



SARS RESPONSE TO BIDDERS' QUESTIONS

RFP 10/2019: Appointment of a Group Life Insurer

Non - Compulsory Briefing Session

Briefing Session Question & Answers

Date: 29 April 2019

Time: 11h00

Last updated: 13/05/2019

#	QUESTION	SARS RESPONSE
Questions received before briefing session		
1.	Please provide clarity on the venue for the non-compulsory briefing session on 29th April	Please refer to section 5 of the RFP document.
2.	In the interest of pursuing the opportunity to be the preferred service provider for the provision of Group Life Insurance for SARS, please forward the bid document as well as all other relevant information pertinent to providing a comprehensive proposal	Please refer to the SARS website (published tenders) to access all documents.
3.	Does the RFP makes provision for Group Life brokers to participate or if it is only for actual product insurers within the market?	The RFP makes reference only to Group Life Insurers within the market.

4.	Please provide the membership data which contain Name, ID, DOB, Sex, Annual Risk Salary and members` options to request quotes in the market for the tender? If Names and ID`s are a problem, at least DOB will be required	<p>The Occupation data is not provided as it has no real relevance. SARS forms part of the Financial/Governmental family and jobs are of an Administrative nature.</p> <p>The information will be provided to the requestors upon completion of a non- disclosure agreement (NDA). Please complete the NDA and send back to TenderOffice@sars.gov.za</p>
5.	Do we have to be an underwriter to do this or is this RFP directed at Insurance companies only?	Both underwriters and insurance companies.
# Questions received during briefing session		
6.	<p>Section 9.3.2 of the RFP document, “the point notes that all rates should exclude provision for commission”</p> <p>Please provide clarity, does SARS have an intermediary who will work through, or is the intention to disintermediate the scheme?</p>	<p>SARS has a direct relationship with the insurer regarding claims, etc. The services of a broker is only utilised when procuring an insurer. SARS is in the process of appointing an insurance broker for the purpose of this tender.</p> <p>The broker is paid for by SARS as and when the services are required.</p>
7.	Section 9.2.1.3 “Dismemberment Benefit/ Accident Disability Benefit” Please provide percentage % of 2.2 x annual salary (GTP). Is it 100% or 50%?	<p>A 100% pay out on this benefit is equal to 2.2 X annual guaranteed total package to a maximum of R4 500 000.00.</p> <p>Nature of Dismemberment or paralysis: Percentage of benefit</p> <ul style="list-style-type: none"> • At or above the wrist or ankle of one or more limbs – 100% • Four (4) fingers – 80%

- Thumb both phalanges – 50% and one phalanx – 25%
- Index finger
 - Three (3) phalanges i.e. whole finger – 10%
 - Two (2) phalanges – 8%
 - One (1) phalanx – 5%
- Middle finger
 - Three (3) phalanges (i.e. whole finger) – 8%
 - Two (2) phalanges – 6%
 - One (1) phalanx – 4%
- Ring finger
 - Three (3) phalanges (i.e. whole finger) – 6%
 - Two (2) phalanges – 5%
 - One (1) phalanx – 3%
- Little finger
 - Three (3) phalanges (i.e. whole finger) – 4%
 - Two (2) phalanges – 3%
 - One (1) phalanx – 2%
- Metacarpals (in addition to fingers lost) first or second per metacarpal – 3%
- Toes
 - All on one foot – 30%
 - Great toe, both (2) phalanges – 7%
 - Great toe, one (1) phalanx – 3%
 - One (1) toe (except great toe) each – 2%

		<ul style="list-style-type: none"> • Metatarsals (in additional to toes lost) <ul style="list-style-type: none"> ○ First or second per metacarpal – 3% ○ Third, fourth or fifth – per metacarpal – 2% • Nature of loss of faculties <ul style="list-style-type: none"> ○ Loss of sight / hearing – both eyes / ears – 100% ○ Loss of sight / hearing – one eye / ear – 30% <p>Total incapacitation – 100%</p>																																										
8.	Section 9.2.2.3 “ Extended Funeral Cover Premiums” Please provide the current structure	The information will be provided to the requestors upon completion of a non- disclosure agreement (NDA). Please complete the NDA and send back to TenderOffice@sars.gov.za																																										
9.	Annexure B - Pricing Schedule “ Extended Funeral Cover Premiums” Please provide age grouping	<table border="1"> <thead> <tr> <th></th> <th>0 -5 Years</th> <th>6 - 21 Years</th> <th>22 - 45 Years</th> <th>46 - 65 Years</th> <th>66+ Years</th> </tr> </thead> <tbody> <tr> <td>R 5 000.00</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>R 10 000.00</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>R 15 000.00</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>R 20 000.00</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>R 25 000.00</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>R 30 000.00</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		0 -5 Years	6 - 21 Years	22 - 45 Years	46 - 65 Years	66+ Years	R 5 000.00						R 10 000.00						R 15 000.00						R 20 000.00						R 25 000.00						R 30 000.00					
	0 -5 Years	6 - 21 Years	22 - 45 Years	46 - 65 Years	66+ Years																																							
R 5 000.00																																												
R 10 000.00																																												
R 15 000.00																																												
R 20 000.00																																												
R 25 000.00																																												
R 30 000.00																																												

10.	Will SARS share the formula for the Premium Refund (Profit Share) that is in Annexure B?	<p>This formula is only applicable to death and funeral cover</p> <p>At the end of each period the premium refund (W) for the relevant period of premium refund is determined as follows:</p> $W = Q(CP - E)$ <p>Where</p> <p>Q = 100%</p> <p>C = 15%</p> <p>P = the total premiums, excluding the premium for the option to effect individual insurance that were received by the Insurer in terms of the Policy for the relevant period of profit in respect of death benefits</p> <p>E = the total amount payable by the Insurer as the result of claims that arose during the relevant period of profit in respect of death benefits</p>
11.	On the group life section on the extended benefit, does it have a re-instatement benefit or not?	No.
12.	On the waiting period, as soon as the person is employed, they are covered which is the norm in the market but the waiting period is on the disability is normally 6 months, do you have a waiting period for that?	No.
13.	Section 9.2.2 on the additional flexi benefit, employees can increase their cover by 6, will that add up to 8.2 or is it a total of 6?	Add up to 8.2 times.
14.	In annexure B, on the core benefits rates, do you prefer the rates to be quoted in percentage or unit price?	% of salary package.
15.	Will the claim history for SARS employees be shared?	The information will be provided to the requestors upon completion of a non- disclosure agreement (NDA). Please complete the NDA and send back to TenderOffice@sars.gov.za

16.	Do you have any employee assistance and health management programmes in place?	Yes SARS has employee assistance and health management programmes for managers and executives.
17.	Is the health management programme compulsory or optional? Can SARS provide data about how many people join the programme?	<p>In the year ending 31 March 2018, 64% of Executives participated in the health management programme.</p> <p>In the year ending 31 March 2019, 94% of Executives participated in the health management programme.</p> <p>The programmes are not compulsory.</p>
18.	Annexure B makes reference to premium refund but the benefit is not found in section 9.2	SARS currently has this benefit in place but it was not included in the RFP document because it is not compulsory, however if bidders can provide it they can provide. This is also referred to as profit share mentioned under question 10 above.
19.	Will SARS share the briefing presentation?	Briefing presentation will be uploaded on the SARS website.
#	Questions received post briefing session	
20.	Is the intension just to consider the Insurers at this stage or would you be considering alternative Intermediary/Broker proposals as well?	Only the insurers.
21.	Please clarify the education booster, the costs like books, extra mural or residence fees and the University Residence allowance – the percentages mentioned, is this included in the education benefit or is it on top of the education benefit	<p>The benefit is all inclusive.</p> <p>The education fees for pre-school up to Secondary school include is a book allowance of up to 10% of the actual education fees payable not exceeding the maximum amounts.</p> <p>The education fee for university include a book allowance of up to 10% of the actual education fees payable plus a residence fee up to 30% of the actual education fees</p>

		payable not exceeding the maximum amounts.												
22.	With regards to point 9.2.1.8, Funeral Benefit Structure , please provide clarity on whether there should be a conversion option or a paid-up benefit option on the funeral benefit.	<p>The conversion option applies for the employee and immediate family cover as well as the extended family funeral cover.</p> <p>In addition, a paid-up benefit on the core funeral benefit applies to the principal member and the immediate family when on retirement until the principal member dies.</p>												
23.	<p>The Flex Benefit</p> <p>Under which circumstances employees are currently allowed to flex their benefit and increase their cover?</p>	<p>Employees can elect or increase the flexi cover options during the following events</p> <table border="1"> <tr> <td>On Appointment</td> <td>6 times</td> </tr> <tr> <td>During "Open" Period</td> <td>2 times</td> </tr> <tr> <td>Marriage</td> <td>5 times</td> </tr> <tr> <td>Acquiring a child</td> <td>3 times</td> </tr> <tr> <td>Purchase of primary residential property</td> <td>1 time</td> </tr> <tr> <td>Divorce or death of spouse</td> <td>1 time</td> </tr> </table>	On Appointment	6 times	During "Open" Period	2 times	Marriage	5 times	Acquiring a child	3 times	Purchase of primary residential property	1 time	Divorce or death of spouse	1 time
On Appointment	6 times													
During "Open" Period	2 times													
Marriage	5 times													
Acquiring a child	3 times													
Purchase of primary residential property	1 time													
Divorce or death of spouse	1 time													
24.	We assume that you would require the new insurer to take over the current terms and conditions of your Group Risk Scheme. If this is the case, please may we have a copy of the current terms and conditions to ensure that these can be matched?	<p>Yes.</p> <p>The documents will be provided upon request to bidders who have completed the non-disclosure agreement.</p>												
25.	We do not have a conversion option on Funeral but only paid-up benefit. Can this be accommodated?	Proposals will be considered.												
26.	<p>i. In item 3 on page 1 of 7 of document "SARS response to bidders` questions", reference is made that "The RFP makes reference only to Group Life Insurers within the market".</p> <p>ii. Item 5 on page 2 refers to "Both underwriters and insurance companies".</p> <p>iii. In item 6 on page 2, reference is made to "The broker is paid for by SARS as and</p>	<p>Tender is intended for underwriters and insurance companies.</p> <p>The services of a broker is used to assist SARS in selecting the insurer, however the selection of a broker does not form part of this tender.</p> <p>Also see responses to Questions 3 and 5.</p>												



	<p>when the services are required".</p> <p>Does the above mean that only underwriters and insurance companies are eligible to tender and brokers are excluded?</p>	
General		
27.	Bidders are advised to regularly visit the SARS website for any up-dates	