

Life Insurance Corporation of India



Tender Document for “Engagement of Third Party Administrators for providing services for LIC’s Health Insurance Policies”

RFP REF: LIC/CO/HI/TPA/2023-24, Dated: 26.04.2024

Life Insurance Corporation of India,
CO – Health Insurance, Jeevan Bhagya
3rd Floor, Secretariat Road, Saifabad,
Hyderabad - 500063, Telangana

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Definitions:

LIC HI	Means without limitation the “Life Insurance Corporation of India” (LIC), a statutory Corporation established under section 3 of Life Insurance Corporation Act, 1956, (Act 31 of 1956) having its Central Office at “Yogakshema”, Jeevan Bima Marg, Mumbai-400021. Its Health Insurance Department is located at Jeevan Bhagya, 3rd Floor, Secretariat Road, Saifabad, Hyderabad- 500 063.
RFP	Request for Proposal as envisaged vide Ref: LIC/CO/HI/TPA/2023-24 dated 26.04.2024 inclusive of any clarifications/corrigenda/addenda that may be issued by LIC of India.
Service Level Agreement	The contract signed between the LIC HI and the selected vendor which includes all the attached documents. The “Agreement” includes the RFP, subsequent modifications to the RFP, all addenda/ corrigenda, response of the selected vendor to the RFP and the contract document itself.
Authorized Signatory	The person Authorized by the company’s Board/ Managing Director/ Executive Director for signing the bid documents on behalf of the company
Authority	Means Authority created under Insurance Regulatory and Development Authority of India [IRDAI], Act 1999 as amended from time to time.
Acceptance of Tender	Means the letter/fax/e-mail or any memorandum communicating to the bidder about the acceptance of this tender.
Bid	The Bidder’s written submissions in response to the RFP signed by his Authorized signatory
Bidder	Means the Firm or the company fulfilling eligibility criteria in this RFP / Tender in its individual capacity.
Clarifications	Means Addenda, corrigenda and clarifications to the RFP
Day	Calendar Day
L1 quote	Lowest price discovered through <u>Financial Bids.</u>
L1 Bidder/ Successful bidder	Means the Bidder who is found to be the L1 (lowest) bidder after the Evaluation of Financial bids.
H1 Bidder	Bidder with H1 (highest) quote
Working Day	Shall be construed as a day excluding Sundays, Saturdays and public holidays in a month, declared under the Negotiable Instruments Act 1881, by concerned Local Bodies or State Governments or Central Government of India as applicable to the concerned LIC HI office.

Eligibility Bid	This tender process is based on two bid system, viz., Technical & Financial. Eligibility conditions are mentioned in this tender for empanelling process. Where the words “eligibility bid” appears, the same should be read and understood as “response to eligibility conditions criteria”.
Successful Bidder	The L1 Bidder/s to whom LIC HI notifies the award of contract.
Vendor	Means the successful Bidder/s with whom LIC HI enters into the contract for rendering of services required in the RFP.
Specifications	Means all the functional, technical, operational, performance or other characteristics required for execution of activities as found in this RFP or any of the annexure or addendum to the RFP.
“Party” and “Parties”	Each of the parties i.e. LIC HI and Selected bidder are collectively referred to as the ‘Parties’ and individually as a ‘Party’.
Default Notice	Shall mean the written notice issued by one party to the other, in case of default in adhering to the terms of Agreement.
Law	Shall mean any Act, notification, by-law, rules and regulations, directive, ordinance, order or instruction having the force of law, enacted or issued by the Central Government and/ or the Government of any State or any other Government or Regulatory Authority. More particularly IRDAI Act,1999 as amended from time to time.
Personnel	Means professionals and support staff provided by the Bidder and assigned to perform the insurer’s services or any part thereof.
Requirements	Shall mean and include schedules, details, description and statement of technical data, performance characteristics, standards (Indian as well as International) as applicable and specified in the RFP.
Terms of Reference	Means the section which explains the objectives, scope of work, activities, tasks to be performed, respective responsibilities of the Bidder and expected results and deliverables of the assignment.
Timelines	Wherever Timelines have been defined as days, weeks, months, they mean calendar days, calendar weeks and calendar months.

Abbreviations:

CD/ DVD	Compact Disc/ Digital Versatile Disk
EMD	Earnest Money Deposit
HI	Health Insurance
IRDAI	Insurance Regulatory and Development Authority of India
ISO	International Organization for Standardization
IT	Information Technology
IVRS	Interactive Voice Response System
LIC	Life Insurance Corporation
MEC	Minimum Eligibility Criteria
MOU	Memorandum of Understanding
MSME	Micro, Small & Medium Enterprise
NDA	Non-Disclosure Agreement
PBG	Performance Bank Guarantee
PCIP	Pre contract Integrity Pact
PED	Pre Existing Disease
PSU	Public Sector Undertaking
RFP	Request for Proposal
SLA	Service Level Agreement
TOC	Tender Opening Committee
TPA	Third Party Administrator

Activity Schedule

	Name of Project	RFP for Engagement of TPAs for providing services for LIC's Health Insurance Policies
1	RFP/Bid Date	26.04.2024
2	Bid Processing Fee	<p>Bid Processing Fee (non-refundable) of Rs.1,425/- (One Thousand Four hundred and Twenty Five Only) (inclusive of GST @ 18% as applicable) for each of the regions, in the form of a Demand Draft drawn on a Nationalized/Scheduled bank in favor of "LIC of India" payable at Hyderabad. (Working Note 1).</p> <p>Bid Processing Fee exemption will be given for Micro and Small Enterprises as defined in MSE Procurement Policy (MSEs) order 2012, issued by the Department of MSME or are registered with the Central Purchase Organization or the concerned Ministry or Department. Bidders should submit relevant MSME/NSIC certificate in the envelope as mentioned in this RFP document</p>
3	Address for Receipt / submission of Bid (to be put in tender box)	The Secretary (HI), LIC of India, CO Health Insurance , "Jeevan Bhagya", 3 rd Floor, Secretariat Road, Saifabad, Hyderabad 500 063.
4	Pre-Bid Meeting	07.05.2024 11am through VC
5	Last date & time of submission of Bid papers by the TPA	20.05.2024 up to 3 pm.
6	Technical Bid OPENING DATE, TIME and VENUE	Date: 20.05.2024 at 4 pm at CO Health Insurance , " Jeevan Bhagya ", Zonal office, 3 rd Floor, Secretariat Road, Saifabad, Hyderabad 500 063.
7	Financial Bid OPENING	Will be intimated later to the Technically Qualified bidders
8	Contact Details	co_hitpa@licindia.com & co_health@licindia.com
9	Official	www.licindia.com
10	EMD/Bid Security	Amount as per Point 3. 2 of the RFP document
<p>The tender document can be downloaded from our website www.licindia.in. In case there is any change in schedule or any correction the same will be displayed on our website and no separate intimation will be given.</p>		

The above schedule is tentative and subject to change. Any changes will be notified through our website www.licindia.in

The formulation of the evaluation criteria, the conduct of the evaluation of the responses to the RFP and the subsequent selection of the successful bidder(s) will be entirely at the discretion of LIC and its decision shall be final. No correspondence whatsoever seeking clarifications on the decision taken, shall be entertained.

Disclaimer :

1. The information contained in this Request for Proposal document (RFP) or subsequently provided to the Bidders, whether verbally or in documentary or in any other form by or on behalf of the Purchaser or any of its employees or advisors, is provided to the Bidders on the terms and conditions set out in this RFP and all other terms and conditions subject to which such information is provided.
2. This RFP is not an Agreement and is neither an offer nor an invitation by the Purchaser to the Bidders or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in the formulation of their Proposals. The information is not an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law.
3. While reasonable care has been taken in providing information in this RFP, the Bidders are advised not to rely on this information only but also carry out their independent due diligence and risk assessments before submitting their response to this RFP. Further, the Bidders are advised to conduct their own analysis of the information contained in this RFP, carry out their own investigations about the project, the regulatory regime which applies thereto and all matters pertaining to the Purchaser and to seek their own professional advice on the legal, financial and regulatory consequences of entering into an agreement or arrangement relating to this RFP.
4. The information contained in this RFP is subject to update, expansion, revision and amendment prior to the last day of submission of the bids at the sole discretion of the Purchaser. In case any major revisions to this RFP are made by the Purchaser within seven days preceding the last date of submission of the Proposals, the Purchaser may, at its discretion, provide reasonable additional time to the Bidders to respond to this RFP. Neither the Purchaser nor any of its officers, employees nor any advisors nor consultants undertakes to provide any Bidder with access to any additional information or to update the information in this RFP.

Subject to any law to the contrary and to the maximum extent permitted by law, LIC and its Directors, Officers, employees, agents disclaim all liability from any loss or damage suffered by any person acting or refraining from acting because of any information including forecasts, statements, estimates, or projections contained in this RFP document and any addendum/corrigendum to it or conduct ancillary to it whether or not the loss or damage arised in connection with any omission, default, lack of care or misrepresentation on the part of LIC or any of its officers, employees or agents. All information processed by the Bidder during solution deployment and maintenance belongs to LIC. By having the responsibility to maintain the infrastructure, the Bidder does not acquire implicit access right to the information or right to redistribute the information

SECTION - 1

1.1: INTRODUCTION:

Health Insurance Division is a wing of Life Insurance Corporation of India started in 2007 with Headquarters at Hyderabad handling the Health Insurance business throughout the country.

1.2: GEOGRAPHICAL SPREAD OF LIC: (as at 31.03.2023)

Corporate Office	: Mumbai
Zonal Offices	: 8 (Eight) (Bhopal, Kolkata, Chennai, Hyderabad, Kanpur, Delhi, Mumbai & Patna)
Divisional Offices	: 113
Branch Offices	: 2048
Satellite Offices	: 1580
Mini Offices	: 1169

Scope of work

Health Insurance Division of LIC of India, Hyderabad proposes to engage Region-wise TPAs for servicing of Health Insurance Policies. The details of the products for servicing are:

- 1.LIC's Health Plus (Plan-901)
- 2.LIC's Health Protection Plus (Plan-902)
- 3.LIC's Jeevan Arogya (Plan-903)
- 4.LIC's Jeevan Arogya (Plan-904)

(The above four policies are withdrawn for sale)

5. LIC's Arogya Rakshak (Plan 906) (Available for sale)
6. Any other product introduced by LIC HI during the contract period.

(For more details please Refer Annexure-IV)

1.3: Invitation to Bid:

The Life Insurance Corporation of India (hereinafter referred to as "LIC") a statutory Corporation established under section 3 of Life Insurance Corporation Act 1956 (Act 31 of 1956) and having its Central Office at "Yogakshema", Jeevan Bima Marg, Mumbai – 400021 and its Health Insurance Department at " Jeevan Bhagya ", 3rd Floor, Secretariat Road, Saifabad, Hyderabad – 500063 hereby invites sealed tenders (*hereinafter referred to as "Bids"*) in two bid system, to this Request for Proposal ("RFP") from all eligible bidders for entering into agreements as Third Party Administrators for Providing Services for LIC's Health Insurance policies".

The Selection process will be Region wise (Refer Annexure-III).

The TPAs need to submit the financial Bids Region wise, separately for each region, if they are applying for more than one region.

Technical Bids will be opened first and evaluated for arriving at the qualified TPAs in the first stage. All those TPAs, who qualified in Technical evaluation, would automatically qualify for second stage, i.e. participating in financial bid. After opening of financial bids of those who qualified in first stage, L1 bidder for the respective Regions will be finalized for engagement of TPA services.

1.4: DISCLAIMER:

This RFP document is an invitation by LIC to the applicants who are qualified to submit the Bids. The purpose of this RFP document is to provide Bidder with information which helps them in formulation of their proposals. LIC may, in its absolute discretion, but without being under any obligation to do so, update or amend the RFP document.

SECTION - 2

2.1: MINIMUM ELIGIBILITY CRITERIA (MEC):

The Minimum Eligibility Criteria (MEC) is enlisted below for this RFP. The bidder fulfilling the following criteria only should respond to the RFP/Tender:

The TPA applying for engagement of health services should hold a valid certificate of registration from the Authority as TPA, which has to be in force at the time of tendering and continue to hold the validity of the same without break, subsequent to award of tender also.

(Copy of the Registration duly attested to be enclosed)

1. The TPAs should have a minimum of 5 years' experience in health claims adjudication.

(Confirmatory evidence to be enclosed)

2. The TPAs should have tie up with a minimum of 1000 Network Hospitals in the Region applied for, except for East Region, where the minimum tie up requirement is 500 Network Hospitals. (List to be enclosed)

3. The TPAs should have their own Web-site and a Toll-Free/Call-Center number along with a dedicated number to address the issues pertaining to senior citizens. (Information to be given)

4. The TPA should have in force Service Level Agreements (SLAs) for Health Services with at least 3 Insurers where it is in business for 5 yrs and with 4 insurers where it is in business for more than 5 yrs, as on date of application. (Proof to be enclosed)

2.2: Criteria for evaluation of Technical Bid submitted by TPAs:

In order to qualify under the technical bid, a TPA should obtain a minimum of 30% marks and also individually qualify with minimum marks as enlisted in the 8 parameters

appearing in the table provided below. The financial bids of the bidders qualified under technical bid evaluation will only be opened to be considered for TPA services engagement.

(Min. Qualifying marks to participate in financial bid is 30% and also TPA should get minimum marks in all 8 below mentioned Criteria)

SI	CRITERIA	DETAILS	MARKS	MIN	MAX
1	Financial performance (net profit of TPA is the criteria) for the last 3 financial years viz., 2020-21, 2021-22 & 2022-23	Profit earning for 1 year	4	4	10
		Profit earning for 2 years	7		
		Profit earning for 3 years	10		
2	No. of insurance companies empanelled with (life/non-life/standalone)	One mark for each insurer	1	3	10
3	IT infrastructure	Expected time to implement software as per LIC HI requirements		5	10
		Within 15 days	10		
		Within 1 month	5		
4	No. of network hospitals - region wise	A minimum of 1000 net work hospitals in all the regions except east region where the minimum is 500 net work hospitals.	5	5	20
		For every block of 200 hospitals over and above 1000 in the region applied for (except for east region, where it is for every 50 over and above 500)	2		
5	No. of TPA branch offices in the region applied for (with a min of 2 branches in each region)	For each branch	1	2	5
6	Medical consultants in TPA (full time)	For 10 doctors	4	4	15
		For every 3 doctors over and above 10 doctors	3		
7	Total no. of claims settled by TPA during year : 2022-23	For a minimum of 50000 claims settled	5	5	20
		For every 20000 claims settled over and above 50000	3		
8	Claim investigation team for each region-(Min two members)	For each member	1	2	10
TOTAL				30	100

2.3 Documents to be submitted along with Eligibility & Technical Bid are as follows

Sl. No.	Name of the Document
1.	Copy of Certificate of Registration issued by IRDAI
2.	Experience Certificate
3.	List of Network Hospitals for the Region applied for and specifically with whom tie up is available
4.	Information regarding website, toll free no., call centre no., etc
5.	Copy of the ISO Certification (if any)
6.	Copies of Annual Reports of the last 3 years viz., 2020-21, 2021-22 & 2022-23
7.	List of Offices of the TPA (all tiers) for the Region applied for
8.	List of Offices of the TPA proposed to be opened in the next 6 months
9.	Details of processing (if Centralized or at different Offices) of Policy Servicing
10.	Details of facilities available for collection of Documents from our Divisional Offices
11.	List of the PSU/ Private Insurers with whom TPA has Service Level Agreement (SLA)
12.	Details of Services offered by TPA to the PSU/ Private Insurers
13.	Office Set-up/ Structure
14.	Details of MOU entered with the Providers/Diagnostic centers/Corp. hospitals
15.	Details of in-house specialists viz., Medical doctors, Insurance Consultants, Legal experts and IT professionals
16.	List of the Claim Investigators – their names, location with contact details, & from when they are employed
17.	Details of outsourced specialists comprising of Doctors, Insurance Consultants, Legal experts and IT professionals
18.	Claim processing capabilities (Including details of services) Year-wise details of claims handled (Number and amount) separately for LIC and other Insurers (Last five years viz., 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23)
19.	Claims Operations- No of claims settled / rejected / pending - Year wise (Number and amount) Separately for Life, Non-Life Insurers & standalone health Insurance companies. (Last five years viz., 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23)
20.	Number of claims investigated for authenticity - Action taken thereof
21.	IT infrastructure details (Sample MIS submitted to the Insurers)
22.	Network connectivity / Networked offices / Centralized solutions /Decentralized Solutions
23.	Current tie-ups with other service providers (IVRS etc)

SECTION 3

3.1 : BID TERMS AND CONDITIONS

3.1.1. Cost of Bidding

The bidder shall bear all the costs incurred in connection with participation in the RFP process, preparation and submission of its bid, including, but not limited to, costs incurred in conduct of informative and other diligence activities, participation in meetings/ discussions/ presentations, preparation of proposal, in providing any additional information required by LIC HI to facilitate the evaluation process.

LIC HI will in no case be responsible or liable for any costs, regardless of the conduct or outcome of the bidding process.

3.1.2 Relationship between LIC and the bidders

It is clarified that no binding relationship exists between any of the bidders and LIC of India HI Division till the execution of a contractual agreement.

3.1.3 Information provided in the RFP

The information provided in the RFP is believed to be true and reliable at the date obtained, but does not purport to provide all the information necessary or desirable to enable the bidder to determine whether or not to participate in the RFP. Each bidder should conduct its own investigation and analysis and should check the accuracy, reliability and completeness of the information in this RFP and wherever necessary obtain independent advice. LIC HI makes no representation or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this RFP.

3.1.4 Bid Processing Fee

Eligible and interested bidders shall request for tender forms and submit the Bid Processing Fee (non-refundable) of Rs.1,425/- (One Thousand Four hundred and Twenty Five Only) (inclusive of GST @ 18% as applicable) for each of the regions, in the form of a Demand Draft drawn on a Nationalized/Scheduled bank in favor of "LIC of India" payable at Hyderabad. MSEs are exempted from payment of this fee. If the tender process is cancelled due to any reason by LIC, the bid processing fee will be refunded without any interest and excluding GST to the technically qualified bidders.

3.1.5 Pre-Bid Clarifications:

a. Clarifications if any, regarding the terms & conditions of this RFP, any error, omission or discrepancy found in this RFP document have to be obtained by the bidder through the pre-bid queries only. Thereafter, no representations/queries will be entertained in this regard. Later on if any issue(s) arise, LIC HI will consider the matter on merits and decide the same, prior to opening of financial bids.

b. The queries for pre-bid meeting should necessarily be submitted 3 days prior to pre-bid meeting in the following format to the email co_hitpa@licindia.com under a copy to co_health@licindia.com the file size per e-mail should not exceed 1MB. No other form of communication shall be entertained.

Ref: LIC-HI _____				
S.No	RFP Document Reference(s) (Page Number)	RFP Document reference(s) (Section)	Clause (in brief) of RFP requiring clarification(s)	Brief details/ Query in reference to the clause
1				
2				

c. LIC HI shall not be responsible for ensuring that the bidders' queries have been received. Any requests for clarifications received after the indicated date and time may not be entertained by LIC HI.

d. No consideration will be given to communications from bidders seeking clarifications for pre-bid queries received after the date and time stipulated by LIC HI and no extension of time will be permitted for the same. However, LIC HI reserves the right to extend the last date and time for the same at its own discretion.

e. At any time prior to the last date for receipt of bids, LIC HI may, for any reason, whether at its own initiative or in response to clarifications requested by prospective Bidders, modify the RFP Document.

f. Clarifications/ Corrigendum (if any) issued by LIC HI at any time before the due date of submission of the bid will become a part of the RFP document and would be notified on the official webpage of LIC <https://www.licindia.in> under **Tenders** in the Main page.

g. In order to provide prospective bidders reasonable time for taking the modifications into account, LIC may, at its sole discretion, any time prior to the date of bid submission extend the date for the submission of Bids.

h. Requests for clarification on telephone will not be entertained.

3.1.6 Pre-bid meeting:

A Pre-bid meeting will be held with all the interested bidders as per the details given in the activity schedule.

3.1.7 Period of Contract:

The Contract will be for a period of 2 years w.e.f. DD/MM/YYYY which may be renewed/ extended on the same terms and conditions, for one more year or part thereof on satisfactory performance at the sole discretion of the Corporation.

3.2 Earnest Money Deposit:

The bidder should submit to LIC HI an Earnest Money Deposit (EMD) amount, along with the Eligibility & Technical-Bid document as per the table below. Separate bid(s) to be made for each Region with applicable EMD.

REGION	EARNEST MONEY DEPOSIT (EMD)
Eastern REGION (comprising of East & East Central Zones)	81000/- (Rupees Eighty One thousand only)
Southern Region (comprising of South Zone)	85000/- (Rupees Eighty five thousand only)
South Central Region (comprising of South Central Zone)	88000/- (Rupees Eighty Eight thousand only)
Western Region (comprising of Western Zone)	91000/- (Rupees Ninety One thousand only)
Northern Region (comprising of Central, North & North Central Zones)	123,000/- (Rupees One lakh Twenty Three thousand only)

EMD has to be submitted in the form of a Demand Draft drawn on a Nationalized / Scheduled Bank in favor of 'LIC of India' payable at Hyderabad. Non-submission of EMD along with Eligibility & Technical Bid document shall disqualify the Bidder.

EMD should be valid for a period of 1 year from the date of RFP.

EMD exemption will be given for Micro and Small Enterprises as defined in MSE Procurement Policy issued by the Department of MSME or are registered with the Central Purchase Organization or the concerned Ministry or Department. Bidders should submit relevant MSME/NSIC certificate in the envelope as mentioned in this RFP document

3.2.1. EMD without interest, will be refunded to the unsuccessful bidders, within 45 days of publication of the result

3.2.2. EMD, without interest, will be refunded to the qualified vendor after acceptance of Purchase Order and/ Or Signing of the Contract(s) by the vendor and submission of required Performance Bank Guarantee (PBG). No interest will be paid on the EMD.

3.2.3 Forfeiture of EMD:

The EMD submitted by the bidder may be forfeited in full or part, as decided by LIC if

- i. The successful bidder backs out after declaration of the result of the RFP
 - To sign the Contract; or
 - To furnish unconditional and irrevocable Bank Guarantee towards the Performance Guarantee as mentioned in this RFP within the time frame as mentioned in the Notification of Award.
 - To furnish Non-Disclosure Agreement (NDA) as per Annexure – VIII
- ii. The Bidder withdraws or amends its Bid during the period of Bid validity specified by the Bidder on the Bid Form; or
- iii. The Bidder makes any statement or encloses any form which turns out to be false/incorrect at any time prior to signing of Contract; or
- iv. The Bidder does not respond to requests for clarification of its Bid; or
- v. The Bidder fails to provide required information during the evaluation process or is found to be non-responsive.
- vi. In case the bidder is found to be indulging in Fraudulent & Corrupt practices as defined in this RFP.

3.2.4 Bids submitted without EMD or EMD not submitted conforming to above criteria, will be treated as non- responsive and will be summarily rejected by LIC.

3.2.5 In exceptional circumstances, LIC may seek the Bidders' consent for extension of the period of validity of bids. The request and the responses thereto shall be made in writing. In such a case, the EMD provided shall also be suitably extended. In such a case, the bidder may refuse this request without forfeiting its Bid security (EMD).

3.3 Instructions for Bid Submission

- a. The bidder should not respond to this RFP/quote for this requirement, in consortium with any other partner. All such consortium bids will be summarily rejected.
- b. Participation in this tender will mean that the bidder has accepted all terms and conditions and clauses of this RFP/tender and subsequent modification(s) to this tender, if any.
- c. The original Bid shall be typed on 8.27"/11.69" (A4 size) paper in indelible ink.
- d. All the envelopes and covers should indicate the name, address, telephone & Mobile number, E-mail ID and fax number of the bidder clearly.
- e. Two-bid system (Eligibility-Technical and Financial) will be followed by LIC for this RFP. Eligibility and Technical bid documents should be submitted in a separate envelope which should be sealed and super-scribed as **"ELIGIBILITY & TECHNICAL BID for "Engagement of Third Party Administrator for providing services for LIC's Health Insurance Policies". Please Note that Prices must not be indicated in the Technical Bid, failing which the Bid may be rejected.**

Financial bid should be submitted in a separate envelope (along with CD/DVD for Financial bid) which should be sealed and super-scribed as **“FINANCIAL BID for Engagement of Third Party Administrator for providing services for LIC’s Health Insurance Policies”**. The above two envelopes containing the Eligibility, Technical-Bid and Financial-Bid should be placed inside another (third) envelope with the superscription as **"BID for Engagement of Third Party Administrator for providing services for LIC’s Health Insurance Policies"**.

- f. The EMD and Pre-contract Integrity Pact (duly filled and signed) should be submitted separately in a sealed envelope bearing the name and address of the bidder along with Eligibility and Technical Bid.
- g. Bidders should submit their bids only if they agree to all the terms and conditions mentioned in the tender document. Sealed Bids should be addressed to **THE SECRETARY (HI), Life Insurance Corporation of India, CO - Health Insurance, Jeevan Bhagya, 3rd Floor, Secretariat Road, Saifabad, HYDERABAD – 5000 063** and should be deposited in the tender box at the address as above and date as given in the activity schedule.
- h. No consideration will be given to a bid received after the date and time stipulated by LIC and no extension of time will be permitted for submission of Bids.
- i. The Corporation will not be responsible for non-receipt of bids/quotations within the specified date and time due to any reason.
- j. The hardcopies of the bid (all documents and Annexure submitted as a part of bid or called for by the LIC) must be **spirally bound, serially numbered, duly signed and stamped on each page of the bid document**. Bid shall be signed by the duly Authorized signatory of the bidder. The person signing the bid shall sign all pages of the bid, except for an un-amended printed product literature/technical data-sheet available in the public domain.
- k. The Bidder should certify that the contents of the uploaded bid are the same as that provided by way of hard copy. In the event of a discrepancy, the uploaded copy details would prevail.
- l. The bid may be rejected if:
 - i. Bid is not signed by the duly Authorized signatory or
 - ii. Bid submitted is unsigned or partially unsigned or
 - iii. An image of signature found pasted on pages instead of wet signature or
 - iv. Scanned bid is submitted.
 - v. Pre-contract Integrity Pact (duly filled and signed), Non-Disclosure Agreement (NDA – duly filled and signed) and EMD not enclosed.
 - vi. Bids are not submitted in respective envelopes as stipulated above.
 - vii. Bid is not spirally bound, serially numbered, and not stamped on each page

By submitting a signed bid, the bidder’s signatory/authorized signatory certifies that in connection with this RFP:

- i. The bidder's organization or an agent of the bidder's organization has arrived at the prices in its bid without consultation, communication or agreement with any other respondent or with any competitor, with a view to restrict competition
- ii. The prices quoted in the bid have not been knowingly disclosed and will not be knowingly disclosed by the bidder's organization or by any agent of the bidder's organization, directly or indirectly, to any other respondent or to any competitor.
- iii. No attempt has been made or will be made by the bidder's organization or by any agent of the bidder's organization to induce any other person or firm to submit or not to submit a bid for the purpose of restricting competition.
- m. Language of Bid: The bid prepared by the Bidder, as well as all correspondence and documents relating to the bid exchanged by the Bidder and LIC shall be in English language. As far as numbers are concerned the same should be in Hindu-Arabic Numerals.
- n. Bid Currencies: Prices for all the financial bids shall be quoted in Indian Rupee. The Bids in Currencies other than INR will not be considered.
- o. Ordinarily the bid shall contain no overwriting. Any interlineations, erasures or overwriting shall be valid only if the person signing the bid countersigns them. Overwriting/correction in the financial bids are not permitted and any such overwriting in financial bid will lead to its rejection.
- p. The specifications (Technical and Financial Bids format) shall be submitted as per Annexure V and Annexure VI specified in this RFP.
- q. During Technical Bid evaluation if any deviation is observed, LIC may call for clarifications and may decide to accept any deviation at its discretion and decision of LIC in this matter will be final. However, this will be done before opening of financial bids.
- r. If any compliance or clarification sought by LIC is not submitted within 5 working days of being called for, the bids are liable to be **REJECTED**. The above matter is entirely at LIC's discretion and decision of LIC in this matter will be final and binding.

3.4 Technical Bid:

There shall be a two stage bidding process. Technical bids submitted by the Bidders shall be evaluated first. (Please see **Annexure V** for Technical bid format)

3.5 Financial Bid:

Financial Bids will be opened Region wise and will be ranked L1, L2 etc., of the TPAs who are qualified under technical bid evaluation and having a valid and In-force Certificate of Registration by IRDAI. (Please see **Annexure VI** for financial bid format)

The rates are to be quoted in the format of Financial Bid only. The rates should be written both in figures and words. In case of any mismatch, the rates noted in words shall hold precedence.

L1 of the respective regions will be selected and shall be declared as empanelled TPA for that particular Region.

The tender not submitted in the prescribed format/s and/or incomplete shall be liable for rejection.

3.6 Modification and Withdrawal of the Bids

No bid can be modified or withdrawn by a bidder after the submission of the bid. The bid and the supporting documents submitted by the bidders shall be the property of LIC.

3.7 Compliant Bids / Completeness of response

- a. The responses to this RFP must be complete and comprehensive with explicit documentary evidence in support. Information should be submitted in the same format as per the Annexure(s) attached.
- b. Bidders are advised to study all instructions, clarifications, terms, requirements, appendices / Annexure and other information in this RFP document carefully. Submission of the bid / proposal shall be deemed to have been done after careful study and examination of the RFP document with full understanding of its implications.
- c. Failure to comply with the requirements as set out in the RFP and failure to submit the bid as detailed in the RFP may render the bid non-compliant and the Bid may be rejected.
- d. Bid with insufficient information to permit a thorough analysis may be rejected.
- e. LIC HI reserves the right to verify the validity of bid information, and to reject any bid where the same appears to be incorrect, inaccurate or inappropriate in LIC's estimation.
- f. Bids not conforming to the requirements of the terms and conditions may not be considered by LIC HI. However, LIC HI reserves the right, to waive/ modify any of the requirements of the bid, in the best interests of LIC HI.

If a bid is not responsive and not fulfilling all the conditions of the RFP, it will be rejected by the Corporation and may not subsequently be made responsive by the Bidder by correction of the non-conformity.

- g. Rejection of non-compliant bid:

- LIC HI reserves the right to reject any or all bids on the basis of any

deviation(s).

- Bids found with suppression of details, subjective, conditional offers, partial offers will be rejected. The decision of LIC HI in the evaluation of bids shall be final.

3.8. Bid Validity Period

Bids shall remain valid for six (6) months from the date of publishing of this RFP. LIC shall reject a bid as non-responsive if the bid is submitted with a shorter validity period. In exceptional circumstances, LIC HI may solicit the Bidder's consent for an extension of the period of validity any time before the expiry of validity period. The request and the response thereto shall be made in writing and the validity period of Earnest Money Deposit (EMD) will be suitably extended.

3.9. Late Bids:

- a. The Bids received beyond date and time mentioned in activity schedule will be termed as "Late" and will be rejected/returned back to the bidder unopened.
- b. LIC will not be responsible for non-receipt of bids/quotations within the specified date and time due to any reason.
- c. LIC may, at its sole discretion change the date/time of submission of bids and LIC's decision in this matter will be final.

3.10. Procedure for opening of the bids:

- a. Bids received within the specified closing date and time in the Activity Schedule will be opened in the presence of bidders' representatives who choose to attend the "bid-opening process" on the specified date, time and venue as given in the Activity Schedule **(maximum two representatives per bidder will be permitted in each of the bid openings)**
- b. The date and Venue of the opening of the Bids shall be as per the Activity Schedule. The representatives of the bidders should carry the identity card and a letter of authority from the bidder to identify their bonafides for attending the opening of the Bids.
- c. The outer sealed Envelope and the envelopes containing the Pre-Contract Integrity Pact, the Eligibility and Technical bids shall be opened by the Tender Opening Committee (TOC) of LIC HI in the presence of the bidders/their Authorized representatives who choose to attend, as per the activity schedule. After completion of evaluation of eligibility bid, the result of the bidders qualifying for the technical evaluation will be notified on www.licindia.com.
- d. Technical bids will be evaluated only for those bidders declared as "qualified" as per the Minimum Eligibility Criteria (MEC)
- e. On completion of the Technical Bids evaluation, the date, time & venue of opening

of their financial bids will be intimated to all shortlisted bidders.

- f. Financial bids (indicative) of only the bidders shortlisted in the Technical bid evaluation will be opened by the Tender Opening Committee of LIC HI in the presence of the bidders/ their Authorized representatives who choose to attend.

3.11. Bid Evaluation:

- a. LIC will evaluate the Bids submitted in response to the RFP and all supporting documents / documentary evidences as per the requirements stated in the RFP documents and its subsequent modifications (if any).
- b. LIC may ask for meetings with the Bidders to seek clarifications on their bids.
- c. Evaluation of the responses to the bids and subsequent selection of the successful bidder(s) will be entirely at the discretion of LIC and will be binding on the bidders. Decision of LIC in all matters with regard to this tender will be final and binding on all Bidders participating in this Bid and no correspondence seeking clarifications about the decision shall be entertained.

3.12. Rejection of non-compliant bid:

- a. LIC reserves the right to reject any or all bids on the basis of any deviation(s).
- b. Bids found with suppression of details, subjective, conditional offers, partial offers will be rejected. The decision of LIC in the evaluation of bids shall be final.

3.13. Technical Bid Evaluation process:

The technical bids will be evaluated only of those bidders who fulfill the Minimum eligibility criteria. The Technical Bid response contains the detailed specification(s) for individual items.

3.14. Contacting LIC:

No Bidder shall contact LIC or its employees through any means of communications on any matter relating to its bid, from the time of the bid opening to the time the Contract is awarded. If the bidder wishes to bring additional information to the notice of LIC, it should do so through designated email-id as given in the Activity Schedule. Any effort by a Bidder to influence LIC in its decisions on bid evaluation, bid comparison or contract award may result in rejection of the Bidder's bid.

3.15 Right to terminate the Process:

- a. LIC may terminate the RFP process at any time without assigning any reasons whatsoever. LIC makes no commitments, express or implied, that this process will result in a business transaction with anyone.

b. This RFP document does not constitute an offer by LIC. The bidder's response to this RFP may result into selection of bidder(s) after completion of selection process as detailed in this RFP document.

c. LIC reserves the right to accept or reject any proposal, and to annul the RFP process and reject all proposals at any time, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for its action.

d. LIC may reject any or all bids under this RFP at any time without assigning any reasons whatsoever. Decision of LIC will be final in this matter.

3.16. Right to Accept Any Bid and To Reject Any or All Bid(s):

LIC reserves the right to accept or reject any bid, and to annul the tendering process and reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for LIC's action.

3.17. Notification of Award:

LIC will notify the successful bidder in writing, that its bid has been accepted and send the Bidder the Contract Form incorporating all terms and conditions between the two parties. The Bidder, in turn, has to confirm the acceptance for the Offer made by LIC through mail or registered letter. LIC's decision in this matter will be final and binding.

3.18. LIMITATION OF LIABILITY:

Except in cases of criminal negligence or willful misconduct and in case of infringement of intellectual property rights, patent, trademark, copy right or industrial design rights arising from use of the Solution or any part thereof in any of the services supplied by the bidder and used/consumed by LIC, the bidder shall not be liable, whether in contract, tort or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of TPA to pay liquidated damages to the Corporation and the aggregate liability of both the parties whether under the Contract, in tort or otherwise, shall not exceed the total Contract price with LIC under this Contract.

3.19 CONSORTIUMS OR SUB-CONTRACTOR:

No consortium bidding is allowed. LIC will not consider joint or collaborative proposals that require a contract with more than one TPA. Bidder need to fulfill all the eligibility criteria and technical evaluation criteria in its individual capacity unless mentioned otherwise.

Contract Amendments:

No variation in or modification of the terms of the contract shall be made except by written amendment signed by both LIC and the bidders.

Any changes in law, taxes and policies shall be governed through the provision of this RFP.

Change in Constitution:

Any Change in the constitution of the firm, etc. shall be notified forth with by the bidder in writing to LIC and such change shall not relieve any former member of the firm, etc., from any liability under the contract.

3.20 CONFLICT OF INTEREST:

- a. Bidder shall not have a conflict of interest that may affect the Selection Process. Any bidder, if found to be having a conflict of Interest, shall be disqualified. In the event of disqualification, LIC shall forfeit and appropriate the EMD, if available, as mutually agreed genuine pre-estimated compensation and damages payable to LIC for, inter alia, the time, cost and effort of LIC including consideration of such bidder's Proposal, without prejudice to any other right or remedy that may be available to LIC hereunder or otherwise.
- b. LIC requires that the Bidder provides professional, objective, and impartial advice and at all times hold LIC's interests' paramount, avoid conflict with other assignments or its own interests, and act without any consideration for future work. The Bidder shall not accept or engage in any assignment that would be in conflict with its prior or current obligations to LIC, or that may place it in a position of not being able to carry out the assignment in the best interests of LIC.
- c. Without limiting the generality of the above, bidder shall be deemed to have a conflict of Interest affecting the Selection Process, if
 - i. The Bidder, or Associates (or any constituent thereof) and any other Bidder, or Associate (or any constituent thereof) have common controlling shareholders or other ownership interest;
 - ii. Such Bidder or its Associate receives or has received any direct or indirect subsidy or grant from any other Bidder or its Associate; or
 - iii. Such Bidder has a relationship with another Bidder, directly or through common third parties, that puts them in a position to have access to each other's information about, or to influence the bid of either or each of the other Bidder; or there is a conflict among this and other assignments of the Bidder (including its personnel and other members, if any) and any subsidiaries or entities controlled by such Bidder or having common controlling shareholders. The duties of the Bidder will depend on the circumstances of each case. While providing services to LIC for this particular assignment, the Bidder shall not take up any assignment that by its nature will result in conflict with the present assignment.
- d. Warranty that there is no conflict of interest: The Vendor will warrant that, to the best of its knowledge after making diligent inquiry, at the date of signing the contract no conflict of interest exists or is likely to arise in the performance of its obligations under the contract. A Vendor will not have a conflict of interest that may affect the Services.

- e. Notification of a conflict of interest: The Vendor shall make a disclosure to LIC as soon as any potential conflict comes to its notice but in no case not later than 7 days and any breach of this obligation of disclosure shall be construed as Conflict of Interest. LIC shall, upon being notified by the Vendor under this Clause, decide whether it wishes to terminate his Services or otherwise, and convey its decision to the Vendor.

Warranties:

The Bidder will have to represent and warrant that:

- a. It has the right to enter into the Contract resulting from this RFP;
- b. It has all rights, title, licenses, interests and property necessary to lawfully perform the Services;
- c. Its Personnel, including its Specified Personnel, have the necessary experience, skill, knowledge and competence to perform the Services;
- d. The Services will be complete, accurate and free from material faults; and
- e. It will not, nor will it suffer or permit any third party under its direction or control to negligently introduce into LIC's systems or any Deliverables any Harmful Code.

3.21 CONFIDENTIALITY:

The contents of this RFP and the supporting documentation are confidential to the Corporation and are provided solely for the purpose of response to the RFP. The bidder shall not, without the written permission of LIC, make any public statements in relation to the details of contract or the awarding of any subsequent order or contract to the bidder which shall prejudice the interests of the Corporation or do anything that can create a conflict of interest.

Patent Rights and other litigation costs

In the event of any claim asserted by a third party of infringement of copyright, patent, trademark or industrial design rights arising from the use of the systems or any parts thereof with relation to the contract deliverables, the Bidder will act expeditiously to extinguish such claim. If the Bidder fails to comply and LIC is required to pay compensation to a third party resulting from such infringement, the Bidder will be responsible for the compensation including all expenses (court costs and lawyer fees). LIC will give notice to the Bidder of such claim, if it is made, without delay as when received.

In no event shall LIC be liable for any indirect, incidental or consequential damage or liability, under or in connection with or arising out of this RFP, or out of any subsequent agreement relating to any hardware, software and services delivered. For this purpose it would be immaterial how such liability may arise, provided that the claims against customers, users and service providers of LIC are considered as a direct claim

3.22 FRAUD AND CORRUPT PRACTICES:

The bidder/TPA, their employees, advisers and representatives shall observe the highest standard of ethics at all times (pre and post the RFP process). Notwithstanding anything to the contrary contained in this RFP, LIC shall reject a Bid or terminate the contract without being liable in any manner whatsoever to the bidder/TPA, if it determines that the bidder/TPA has, directly or indirectly or through an agent, engaged in corrupt / fraudulent / coercive / undesirable / restrictive practice (collectively the “Prohibited Practices”) at any time. In such an event, LIC shall, without prejudice to its any other rights or remedies, forfeit in part or full the EMD / PBG, as the case may be for, inter alia, time, cost and effort of LIC, with regard to the RFP, including consideration and evaluation of such Bids and such Bidder/Vendor may not be allowed to participate in any RFP issued by LIC during a period of two years from the date such bidder/TPA is found by LIC to have directly or through an agent, engaged or indulged in corrupt / fraudulent / coercive / undesirable / restrictive practice, as the case may be.

Without prejudice to the rights of LIC under Clause above and the rights and remedies which the Life Insurance Corporation of India may have under the Letter of Intent (LOI) or the Agreement, if Bidder, as the case may be, is found by LIC to have directly or indirectly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice during the Selection Process, or after the issue of the LOI or the execution of the Agreement, such Bidder shall not be eligible to participate in any tender or RFP issued by LIC during a period of 3 years from the date such Bidder, as the case may be, is found by LIC to have directly or through an agent, engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as the case may be.

For the purposes of this Section, the following terms shall have the meaning herein-after respectively assigned to them:

“Corrupt practice” means (i) the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of any person connected with the Selection Process (for avoidance of doubt, offering of employment to or employing or engaging in any manner whatsoever, directly or indirectly, any official of LIC who is or has been associated in any manner, directly or indirectly with the Selection Process or the LOI or has dealt with matters concerning the Agreement or arising there from, before or after the execution thereof, at any time prior to the expiry of one year from the date such official resigns or retires from or otherwise ceases to be in the service of LIC, shall be deemed to constitute influencing the actions of a person connected with the Selection Process); or (ii) save as provided herein, engaging in any manner whatsoever, whether during the Selection Process or after the issue of the LOI or after the execution of the Agreement, as the case may be, any person in respect of any matter relating to the Project or the Award or the Agreement, who at any time has been or is a legal, financial or technical adviser of LIC in relation to any matter concerning the Project;

- a. “Fraudulent practice” means a misrepresentation or omission of facts or disclosure of incomplete facts, suppression of facts in order to influence the Selection Process or violation of statutory requirements/regulations etc.

- b. “Coercive practice” means impairing or harming or threatening to impair or harm, directly or indirectly, any persons or property to influence any person’s participation or action in the Selection Process;
- c. “Undesirable practice” means (i) establishing contact with any person connected with or employed or engaged by LIC with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Selection Process; or (ii) having a Conflict of Interest; and
- d. “Restrictive practice” means forming a cartel or arriving at any understanding or arrangement among Vendors with the objective of restricting or manipulating a full and fair competition in the Selection Process.

Protection of personal information:

1 Application of the clause

This clause applies only where the Bidder deals with personal information when, and for the purpose of, providing Services under the contract.

2 Obligations

The Bidder acknowledges that it will use or disclose personal information obtained during the course of providing Services under the contract, only for the purposes of the contract.

3.23 AMBIGUITIES WITHIN THE DOCUMENT:

In case of ambiguities/discrepancies in this RFP, the following principles shall apply:

- a. As between two Clauses of this RFP, the provisions of a specific Clause relevant to the issue under consideration shall prevail over those in a general Clause;
- b. As between the provisions of this RFP and its Annexure, the RFP shall prevail, save and except as expressly provided otherwise in the RFP or the Annexure ; and
- c. As between any value written in numerals and that in words, the value in words shall prevail.
- d. Amendment/corrigendum to this RFP will be in writing only.

3.24 GOVERNING LAW AND JURISDICTION:

This RFP shall be governed by and construed in accordance with the laws of India, without giving effect to conflict of law rules. Each party irrevocably and unconditionally submits to the non exclusive jurisdiction of the courts and hence, any legal dispute will come under the jurisdiction of courts in Hyderabad only.

SECTION 4

4. TERMS AND CONDITIONS REGARDING BIDDING:

4.1 General Terms and Conditions regarding bidding:

4.1.1 The Bidder is expected to examine all instructions, statements, forms, terms, conditions and specifications in the bid document. Failure to furnish all information required by the bid document or submission of a bid not responsive to the bidding document in every respect will be at the Bidder's risk and may result in rejection of his bid. While the Corporation has made considerable effort to ensure that accurate information is contained in this RFP, the information contained in this RFP is supplied solely as a guideline for bidders.

4.1.2 Any notice by one party to the other pursuant to the Contract shall be sent by fax/e- mail/letter and confirmed in writing to the address specified for that purpose in the Contract. All communications shall be addressed to: The Secretary HI/TPA Department, Life Insurance Corporation of India, Central Office - Health Insurance , “ Jeevan Bhagya “, 3rd Floor, Secretariat Road, Saifabad, Hyderabad – 500 063 (Telangana State).

4.1.3 LIC HI may waive off any minor non-conformity or irregularity in a bid, which does not constitute a material deviation, provided such a waiving does not prejudice or affect the relative ranking of any bidder.

4.1.4 Bid with insufficient information, after thorough analysis, may be rejected.

4.1.5 LIC reserves the right to verify the validity of bid information, and to reject any bid where the same appears to be incorrect, inaccurate or inappropriate in LIC's estimation.

4.1.6 It will be the responsibility of the vendor to take care of all the formalities (wherever and whatever applicable) as per rules / tax laws / regulations / orders of any government/non-government/ regulatory authority in force etc.

4.1.7 Dispute:

A party claiming a Dispute has arisen must give the other parties to the Dispute notice in writing setting out details of the Dispute.

During the 30 days after a notice is given (or longer period if the parties to the Dispute agree in writing), each party to the Dispute must use its reasonable efforts through a meeting of Senior Executive (or their nominees) to resolve the Dispute. If the parties cannot resolve the Dispute within that period then, any such dispute or difference whatsoever arising between the parties to the contract out of or relating to the construction, meaning, scope, operation or effect of the contract or the validity of the breach thereof

- a. or claim of liability, the same shall be referred in writing to an arbitrator appointed by mutual consent of both parties whose decision shall be final and binding upon both the parties subject to legal remedies available under the law. Such reference shall be deemed to be a submission to arbitration under the Arbitrations and Conciliation Act 1996. or of any modifications, Rules or re-enactments thereof. The venue of arbitration shall be Hyderabad (Telangana State). Subject hereto the courts in Hyderabad (Telangana State) shall have exclusive jurisdiction to the exclusion of all other courts
- b. Each Party shall bear the cost of preparing and presenting its case, and the cost of arbitration, including fees and expenses of the arbitrators, shall be shared equally by the Parties unless the award otherwise provides.
- c. The Vendor shall not be entitled to suspend the Service(s) or the completion of the job, pending resolution of any dispute between the Parties and shall continue to render the Service(s) in accordance with the provisions of the RFP notwithstanding the existence of any dispute between the Parties or the subsistence of any arbitration or other proceedings.

4.2 Other Terms and conditions:

4.2.1 Assignment: The successful bidder (hereinafter mentioned as vendor / successful bidder) shall not assign in whole or in part, the obligations to perform under the contract.

4.2.2 Pre contract Integrity Pact (PCIP) Annexure VII & Non-Disclosure Agreement (NDA): Annexure - VIII - should be submitted along with Technical Bid

During the contract period, the Personnel of TPA may have access to confidential information of LIC HI. The TPA or its Personnel shall not disclose at any point of time to any other person/third party the information so received and use the same degree of care to maintain the confidentiality of the information as if the information is their own. Also the TPA may use the information only for serving LIC HI's interest and restrict disclosure of information solely to those employees of vendor having a need to know such information in order to accomplish the purpose stated above, advise each such employee, before he or she receives access to information, of the obligation of TPA under this agreement and require such employees to maintain these obligations. Violation of Non-Disclosure Agreement (NDA) will lead to legal action, blacklisting and invocation of Performance Bank Guarantee to the extent of loss caused from the amount due and payable to the Vendor.

4.2.3 Consequences of Termination of the Selected Bidder:

In the event of termination of the selected Bidder due to any cause whatsoever, [whether consequent to the stipulated terms of the RFP or otherwise], LIC shall be entitled to impose any such obligations and conditions and issue any clarifications as may be necessary to ensure an efficient transition and effective business continuity of the Service(s) which the terminated Bidder shall be obliged to comply with and take all available steps to minimize loss resulting from that termination/breach, and further allow the next successor Bidder to take over the obligations of the terminated Bidder in relation to the execution/continued execution of the scope of the work defined in RFP.

This period of transition shall not exceed six months from the effective date of termination.

Nothing herein shall restrict the right of LIC to take other actions as defined in this RFP and pursue such other rights and/or remedies that may be available under law or otherwise.

The termination hereof shall not affect any accrued right or liability of either Party nor affect the operation of the provisions of the RFP that are expressly or by implication intended to come into or continue in force on or after such termination.

4.2.4 Signing of contract:

The selected bidder (TPA) has to sign a contract with LIC HI as per the terms and conditions of the RFP on a Rs.250/- non-judicial stamp-paper. This initial contract will be called as the **Service Level Agreement (SLA)** which will act as the comprehensive contract document between LIC HI and TPA for all purpose/conditions related to the RFP. The SLA will be the permanent reference & the contract document (with subsequent modifications, if any). The modifications to the SLA will be mutually agreed and will be accommodated in the form of addendum/schedules to the SLA since procedural aspects, services etc. will be continuously evolving. **SLA will be signed by the Executive Director (CRM/Claim/Annuities)**, CO, Yogakshema, 5h Floor, West Wing Link, Nariman Point, Mumbai 400 02, or any officer authorized by the Executive Director (CRM/Annuities/Claims) in this behalf. No other contract will be required to be signed by any of other LIC HI - Offices.

4.2.5. Terms of Payment:

Payment towards service charges will be paid on monthly basis within a fortnight of the following month as per the rate quoted by the TPA for the specific Region for the services for each Policy per year to the successful bidder, subject to Central/State and Local body taxes, levies & GST. (As per Annexure VI- Financial Bid)

5. Indemnity:

5.1 Each party hereby indemnifies the other Party from and against all and any costs, damages or losses (whether consequential, business or otherwise) arising out of the breach of any representation, warranty and/or covenant made by it in the Service Level Agreement (SLA), or any breach of the SLA generally, or for non fulfillment of its obligation under law or to any third party/parties.

5.2 Each party agrees to be solely liable for, and will indemnify, defend and hold harmless, the other party, its officers, director, employees, consultants and agents from and against any and all claims, liability, damages and / or costs including but not limited to legal fees arising from, out of or in connection with:

5.2.1 The breach of any warranty, representation, covenant or term of this Agreement;

5.2.2 The non fulfillment of its obligations under law or to any third party/ parties;

5.2.3 The gross negligence and/or willful misconduct by it and/ or its officers, director, employees, agents, or affiliates;

5.2.4 The infringement or violation of any third party's copyright, patent, trade secret, trademark, intellectual property, intellectual property right in relation to the Services.

5.3 The TPA hereby agrees to indemnify the insurer:

5.3.1 Any amounts recommended for payment to any Insured Person in excess of the Coverage.

5.3.2 Any amount recommended for payment to any Insured Person for a benefit not included in the coverage

5.3.3 Any reasonable fees incurred for defending any legal proceedings in furtherance thereof, if the legal proceedings are due to deficiency of service on the part of TPA.

5.3.4 Any amount paid to the Third Party Administrators during the term of this Agreement in the event of the TPA ceasing to hold a license as a TPA or is unable to carry on the service as a TPA.

5.3.5. The Amount of GST paid to TPAs, in case of non filing of GST returns or late filing of GST returns by TPAs in which case LIC cannot claim Input Tax Credit (ITC).

6. TERM & TERMINATION

6.1 The Service Level Agreement (SLA) shall take effect on the date of signature hereof by both Parties, and shall remain in force for a period of **two** years which may be renewed/ extended on the same terms and conditions for one more year or part thereof on satisfactory performance at the sole discretion of the Corporation. It is subject to quarterly review at the discretion of the Insurer. The Insurer also reserves the right to terminate the Agreement at any time, after review of the performance of the TPA on a monthly basis. The Insurer will review the services of TPA based on the factors including, but not limited to:

- The facilities set up including quality and reliability of software, other infrastructure based on the volume of business serviced and arrangements made towards servicing the Policyholders of the regions allotted to the TPA.
- The quality of service provided.
- The customer satisfaction as can be perceived from the Customer Response Sheets received and
- Such other factors as the Insurer deems fit and specifies.

6.2 The SLA may be terminated;

- i. by both Parties by mutual consent; or

- ii. by the non-defaulting Party in the event of a change in the management or a change in the controlling interest of the other Party without the prior written consent of the defaulting Party; or
- iii. by the non-defaulting Party in the event that the other Party fails to maintain any license, certification or accreditation required to conduct or perform the business contemplated by such Party under this Agreement; or
- iv. by the Insurer in the event of a breach by the TPA of:
 - a. The SLA; or
 - b. Its representations and warranties in the SLA; or
 - c. Its covenants, agreements or obligations contained herein; or
 - d. After a period of three months in pursuance of clause 6.1 above.

6.3 The SLA may be terminated forthwith by either Party, if the other Party is prevented from performing any of its obligations hereunder due to a Force Majeure Event and such Force Majeure Event continues for a period of 4 weeks without interruption.

6.4 On termination of the SLA for any reason whatsoever:

6.4.1 The Insurer shall be liable to the TPA for all costs and fees for Services performed in accordance with the terms of the SLA until the date of termination.

6.4.2 The TPA shall continue to be liable to provide the Services until the date of termination, either through itself or other TPA on a run-off basis for any services of Insured Persons for whom the TPA has received Fees.

6.4.3 The TPA shall not have any objection for switching the TPA by the Insured Persons, as allowed and permitted by the Insurer, in case of non renewal of the agreement or reappointment of the TPA after the term.

6.4.4 The TPA shall handover all the documents, files, records etc., belonging to the Insurer in whatever form they are held, to the Insurer forthwith on termination and shall not retain any data with them. The data security and data confidentiality of the Insurer shall operate throughout.

6.4.5 The TPA shall apply in writing for renewal of the SLA **(Copy of SLA Attached)** at least 30 days before expiry of two years from the date of commencement of this agreement (if not already terminated in terms of clause 14.2 & 14.3 of SLA) with relevant data on their continued capability for providing services as a TPA, enhanced infrastructure and other factors if any, etc.,

The Insurer may consider continuance of the services of the TPA and may require them to enter into a fresh agreement on such terms and conditions and the service parameters. Continuance of services is not mandatory but shall be at the discretion of the Insurer and the decision of the Insurer shall be final and binding.

Termination for Insolvency:

LIC may, at any time, terminate the Contract by giving written notice to the Bidder, if the Bidder becomes bankrupt or otherwise insolvent. In this event, the termination will be without compensation to the Bidder, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to LIC.

In case of termination under this clause LIC is liable to pay for all the services performed by the Bidder till the effective date of termination.

After termination

On termination of the contract the Bidder must:

- a. Stop work on the Services;
- b. deal with LIC Material as directed by LIC; and
- c. return all LIC's Confidential Information to LIC

Severability:

If for any reason whatsoever, any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner, and the Parties shall negotiate in good faith with a view to agreeing to one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions, as closely as is practicable to such invalid, illegal or unenforceable provision. Failure to agree upon any such provisions shall not be subject to the dispute resolution procedure set forth under this Agreement or otherwise.

6.4.6 Service of Notices:

A Notice must be:

- a) In writing, in English and signed by a person duly authorized by the sender party, and
- b) Hand delivered or sent by prepaid post to the recipient's address for Notices, as varied by any Notice given by the recipient to the sender.

LIC's Address for notices:

Life Insurance Corporation of India

Central Office - Health Insurance Department

"Jeevan Bhagya", 3rd Floor, Secretariat Road, HYDERABAD – 500 063.

Email ed_crmclaims@licindia.com and co_health@licindia.com

Effective on receipt

A Notice given in accordance with the contract takes effect when it is taken to be received (or at a later time specified in it), and is taken to be received:

- i. If hand delivered, on delivery;
- ii. If sent by prepaid post, on the Second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside India).

7. Force Majeure Condition:

7.1. Neither party shall, in breach of any of its obligations under this Agreement to the extent that its performance is prevented, physically be hindered or delayed by an act, event or circumstances (whether of the kind described herein or otherwise), which is not reasonably within the control of such party (“Force Majeure Event”).

7.2. Force Majeure Event shall include but not be limited to the following:

- a. Fire, Flood, Atmosphere disturbance, Lightning, Storm, Typhoon, Tornado, Earthquake, Washout or other Acts of God;
- b. War, Riot, Blockade, Insurrection, Acts of Public Enemies, Civil Disturbance, Terrorism and Sabotage and threats of such actions;
- c. Strikes, lockouts or other Industrial Disturbances or Labor disputes
- d. Change of any applicable rule, regulation or law.

7.3 In the event that any Force Majeure Event continues for a period of 4 (four) weeks without interruption, the party not affected by such Force Majeure Event shall be entitled to terminate this Agreement by giving notice to the other party, pursuant to, and in accordance with the provisions of Clause 6.4 of this Agreement.

7.4 Unless otherwise directed by LIC in writing, the TPA shall continue to perform its obligations under the contract as far as it is reasonably practical, and shall seek all reasonable means for performance not prevented by the Force Majeure event.

Announcements:

- a. The Bidder must, before making a public announcement in connection with the contract or any transaction contemplated by it, obtain LIC's written agreement to the announcement.
- b. If the Bidder is required by law or a regulatory body to make a public announcement in connection with the contract or any transaction contemplated by the contract the Bidder must, to the extent practicable, first consult with and take into account the reasonable requirements of LIC.

Professionalism

The bidder should provide professional, objective and impartial advice at all times and hold LIC's interests paramount and should observe the highest standard of ethics while executing the assignment.

Adherence to Standards

The bidder should adhere to laws of land and 'rules, regulations and guidelines' prescribed by various regulatory, statutory and Government authorities.

Right to Audit

The Selected Bidder may be subject to annual audit by internal/ external Auditors appointed by LIC / IRDAI or any regulatory authority.

i. It is agreed by and between the parties that the Service Provider shall get itself annually audited by external empaneled Auditors appointed by LIC/ inspecting official from the IRDAI or any regulatory authority, covering the risk parameters finalized by LIC. LIC can make its expert assessment on the efficiency and effectiveness of the security, control, risk management, governance system and process created by the Service Provider. The Service Provider shall, whenever required by such Auditors, furnish all relevant information, records/data to them. All costs for such audit shall be borne by LIC.

ii. Where any deficiency has been observed during audit of the Service Provider on the risk parameters finalized by LIC or in the certification submitted by the Auditors, it is agreed upon by the Service Provider that it shall correct/resolve the same at the earliest and shall provide all necessary documents related to resolution thereof and the auditor shall further certify in respect of resolution of the deficiencies. It is also agreed that the Service Provider shall provide certification of the auditor to LIC regarding compliance of the observations made by the auditors covering the respective risk parameters against which such deficiencies observed. All costs for such audit shall be borne by the service provider/bidder.

8. Performance Bank Guarantee (PBG) –(Attachment PBG) The selected vendor is required to submit an unconditional and irrevocable Performance Bank guarantee (PBG) from a scheduled/nationalized Bank to LIC in form of a Bank Guarantee equal to **5%** of the total contract / agreement value within the timeframe as mentioned in the notification of Award. No interest will be payable on the PBG amount. The proceeds of the performance guarantee shall be payable to LIC as compensation for any loss resulting from the Vendor's failure to complete its obligations under the Contract.

The PBG should be valid for the entire contract period from the date of its submission to LIC and twenty four months thereafter.

In case of extension of the contract by LIC, the bidder should submit fresh PBG of the same amount or extend the validity period of the submitted PBG to cover the extended validity period of the tender. This should happen within one month prior to the expiry of the earlier PBG, unless otherwise intimated by LIC.

The PBG may be required to be submitted in multiple numbers, if required by LIC.

The PBG may be invoked for entire amount if the bidder backs-out of his obligations as per this tender or if the fresh PBG is not received by LIC one month prior to the expiry

of the earlier PBG; apart from other actions that may be decided by LIC.

The PBG will be invoked in full or part (to be decided by LIC) in any of following eventualities during the period of contract:

- i. The bidder fails to honour expected deliverables or part as per this RFP after issuance of PO.
- ii. Any legal action is taken against the bidder restricting its operations.
- iii. Any action taken by statutory, legal or regulatory authorities for any breach or lapses which are directly attributable to the bidder.
- iv. LIC incurs any loss due to Bidder's negligence in carrying out the project implementation as per the agreed terms & conditions.

The performance guarantee will be discharged by LIC and returned to the issuing Bank with intimation to the Vendor not later than 90 days following the date of completion of the Vendor's performance obligations including any warranty obligations under the contract.

In the event of any contract amendment, the Vendor shall within 30 days of receipt of such amendment, furnish the amendment to the Performance guarantee rendering the same valid for the duration of the Contract as amended plus 90 days after the completion of performance obligations including warranty obligations.

Executive Director (CRM/Annuities/Claims)