

“Expression of Interest”
(For Health plus Life Combi Products)

**Scope of services envisaged from the partnering Non-life/Standalone
Health Insurance Companies under the proposed tie-up**

I. Introduction

Life Insurance Corporation of India, established under LIC Act, 1956, hereinafter referred to as LIC or Corporation, is the largest insurer in India, servicing more than 238 million in-force policies through 8 Zonal Offices, 112 Divisional Offices, 2048 Branch Offices and over 1000 Satellite Branch Offices. The Corporation sold more than 37 million new policies last year.

The Corporation has about 50 life insurance products to cater to insurance needs. It also has a strong workforce of about 1 Lac employees & over 1.4 million Agents.

All the branches and units are computerized and connected with other offices of the Corporation through a Wide Area Network. The Corporation has provision for premium calculator, premium payment gateway and online underwriting (limited) already available on its website www.licindia.in. Corporation has also launched portals for customers and agents.

Details of existing IT infrastructure:

Core Application : eFEAP

1. We have a centralized core application package called eFEAP
2. We are using Linux operating system (RHEL 5.4)
3. eFEAP is developed in MF Cobol and data is stored in MySQL. Application is J2EE compliant and Glassfish is the web server
4. Business logic is in COBOL with MF SOA as application server and runtime is MF server express
5. We have 111 data centres supporting more than 3000 branches
6. All offices are connected through leased lines of varying bandwidth capacities
7. eFEAP is an end to end application taking care of all operational activities (ie., from proposal data capture to all types of policy exits)
8. eFEAP system has the main data source and feeds other systems like ODS/ Portal and CADW in real time / batch processing
9. eFEAP is also integrated with document management system
10. eFEAP is also integrated with Tibco as the messaging layer
11. Source code is maintained at one single location and updates are released for download by all data centres .
12. In the eFEAP ecosystem, there is no scope for any outside application to co-exist.

Portal Infrastructure

1. Application Server: Oracle Weblogic
2. Operating System: Red Hat Linux
3. Database: Oracle Enterprise Edition
4. Application: J2EE platform

Integration dependencies with:

1. TIBCO RV (middleware)
2. MS-Exchange 2007 (email server)
3. SMS Gateway
4. Underwriting Rule Engine (JBOSS- BRMS)
5. Document Management System (Newgen, Omni Docs/ Omniflow, RHEL, PostgreSQL)
6. Data Ware House (Terradata,)

II. Objectives:

For promoting the combined products of pure term life assurance products offered by LIC of India along with standalone health insurance products offered by non-life insurance companies under the umbrella of a single product.

Services envisaged

1. To provide wider and informed product choice
2. To protect the interests of policyholders by conducting prudent market practices and operational procedures.

III. Processes: Services envisaged

1. To ensure that sound and prudential norms are applied to the respective independent products, including that of reserve and solvency requirements
2. In pursuance of the above, to design the advanced Information Technology system to support the service of '**Combi product Class**'.
3. To enter in to a tie-up between the partnering companies (after approval from the IRDA) to cover the modus operandi of marketing, policy service and sharing of common expenses.
4. To design systems and processes for a long term understanding for effective service of the '**Combi products**'.
5. To decide and agree for one of the partnering companies to act as the "Lead Insurer" in respect of each 'Combi Product' marketed with agreed terms, conditions and considerations.

IV. Role of Lead Insurer:

Lead Insurer to play a major and critical role in facilitating the policy service as a contact point for rendering various services such as facilitating underwriting, policy service and also relying on the operational infrastructure of the partner insurance company for effective policy servicing etc., as per the IRDA guidelines.

Services envisaged

To demarcate the functions between the partnering insurance companies to carry out activities such as:

- a. To put the procedures in place for the proposed issuance of the premium notices, where applicable and final lapse notices in terms of Section 50 of the Insurance Act 1938.
- b. To facilitate policy servicing by the original insurer where the servicing is to be necessarily attended by him.
- c. To act as a single nodal point for receiving the servicing requests, fulfilling the services and issuing acknowledgements.
- d. To utilize the policy data base for affecting over- the- counter policy service requests.
- e. To design a system and play a facilitative role in settlement of claims in respect of policies serviced directly, where the services of TPA are not used. However, the Lead Insurer shall not guarantee the settlement of claim on behalf of the partner insurance company.
- f. To put the proposed operational procedures in place for dispatch of policy bonds of 'Combi products'.
- g. To put the proposed procedures for filing the advertisements in accordance with IRDA (Insurance Advertisements and Disclosures) Regulations 2000.
- h. To put the proposed procedures for obtaining the prior approval of IRDA for issuing joint sale advertisements along with the common corporate agents.

V. Service aspects to client / customer: Services envisaged

1. To design and promote any number of 'Combi products' to cater to the needs of the customers.
2. To design specific time frames/Turnaround Times between the partnering companies as part of MOU (in pursuance of the tie-up) for effective policy service, transmission of premiums etc., at various stages of policy i.e., pre-sale stage and post-sale stage.
3. To design a comprehensive system for proactive settlement of claims.
4. To propose a system for collection of premium subject to provisions of Sec 64 VB of the Insurance Act 1938.

VI. Underwriting aspects: Services envisaged

1. To design the underwriting requirements of the respective portion of risk by the respective insurance companies.
2. To allow the partner insurance company to have access to the basis for the underwriting norms to understand the concept and deal with grievances if any, though the onus lies on the respective insurer to deal with grievances pertaining to their operational activities.
3. To put procedures in place for segregation of data from the proposal form by the respective insurers and for issuance of the policy bond in view of different underwriting rules and policy conditions of either of the insurer's products.

VII. File and Use system: Services envisaged

1. To have the 'Combi product' as an integrated single product filed with a common brand name.
4. To carry out a cost benefit analysis from the perspective of the policyholders before filing the product by the insurers.
5. To follow the File and use guidelines for each product under the class 'Combi product' irrespective of the earlier individual approval to either of the products by IRDA.
6. To design the policy bond detailing the risks under both the liabilities; life insurance and health insurance coverage by the different insurers

VIII. Infrastructure requirements: Services envisaged

1. To put the procedures in place for the manner in which premium is to be collected.
2. To put the procedures in place for expeditious transfer of the portion of premium that pertains to the other insurer of the product.
3. To put in place Operational procedures for updating premium on policy data base on a real time basis.
4. To put in place IT systems for supporting the sale and policy service of the 'Combi Products'.
5. To carry out the cost benefit analysis for the partner insurance company in the tie-up.

IX. MIS requirements - Service aspects to LIC: Services envisaged

1. To frame and decide various MIS formats in which data is required to be collected and shared by the partner insurance companies.
2. To frame and decide the MIS formats in which data is required to be sent to IRDA.

X. Electronic File Transfer - Security: Services envisaged

1. To frame and decide the security features for the data transfer from one insurer to the other insurer; data access etc.,

XI. Electronic Data Transfer facility: Services envisaged

1. To determine and decide the IT platform for sharing the required data.
2. To put in place the infrastructure for data transfer facility as required for servicing the policies under the 'Combi Products'.

XI. Operational Areas - Role of the Partners: Services envisaged

1. To have an Agreement on reimbursement of expenses in consideration of common services rendered by each other of insurance companies.
2. To determine the Distribution channel wise commission allowed under the 'combi products'.
3. To determine and decide the terms and conditions under which the Health portion of the 'Combi Product' at the option of the policyholder entitles its renewability.
4. To determine the options available to the policyholders of 'Combi Products' to discontinue either portion of the risk coverage while continuing with the other portion.
5. To determine the proposed common sales literature / sales illustrations to be issued by both the insurers in respect of 'Combi Products'.
6. To determine and decide the common advertisements of 'Combi Products' restricting to the features, terms and conditions of the 'Combi Products'.
7. To put procedures in place for withdrawal by either of the partnering insurance companies from the arrangement of tie-up.

XII. Distribution Channel - Role of the Partners: Services envisaged

1. To ensure that the 'Combi Products' are marketed by the authorized persons in the respective distribution channels.
2. To train the agents within a specific and scheduled time frame to ensure that the trained persons obtain composite licences for marketing and servicing the policies under the 'Combi Products'.

XIII. Other Mandatory disclosures as required by IRDA: Services envisaged

The following minimum disclosures have to be made in all the relevant documents viz., proposal form, Policy document and Sales literature.

1. To print that this product is jointly offered by the 'abc' insurance company (non life insurer name) and 'xyz' insurance company (life insurer name)
2. To print that the risks under the 'Combi Product' are distinct and are assumed/ accepted by respective insurance companies.
3. To declare that the liability to settle the claim benefits vests with the respective insurers
4. To state that the legal / quasi legal disputes, if any, shall be dealt with the respective insurer for respective benefits.
5. To state that the policyholders of the 'Combi Products' under reference shall be eligible to continue with either part of the policy discontinuing the other during the policy term.
6. To state that, where guaranteed renewability of health insurance plan is allowed, the health insurance portion of the 'Combi Product' is entitled to that facility.
7. To specifically disclose the available premium payment options on the 'Combi Products'.
8. To specifically disclose the available policy servicing facilities for the 'Combi Products'.

9. To specifically disclose the proposed claims service of the policies of 'combi Products' under both the risks.
10. To make specific disclosures on the availability of services of 'Third party Administrators (TPAs)' for health insurance portion of risk, if any.
11. To specifically disclose the availability of the Grievance Redressal Options including particulars of Ombudsman under the 'Combi Products'.
12. To inform the policyholders of the 'Combi Products' to familiarize themselves with the policy benefits and policy service structure of the 'Combi Products' before deciding to purchase the policy.

XIV. Compliance related matters: Services envisaged

1. To comply with the provisions of Insurance Act, 1938 and Regulations notified there under and other guidelines, circulars that are applicable to health insurance business and life insurance business respectively, in respect of 'Combi Products' both the insurers
2. To adhere to such terms and conditions that may be stipulated by the authority (IRDA) from time to time for monitoring activities of the insurance companies offering 'Combi Products'.

XV. Eligibility Criteria

- a) Only Non-life/Stand-alone Health Insurance Companies can apply
- b) The Non-life Insurance Company whose group/Promoter has subsidiary which deals/is in the business of life Insurance is NOT ELIGIBLE to apply
- c) The interested Company should have offered at least 2 (two) Health Insurance products as on date of this EOI.
- d) The Company should not have floated any 'Health plus Life Combi product' as on date of this EOI with any other Life Insurer. Refer IRDA guideline clause 2.2.

XVI. Short-listing of Companies for the purpose of RFP

- a. The documents submitted by the applicants in connection with EOI will be scrutinized by an Evaluation Committee formed by LIC. The committee will prepare a shortlist of Companies, based on their relative experience, expertise & other parameters mentioned in the eligibility criteria. LIC reserves the right to reject any or all proposals without assigning any reason.
- b. The short-listed Companies would be required to make presentation on their proposed business plan.
- c. **The short-listed Companies shall be sent an invitation to submit their technical and commercial bids as per RFP document to be prepared by LIC in the post EOI stage.**

XVII. Companies have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of LIC, or that may reasonably be perceived as having this effect. Any such disclosure shall be made as per the Standard forms of technical proposal provided herewith.

XVIII. Documents to be submitted by the Applicants for EOI

The following documents are to be submitted in response to the EOI (formats to be used wherever provided).

- a. Application form as per Format I.
- b. Information showing that the interested Company is qualified in the field of health insurance mentioned hereinabove (Brochures, description of Business Plan, Claim experience in Health Insurance, availability of appropriate skills among staff etc.). Submit documentary evidence of successful marketing of health insurance products, in the Indian context. Information to be provided as per Format II.
- c. Disclosure on Conflict of Interest (Format III).
- d. EOI submission check list (Format IV) to be submitted duly filled in. Page numbers to be indicated against each item of the checklist and the enclosures of the proposal that cover the desired requirement.
- e. List of offices of the Company in India.

XIX. Instructions to bidders for Formulation & Submission of EOI

- a. The documents related to the EOI are to be put in a sealed envelope superscribed “**Health plus Life Combiproduct**”.
- b. Proposals received after the date and time mentioned at Para XIX (c) below will be rejected.
- c. **The last date of submission is Monday, the 27th February, 2012 before 3.00 pm**
- d. Please note that all the pages of the EOI document should be serially numbered and signed by the authorized Signatory with date and seal of the organization on all pages.
- e. Any queries / clarification are welcome that Companies may have beyond the information provided in this document. Queries may be communicated only through e-mail to co_health@licindia.com. Response to query will be by return e-mail. **No queries will be accepted on telephone or through any means other than e-mail.** The queries should be addressed to Deputy Secretary (Health Insurance), Central Office, Hyderabad. Only those queries will be accepted that are received by us up to 3.00 pm on Wednesday, the 15th February 2012. Our responses to the queries received will be sent by return e-mail in one or more batches, the last of which will be sent by 3.00 pm on Wednesday, the 22nd February, 2012. All prospective respondents should check their e-mails regularly to gather our responses to the queries.
- f. The EOI should be sent to the following address so as to reach before the stipulated date:

Mr P Vykunta Rao,
Deputy Secretary (HI),
Life Insurance Corporation of India
Health Insurance Division, Central Office,
4-1-898, 'Oasis Plaza', Tilak Road, Abids, Hyderabad- 500 001
Tel. No. 040 24785037
Fax No. 040 24762468

XX. Companies shall bear all costs associated with the preparation and submission of their proposals. LIC is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to entering into MOU, without thereby incurring any liability in any form, to the Companies.

XXI. The document is only a request for information and not request for proposal. Without limiting its rights in law or otherwise, LIC reserves the right, in its absolute discretion, at all times, in relation to accepting or rejecting any EOI response; Varying or discontinuing the EOI and related processes. LIC shall not be bound to give reasons for any decision made under this clause and its decision will be final and binding on all respondents to this EOI.

XXII. If any information sought in this document is missing or not clearly specified by the applicant, it will be assumed that the organization is not in a position to supply the information.

XXIII. If need arises, LIC can call for any additional information not specified above.

XXIV. Governing laws / Jurisdiction

All matters relating to this activity shall be governed by the laws of India. Courts at Hyderabad shall have the jurisdiction to decide or adjudicate on any matter, which may arise.

Important Time-lines

Last date of receipt of EOI - Monday, 27th February, 2012 by 3.00 pm

**Presentation by short-listed
Companies (tentative dates) - 2nd March to
3rd March, 2012**

Chief (Health Insurance)

LETTER OF EOI SUBMISSION

REF:

[Location, Date]

To:

**Chief (Health Insurance),
Life Insurance Corporation of India**
Health Insurance Division, Central Office,
4-1-898, 'Oasis Plaza', Tilak Road, Abids,
Hyderabad- 500 001

Madam,

We, the undersigned, offer to partner with LIC of India to promote **HEALTH PLUS LIFE COMBIPRODUCT** in accordance with your Invitation for EOI dated ../../2012. We are hereby submitting our Response with all the desired information and documents.

We hereby declare that all the information and statements made in this Response are true and accept that any misrepresentation contained therein may lead to our disqualification.

We understand that you are not bound to accept this or any other response that you may receive.

Yours sincerely,

Authorized Signature [In full]:

Name and Title of Signatory:

Name of Firm:

Address:

COMPANY'S ORGANISATION AND EXPERIENCE

A - Company's Organizational Structure

[Provide here a brief description and background of organization of your Company.]

B - Company's Experience

[Using the format below, provide information on each of the following aspects for which your Company was permitted / licensed by IRDA including your business/Claims performance during the last 5 financial years.]

1. Company's Name:

COMBI PRODUCT	NAME OF THE COMPANY
Corporate / registered Office	
CMD / Chairman Name and address	
CEO Communication Address	
License No& validity	
Ownership - Indian - Others	
Global Tie Up if any	
Capital Infused → Shares	
→Reserve / Surplus	
ISO Certification if any	
Operating Since	
No. of Offices in India	
HO / Regional Office	
Divisional Offices	
Branch Offices	
Other offices	
Proposed new offices	
Office staff distribution	
Actuaries / Product designers	
Underwriting Staff	
Medical Consultants	
Accounting Staff	
Computer / IT staff	
Administrative staff	
Total Staff Members	
Staff in Proposed Tie-up	
Actuaries / Product designers	
Underwriting Staff	
Medical Consultants	
Accounting Staff	
Computer / IT staff	
Administrative staff	

Total Computers → Servers	
→ Laptops	
→ P C's	
→ Scanners	
→ Photo copiers	
→ Fax machines	
Time required for customizing LIC software	
Toll Free numbers	
No of Offices' networked	
Other communication facilities	
Operating system / Data Base	
Centralized Data base / IT system	
Anywhere Anytime Service	
Frequency of data update	
Is Data exchange with external Entity Possible?	
Is Data Security standard? / Encrypted	
In-house/ Outsourced IT systems?	
Details of Health claim processed, Settled and Repudiated	
2006-2007	
2007-2008	
2008-2009	
2009-2010	
2010-2011	
No of Agents on Roll	
Agents doing HI Business	
No of agents having LIC Agency	
No of Agents having agency with other Insurance Cos	
Commission structure of HI policies	
No of Indemnity Products	
No of Fixed Benefit products	
Total Business done {No. of Policies/Premium}	
2006-2007	
2007-2008	
2008-2009	
2009-2010	
2010-2011	

**INFORMATION REGARDING ANY CONFLICTING ACTIVITIES AND DECLARATION
THEREOF**

Are there any activities carried out by your Company or Group Company which are of conflicting nature as mentioned in EOI Document?

If yes, please furnish details of any such activities.

If no, please certify,

We hereby declare that our firm, our associate / group Company are not involved in any such activities which can be termed as conflicting activities as mentioned in the concerned EOI Document. We also acknowledge that in case of misrepresentation of the information, our proposals / contract shall be rejected / terminated by LIC, which shall be binding on us.

Authorized Signature [In full]:

Name and Title of Signatory:

Name of Company:

Address:

EOI SUBMISSION CHECKLIST

1. Eligibility Criteria

(a) The Applicant is a Non-Life / Stand-alone

[YES / NO]

[Specify whether it is Non-Life / Stand-alone Health Insurance Company]

(b) The Non-life Insurance Company's group/Promoter has subsidiary which deals/is in the business of life Insurance

[YES / NO]

[If yes, Mention the name of the Life Insurance Company]

(c) The Company has offered at least 2 (two) Health Insurance products as on date of this EOI.

[YES / NO]

(d) The Company has floated 'Health plus Life Combiprodukt' as on date of this EOI with any other Life Insurer

[YES / NO]

[If yes, Mention the name of the partnering Life Insurance Company & Names of the Health plus Life Combiprodukt launched so far]

2. Submission Checklist :

Following documents are to be submitted in response to the EOI (Kindly use the formats wherever provided). Please indicate against each item of this checklist the page numbers and the enclosures of your proposal that covers the desired requirement.

1. Letter of EOI Submission. (Format I)

[YES / NO]

[Mention page numbers, enclosures for the supporting evidence]

2. Information showing that the interested Company is qualified in the field of health insurance mentioned hereinabove (Brochures, description of Business Plan, Claim experience in Health Insurance, availability of appropriate skills among staff etc.). Submit documentary evidence of successful marketing of health insurance products, in the Indian context. (Format II)

[YES / NO]

[Mention page numbers, enclosures for the supporting evidence]

3. Disclosure on Conflict of Interest (Format III)

[YES / NO]

[Mention page numbers, enclosures for the supporting evidence]

4. List of litigations pending by / against the Company (with Courts/Ombudsman/Consumer Forums) related to Health Insurance Claims along with the value.

[YES / NO]

[Mention page numbers, enclosures for the supporting evidence]

5. List of Offices in India, of the applicant firm/s.

[YES / NO]

[Mention page numbers, enclosures for the supporting evidence]

Authorized Signature [In full]:

Name and Title of Signatory:

Name of Firm:

Address and Contact Details:

END OF DOCUMENT