



REQUEST FOR QUOTATION FOR INSURANCE SERVICES FOR THE DIRECTORS AND OFFICERS LIABILITY COVER FOR A PERIOD OF 36 MONTHS

REQ0717-03062025_FIN_DIRECTORS LIABILITY

1. BACKGROUND

- 1.1. The purpose of the KZNERA is to regulate the Liquor and Gambling industries within the Province of KwaZulu-Natal in the public interest.
- 1.2. The KZNERA is a schedule 3(c) public entity as defined in the Public Finance & Management Act, 1999 (Act no 1 of 1999 as amended). The KZNERA was established in June 2024 with the merger of the operations of the erstwhile KwaZulu-Natal Liquor Authority and the erstwhile KwaZulu-Natal Gaming & Betting Board. As part of the merger process, the KZNERA assumed all on-going litigation of the erstwhile entities.
- 1.3. The KZNERA does not have issued share capital and therefore no shareholders; however, the Provincial Government is the regarded as the only shareholder.
- 1.4. The Board of Directors ("Board") of the KZNERA comprises of seven (7) independent members and the Chief Executive Officer (ex-officio).
- 1.5. The Board draws its powers from the KwaZulu-Natal Economic Regulatory Authority Act, 2024, the KwaZulu-Natal Gaming and Betting Act, 2010, and the KwaZulu-Natal Liquor Licensing Act, 2010, as well as National Legislation.

2. PURPOSE / SCOPE OF WORK

- 2.1. The KZNERA wishes to appoint a service provider who will offer the entity Director's & Officer's insurance to protect the members of the Board and Management from any claims that may arise from them holding office and/or performing their duties within the entity.
- 2.2. The nature of the cover should be to ensure that each person is not adversely impacted in their personal capacities as a result of them having applied themselves in a responsible manner and within the requirements of the governing legislation.
- 2.3. The KZNERA seeks to implement an insurance policy to protect the members and officers as follows:
 - 2.3.1. Year 1 – up to a maximum annual value of R60 million (sixty million Rand).
 - 2.3.2. Year 2 – up to a maximum annual value R65 million (sixty-five million Rand).

- 2.3.3. Year 3 – up to a maximum annual value R70 million (Seventy million Rand).
- 2.4. The entity's current cover expired in October 2024. The current cover must include **retrospective cover from November 2024**.
- 2.5. There are no subsidiary companies, however, the members sit on the Board of a Fund set up for the transformation of the industry.
- 2.6. The entity has never had this type of cover cancelled by any insurers.
- 2.7. The entity does not have any operations outside of the Province of KwaZulu-Natal.
- 2.8. The latest audited financial statements of the entity and previous years can be obtained from our website www.kznera.org.za. Any additional information can be requested from the individuals listed in paragraph 9.

3. DURATION OF APPOINTMENT

- 3.1. The duration of the cover will commence immediately on award and will be for a period of 36 months.
- 3.2. The KZNERA reserves the right to cancel the contract should the service no longer be required, or the performance of the service provider is deemed unsatisfactory. Should the contract be terminated early, there will be a pro-rata refund of fees paid.
- 3.3. The KZNERA reserves the right to appoint or not to appoint.

4. PRICE QUOTATIONS

- 4.1. Service Providers are required to quote on the best value for money insurance covers out in the market relating to the following item:
- 4.1.1. Retrospective cover for the period November 2024 to date.
- 4.1.2. Directors and Officers Liability cover from date of appointment for a period of 36 months as follows:
- 4.1.2.1. Year 1 – up to a maximum annual value of R60 million (sixty million Rand).
- 4.1.2.2. Year 2 – up to a maximum annual value of R65 million (sixty-five million Rand).
- 4.1.2.3. Year 3 – up to a maximum annual value of R70 million (Seventy million Rand).

4.2. Quotes provide a breakdown of the above:

Description	Level of cover	Amount including VAT
Retrospective cover from November 2024 to date	R50 million	
Year 1	R60 million	
Year 2	R65 million	
Year 3	R70 million	
Other costs: kindly specify		
TOTAL		

5. CONFIDENTIALITY

5.1. All company information supplied must be considered and treated as confidential, and may not be shared with any other party without the express approval of the entity.

6. EVALUATION CRITERIA

6.1. The bid will be evaluated on a two stage process:

- 6.1.1. Compulsory returnable documents
- 6.1.2. 80/20 preference points system

7. RETURNABLE

7.1. The following returnable documentation **must be submitted** with the proposal. Bidder must complete the returnable section on the table below:

No	Documents	Compulsory (Yes/No)	Returned (Yes/No)
1.	Certified copy of Certificate of Registration in terms of the FAIS Act	YES	
2.	Proof that the broker and/or insurer is authorized by the Financial Services Board to provide insurance- FSB Number	YES	
3.	Proof of valid registration with the Financial Services Board	YES	
4.	Completed and signed SBD forms and accepted general conditions of contract.	YES	
5.	Proof of Registration on the Central Supplies Database (CSD report)	YES	
6.	BBBEE Certificate or Sworn Affidavit	NO	
7.	To claim specific goal points, service providers must submit the required supporting documents <u>AND</u> complete the table in the SBD6.1 form	NO	

7.2. Notes to returnable documents:

- 7.2.1. Please indicate “**YES**” in the last column of the table if the required documents are submitted with the proposal and “**NO**” if not available/not submitted.
- 7.2.2. The evaluation of the proposal will be conducted in line with the scope of work indicated in this document.
- 7.2.3. Non-submission of compulsory documents will render you bid invalid and therefore **disqualified**.
- 7.2.4. Failure to provide the relevant supporting documents and complete table 6.1 for specific goals (in the bid document) will result in no points being awarded for the specified goal.
- 7.2.5. Failure to complete the bid document and SBDs in its entirety will result in **disqualification**.

8. EVALUATION

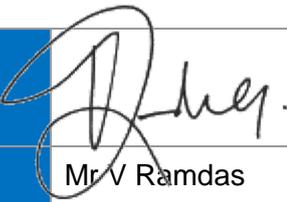
8.1. The bid will be evaluated using the 80/20 preference points system:

Item	Maximum points to be awarded
Price	80
Specific goals	20
Total	100

9. ENQUIRES

	SCM	SCM
NAME	Mrs Nonhlanhla Blose	Mr Faheem Mahomed
EMAIL	Nonhlanhla.blose@kznera.org.za	Faheem.mahomed@kznera.org.za
	era-quotes@kznera.org.za	era-quotes@kznera.org.za
CONTACTS	031 583 1800/ 084 655 0359	033 897 0142

10. APPROVAL OF TERMS OF REFERENCE

Responsibility Manager Signature	
Name and Surname	Mr V Ramdas
Date	03/06/2025
End user Unit	Finance