

Ref.:7/02/2011/HR-D-II

Date : 10.02.2011

Sub: Invitation of quotation for coverage of employees under REC Group Personal Accident Insurance Scheme.

Sir,

Rural Electrification Corporation Limited (REC) incorporated in July 1969 (Navratna Schedule "A" Public Sector Enterprise under the aegis of Ministry of Power) is a premier NBFC (INFRA) institution. Initially, the company's objectives were mainly restricted to financing the development of rural electrification infrastructure. Within a span of 40 (Forty) years, the activities and objectives of the corporation have evolved and expanded tremendously covering almost the entire gamut of Indian power sector ranging from financing distribution, transmission and generation segments to promoting and financing projects aimed at integrated system improvement and consultancy assignments etc. The total manpower strength of REC as on date is 693 and is distributed across Corporate Office located at New Delhi and eighteen (18) fully staffed Zonal/Project Offices located at different state capitals of the country in addition to a Training Institute, viz. Central Institute for Rural Electrification at Hyderabad. The normal age of retirement is 60 years and the average age of the employees is 49.8 years.

2. Medical facilities are available to all employees during the period of service for themselves and their dependant family members and for self and spouse after retirement as per rules applicable in this regard. Medical examination is compulsory before entering the services of the corporation and also during service for certain categories of staff.
3. REC has introduced Employees Group Personal Accident Insurance Scheme (GPAIS) as a welfare measure to insure employees against the consequences of personal accidents and provide appropriate relief to the affected employee or the nominee through an Insurance Cover.
4. The Insurance Policy will provide coverage by way of payment of compensation to the extent specified in the Scheme to the covered employees round the clock, whether he is on Company's duty or not, on any location in India or abroad against a bodily injury resulting solely and directly from accidents caused by violent, external and visible means which shall solely and independent of any cause, result in death or disablement.

The benefits admissible under the Policy in brief are as follows:

4.1 **DEATH**

In case of death of a covered employee caused by accident, the nominee(s) as declared by the employee for the purpose of compensation payable under Group Personal Accident Insurance Scheme will be paid a compensation by the Insurers to the extent of 100% of the Capital Sum assured, which will be 50 times of the maximum of the pay scale and Dearness Allowance thereon received with reference to position as on 1st April of the financial year during which period

the death takes place.

4.2 **PERMANENT DISABLEMENT**

In case of permanent disablement (total or partial) of a covered employee of REC, caused by accident, the employee will be paid a specified percentage of the Capital Sum Insured as compensation by the Insurers as per schedule enclosed as **Annexure-A**.

4.3 **TEMPORARY DISABLEMENT**

4.3.1 In case of temporary disablement of a covered employee caused by an accident, the employee will be entitled to a sum equivalent to 1% of the Capital Sum Insured per week only during the period the employee is on leave (other than Special Disability Leave) subject to the condition that this weekly benefit shall not exceed ₹10,000/- or weekly wages, whichever is lower. The compensation payable under above clauses shall not be payable for more than 104 weeks in respect of any one injury calculated from the date of commencement of the disablement and in no case shall exceed the Capital Sum Insured. Where the weekly benefit under GPAIS fall below ₹10, 000/-, the minimum payment of ₹10, 000/- will be assured to the claimant.

4.3.2 Where an employee is sanctioned Special Disability Leave under the concerned rules of the Company, the Compensation for temporary disablement shall not be payable.

4.4 **EXPENSES ON TRANSPORTATION OF DEAD BODY**

In the event of death of the Insured Person due to accident as defined in Policy; outside his/her residence, the insurer shall reimburse in addition to the amount of compensation of the Capital sum insured, the expenses incurred for transportation of employee's dead body to the place of residence subject to the maximum of 2% of Capital Sum Insured or ₹ 10,000/- whichever is less.

REC therefore invites sealed quotation from Public Sector/ Private Sector General Insurance Companies having recognition from Insurance Regulatory Development Authority (IRDA) as per the details given below:-

5. **OTHERS:**

a) The details regarding strength of employees in different pay scales and total sum assured (approx.) is enclosed as **ANNEXURE-B**.

b) The insurance company willing to participate without any rider clause i.e. medical examination etc. may send their sealed quotation in the enclosed format wherein financial quotes shall be submitted inclusive of all taxes and stamp duty etc. Service tax and surcharges thereon as applicable shall be reimbursed at actuals.

c) The additional information regarding profile, list of clients, a copy of approval of Insurance Regulatory Development Authority (IRDA) for General insurance and any other related information, which is considered to be relevant, may be enclosed along with your quotation.

6. The competitive bids may be submitted for REC Employees Group Personal accident Insurance Policy in two (2) parts in the prescribed format (**ANNEXURE-I & II**) and duly signed in a sealed cover superscribed as:

Envelope A – Technical bid for REC Employees Group Personal Accident Insurance Policy.

Envelope B - Financial bid for REC Employees Group Personal Accident Insurance Policy.

7. The sealed envelope should also contain Bidder's name, name of the assignment and bid opening date and superscribed on the envelope as "To be opened by addressee only" and addressed to:

Chief Manager (HR)-II,
REC Ltd.,
3rd Floor, "PALIKA BHAWAN",
R.K.Puram,
New Delhi-110066.

8. The bids should be submitted during working days at the aforementioned address on or before 28.02.2011 by 11 A.M. The Bidders may arrange to deliver the sealed envelope at above mentioned address before the bid closing date and time in the Tender Box, which is placed at the **Reception of REC office at 2nd Floor, Palika Bhawan, R.K.Puram, New Delhi-110066**. The Bidders may also send proposal by registered post so as to reach above address before bid closing date and time and the same shall also be put into the tender box.
9. The rate quoted must be inclusive of all taxes and stamp duty etc. except service charges which shall be paid as per actuals. Please note that nothing extra shall be paid during the entire period of insurance policy. The rate must be written in both figure and words. Whenever, any dispute in the rate quoted in figure and words arises, the rate quoted in words shall be considered as final.
10. Proposals received after the due date and time as mentioned at para 8 above will not be entertained. REC shall not be responsible for any non-delivery/late delivery of proposals sent by post.
11. The envelope "A" containing Technical bid will be opened by a Committee on 28.02.2011 at 2.30 P.M. Authorized representatives not exceeding 2 (two) from the bidding Insurance Companies may be present at the time of opening of the Technical bids, if they so desire. The names of the qualified Insurance Companies found eligible on the basis of Technical bid will be declared on 09.03.2011 at 11 A.M. and the envelope "B" containing the "Financial Bid" of the qualified Insurance Companies will be opened on the same day at 2.30 P.M. Authorized representatives not exceeding 2 (two) from the bidding Insurance Companies may be present at the time of opening of the Financial bids as well, if they so desire.
12. Above Details are also available on our website i.e. www.recindia.nic.in
13. The bidding Insurance Companies are advised to go through the terms and conditions of the bid thoroughly and ensure that all relevant documents duly certified and complete in all respects are attached with the Technical bid. Apart from above the other points to be considered while submitting the bid are enclosed at **Annexure-III**.
14. REC reserves the right to postpone the date of receipt/ opening of tender or to withdraw the tender notice or cancel the tender without assigning any reason whatsoever.

'TECHNICAL BID'
QUOTATION FOR REC EMPLOYEES
GROUP PERSONAL ACCIDENT INSURANCE POLICY

Details of the Insurance Company :

| | | | |
|-----|--|---|--|
| 1. | Name of the Insurance Company | : | |
| 2. | Address of the company a) Head Office: b) Delhi Office: | : | |
| 3. | Fax/E-mail & Phone Numbers | : | |
| 4. | IRDA Registration No. | : | |
| 5. | Date of Regn. with IRDA (enclose photocopy) | : | |
| 6. | Name, Designation and contact Phone numbers of the official of the Tenderer to whom all the reference shall be made | : | |
| 7. | Fund under Management | : | |
| 8. | List of Corporate Clients having similar policy & number of employees covered (Only those corporate clients be mentioned where Insurance coverage for a minimum 500 employees have been provided. Insurance coverage for less than 500 employees will not be considered.) Further Bidder should have provided similar policy to at least one Central PSU client for two years during immediately preceding five years ending last day of the month previous to the one in which bids have been invited. (Attatch documentary proof) | : | |
| 9. | Performance certificate from Corporate Clients having similar insurance scheme (including Central PSU client for 2 years during last five years which is compulsory) for a minimum of 500 employees. (Attach a copy) | : | |
| 10. | Net Worth | : | |
| 11. | Solvency Ratio | : | |
| 12. | Mode of premium payment (half yearly) | : | |
| 13. | Latest Balance Sheet for the last 5 years (enclose photocopies) | : | |
| 14. | Any other information | : | |

(Signature of the authorized person with stamp)

'FINANCIAL BID'

**QUOTATION FOR QUOTATION FOR REC EMPLOYEES
GROUP PERSONAL ACCIDENT INSURANCE POLICY**

Details of the Insurance Company:

| | | | |
|----|---|---|--|
| 1. | Name of the Insurance Company | : | |
| 2. | Number of Employees Covered | : | |
| 3. | Total sum assured ₹ crores as on | : | |
| 4. | Compensation claimed during the last three years (Number & Amount) | : | |
| 5. | Experience Rating Adjustment (rate & method) if no ERA during 1 st year what will be the additional benefit. (please quote the formula if rate is quoted with ERA) | : | |
| 6. | Mode of additional payment or refund of premium due to increase in sum assured or decrease in sum assured | : | |
| 7. | Refund of benefits due to separation during the year | : | |
| 8. | Formula for ERA benefit, if applicable | : | |
| 9. | Annual Premium (Lump sum inclusive of all the taxes) A) Words:- B). Figures:- | : | |

(Signature of the authorized person with stamp)

POINTS TO BE CONSIDERED WHILE SUBMITTING THE BID

1. The insurance company has to provide insurance cover to the employees without any medical examination. All employees on the date of Policy shall be covered under the Policy irrespective of the condition that they are actively on duty or otherwise.
2. The total number of employees are 693 as on 01.01.2011. The employees who join subsequent to the Policy, will also be covered for insurance under the Policy.
3. Bidder company should be the holder of licence from IRDA for undertaking general insurance business.
4. Bidder should be in general insurance business for at least 5 years.
5. Net worth of the bidder on the closing day of the last 5 (Balance Sheet) financial years should be positive.
6. Solvency margin should be not less than 1.5
7. Only those corporate clients be mentioned where Insurance coverage for a minimum 500 employees have been provided. Insurance coverage for less than 500 employees will not be considered.
8. Bidder should have provided similar insurance cover to at least one Central PSU client for a minimum of 500 employees for two years during immediately preceding five years ending last day of the month previous to the one in which bids have been invited.
9. The bidder shall be required to submit all the technical documents including the balance sheet for the last 5 years in support of their claim of having the prescribed eligibility criteria in Envelope 'A' containing the technical documents.
10. The Technical Bid will be opened in the presence of the representatives of the Insurance Companies on the fixed date & time. The financial bid will be opened only of those Insurance Companies who will be found technically qualified.
11. The bid shall remain valid for a period of 120 days from the date of opening of Financial Bid.
12. The lowest bidder in the financial bid shall be considered/awarded the job for issuance of the insurance policy.
13. Under no circumstances the change in price shall be allowed. However, clarifications in the case of any doubt are allowed.
14. The underwriter will be required to settle the claims within 15 days of submission of all requisite papers. The set of claim documents/ formats will be provided by the underwriter while issuing the cover. An intimation of death/disablement by REC will be considered adequate for the purpose of settlement of the claim.
15. Policy can be terminated by REC by giving one month's notice. However, the claims occurred upto the date of the termination will be settled by the underwriter and the termination will not jeopardize the settlement of claims upto the period the policy in force in any manner.

EXTRACTS FROM THE SCHEDULE OF THE POLICY

Under the Scheme the insurer shall pay to the covered employee, compensation to the extent and manner as provided hereunder; in case the covered employee shall:

1. Sustain any bodily injury resulting solely and directly from accident caused by external, violent & visible means, the sum hereinafter set forth in respect of any of the Insured Persons specified in the Schedule:
 - a) If such injury shall within twelve calendar months of its occurrence be the sole and direct cause of the death of the Insured Person/Persons, the Capital Sum Insured stated in the Schedule hereto applicable to such Insured Person/Persons.
 - b) If such injury shall within twelve Calendar months of its occurrence be the sole and/or direct cause of the total irrecoverable loss of :
 - i) Sight of both eyes, or of the actual loss by physical separation of the two entire hands or two entire feet or one entire hand and one entire foot or such loss of sight of one eye and such loss of one entire hand or one entire foot, the Capital Sum Stated in the Schedule hereto.
 - ii) use of two hands or two feet, or of one hand and one foot or of such loss of sight of one eye and such loss of use of one hand or one foot, the Capital Sum Insured Stated in the Schedule here to.
 - c) If such injury shall within twelve calendar months of its occurrence, be the sole and direct cause of the total and irrecoverable loss of :
 - i) the sight of one eye, or of the actual loss by physical separation of one entire hand or one entire foot, fifty percent (50%) of the Capital Sum Insured Stated in the Schedule hereto, applicable to such Insured Person.
 - ii) total and irrevocable loss of use of a hand or a foot without physical separation, forty percent (40%) of the Capital Sum Insured stated in the Schedule hereto applicable to such Insured person.
- Note:** For the purpose of clause (b) and (c) above, physical separation of a hand or foot means separation of hand at or above the wrist and/or of the foot at or above the ankle.
- d) If such injury shall as a direct consequence thereof, immediately permanently, totally and absolutely, disable the Insured person from engaging in being occupied with or giving attention to any employment or occupation of any description whatsoever, then a lump sum equal to hundred percent (100%) of the Capital Sum Insured stated in the Schedule hereto applicable to such Insured person.
 - e) If such injury shall within twelve calendar months of its occurrence be the sole and direct cause of the total and irrecoverable loss of use or of the actual loss by physical separation of the following, then the percentage of the Capital Sum Insured applicable to such Insured person in the manner indicated below: -

| S.No. | Injuries | Percentage of Capital Sum Insured |
|--------------|---|--|
| 1. | Loss of toes all Great both phalanges Great one Phalanx Other than great, if more than one toes lost each. | 20 5 2 1 |
| 2. | Loss of hearing both ears | 50 |
| 3. | Loss of hearing one ear | 15 |
| 4. | Loss of four fingers & thumb of one hand | 40 |
| 5. | Loss of four fingers | 35 |
| 6. | Loss of thumb-both Phalanges one Phalanx | 25 10 |
| 7. | Loss of Index Finger three phalanges two phalanges one phalanx | 10 8 4 |
| 8. | Loss of middle Finger three phalanges two phalanges. one phalanx | 6 4 2 |
| 9. | Loss of ring finger three phalanges two phalanges one phalanx | 5 4 2 |
| 10. | Loss of little finger three phalanges two phalanges one phalanx | 4 3 2 |
| 11. | Loss of metacarpals first or second (additional third, fourth or fifth (additional) | 3 2 |
| 12. | Any other, permanent partial disablement | Percentage as assessed by the Doctor. |

- f) If such injury shall be the sole and direct cause of temporary total disablement, then so long as the Insured Person shall be totally disabled from engaging in any employment or occupation of any description whatsoever, a sum at the rate one percent (1%) of the Capital Sum Insured stated in the Schedule hereto per week, but in any case not exceeding Rs. 10000/- per week, in all, under all P.A. policies, covering such Insured Person.

Provided that the compensation payable under the foregoing Sub-Clause (f) shall not be payable for more than 104 weeks in respect of any one injury calculated from the date of commencement of the disablement and in no case shall exceed the Capital Sum Insured, applicable to such Insured Person

- g) In the event of the death of the Insured person due to accident as defined in the policy outside his/her residence the company shall reimburse in addition to the amounts payable under Sub-Clauses (a) to (f) expenses incurred for transportation of Insured's dead body to the place of residence subject to a maximum of 2% of Capital Sum Insured or Rs. 10000/- whichever is less.

ANNEXURE-B**EMPLOYEE STRENGTH AND SUM ASSURED (APPROX.)**

| GRADES | STRENGTH AS ON 01.01.2011 | PAY SCALES | | MAX. PAY SCALE PLUS DEARNESS ALLOWANCE AS ON 01.04.2010 @ 34.8% | 50 TIMES OF COL.5 | TOTAL SUM ASSURED (in ₹) |
|--------------|---------------------------------|------------|--------|---|----------------------------|--------------------------------|
| | | MIN. | MAX. | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| CMD | 1 | 80000 | 125000 | 168500 | 8425000 | 8425000 |
| DIRECTORS | 3 | 75000 | 100000 | 134800 | 6740000 | 20220000 |
| E9 | 7 | 62000 | 80000 | 107840 | 5392000 | 37744000 |
| E8 | 10 | 51300 | 73000 | 98404 | 4920200 | 49202000 |
| E7A | 14 | 51300 | 73000 | 98404 | 4920200 | 68882800 |
| E7 | 34 | 51300 | 73000 | 98404 | 4920200 | 167286800 |
| E6 | 44 | 43200 | 66000 | 88968 | 4448400 | 195729600 |
| E5 | 31 | 36600 | 62000 | 83576 | 4178800 | 129542800 |
| E4 | 37 | 32900 | 58000 | 78184 | 3909200 | 144640400 |
| E3 | 43 | 29100 | 54500 | 73466 | 3673300 | 157951900 |
| E2A | 86 | 24900 | 50500 | 68074 | 3403700 | 292718200 |
| E2 | 60 | 24900 | 50500 | 68074 | 3403700 | 204222000 |
| E1 | 30 | 20600 | 46500 | 62682 | 3134100 | 94023000 |
| WSG | 108 | 20500 | 44500 | 59986 | 2999300 | 323924400 |
| W11 | 0 | 20000 | 42500 | 57290 | 2864500 | 0 |
| W10 | 41 | 18500 | 40000 | 53920 | 2696000 | 110536000 |
| W9 | 0 | 17000 | 37000 | 49876 | 2493800 | 0 |
| W8 | 38 | 16000 | 35500 | 47854 | 2392700 | 90922600 |
| W7 | 0 | 15500 | 34500 | 46506 | 2325300 | 0 |
| W6 | 0 | 14500 | 32000 | 43136 | 2156800 | 0 |
| W5 | 18 | 13500 | 29500 | 39766 | 1988300 | 35789400 |
| W4 | 0 | 12500 | 27500 | 37070 | 1853500 | 0 |
| W3 | 84 | 11500 | 26000 | 35048 | 1752400 | 147201600 |
| W2 | 0 | 11000 | 24500 | 33026 | 1651300 | 0 |
| W1 | 4 | 10500 | 23000 | 31004 | 1550200 | 6200800 |
| TOTAL | 693 | | | | | 2285163300 |