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Ref. No.: RFP-01/2025/ACC/BIP

Date: 17.02.2025

To,

All Public Sector and Private Sector General Insurance Companies approved by IRDA

Subject: Request for Proposal (RFP) - Availing of Banker's Indemnity Policy for our Bank for the period from 01.04.2025 to 31.03.2026.

We wish to inform you that our Bank intends to avail Banker's Indemnity Policy for the Financial Year 2025-2026. Karnataka Vikas Grameena Bank, having its Head Office at Dharwad invites the sealed tenders from all IRDA approved General Insurance Companies.

The sealed quotations shall be submitted separately in the format as mentioned in Annexure B (Technical Bid) and Annexure C (Financial Bid) by mentioning the type of the bid on each envelop. The insurance companies are invited to submit the premium quotations in a sealed envelope super-scribing "Tender submission for Banker's Indemnity Policy" and the same is to be submitted on or before 12th March 2025 before 11.00 AM to the following address.

To,
The General Manager,
Karnataka Vikas Grameena Bank, (Accounts Division)
Head Office, Vikas Bhavan, P.B. Road, Dharwad.
State: Karnataka
Pin Code: 580 008

Bank has appointed M/s Vrddhi Insurance Broking Services India Pvt. Ltd., Bangalore to handle the General Insurance related matters for the financial year 2025-26.

Request for Proposal (RFP) is based on the following terms:

Sl. No.	Insuring Clauses	Sum Insured (Proposed) FY 2025-26 (Amount in ₹)
1	Basic Sum Insurance	₹ 3,00,00,000/-
2	Additional Sum Insurance for Sections	
A	On premises	₹ 7,00,00,000/-
B	In Transit (including negligence / fraud committed by the employee/service provider)	₹5,00,00,000/-
C	Forgery & Alteration	Within Basic SI
D	Employee Dishonesty, Infidelity / Staff Loading	Within Basic SI plus addition of ₹2,00,00,000/-
E	Hypothecated goods	Within Basic SI
F	Registered post Parcel / courier	Within Basic SI (any one occurrence ₹10,00,000/- and in aggregate ₹50,00,000/- subject to max no of occurrences 05)
G	Jewel Appraisers	Within Basic SI (any one occurrence ₹10,00,000/- and in aggregate ₹50,00,000/- subject to max no of occurrences 05)
H	Janata Agent / Collection agents / Choti Bachat Yojana Agents /Business Correspondent / Business Facilitator /Affiliate/Associates	Any one Occurrence ₹1,00,000/- and in Aggregate ₹5,00,000/- Subject to max no of occurrences 05.
I	Infidelity of Bank Appointed Vendors/vendors/all outsourced service providers	Within Basic SI. Any one Occurrence ₹50,000/- and in aggregate ₹2,50,000/- Subject to max no of occurrences 05.
J	Negligence and Errors and Omissions	Any one occurrence ₹10,00,000/- and in Aggregate ₹50,00,000/- Subject to max no of occurrences 05.
K	Loss by Erroneous Transfers	Any one occurrence ₹10,00,000/- and in Aggregate ₹50,00,000/- Subject to max no of occurrences 05.
L	Fraud of any kind including fake property document, loss due to Impersonation of Borrower or Owners of Property, liability arising out of opening of Bank A/c with forged documents,etc	Any one occurrence ₹10,00,000/- and in Aggregate ₹1,00,00,000/- Subject to max no of occurrences 10.

Sl. No.	Insuring Clauses	Sum Insured (Proposed) FY 2025-26 (Amount in ₹)
M	Spurious Gold Cover	Within Basic SI. But upto maximum Limit is ₹1,00,00,000/- only.
N	Stop payment liability	Any one occurrence ₹2,50,000/- and in Aggregate ₹12,50,000/- Subject to max no of occurrences 05.
O	No of Staff	3047
P	Earth Quake	₹10,00,00,000/-
Q	Standard Fire & Allied Perils (STFI) Insurance	₹10,00,00,000/-
R	Terrorism	₹10,00,00,000/-
S	ATM	Any one occurrence ₹10,00,000/- and in Aggregate ₹50,00,000/- Subject to max no occurrences 05. Total no. of ATMs 49, MOBILE ATM-01
T	Counterfeit Currency	Within Basic SI Any one occurrence ₹50,000/- and in Aggregate ₹5,00,000/- Subject to max no occurrences: 10

Note:

- a) **Premium should be quoted separately for each clause/ terms.**
- b) **Retroactive Date: 01.04.2021.**
- c) **Further in respect of Additional Sum insured under Clause A & B, Insurance Cos. required to quote premium for every one Crore Addition of risks, separately (In the space provided in Annexure).**
- d) **Policy excess for clause A to T is 10% of the claim amount but not exceeding ₹ 25,000/-. For Loss due to terrorism risk for all sections, the excess would be 0.5% of the sum insured subject to a maximum of ₹ 25,000/-.**

The Following Terms & Conditions would be also part of the policy:

1. Cash in all ATMs (Inclusive of Offsite ATM's)/branch offices/Currency Chest offices or any other premises of the Bank be treated as Cash on Premises. There shall be no requirement of Guards/CCTV/Alarm System at the ATMs centers/branches. Claims shall not be repudiated/reduced solely on the ground of non-functioning of installed Alarm systems/CCTV on the day of incident.

2. All employees of the Bank whether Permanent including Part time as well as Contract employees are to be covered.
3. Cash in transit shall mean and include Cash in Transit either by Bank through its own employees/ contracted employees or through Agencies/vendors/ service providers engaged by the Bank. Cash in transit between currency chests and branches of the Bank/any Banks, ATMs (cover until completion of replenishment process) door step Banking etc. and vice-versa. It shall also include Loading and Unloading of cash at various points during the transit. This cover shall also be extended to losses that may arise whilst ATM maintenance services are being carried out.
4. The subject Policy shall cover Computer and Electronic Crime committed by the Bank Employees and or Contract employees of the agencies to whom any jobs are entrusted by the Bank.
5. Notwithstanding anything contained in this policy to the contrary, the subject policy covers fraud by the staff in respect of any goods and/or commodities pledged, hypothecated, mortgaged, or deposited with the Bank.
6. Notwithstanding anything contained in the policy terms the subject policy shall cover loss due to misappropriation including robbery/theft of money and/or securities sent through post or courier.
7. Cash includes foreign currency but claim in respect of foreign currency shall be paid in Indian Rupees (Exchange rate should be that of date of fraud).
8. The indemnity in respect of jewelry and related valuables should be based on market value on the dates of loss.
9. The movement of cash may be done either by the vehicles owned by Bank / hired vehicle / employees own vehicle / public / private transport (Rail/Road/Air/Water born Vessels) / on foot as the case may be.
10. Policy shall cover loss of damage due to Fire & Allied Perils, RSMD, Act of terrorism / left wing extremist activates and all type of AOG perils.
11. 72 hours clause will be applicable for Act of God (AOG) perils.
12. Loss of Cheques / instruments deposited in the drop box also covered for Fraud and/dishonesty under this policy.

13. Claim Series Clause: Each loss in respect of each Dishonest or Criminal act by the same employee during the policy period shall not be treated as a separate loss but to be considered as a Single deductible applicable.
14. After the claim is lodged with the Insurance co, the Insurance Company has to settle the claim @75%, once the staff accountability is examined and concluded by the Bank even though the police case is not finalized by the police authorities. For this, the Bank will execute indemnity to refund the amount to insurer, if recovered at a later stage from any source.
15. Insurance company would also be required to enter into a Service level agreement with Bank which would capture the following conditions:
- Pre agreed panel of surveyors.
 - Time lines for survey/s and submission of survey report/s to be mentioned.
 - Standard and common List of Records to be provided by the insurer to all the surveyors.
 - Queries to be raised by the insurer/surveyors on deficiencies/clarifications in one go only.
 - No claim should be closed without intimation to concerned Officials of the Bank.
 - Online FIR to be considered as part of the policy provisions and acceptable.
 - Integrity Pact clause should be included in the Bid Documents. All pages of the Integrity Pact are to be duly signed by the same signatory who signed the bid, i.e. who is duly authorized to sign the bid and to make binding commitments on behalf of his company. Any bid not accompanied by Integrity Pact duly signed by the bidder shall be considered a non-responsive bid and shall be rejected straightway. Format of Integrity Pact is available in RFP document as Annexure A.

The claim details of the Bank for last 4 financial years are provided below:

SI No.	Year	No of Claims Reported	Claims Reported Outstanding	Outstanding Provisions
01	2021-22	1	₹22,00,000/-	₹4,00,000/-
02	2022-23	3	₹2,50,00,000/-	₹98,47,775/-
03	2023-24	3	₹8,48,00,000/-	₹5,71,90,368/-
04	2024-25	2	₹92,00,000/-	₹85,31,115/-

Other Details of the Bank:

1. Total Number of Employees: 3047 (As on 31/01/2025)
2. Total Number of
 - a) Branches: **629**
 - b) Head office: **01**
 - c) RBTC: **01**
 - d) Annexe Building: **01**
 - e) Regional Office: **10**
 - f) Extension Counters: **03**
 - g) Currency Chest: **01**
 - h) RAM Cells: **09**
 - i) ATMs: **50** (49 ATM + 1 mobile ATM van)
 - j) Total Number of Pigmy agents: **628**
 - k) Total Number of Business Correspondents: **691**
 - l) Total Number of Jewel Appraisers: **497**

Notes:

SL	BID	DATE
01.	Pre Bid Meeting	07.03.2025 @ 11.00 AM
02.	Last date for submission of bids (Technical & Financial Bids separately)	12.03.2025 @ 04.00 PM
03.	Opening of Technical bid	13.03.2025 @ 11.00 AM
04.	Opening of Financial bid	Will be informed to Technically qualified bidder

All terms and clarifications shall be addressed to the appointed broker directly but in conjunction with the Competent Authority from the Bank.

Contact details:

(1) **General Manager (Accounts),**
Karnataka Vikas Grameena Bank,
Head Office, Vikas Bhavan, P.B. Road, Dharwad.
State: Karnataka Pin Code: 580 008.
Email: acc@kvgBank.com
Mobile: 9108699707, 9480699669, 9480699086.

(2) **General Insurance Broker:**
Vrddhi Insurance Broking Services India Pvt. Ltd.
Managing Director & Principal Officer, #17, 12th Main Road,
1st Block, Rajajinagar, Bengaluru.
State: Karnataka Pin Code: 560 010.
Email: bk.hegde@vrddhibroking.com
Mobile: 9448228814.

Independent External Monitors (IEMs) appointed for this tender process are Smt. Dolly Chakrabarty, IA & AS (Retd.) and Sri. Hem Kumar Pande, IAS (Retd.).

The bids not in specified format are liable to be rejected at the discretion of the Bank.

The Bank reserves its right to cancel the RFP or reject any of the Bids at any point of time, without quoting any reasons.

Jurisdiction: Notwithstanding anything contained herein above, in case of any dispute, claim and legal action arising out of this RFP/contract, the parties shall be subject to the jurisdiction of Courts at Dharwad, Karnataka State, India, only.

The note includes 3 Annexures:

1. Annexure-A: Integrity Pact.
2. Annexure-B: Technical Bid Format.
3. Annexure-C: Financial Bid Format.

Disclaimer:

The quote provider represents, warrants and covenants that it and its Associated Persons have conducted, and will at all times conduct, its and their respective businesses in accordance with applicable laws, rules, regulations, decrees and/or official governmental orders of the Government of Republic of India, in which insurance services are provided hereunder relating to anti-bribery, anti-corruption and anti-money laundering. Insurer and its Associated Persons shall maintain adequate procedures in furtherance of the foregoing.

Insurer and its Associated Persons have not made, offered, promised to make or authorized the making of, and shall not make, offer or promise to make, or authorize the making of any payment or other transfer of anything of value if and to the extent that to do so is or would be in violation of or inconsistent with the principles or requirements of any anti-bribery, anti-corruption or anti-money laundering laws applicable to Buyer or to Insurer, or to their respective parent companies. Any failure to comply with this clause shall be a material breach of the offer not capable of remedy.

“Associated Persons” means any person.

For Karnataka Vikas Grameena Bank

Sd/-

General Manager

Date: **18.02.2025**

Place: **Dharwad**