

NOTICE

**INVITATION FOR EXPRESSION OF INTEREST FROM INTERESTED REINSURERS FOR
PARTICIPATION IN GIC RE'S NON-MARINE DOMESTIC RETROCESSION PROGRAMME 2022-23**

Expression of Interest (EOI) is invited from Reinsurers directly or through an Indian Intermediary for participation as follow market on GIC Re's Non-Marine Domestic Retrocession Programme incepting from 1st June 2022.

The programme structure for 2022-23 is as shown below. The process of inviting quotations is currently under way. Terms and lead slips will be shared once finalised with markets allocated by GIC Re. It may be noted that reinsurers' agreement to participate will be on lead slip basis and leader's agreement will be binding on all follow reinsurers.

1. The Structure is as under (Table A1, A2 & A3):

A1:

Amounts in INR mln

Layer	Description	Limit	Deductible	Reinstatement	MDP	Instl.	Adjustable rate
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	80%	Qly	Terms to be finalised
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	80%	Qly	Terms to be finalised

A2:

Amounts in INR mln

Layer	Description	Limit	Deductible	Reinstatement*	Deposit premium*	Profit Commission*	Adjustable rate	Expenses of Management*
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	30%	80%	Terms to be finalised	30%
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	30%	80%	Terms to be finalised	30%

*** Notes for A2 (Option 2 for Layers 1 & 2):**

- 1) Reinstatement premium is calculated on Annual premium and not Deposit premium. Expenses of Mgmt is NIL on reinstatement premium
- 2) Deposit premium - 30% of Annual Premium payable in 4 instalments
- 3) Profit Commission - 80% (Upon Commutation, the Reinsurer will pay 80% of all reinsurance premiums and Reinstatement premiums less Management Expenses less Ceded Paid losses, if positive)
- 4) Expenses of Management of the Reinsurer – 30 % of Annual premium (to be used for calculation of Profit Commission to the Reinsured), Nil on Reinstatement Premiums
- 5) Brokerage 7.5% only on Deposit premium (Nil on Adjustment premium and Reinstatement premium)

A3:
Layer 3- Layer 11
Amounts in INR mln

Layer	Description	Limit	Deductible	Reinstatement	MDP	Instl.	Adjustable rate
3	Risk cum Cat All Perils	12,500	22,500	2 @ 100%	80%	Qly	Terms to be finalised
4	Cat All Perils + PML Error	15,000	35,000	2 @ 100%	80%	Qly	Terms to be finalised
5	CAT All Perils	15,000	50,000	1 @ 100%	80%	Qly	Terms to be finalised
6	CAT All Perils	15,000	65,000	1 @ 100%	80%	Qly	Terms to be finalised
7	CAT All Perils	20,000	80,000	1 @ 100%	80%	Qly	Terms to be finalised
8	Earthquake Only	30,000	100,000	1 @ 100%	Flat rate	Qly	Terms to be finalised
9	Earthquake Only	30,000	130,000	1 @ 100%	Flat Rate	Qly	Terms to be finalised
10	Earthquake Only	30,000	160,000	1 @ 100%	Flat Rate	Qly	Terms to be finalised
11	Earthquake Only	30,000	190,000	1@ 100%	Flat Rate	Qly	Terms to be finalised

The reinsurer desirous of submitting Expression of Interest as follow market must satisfy the following criteria:

1. Reinsurer willing to participate should be domiciled in a country which has Double Taxation Avoidance Agreement with India.
2. Reinsurer can choose to participate either on direct basis or through an Indian intermediary. The Reinsurer evincing interest to participate via an intermediary would be required to indicate mandate of **Exclusive Broker on Record (BOR) to only one Indian broker**. Format to provide EOI is as per Annexure 1.
3. The duly completed Annexure 1, should be on letter head, dated, stamped and signed on or after the tender upload date. Mandate in the form of email shall not be considered.
4. Reinsurer is required to provide :
 - A. IRDAI Filing Reference Number (FRN) for 2022-23. No signings will be allocated on the programme without a valid FRN at the time of signing line allocation.
 - B. Their valid Rating along with copy thereof.
 - C. If participation is via an intermediary:
 - i. Details of the Indian broker to be mentioned clearly (for layer(s)) in **Annexure 1**. If different brokers are involved for separate layers, separate Annexure 1 giving the concerned broker details needs to be submitted. The Annexure 1 should be on letter head dated, stamped and signed on or after the tender upload date.
 - ii. IRDAI (Insurance Regulatory and Development Authority of India) issued FRN is paramount to establish identity of the Reinsurer. Reinsurer providing EOI should use the stamp of the entity which has IRDAI issued FRN. Please note that subsidiary/sister company FRN shall not be considered
 - iii. In case of a Lloyds syndicate, Annexure 1 should be signed and stamped by the particular Syndicate to whom IRDAI has issued the FRN and not by its branch office.
 - iv. A copy of valid IRDAI Certificate of Registration issued to the Broker as a Reinsurance or a Composite Broker. The broker should have obtained it's Composite or Reinsurance license at least 2 calendar years prior and GIC Re should have active inward business form the broker.
5. Reinsurer needs to clearly mention in the EOI the layer(s) which they are interested to participate on.
6. Preference will be given to "A" rated Reinsurers, reinsurers offering uniform shares across the program and expiring reinsurers who have settled claims.
7. Expression of Interest from MGAs / Cover Holders/Fronting companies will not be considered.

8. **No broker should obtain mandate / BOR from more than seven markets in all for the programme.**
9. Reinsurers who have submitted EOI as a quoting market, the same Annexure 1 will hold good for follow line participation through the same broker. **The markets for any broker will be restricted to seven in all, including quoting markets.**
10. Annexure 1 along with required documents listed in point 4 above to be submitted via e-mail only to ridbd@gicofindia.com and to no other personal email id, with subject line as : **EOI-Follow market- GIC NM Domestic Retro Programme 2022-23**
11. **The last date of submission is May 09th 2022, 12:00 midnight, Indian Standard Time.** Thereafter, GIC Re will advise allocation of reinsurers on follow line basis together with infopack for evaluation. Once lead quotes and lead slips are finalised, the same will be advised.
12. No subjectivities, including minimum lines to stand condition will be entertained.
13. Expression of Interest for participation as follow market on GIC Re's Non Marine Domestic Programme renewing on 1st June 2022 should not be construed as a firm order to participate.
14. In line with regulatory requirement, once the reinsurer has been allocated a share on the programme, the reinsurer will need to confirm premium remittance, even if remitted via Broker, directly to GIC Re on email id [<retro_bas@gicofindia.com>](mailto:retro_bas@gicofindia.com) as and when each instalment premium is received, for this programme.
15. This communication is intended to invite Expression of Interest only, kindly note that the acceptance of the same would be at the sole discretion of GIC Re.



Hitesh Joshi,
General Manager

ANNEXURE 1

DATE:

The Assistant General Manager
 Property Retrocession
 GIC of India (GIC Re), Mumbai

Re: Invitation for Expression of Interest published On Your Website Dated 2.5.22 to participate on your Non Marine Domestic Retrocession Programme 2022-23

In response to your captioned invitation for expression of interest, we would like to express our interest directly / through intermediary of _____ (name of the broker if interested to approach via intermediary) having IRDAI broker license no. _____ valid until _____.

Our FRN No. for 2022-23 is _____. Our rating is _____ from _____ Rating Agency. A copy of valid rating certificate is attached.

Our engagement on below mentioned layers of the programme in this tender process is direct / exclusively through the said intermediary. (Please tick appropriate item(s) below:

Figures in INR crore

A1: Option 1 for layers 1 & 2

Layer	Description	Limit	Deductible	Reinstatement*	MDP	Interested to follow Y/N
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	80%	
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	80%	

A2- Option 2 for layers 1& 2

Layer	Description	Limit	Deductible	Reinstatement	Deposit premium	Interested to follow Y/N
1	Risk cum Cat All Perils	5,000	12,500	2 @ 100%	30%	
2	Risk cum Cat All Perils	5,000	17,500	2 @ 100%	30%	

A3- Layers 3-11

Layer	Description	Limit	Deductible	Reinstatement	MDP	Interested to follow Y/N
3	Risk cum Cat All Perils	12,500	22,500	2 @ 100%	80%	
4	Cat All Perils + PML Error	15,000	35,000	2 @ 100%	80%	
5	CAT All Perils	15,000	50,000	1 @ 100%	80%	
6	CAT All Perils	15,000	65,000	1 @ 100%	80%	
7	CAT All Perils	20,000	80,000	1 @ 100%	80%	
8	Earthquake Only	30,000	100,000	1 @ 100%	Flat rate	
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10	Earthquake Only	30,000	160,000	1 @ 100%	Flat Rate	
11	Earthquake Only	30,000	190,000	1 @ 100%	Flat Rate	

The overseas co-broker / placing broker for the programme is _____

SIGNATURE, SEAL & DATE

NAME & DESIGNATION:- -

CONTACT NUMBER:

EMAIL:

