



Fiji Operations

REQUEST FOR PROPOSAL

APPOINTMENT OF ACTUARY/ ACTUARIAL CONSULTANCY FIRM FOR LICI FIJI OPERATIONS

LICI (Life Insurance Corporation Of India) is one of the leading life insurance companies operating in Fiji Islands. In accordance with Section 61 of the Insurance Act 1998 of Fiji and ISPS No. 10 (Revised 2022) issued under it by the Reserve Bank of Fiji, LICI Fiji Operations is seeking to appoint an actuarial consultant/firm in Fiji for providing end-to-end actuarial solution and services and valuation services etc. for it.

[Ref: LICI-Fiji/RFP/2022/AA Dated: 10th August' 2022]

Correspondence Address:

General Manager,
Life Insurance Corporation of India,
LICI House,
11 Butt Street,
Suva, Fiji Islands.

Contact person: General Manager/Manager (IS & NM)

Telephone:

Email: GM@licifiji.com.fj Or mgr.it@licifiji.com.fj

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Introduction

Life Insurance Corporation of India is one of the biggest Life Insurance Companies in the world and is a “Fortune 500” Company. Life Insurance Corporation of India (LICI) is a Statutory Corporation established in India under Section 3 of Life Insurance Corporation Act 1956 (XXXI of 1956) and having its Corporate Office at “Yogakshema”, Jeevan Bima Marg, Nariman Point, Mumbai – 400021 (India). At Fiji, the operations are taking place as a foreign branch office of the Corporation and known as LICI Fiji Operations/Branch office.

In accordance with Section 61 of the Insurance Act 1998 of Fiji, LICI Fiji Operations is seeking to appoint an Actuary/ Actuarial Consultancy Firm in Fiji for providing end-to-end Actuarial solution and services and valuation services etc. for it.

LICI Fiji Operations has an overall life insurance portfolio of approx. 200,000 life-insurance policies out of which 59500 were In Force as at 31.12.2021. Every year approx. 10,000 new policies are added. Financial year followed by LICI Fiji is from January to December and thus annual closing takes place every year as on 31st December.

The total assets managed by the branch are about F \$ 750 million. The investments are managed in-house in line with the Investment Policy for the branch.

LICI Fiji Operations is currently selling/servicing 41 life insurance products in Fiji. Refer Annexure-A for brief details. More details will be provided to the short listed/selected actuarial firm.

As per the Fijian Insurance Act 1998 and the Insurance Supervision Policy Statement No: 10 (Revised 2022), the Actuary/Actuarial firm has to be approved by the local regulator Reserve Bank Of Fiji (RBF) and thus it is necessary that the interested firm shall have thorough understanding of the local rules and regulations and be familiar with the RBF guidelines/requirements and the firm holds the required qualifications and competence, has proven experience and adequate resources to perform its functions at Fiji.

Our requirements in brief:

We require the selected Actuarial Consultancy Firm (firm) to provide us with the following services:

1. Services of an Actuary as per Section 61 of the Insurance Act 1998 of Fiji and the Insurance Supervision Policy Statement No: 10 (Revised 2022), MINIMUM REQUIREMENTS FOR THE ROLE OF INSURANCE ACTUARIES IN THE SUPERVISION OF INSURANCE COMPANIES IN FIJI who would sign the valuation report(s) and all statutory returns etc. (ISPS No: 10 (Revised 2022) is enclosed).
2. Discharge all the responsibilities of an Actuary as described under Fiji Insurance Act 1998, ISPS 10 (Revised 2022), any other relevant Acts/Regulations either in the principal Act/Regulations as amended from time to time, circulars, instructions, guidelines or by any other communication and considering the future requirements and span of the assignment.
3. Provide advice and undertake all calculations as detailed in the ISPS No: 10 (Revised 2022).
4. Prepare and submit various reports and advice as required under ISPS No: 10 (Revised 2022) brief description of which is as under:-
 - (i) Actuarial Reports for Life Insurers-The appointed actuary for a life insurer is required to:

- (a) prepare the insurer's LVR (liability valuation report) on an annual basis;
- (b) prepare the insurer's FCR (financial condition report) on an annual basis;
- (c) provide advice;
- (d) monitor and report on the interests of policyholders; and
- (e) report to the Board of the insurer and the Reserve Bank.

(ii) Liability Valuation Report (LVR)

(a) The LVR covers the actuary's calculation of the life insurer's policy liabilities, including an allowance for IBNR claims. Annexure II of ISPS No: 10 (Revised 2022) provides an outline of what the LVR of a life insurer must include.

(b) The actuary must ensure that the LVR clearly indicates which types of policy have been classified as participating and which as non-participating.

(c) The actuary must ensure that the valuation of liabilities is carried out on a prudent basis, using appropriate actuarial method(s) and assumptions outlined under section 8 of ISPS No. 3A (Revised) on Solvency Requirements for Insurers Licensed to Conduct Life Insurance Business in Fiji.

(iii) Financial Condition Report (FCR)

The FCR covers an assessment of the life insurer's financial condition, the insurer's compliance with solvency requirements, an assessment of the licensed insurer's ongoing solvency, and the actuary's advice and recommendations for managing material risks that have an impact on ongoing solvency. Annexure II of ISPS No: 10 (Revised 2022) provides an outline of what the FCR of a life insurer must include.

(iv) Provide any data/statement/information in any form that may be called for by the Insurance Regulatory and Development Authority Of India, the Indian Insurance Regulator.

5. Study existing products and submit a product viability report.
6. Undertake designing/pricing of new products, including deciding the premiums to be charged for them, including approval thereof from the Regulator, if required, as per Section 40 of Fiji Insurance Act, 1998 and ISPS No:10 (Revised 2022) and by meeting all laid-down criteria as per the applicable Fiji regulations.
7. Undertake Solvency Margin Calculations: The ISPS No: 3A³ (Revised) require the appointed actuary of a licensed insurer to be responsible to the board and senior management of the insurer in performing or reviewing all aspects of the solvency margin calculations, and must ensure that the calculations are complete and accurate.
8. Provide advice to the Senior Management and the Board of Directors in accordance with the Actuarial Advice Framework (Clause 6 of ISPS No: 10 (Revised 2022)).
9. Adhere strictly to the Duty of Disclosure as described under Clause 7 of ISPS No: 10 (Revised 2022).
10. Submit a report to the Reserve Bank, if directed by it, regarding specific assessments of the insurer's operations, risk management or financial affairs in accordance with Clause 8 of ISPS No: 10 (Revised 2022).
11. Monitor that the interests of the policy holders of participating policies are not compromised and their reasonable expectations are met (Clause 11 of ISPS No: 10 (Revised 2022)).
12. Undertake Annual Actuarial Valuation, Experience Analysis and Analysis of Surplus, and

prepare Financial Condition Report and other reports to be placed before the Board of LIC of India.

13. Estimation and declaration of Bonus rates for the existing with-profit plans.
14. Preparation of Annual Statutory returns as per the forms prescribed by the RBF and any other local authority(ies).
15. Preparation of Quarterly reports/returns as may be asked by the RBF and any other local authority(ies).
16. Review the existing Risk Management Framework and provide inputs and reporting formats for its improvisation on periodic basis.
17. Provide inputs for regulatory returns in Fiji as and when asked for.
18. Provide Actuarial opinion on matters related to Fiji for the senior management in Fiji and India.
19. Represent LICI Fiji to the Regulators/Authorities on Actuarial matters.
20. The Actuary must actively engage with the Auditors for any information, statistics and reports as may be required by them.
21. Must handle all kinds of communications from all kinds of Governing Bodies and assist LICI Fiji Branch to address all such matters which may arise.
22. Any other Actuarial services on mutually agreed basis.

The Actuarial services will be as per RBF requirements for a period of FIVE years starting from the date of the contract.

Eligibility criteria:

The Actuarial firms interested to respond shall meet the minimum basic criteria as defined below

1. As per the Fijian Insurance Act 1998, the Actuary/Actuarial firm has to be approved by the local Regulator RBF and thus it is necessary that, the interested firm shall have thorough understanding of the local rules and regulations and familiar with the RBF guidelines/requirements and the firm holds the required qualifications and competence as laid down in Fijian Insurance Act 1998, any other relevant Acts/ Regulations and has proven experience and adequate resources to perform its functions at Fiji.
2. The firm should be having requisite resources, infrastructure and experience for Actuarial services (preferably with a Life Insurance Company) at Fiji.
3. The firm shall designate an Actuary who shall have all the duties, responsibilities and obligations of an Actuary as per RBF requirements (ISPS No: 10 (Revised 2022), MINIMUM REQUIREMENTS FOR THE ROLE OF INSURANCE ACTUARIES IN THE SUPERVISION OF INSURANCE COMPANIES IN FIJI).
4. The Actuary must have the necessary skill and experience to provide appropriate actuarial advice.
At a minimum, the person appointed as Actuary must:
 - (a) be a Fellow of one of the professional bodies recognized as per Clause 3.4 of ISPS No. 10 (Revised 2022).
 - (b) not hold the position of director or Chief Executive Officer or auditor of the insurer that it will be assessing;
 - (c) not hold the position of director or Chief Executive Officer of a body corporate that is related to the insurer, unless the related body corporate is a subsidiary of the insurer;
 - (d) have at least 5 years' experience in the provision of actuarial services;
 - (e) not have committed an offence against the Act, or any other laws of Fiji, or laws of a

foreign country, particularly offences with a financial nature as a result of dishonest conduct;

(f) not have been declared bankrupt; and

(g) not pose conflicts of interest in having to perform the actuarial role.

Process:

The firms have to furnish the following information in their proposal

1. Company information, key persons, experience in providing actuarial consultancy services including approved persons role.
2. Details of the person who will provide the services of Actuary. Please include CV.
3. Regulatory references for the last three years as may be required by the RBF.
4. Details of the actuarial software to be used for the provision of services and preparation of Valuation data and all kinds of reports for regulator/authorities etc.
5. The Actuarial firm shall quote their Fixed cost per annum for the providing its services. The applicable taxes may also be mentioned separately.
6. Exit clause (if any).
7. On selection of the Actuarial firm, LICFiji will be conducting background checks on the named individual before filing application with the RBF for approval of the said role.
8. The selected actuarial firm will be provided with a copy of the last financial year's (as at 31st December 2021) valuation-cum-investigation report for study and compliance.

Interested Actuarial Firms are requested to provide us with a proposal in a sealed envelope, which should reach General Manager, LICFiji Operations, Suva at the address given on page-1 of this document, not later than **3.30 pm on 30th November 2022**.

The signed and scanned proposal may also be sent not later than **30th November 2022** through an email in the form of a password protected PDF file(s) to the General Manager's email-ID (**GM@licifiji.com.fj**). If Proposal/Bid is received through email, password to be shared with this office by way of separate mail after closure of submission of proposals i.e. 3.30 pm of 30.11.2022. **The bids will be opened on 1st December 2022 at 9 am in the Conference Room on Level 4 of LICFiji House, 11 Butt Street, Suva, Fiji Islands.** Representative(s) of the firms who have submitted their proposals, if interested, can physically witness the opening of the proposals/bids. Any further queries or request for more information may be addressed to the same email ID.

Annexure-A

(List of plans having liability values including plans available for sale of LIC Fiji Operations)

Sl. No.	Plan No.	Name of the Plan
1	2	Whole Life-With Profits
2	3	Ltd Payment-W/O Profits
3	5	Ltd Payment-With Profits
4	11	Endowment-W/O Profits
5	14	Endowment Policy With Bonus
6	17	Joint LifeEndowment-With Profits
7	19	Fixed Term Marriage Endowment
8	20	Fixed Term Marriage Endowment
9	21	Fixed Term Marriage Endowment
10	22	Guaranteed Triple benefit
11	23	Guaranteed Triple benefit
12	24	Anticipated Endowment
13	25	Anticipated Endowment
14	26	Anticipated Endowment
15	28	Convertible Whole Life
16	41	CDA-WithProfits-Vestng@21
17	48	Endowment Assurance Ltd.Payments
18	52	Mortgage Redemption Assurance
19	74	Money Back Policy With Bonus
20	75	Money Back Policy With Bonus
21	89	Jeeavan Sathi
22	92	New Childrens deferred assurance With profits
23	93	Money Back Policy With Bonus
24	113	Money Back Children's Assurance Plan
25	135	Smart Life I
26	601	Children's Aspire
27	602	Children's Aspire
28	603	Children's Aspire
29	612	Wealth Builder - Classic
30	613	Whole Life Limited Payment
31	614	New Endowment Policy With Bonus
32	636	Gold Life
33	637	Gold Life Plus
34	640	New Bula Gold
35	645	Double Gold
36	648	Target Plan
37	650	MicroLife
38	674	New Money Back Policy With Bonus
39	675	New Money Back Policy With Bonus
40	693	New Money Back Policy With Bonus
41	-	Two Group Insurance Policies covering Agents and Local Staff of LIC