

Terms of Reference (ToR)

For

The Engagement of Insurance Broker for NIRSAL PLC

1. Introduction

The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL PLC) is a wholly owned corporation of the Central Bank of Nigeria, incorporated under the Companies and Allied Matters Act with the key mandate of de-risking agriculture and facilitating agribusiness.

2. Background

As stipulated by the Pension Reform Act of 2004, it is mandatory for employers to provide life insurance coverage for their employees. The brokerage scheme ensures the facilitation of efficient transaction execution and payment of a predetermined sum of money in the unfortunate event of an employee's death while in employment.

Engaging an insurance broker is a common practice within NIRSAL to ensure appropriate professional guidance in the engagement and operations of Underwriter. Through this arrangement, the organization is sure of competitive rates, adequacy of coverage and prompt settlement of claims. This ensures that the organization, its employees, and their dependents receive the necessary support in the event of unforeseen events.

Having viable Underwriters on the guidance of an insurance broker is highly relevant to NIRSAL's business continuity. It serves as a valuable resource in alleviating the financial burden faced by the organization and its dependents in unfortunate circumstances such as the demise of key personnel or other critical situations. Consequently, NIRSAL is seeking to engage underwriters through the expertise of an insurance broker to effectively provide this essential coverage and support on the services.

3. Objectives

The primary objective of this engagement is obtaining comprehensive and suitable coverage to protect NIRSAL's human capital/ physical assets, operations and liabilities. As it applies to this engagement, it is to:

- i. Ensure risks transfer
- ii. Provide financial safety nets and security
- iii. Enhance NIRSAL's risk management capabilities, ensure appropriate insurance coverage, streamline insurance processes, and obtain the best value for insurance premiums in the event of risk crystallization.

4. Scope of Work

The scope of work for Insurance Broker involves various responsibilities related to the administration and management of the insurance policies. Below are key aspects of the scope of work for the Broker:

- i. Manage the engagement process of procuring Group Life/Group Personal Accident, Motor Vehicle, Fire/ Burglary and All Risk Insurance which involves validating the capability of the Underwriters to ensure adequate coverage of potential risks.
- ii. Assess and evaluate inherent risk within the organization to protect and preserve NIRSAL's capital through transfer of risks to qualified Underwriters. This involves working closely with NIRSAL Procurement BU to determine the appropriate premium and underwriting guidelines for the group.
- iii. Liaise with procurement BU to obtain insurance quotations for designated lines of business as requested by NIRSAL PLC; analyse quotations and policy document received and make recommendations as appropriate.
- iv. Provide debit note (premium invoice) to the Procurement BU to ensure timely collection of premiums in accordance with the NAICOM "no premium, no cover" policy.
- v. Ensure timely and prompt settlement of claims by the Underwriter. This is achieved through timely claims reporting and proper guidance in claims documentation.

- vi. Provide support and assistance to policy holders and subject matter administrators (HCM & Risk Management BU). This includes addressing policy-related inquiries, resolving issues, and offering guidance on policy benefits, claims, and other related matters.
- vii. Manage policy renewals and conducting periodic policy reviews.
- viii. Ensure compliance with applicable insurance regulations and industry standards. Staying updated with changes in regulations and implementing necessary adjustments to policies and processes to maintain compliance.

5. Roles and Responsibilities of the Broker

A. The broker shall:

- i. Provide all services/assignment as stated in these terms of reference and contract award letter/documents, and service level agreements (SLA)
- ii. Interpret policy documents to ensure extent of policy coverage, most especially exclusions
- iii. Negotiate competitive premium payable
- iv. Promptly facilitate settlement of claims within agreed timelines defined in the policy and SLA documents
- v. Provide easy and seamless administrative procedures in the receipt and processing of claims

B. NIRSAL:

NIRSAL PLC shall pay premium upon the completion of terms contained in the contract award letter and SLA documents.

Provide all necessary documentations required to process the cover.

6. Rejection of EOI document of Applicant:

NIRSAL reserves the right to accept or reject any or all EOI proposals with or without giving any reasons whatsoever and is not liable for any losses to the

Underwriter due to such rejection. Furnishing of false or fabricating information, evidence may result of such rejection.

7. OUTPUTS AND DELIVERABLES

The brokers shall submit report at the occurrence of incidence. At the end of the contract duration, the broker shall submit a '**closure- report**' detailing all reported incidence and settlements.

8. Eligibility and How to Apply:

The broker meeting the criteria set above has been selected to apply

- The selection method of brokers for this assignment will be quality based
- Suitably qualified brokers are hereby invited to submit their intention to undertake this assignment to:

The Managing Director
NIRSAL PLC
Attention: Head of Procurement
Plot 1581, Tigris Crescent, Maitama
FCT – Abuja

Questions on the terms of reference should be addressed by email to vendor@nirsal.com