

KENYA MEDICAL SUPPLIES AUTHORITY

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All Correspondence should be addressed to Chief Executive Officer

When replying please quote our ref:

KEMSA/PROC/ONT14/2023

Date: 15th February, 2023

To all Bidders,

ADDENDUM NO. 1

Dear Sir/Madam,

RE: TENDER NO. KEMSA/ONT14/2022-2024 FOR PROVISION OF FIRE AND ALLIED PERILS INSURANCE SERVICES.

The following Queries were raised by interested bidders and responses provided as detailed below.

We noted the following in the tender document and we seek for amendments;

Question 1:

Broker, Mandatory Requirement (9)- Professional Indemnity cover of at least Kes. 300M- we kindly request that you reduce to 100M

Answer

The Authority has agreed to reduce the requirement to 200Million. This is applicable to Brokers only.

Question 2:

Broker, Mandatory Requirement (14)- The broker must have paid up capital of Kes. 25M. This is way high compared to the minimum requirement for brokers by IRA of Kes. 10M. We request you reduce the limit.

Answer

The Authority has agreed to reduce the requirement to 10Million. This is applicable to Brokers only.

A handwritten signature in black ink, appearing to be the initials "JB" followed by a flourish.

Question 3:

Broker, Mandatory Requirement (15)- Must have underwritten general insurance premium of more than 800M-This is too high and will lock out many brokers. Kindly revise to at least 400M

Answer

The Authority has agreed to reduce the requirement to 200Million. This is applicable to Brokers only.

Question 4:

Technical requirement.

Fire & allied perils of at least 1 Billion for the last Three (3) Years (2019,2020,2021) and above as per IRA report-The IRA report does provide for a breakdown in premium per class for brokers. Further, an inclusion of brokers statistics on the IRA report has not been done before say 2021 which is incomplete. From the 2021 IRA statistics less than 5% of broker have a gross written premium of 1B and above inclusive of fire and allied perils. We request for a review of the same (95% if Insurance brokers have premiums between 10 M and 500M, the above will lock most brokers)

Answer:

This requirement is applicable to Underwriters only.

Question 5:

Credit rating: Brokers are not required to have a credit rating because they do not pay claims and don't collect premiums from clients

Answer:

This requirement is applicable to Underwriters only.

Question 6:

Reinsurance is not a requirement for brokers because brokers don't carry risks.

Answer:

This requirement is applicable to Underwriters only.



Dr. Justus Kinoti (Ph.D)
Ag. DIRECTOR PROCUREMENT
FOR: CHIEF EXECUTIVE OFFICER