REQUEST FOR INFORMATION (RFI)

RFI: ECIC05I-2022/23

PERFORM AN INDEPENDENT REVIEW OF ORSA

CLOSING DATE: 07 September 2022

TIME: 11H00 (SAST, OBTAINABLE BY DIALLING TELKOM ON 1026)

CONTENTS

A. INTRODUCTION

1. Introduction

1.1 The Export Credit Insurance Corporation of South Africa (SOC) Limited (ECIC or Corporation)[1] is a self-sustained state-owned entity listed under Schedule 3B of the Public Finance Management Act 1 of 1999 (as amended) and established in terms of the Export Credit and Foreign Investments Insurance Act 78 of 1957 (as amended).

1.2 The mandate of ECIC is to facilitate and encourage South African export trade, by underwriting export credit loans and investments outside the country, to enable South African contractors to win capital goods and services contracts in countries outside South Africa. ECIC is a registered Financial Service Provider and is regulated by the Financial Sector Conduct Authority and Prudential Authority (FSP No: 30656). Currently exempted in terms of FAIS Notice 78 of 2019.

1.3 ECIC operates from offices at Block C7 Eco Origins Office Park, 349 Witch Hazel Avenue, Highveld Ext 79, Centurion, 0157, South Africa.

2. Purpose

2.1 The purpose of this Request for Information is an information gathering and market-testing exercise for a service provider to perform an independent review of the ECIC's Own Risk and Solvency Assessment (ORSA), intended only to inform and assist the ECIC for further deliberation, budgeting and development of an optimal procurement strategy.

2.2 Potential suppliers who do not respond to this RFI **WILL NOT** be precluded from bidding in future open bid(s) issued by ECIC. Information provided in this RFI is for **industry and budgeting research** only and will not be used to any respondent's advantage or disadvantage in future open tenders.

3. Enquiries

3.1 All enquiries regarding this RFI must be sent in writing to the Head of Procurement on/or before **Tuesday, 30 August 2022** to the following email address:

procurement@ecic.co.za

3.2 All questions must reference specific paragraph numbers, where applicable.

3.3 ECIC will not consider any enquiries regarding this bid sent to any other email address or received through any other means, except as instructed in paragraph 3.1.

3.4 All enquiries received by ECIC will be consolidated and responded to in one response, which will be published on the website of ECIC (www.ecic.co.za), next to the respective bid within three working days from the last day of enquiries.

4. Submission of the proposals

[1] Further information on the ECIC can be found at www.ecic.co.za

4.1 Responses must be clearly marked for ease of reference.

4.2 All responses must be submitted on PDF format on/or before the closing date and time to the following email address:

procurement@ecic.co.za

5. Right of cancellation

5.1 ECIC reserves the right to discontinue the tender procedure at any stage and not continue with a Request for Proposal (RFP), Request for Bid (RFB) or Request for Quotation (RFQ). Responding to this RFI does not mean that the vendor will be requested to submit a formal RFP or RFB or RFQ.

6. Confidentiality

6.1 Any information relating to the submissions, through the process or otherwise shall be treated in strict confidence. In submitting a response, the responder agrees that it shall not be entitled to any information disclosed by another respondent to ECIC, which ECIC has determined to be of a confidential nature. The content and details of the evaluation of submissions will remain confidential to ECIC.

7. Protection of personal information

7.1 ECIC recognises that when the Bidder submit its proposal in response to this Request for Quotations, it will provide personal information, which ECIC will process for the sole purpose of evaluating the Bidder's proposal. By submitting its proposal in responding to this Request for Quotations, the Bidder hereby provide its consent to the processing of its Personal Information by ECIC.

7.2 The following terms shall have the meaning ascribed to them:

7.2.1 "**Personal Information**" shall bear the same meaning as ascribed to it under POPI;

7.2.2 "**POPI**" means Protection of Personal Information Act, No. 4 of 2013;

7.2.3 "**Responsible Party**" shall bear the same meaning as ascribed to it under POPI; and

7.2.4 "**bid**" means this Request for Quotations.

7.3 ECIC as the Responsible Party undertakes to:

7.3.1 comply with the provisions of POPI as well as all applicable legislation as amended or substituted from time to time;

7.3.2 treat all Personal Information strictly as defined within the parameters of POPI;

7.3.3 process Personal Information only in accordance with the consent it was obtained for, for the purpose agreed, as permitted by law;

7.3.4 secure the integrity and confidentiality of any Personal Information in its possession or under its control by taking appropriate, reasonable technical and organisational measures to prevent loss, damage, unauthorised destruction, access, use, disclosure or any other unlawful processing of Personal Information;

7.3.5 not transfer any Personal Information to any third party in a foreign country unless such transfer complies with the relevant provisions of POPI regarding transborder information flows; and

7.3.6 not retain any Personal Information for longer than is necessary for achieving the purpose in terms of bid or in fulfilment of any other lawful requirement.

7.4 ECIC will ensure that all reasonable measures are taken to:

7.4.1 identify reasonably foreseeable internal and external risks to the Personal Information in its possession or under its control;

7.4.2 establish and maintain appropriate security safeguards against the identified risks;

7.4.3 regularly verify that the security safeguards are effectively implemented;

7.4.4 ensure that the security safeguards are continually updated in response to new risks or deficiencies in previously implemented safeguards;

7.4.5 provide immediate notification to the Bidder if a breach in information security or any other applicable security safeguard occurs; provide immediate notification to the Bidder where there are reasonable grounds to believe that the Personal Information has been accessed or acquired by any unauthorised person;

7.4.6 remedy any breach of a security safeguard in the shortest reasonable time and provide the Bidder with the details of the breach and, if applicable, the reasonable measures implemented to address the security safeguard breach;

7.4.7 provide immediate notification to the Bidder where the Bidder has, or reasonably suspects that, Personal Information has been processed outside of the purpose agreed to or consented to;

7.4.8 provide the Bidder, upon request, with all information of any nature whatsoever relating to the processing of the Personal Information for the purpose of the bid and any applicable law; and

7.4.9 notify the Bidder, if lawful, of receipt of any request for access to Personal Information, in its possession and relating to the Bidder.

7.5 The Bidder has the right to inspect the Personal Information processing operations, as well as the technical and organisational information security measures employed by the ECIC to ensure compliance with the provisions of this paragraph 7.

B. BID RULES

8. Completeness

8.1 Bidders must check number of pages submitted and ensure that there are no missing pages or information. ECIC shall not accept any liability for any missing pages or information.

9. Costs

9.1 ECIC shall in no manner be responsible for any costs incurred by the bidder in preparation and submission of response in relation to this bid.

10. Ownership of Proposals

10.1 All proposals in response to this bid, whether successful or unsuccessful, will become the property of ECIC.

11. Change in Scope

11.1 ECIC reserves the right to change the scope and extent of supply of the goods and/or services requested in this bid and invite the re-submission of such tender on or before the closing date, without necessitating a new tender.

12. Form of tender

12.1 Tender documents must be completed by the tenderer in non-erasable, legible and [2]visible ink.

12.2 Where the space provided in the bid document is insufficient, separate schedules may be drawn up in accordance with the prescribed formats. These schedules must be bound with a suitable contents page and submitted with the tender documents.

13. Signing of tender

13.1 The tender must be signed by a person who is duly authorised to do so.

14. Jurisdiction

14.1 This bid and subsequent contract or order is governed by the laws of the Republic of South Africa.

15. Language

15.1 The tender documents are drafted in English and any contract, which originates from the acceptance of the tender, will be interpreted and construed in English.

[2] Visible to human eye.

15.2 All proposals must be submitted in English language.

16. Gender

16.1 Any word implying any gender shall be interpreted to imply all other genders.

17. Headings

17.1 Headings are incorporated into this proposal and submitted in response thereto, for ease of reference only and shall not form part thereof for any purpose of interpretation or for any other purpose.

18. Confidentiality

18.1 Any information relating to the submissions, through the process or otherwise shall be treated in strict confidence. In submitting a response, a Service provider agrees that it shall not be entitled to any information disclosed by another respondent to ECIC, which ECIC has determined to be of a confidential nature. The content and details of the evaluation of submissions will remain confidential to ECIC.

19. Other matters

19.1 If the ECIC does not accept any proposal, it will declare this bid process closed and may then elect to:

19.1.1 Proceed on a completely different basis; and/or

19.1.2 Not to appoint any respondent (in the event it deems all or any of the proposals not appropriate).

19.1.3 The ECIC reserves the right to engage in any processes required to validate all claims made in the proposal.

20. Disclaimer

20.1 The ECIC has produced this bid in good faith. However, the ECIC, its agents and its employees and associates, do not warrant its accuracy or completeness. The ECIC will not be liable for any claim whatsoever and howsoever arising (including, without limitation, any claim in contract, negligence or otherwise) for any incorrect or misleading information contained in this bid due to any misinterpretation of this bid

20.2 This bid is a Request for Information only and not an offer document; answers to it must not be construed as acceptance of an offer or imply the existence of a contract between the ECIC and the bidder.

C. REQUEST FOR INFORMATION

21. Background information

21.1 The ORSA process is defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks an insurance undertaking face or may face, and to determine the own funds necessary to ensure that the overall solvency needs are met at all times and are sufficient to achieve its business strategy.

21.2 The ORSA is designed primarily to satisfy the internal need to manage all material risks that the Corporation is exposed to and ensure that there is enough capital to meet solvency and business requirements

21.3 ECIC's ORSA process is governed by the principles and guidance in its ORSA policy. The Policy aims to:

21.3.1 Describe the principles underlying the ORSA process.

21.3.2 Ensure the proper governance of the ORSA process by describing the requirements and minimum standards by which the ORSA should be performed.

21.4 The ORSA report should evidence an effective level of enterprise risk management and provide a perspective on capital management.

21.5 The Prudential Authority's Governance and Operational Standard for Insurers (GOI 3.1) require an insurer to ensure that an assessment and validation of the process whereby the ORSA has been performed is carried out. This should be done by an independent and appropriately qualified person who is operationally independent of the ORSA process. The independent person must also provide assurance to the board of directors that the ORSA policy has been complied with.

22. Statement of need

22.1 ECIC requires information from potential service providers to perform an independent review that includes the following ORSA review components:

Table 1

Review components	Review section	Details of independent review that will be required
Component 1	ORSA Policy	Policy Design Review ORSA Policy to ensure it complies with the requirements of the Prudential Authority's Governance and Operational Standards.
		Policy Implementation Assess if the ORSA Policy has been implemented accordingly.

Review components	Review section	Details of independent review that will be required
Component 2	ORSA governance	Review appropriateness of the governance around the ORSA.
Component 3	ORSA risk management process	Review the risk management process as related to ORSA.
Component 4	ORSA outcomes review	• Review the ORSA conclusions and determine if it supports and complies with the risk appetite, tolerances, and limits. • Review capital management activities related to ORSA.
Component 5	ORSA record review	• Review the completeness of documentation in relation to the ORSA. • The records would include; records on data used for projections, ORSA Policy, ORSA Report, uses of ORSA, proof of board participation in ORSA (e.g. meeting minutes, report tracked changes, decisions taken), evidence of continual monitoring

22.2 The potential service provider will also be expected to:

22.2.1 Provide a review/assurance report setting out the review process followed, findings and recommendations.

22.2.2 Present any report(s) to ECIC management and its Risk Committee of the Board of Directors to provide the necessary independent validation as per the GOI 3.1 Standard.

23 **B-BBEE Level**

23.2 Respondents to this RFI must indicate their B-BBEE Level in their response.

Annexes

Annexure A: Entity and service offering information.

1. Please provide your firm's responses in a table format as set out below. Should your firm not provide the services questioned, indicate "N/A" in the response. You may provide additional information in your responses if the questions asked are limiting in nature.

Question	Response
Table 1 – Entity	
1. Name of entity	
2. Inception date of the entity	
3. B-BBEE level of the entity	
4. Provide your corporation's experience in providing an independent review of ORSA, by providing the following:	
4.1 The entity's years of experience in providing an independent review of ORSA.	
4.2 Number of insurance companies provided with similar engagements within the last 24 months.	

Question		Response
Table 1 – Entity		
4.3	Highlight any competitive advantages your entity has in providing an independent review of ORSA.	
5.	Indicate if it is envisaged to utilise services of any subcontractor in offering the required services. Provide the reasons for subcontracting.	
6.	Provide any information that is required for this type of services that we might have missed.	

Question	Response
Table 2 – Perform an independent review of ORSA	
1. Profile of proposed team members that will be conducting the review (CVs should be attached). The CVs must state identified area of specialisation, years of experience and qualifications especially around;	
1.1. Implementing/reviewing Prudential Authority's Governance and Operational Standards for Insurers.	
1.2. Conducting ORSAs and performing an independent review on ORSAs	
1.3. Relevant qualifications (e.g. actuarial and/or risk management related qualifications	
2. Provide details on the approach and methodology of how the ORSA independent review will be undertaken, reflecting an understanding of the requirements. Clear critical success factors as well as milestones.	
3. Provide any information that is required for this type of services that we might have missed.	

Annexure B: Pricing template/example

1. For pricing purposes, ECIC requires information on expected costs and such costs must include amongst others the items below.

2. It should be noted that the ORSA capital calculations and projections are reviewed by the Head of Actuarial Function and should not be included in the pricing below. This review includes the following:

    2.1. Review own view of capital calculation.

    2.2. Review the projected SCR and Own Funds to ensure accuracy.

    2.3. Review the way in which the stress scenarios are modelled.

    2.4. Review if assumptions are consistent and review appropriateness of assumptions in stress scenarios.

    2.5. The capital and solvency assessment need to demonstrate that the risk profile, under normal and stress scenarios, remains within limits or remediation strategies identified.

3. Expected costing **(to be used for budgeting purposes):**

Description		Amount (R) Year 1	Year 2	Year 3
Component 1: Review ORSA Policy				
1. Policy Design				
2. Policy Implementation				
Component 2: Review ORSA Governance				
Component 3: Review Risk Management process				
1. Risk management framework				
2. Risk appetite				
3. Risk identification and assessment				
4. Stress Testing				
5. Monitoring and reporting				
Component 4: ORSA outcomes review				
Component 5: ORSA Record review				
Any other cost element(s) not included above				
Subtotal				
Value Added Tax at 15% (where applicable)				
Total including VAT				

4. The information provided above will be utilised for budgeting and sourcing strategy purposes.