ANNEX A:
Terms of Reference (TOR)

REQUEST FOR PROPOSAL: No. RFP/2017/1022 FOR THE ESTABLISHMENT OF A SERVICE CONTRACT FOR THE PROVISION OF VEHICLE INSURANCE SERVICES

13 October 2017
UNHCR operates a global vehicle fleet of 5,756 units as of September 14th 2017, which includes 4,941 light vehicles and 815 heavy vehicles. Many of UNHCR vehicles are operated in high-risk environments. Around half of the UNHCR fleet is operated in countries classified as “Severe and Extreme Risks” by the Lloyd’s of London War Risk Register. Detailed information on UNHCR Fleet Profile Data as of September 14th 2017 is presented in Appendix 1, which can be provided to the bidders upon request, after signing the non-disclosure and confidentiality agreement contained in Annex E of the RFP/2017/1022.

In 2014, the UNHCR Global Vehicle Insurance Scheme was established to mitigate the risk of loss or damage to UNHCR vehicles and from third party liability claims against UNHCR.

The scheme is organized with three components:

i. UNHCR Offices operating UNHCR vehicles are required to obtain the compulsory Local Third Party Liability Insurance in line with the local legal requirements of the host country.

ii. Any gaps in the coverage of the Local Third Party Liability Insurance are covered through a commercial excess liability policy (Global Third Party Excess Liability Insurance) purchased and maintained by the UNHCR Headquarters.

iii. Damage to, or loss of, UNHCR vehicles caused by incidents are covered by the Self-Insurance Fund (SIF) established by UNHCR in 2014.
II. **Service requirements for bidders:**

A) **Global (Worldwide) Third Party Excess Liability Insurance:**

The insurance policy should give coverage for owned, hired/rented, non-owned vehicles operated by UNHCR, including private vehicles used for official purposes, and UNHCR vehicles operated by Partners under Right of Use Agreement on a worldwide basis (without exclusions) in the following cases:

1. **(If) local third party liability is not available** or not in place, the policy will pay claims on a first dollar basis\(^1\).
2. **(If) local third party liability is obtained**, the policy will pay claims on the next dollar basis\(^2\), above local limits, or if the local program fails to comply on a first dollar basis. Legal defence costs should be paid outside of the limits of liability.

B) **Claims Processing, Management Reporting and Risk Management:**

The Service Provider should present to UNHCR a documented proposal on:

1. Receiving and processing vehicle insurance claims and inquiries from UNHCR Offices through the Self-Insurance Fund. Incidents reported during a year are for 6-7% of the Global UNHCR Fleet. The number of insurance claims by country and by year is presented in Appendix 2, which can be provided to the bidders upon request, after signing the non-disclosure and confidentiality agreement contained in Annex E. Claims are recorded and processed in the Incident Module of UNHCR’s fleet management software (FleetWave). The Service Provider is expected to deliver the highest level of accuracy and correctness in recording the insurance claims.

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\(^1\) First dollar basis means that the Global Third Party Excess Liability Insurance pays the full amount awarded to the claimant.

\(^2\) Next dollar basis means that the Global Third Party Excess Liability Insurance pays any additional amount that the local third-party liability insurance does not cover.
2. Handling the potential third party liability claims includes receiving and reporting claims to the Insurer, providing the Global Third Party Excess Liability Policy, and following up on claims until they are settled or closed. Incident Reporting Forms are provided in Appendix 3 to the TOR (below).

3. Providing monthly and quarterly Management Reports on insurance claims. These reports should be accurate, straightforward, well structured, synoptic and easy to read.

4. Providing Proactive Risk Management by presenting the main risks for UNHCR and describing methods to mitigate them on a quarterly basis.
III. Scope of Work and Proposal Requirements

Proposals should provide details of all services offered in separate sections as defined below. UNHCR will only consider proposals covering both requested services (A) and (B) listed in the previous section.

Service requirements that are considered mandatory will be evaluated on a pass/fail basis (please refer to Annex A.1 to RFP). This means that the offer will be evaluated only if all the mandatory service requirements are addressed in the proposal. A “FAIL” in any of those requirements (i.e. PASS/FAIL requirements) will result in disqualification of the Service Provider and the proposal will not be further evaluated.

The estimated start date of the contract is within the first quarter of 2018. The Service Provider must provide the required lead time for commencing the service.

A) Global (Worldwide) Third Party Excess Liability Insurance

Provide details of the coverage being proposed. Terms must include, but are not to be limited to, the following. Please note that the elements that are considered mandatory must be clearly highlighted in your proposal.

<table>
<thead>
<tr>
<th>Required Information</th>
<th>Level</th>
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<tbody>
<tr>
<td>1. Provide details on the Yearly Excess Liability Insurance premium amount. Please note that Yearly Excess Liability Insurance premium is payable on the operational UNHCR fleet at the beginning of the policy period at a flat rate, independently of vehicle type (light or heavy vehicle). The insurance premium is adjustable at the end of the policy period based on opening and closing number of operational vehicles.</td>
<td>Subject to Scoring</td>
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<tr>
<td>2. Worldwide coverage is required.</td>
<td>Mandatory</td>
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<tr>
<td>3. Coverage provided for owned, hired/rented, non-owned vehicles operated by UNHCR, including private vehicles used for official purposes, and UNHCR vehicles operated by Partners under Right of Use Agreement.</td>
<td>Mandatory</td>
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</table>
### B) Claims Processing, Management Reporting and Risk Management

Provide details of the services that will be provided. Proposals should include but not be limited to all 6 sections listed below. All elements that are considered mandatory must be clearly highlighted in your proposal.

<table>
<thead>
<tr>
<th>Required Information</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Organization and Relevant Experience</strong></td>
<td></td>
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<tr>
<td>1.1. Provide audited financial statements of the company for the last three years with the independent auditor’s reports.</td>
<td>Mandatory</td>
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<tr>
<td>1.2. Provide details on the organization’s experience handling Claims Processing, Management Reporting and Risk Management, preferably with an International Organization and not less than 5 years.</td>
<td>Subject to Scoring</td>
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<tr>
<td><strong>1.3.</strong> Provide detailed information on similar projects (scope, complexity, geographical coverage, challenges and successes) and services provided to other clients.</td>
<td>Subject to Scoring</td>
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<td>**2. ** <strong>Staffing</strong></td>
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<td>2.1. Confirm that Claims Consultant(s) assigned to the UNHCR will exclusively work on this project.</td>
<td>Mandatory</td>
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<td>2.2. Identify the Account Manager that will be assigned to the UNHCR project. Provide information on her/his time dedicated to the project and include details of her/his job title, relevant qualifications, and experience (a minimum of 7 years’ experience is required in insurance industry).</td>
<td>Subject to Scoring</td>
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<td>**3. ** <strong>Claims Processing</strong></td>
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<td>3.1. Provide a proposal for Claims Handling Process with action points (both for Service Provider and UNHCR), timelines, list of required documents for different claim types, communication tools and strategy.</td>
<td>Subject to Scoring</td>
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<td>3.2. Provide details on handling calls from Field Offices including possibilities for answering service or emergency service desk for calls after working hours.</td>
<td>Subject to Scoring</td>
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<tr>
<td>3.3. Describe internal controls in place to ensure claims processing accuracy and achievement of target turnaround times.</td>
<td>Subject to Scoring</td>
</tr>
<tr>
<td>3.4. The Service Provider should report all potential third party liability claims to the Third Party Excess Liability Insurer according to the defined deadline and requirements and to follow up on those until settled or closed. Any loss from missed reporting deadlines should be borne by the insurance claims processing Service Provider.</td>
<td>Mandatory</td>
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<td>**4. ** <strong>Management Reporting</strong></td>
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<tr>
<td>4.1. Provide a list and sample of all relevant reports that will be used in order to ensure timely and accurate insurance claims processing and that the UNHCR Global Vehicle Insurance Scheme is operated effectively on a monthly basis. The report must be submitted within the first 5 working days of each month.</td>
<td>Subject to Scoring</td>
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</tbody>
</table>
4.2. Provide a sample of a summary report that will be provided for the Vehicle Insurance Steering Committee members and UNHCR Senior Management on a quarterly basis. Highlight areas in the report which carry risk for UNHCR and list vehicle insurance related areas and issues you consider important. The report must be submitted within the first 5 working days of the next quarter.

4.3. Provide a sample on suggested reports for each Regional Bureau (Africa, Americas, Asia Pacific, Middle East and North Africa, Europe) twice a year. The report should include but not limited to statistics, trends and issues specific to the different UNHCR regions. The report must be submitted within the first 5 working days of the next half year.

5. Risk Management

5.1. Describe the methods that will be utilized during the analysis and interpretation of data in order to provide feedback including recommendations to UNHCR.

5.2. The Service Provider is expected to review and provide expert advice on Local Third Party Insurance Policy wording and schedule purchased by UNHCR Offices and on all vehicle insurance related inquiries received. The Service Provider must have access to official database on country specific insurance rules and regulations and the related cost is covered by the Service Provider.

6. Performance Indicators

6.1. UNHCR will periodically review the Service Provider’s performance in all aspect of the project implementation to ensure the quality of the services, response time, claim review and reporting mechanisms. In addition, UNHCR will measure performance against established set of Key Performance Indicators (KPIs). The Service provider is to provide a set of KPIs for the proposed solution. Specify whether the indicators are standard or specific to the Framework Agreement to be signed with UNHCR. At a minimum, the KPIs should include:
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- The maximum timeframe for claim processing (number of working days)
- Average claim processing per month
  - Average timeframe for claim settlement
- The maximum timeframe for solving technical problems related to claim settlements
- Internal control mechanism to ensure claims processing accuracy and achievement of target turnaround times.

The Service Provider is expected to submit an introduction of the company with the organisational chart, structure and the ownership details (including subsidiary and other relationships). It is also expected from the Service Provider to participate in meetings with UNHCR team at least twice a year (May/June and October/November) and bear the cost of these travels. These meetings aim to further simplify/improve the insurance scheme and manage claims more effectively and support report production.

Appendices:

Appendix 1: UNHCR Fleet Composition (upon signature of the “Non Disclosure and Confidentiality Agreement” contained in Annex E of the RFP)

Appendix 2: UNHCR Insurance Claims (upon signature of the “Non Disclosure and Confidentiality Agreement” contained in Annex E of the RFP)

Appendix 3: Vehicle Insurance Report Form
Appendix 3:

Vehicle Incident Report Form
REQUEST FOR PROPOSAL FOR THE PROVISION OF VEHICLE INSURANCE SERVICES

Vehicle Incident Report Form
Rapport d’incident de véhicule

Required Documents / Documents requis:

- Incident Reference Number
  Numéro de référence de l’incident

- Date of Incident / Date de l’incident

- Date Reported / Date du rapport

Instructions:

1. This document can only be used for this Incident Reference Number. In case of a different claim a new form will be issued.

2. Please complete the form electronically if possible. Otherwise please use legible capital handwriting. Veuillez compléter le formulaire électroniquement. Si cela n’est pas possible, merci d’utiliser une écriture lisible en lettre capitale.

3. Please complete all sections of the form in full. If something does not apply, please put “Not Applicable” and explain the reason why.

4. If you need more space in any section, please use the Additional Page of this form. Si l’espace disponible dans une section du formulaire ne suffit pas, veuillez utiliser la page supplémentaire.

5. The Vehicle Incident Report Form with supporting documents should be submitted as soon as possible, but within 60 days from receipt of this form. Le rapport d’incident de véhicule ainsi que les pièces justificatives devraient être transmis dans les plus brefs délais, mais toujours dans un délai de 60 jours.

6. You are not authorized to repair your vehicle until a written authorization is given by UNHCR Global Vehicle Insurance. The LAMB has no authority to take decisions on repair or disposal of any UNHCR vehicles. Vous n’êtes pas autorisé à réparer le véhicule avant d’avoir reçu l’autorisation écrite de UNHCR Global Vehicle Insurance. Le LAMB n’a plus d’autorité concernant les décisions de réparation ou de démolissement des véhicules du HCR.

7. Photographs are required of the damage to the vehicle and of the scene of the incident if possible. Les photos montrant les dommages subis au véhicule, ainsi que les lieux de l’accident, sont demandées.

8. Print the completed form, provide an incident diagram, date and sign. Une fois complété, imprimez le rapport, établissez le croquis de l’accident, datez et signez.

9. Scan the completed, signed Vehicle Incident Report Form with the required documents and return to HQINSUR@unhcr.org.

10. For any insurance related questions please contact HQINSUR@unhcr.org. Pour toute question relative à l’assurance, veuillez contacter HQINSUR@unhcr.org.
9 Description of the Incident / Description de l'incident

Parties, type of vehicles involved, kind of property damaged of UNHCR and third party, injuries, fatalities, how the incident happened, etc.

Partis, type de véhicules concernés, type du bien endommagé du HCR et du tiers, blessures, décès, comment l'accident s'est produit, etc.

10 Diagram of the Incident / Croquis de l'accident

Showing roads and direction of travel of vehicles at point of impact. Include traffic signs, name of streets, etc.

Tracé des routes, position des véhicules au moment de la collision. Indiquez les signaux routiers, le nom des rues, etc.

Completed by / Complété par
Date _____________ Name / Nom __________________________ Title / Titre __________________________

Certified by / Validé par
Date _____________ Name / Nom __________________________ Title / Titre __________________________

Signature __________________________