3.2. Obtain the required insurance cover from the insurance industry based on the needs of ICASA, the prevailing market conditions at the time and the insurance products that are available to mitigate or partly mitigate the risks as identified;
- 5.3.3. Indicate if there is an automated claims logging system in place to handle and track progress on outstanding claims. This system must be have the ability to flag claims which are aging and send tasks to persons assigned for follow-up. This is intended to eliminate the manual paper-based logging and tracking processes.
- 5.3.4. Assist in the claims process by ensuring that claims are submitted correctly and on time; Ideally claims on portable computer & office equipment should be resolved within 2 weeks and technical equipment claims within a month;
- 5.3.5. Ensure that all claims lodged with the insurers and/or underwriters are supported by all the relevant documentation to ensure efficient settlement;
- 5.3.6. Ensure that ICASA's contractual rights are enforced;
- 5.3.7. To act with ICASA's interest in all dealings with the appointed insurers and prospective underwriters;
- 5.3.8. Ensure that the Broker's employees appointed to work on the ICASA account fully understand the Brokers' obligations under the Code of Conduct and any other guidelines that may be issued by a regulatory body having jurisdiction over the Broker;



- 5.3.9. Render the following services to ICASA monthly:
 - 5.3.9.1. Monthly reconciliation of all claims data as per the claims register;
 - 5.3.9.2. Submit monthly, quarterly and annual reports on the insurance portfolio.
- 5.3.8. Ensure that any third-party service provider appointed by an underwriter and/or insurer to render a service following the occurrence of an insured event is compliant with the taxation laws of the Republic of South Africa.
- 5.3.9. Ensure that third party service providers who render services following the occurrence of an insured event invoice the Broker/ Insurer for the services rendered.

5.4. Communication with ICASA

The chosen Short-term Insurance Broker will also be responsible for the following on a quarterly basis:

- 5.4.1 Updating ICASA on the current state of the insurance market in terms of general economic realities, solvencies, capacity, profitability, rates and market activity (such as mergers and take-over and joint ventures) and the possible impact of such matters on the ICASA's renewal strategy and insurance portfolio;
- 5.4.2 Updating ICASA on legal developments within the Short-term insurance industry and inform ICASA on insurance product developments and the risk mitigation developments in the South African market;
- 5.4.3 Providing financial advice on the insurance portfolio in the event ICASA request such advice;



5.4.4 Ongoing evaluation of uninsured risks and possible options for closing the gaps;

5.4.5 Reviewing the ICASA Short-term insurance portfolio with ICASA's Finance department and any other relevant internal department in a formalized pre-set meeting;

5.4.6 Assist ICASA with the interpretation of insurance policy documents and matters incidental thereto, including the interpretation of insurance rules and regulations.

5.5. Claims

The Broker will be responsible for management of claims and, for the sake of clarity, claims management needs include:

5.5.1. Receiving claims from ICASA and submitting them to the insurer as and when incidences occur;

5.5.2. On-going management of all outstanding claims;

5.5.3. Following up with the Insurer regarding the progress of claims;

5.5.4. Informing ICASA of outstanding documents on claims if applicable;

5.5.5. Informing ICASA about claim outcomes and when payments are made;

5.5.6. Ensuring correct calculation and payment of benefits by underwriter; and,

5.5.7. Interacting with Insurer where claims are repudiated.

5.6. Policy documents

The Broker will be responsible for:

5.6.1. Arranging on behalf of ICASA for the issuing of the necessary policy documents by the insurer(s);

5.6.2. Continuously negotiate beneficial policy conditions for ICASA with the Insurer(s).



5.7. Company infrastructure

The service provider (broker) must list all branches and offices of their company countrywide (Republic of South Africa) together with telephone numbers and provide their company profile incorporating summary details of 5.7.1; 5.7.2 & 5.7.3 below:

5.7.1 Activity and service profile

- 5.7.1.1. Detailed description of main field of expertise/area of operation of company.
- 5.7.1.2. Range of services offered.
- 5.7.1.3. Reference list of some contracts completed during the last 3 to 5 years, including value, duration, location and contact persons.
- 5.7.1.4. List of current contracts and value thereof. Submit a list of current contracts, contact person and contact numbers. Please also attach confirmation letters from listed clients on their company letterheads, not older than 3 years.
- 5.7.1.5. Please specify their territorial limits (e.g. SADC etc.) given that some equipment travel cross-border & overseas for calibration and repairs.
- 5.7.1.6. Indicate if any contract with their company has ever been cancelled by a client? If YES, provide details.

5.7.2 Management and servicing

- 5.7.2.1. The service provider must please supply a brief description of how the company is organized together with an organizational organogram.
- 5.7.2.2. The service provider must please indicate a breakdown of staff compliment into management/ administration/ other services.



5.7.2.3. The service provider must please provide details of qualifications and work experience for key personnel, identified for this project.

5.7.2.4. The service provider must please indicate if all these personnel employed on a full-time basis? If not, provide details.

SCHEDULE 1

FIXED ASSETS REGISTER SUMMARY OF CATEGORIES @ 30 SEPTEMBER 2020

(Values subject to change when the bid is issued)

Assets Insurance Categories as at 30 September 2020				
Category	Category Description	Assets Cost	Accumulated Depreciation	Net Book Values
Electronics	Technical Equipment	117 281 201.74	- 58 217 197.86	59 064 003.88
	Computer Equipment (Including Leased Tender - R11.5M)	59 770 385.22	- 33 913 559.81	25 856 825.41
	Office Equipment (Including Leased Assets)	9 927 144.14	- 4 878 746.93	5 048 397.21
Total - Electronics		186 978 731.10	- 97 009 504.60	89 969 226.50
Motor Vehicles	Motor Vehicles	19 051 188.21	- 8 678 697.82	10 372 490.39
Total Assets - Insurance Values @ 31 August 2020		206 029 919.31	- 105 688 202.42	100 341 716.89



SCHEDULE 2

PRICE SCHEDULE

All bidders must propose an all-inclusive, flat fee per annum, including VAT and covering all direct and indirect costs, related to the provision of short-term insurance brokerage services. ICASA will not pay any additional costs once the contract is awarded.

PREMIUM SUMMARY:

Description	Annual Premium	Deductible/Excess Percentage	Minimum Amount Deductible/Excess
Vehicles/Fleet			
Windscreens			
Technical Equipment			
Computer Equipment (Including Laptops)			
Office Equipment			
SASRIA			
Fire			
Public Liability			
Directors and Officers			

ANNUAL BROKERAGE FEES

Description	Year 1	Year 2	Year 3
Insurance Brokerage Fee (per annum)			
+ VAT			
Total Brokerage Fee			



SCHEDULE 3

EVALUATION CRITERIA

No	Category: Functionality Criteria <i>To be scored between 1 and 5 per criteria</i>	Weight
1.	<p><u>Mandatory Requirements</u></p> <p>The service provider and sub-contractors must provide proof of:</p> <ul style="list-style-type: none"> a. A valid license/membership to transact business as a financial services provider (FSP) as per Financial Advisers & Intermediary Services Act. (FAIS Act) (valid certified copy); b. Written confirmation from the Underwriter that the Broker is authorised to sell their products (valid certified copy, less than 6 months old); c. A valid FSB license, clearly showing products the Broker is authorised to trade in (certified copy). <p><u>Failure to provide the above-mentioned documentation will result to the disqualification of your bid response.</u></p>	Compulsory
2.	<p><u>Understanding of Work Methodology & Terms of Reference</u></p> <ul style="list-style-type: none"> • No response provided or only 1 requirement was met= 1 • Provided project plan without methodology= 2 • Provided project plan & methodology only= 3 • Provided project plan, methodology, administration & communication channels = 4 • Provided project plan, methodology, administration & communication channels and value added services to insurance terms of reference = 5 	30



	<p><u>The above may be presented in as much detail as deemed necessary to demonstrate the advantages of the proposal. Project plan & methodology should be provided as per the TORs detailing the sourcing of adequate cover, the administration element of the contract including policy documents and policy renewal. The bidder must indicate value-add services.</u></p>	
<p>3.</p>	<p><u>Resources; Company Profile & Experience</u></p> <p>3.1. <u>Bidders experience in brokering services in general as per the performance specifications:</u></p> <ul style="list-style-type: none"> • No response or less than 2 years’ experience = 1 • 2 – 5 years’ experience (without Technical Assets) = 2 • 6- 10 years’ experience, inclusive of Technical assets = 3 • 11- 15 years’ experience, inclusive of Technical assets =4 • More than 15 years’ experience (i.e. 16 years’ and above), inclusive of Technical assets = 5 	<p>15</p>
	<p>3.2. <u>Reference letters provided from existing and past clients</u></p> <ul style="list-style-type: none"> • No response or 1 reference letter provided = 1 • 2 reference letters provided = 2 • 3 reference letters with contact details & contract details (i.e. insurance contract values & period) = 3 • 3 reference letters provided with contact details, contract details (i.e. insurance contract values & period) and letters of recommendation which are less than 1 year old = 4 • More than 3 reference letters provided with contact details, contract details (i.e. insurance contract values & period) and letters of recommendation, which are not more than 6 months old = 5 	<p>15</p>



	<p><u>Bidders are required to provide contactable references from existing and past clients, where they have provided a similar service, reference letters on clients' company letterheads should be provided. Bidders must also demonstrate their experience pertaining to handling insurance cover(s) for assets which are Technical in nature.</u></p>	
	<p>3.3 <u>Experience of key personnel identified for this project</u></p> <ul style="list-style-type: none">• No response provided or less than 3 years' experience or without the necessary qualifications = 1• 3 – 5 years' brokerage experience with the necessary qualifications = 2• 6 - 8 years' brokerage experience with the necessary qualifications = 3• 9 - 12 years' brokerage experience with the necessary qualifications = 4• More than 12 years' brokerage experience with the necessary qualifications = 5 <p><u>Bidders must submit abridged CV's of key personnel detailing their insurance related qualifications (minimum is Diploma in Insurance studies or equivalent (i.e. Finance related with insurance modules etc.), also indicate skills and experience related to this service.</u></p>	<p>15</p>



<p>4.</p>	<p><u>Claims handling services</u></p> <ul style="list-style-type: none"> • No response provided or No details provided on the handling of insurance claims services = 1 • Provided insufficient details on the handling of insurance claims services (i.e. 2 of the requirements met) = 2 • Provided basic details, including but not limited to claims handling processes, procedures, types of reports & officials to handle insurance claims services (no turnaround times provided) = 3 • Provided good details, including but not limited to claims handling process, procedures, types of reports, claims turnaround times, and officials to handle insurance claims services (no dispute resolution measures indicated) = 4 • Provided exceptional/comprehensive details, including but not limited to claims handling processes, procedures, types of reports, claims turnaround times, dispute resolution and escalation matrix, officials to handle insurance claims services = 5 <p><u>Bidders are required to provide details on how claims will be handled and resolved timeously.</u></p>	<p>25</p>
<p>Total</p>		<p>100</p>
<p>Only bidders that pass the 70 out of 100 points cut-off mark will be considered further for Price and BBBEE evaluation</p>		

***A cut off mark of 70 points will be applied for functionality**