THEMBISILE HANI LOCAL MUNICIPALITY

THLM/SCM14/2026-2027/F02
APPOINTMENT OF A SERVICE PROVIDER FOR INSURANCE BROKER SERVICES FOR SHORT TERM INSURANCE COVER FOR THEMBISILE HANI LOCAL MUNICIPALITY FOR A PERIODOF 36 MONTHS.

SCOPE OF WORK

Thembisile Hani Local Municipality's mandates aim to 1) provide democratic and accountable government for local communities, 2) promote sustainable service delivery, 3) promote economic and social development, 4) promote safe and healthy environments and 5) encourage the involvement of communities and community-based organisation in local government

The municipality constitutional operations are dependent on having optimal short-term insurance cover in the event the municipality suffers a loss. This insurance should cover all assets, including vehicles and properties, business interruption, public liability, SASRIA, international and local travel and contractors "All risk", cash in transit and assets amongst others.

The purpose of this project is to procure the services of a competent insurance broker who could approach the local markets to obtain best quotes for related covers and administer all claims efficiently and effectively.

EXTENT OF THE WORKS

The Service Provider will be required to obtain short-term insurance cover from the insurance industry based on the needs of the municipality which include but is not limited to the following:

1. Assets Insurance (Buildings, Property damage, Fixtures and Fittings, all tangible assets)
2. Third Party Property in the Care, Custody or Control
3. Computer Equipment (Laptops, Cell Phones, Tablets)
4. International and local Business Travel
5. Cash in transit
6. Goods in Transit (Materials & supplies)
7. Employees Liability
8. Contractors All Risks
9. Public Liability
10. Personal Liability
11. Plant All risk
12. Motor Fleet (Motor Vehicle and Trailers, etc.)
13. SASRIA (Riot, Strike, etc.)

14. Business Interruption (Increased Cost of Working)
15. Cyber Risk Insurance, etc.

- Upon appointment, the Service Provider will be required to obtain short-term insurance cover from the insurance industry based on the needs of the municipality, based on the prevailing market conditions at the time and the insurance products that are available to mitigate or partly mitigate the risks as identified.
- During the term of the contract, the Service Provider must issue underwriting questionnaires to the municipality eight (8) months before the expiry of policy cover contracts.
- The Service Provider must arrange for the issuing of the necessary policy contracts by the insurer, on behalf of the municipality within a month of renewal.
- The Service Provider must continuously negotiate and obtain cover that is most advantageous to the municipality with minimal exclusions. The Service Provider will be required to provide proof of such negotiations.
- The Service Provider must administer and facilitate the claims management process from submission to finalisation and reporting stage.
- All claims submitted must be resolved within sixty (60) days. The claims management process turnaround time will be continuously reviewed and agreed upon with the Service Provider.
- The Service Provider must act in Thembisile Hani Local Municipality's' best interest in all dealings with the appointed insurers and prospective underwriters.
- The Service Provider must provide the services within the agreed turnaround times, failure to adhere to such timeframes will result in consequence management as per the Services Agreement.
- The Service Provider's employees appointed to work on the municipality account must fully understand their obligations under the General Code of Conduct issued in terms of FAIS, and any other guidelines that may be issued by a regulatory body having jurisdiction over the Service Provider.
- The Service Provider must ensure that any third-party service provider appointed by an insurer and/or underwriter to render a service following the occurrence of an insured event is compliant with the taxation laws of the Republic of South Africa. In particular, ensure that third-party service providers, who render services following the occurrence of an insured event, invoice the Service Provider for the services rendered. The Service Provider shall in turn invoice the municipality for the services rendered by such third-party service providers; and attach the invoice of the third- party service providers to its invoice.
- Reporting
- The following monthly reports should be provided:
- Service Provider must provide monthly reports which may be tailor-made to Municipality' requirements and must include but not be limited to:

1. Dashboard
2. Motor fleet reports; and
3. Non-motor reports.
4. Provide a monthly reconciliation (motor and non-motor reports) of all claims data and contributions (including self-insured component) of:
5. Claims received and registered;
6. Claims submitted to the insurance company;
7. Outstanding claim documents and the reasons thereof;
8. Payments made on claims, including verifying the correctness of the payment calculation by the insurance company;
9. Repudiated claims;

10. Measures taken by the Service Provider through a third-party supplier to address repudiated claims, including progress made on any litigation process in connection with a repudiated claim; and
11. Monitoring of data movements in respect of the activities on the short-term insurance portfolio and claims register.
    - A performance report recording any failures to achieve service levels, the nature and date thereof, the causes of the failures and a summary of steps taken to resolve the failures and avoid them in the future.
    - Monthly report must be submitted to the municipality within four (4) business days after each calendar month.
    - The following consolidated quarterly reports which should include the following but not be limited to:
    - Quarterly report must be submitted in a similar format as reported in the monthly report.
    - Update municipality on the current state of the insurance market in terms of general economic realities, solvencies, capacity, profitability, rates and market activity (such as mergers, amalgamations, take-overs and joint ventures) and the possible impact of such matters on the municipality' renewal strategy and insurance portfolio;
    - Update municipality on legal developments within the short-term insurance industry and inform municipality on insurance product developments and the risk mitigation developments in the South African market;
    - Ongoing evaluation of uninsured risks and possible options for addressing them;
    - Ongoing analysis of loss statistics to identify trends to assist municipality in future loss prevention and more effective management of risk;
    - Inform municipality when the financial strength rating of an insurer and /or underwriter has changed;
    - Risk management report;
    - Advising the municipality regarding any reserve accounts with the insurer(s) and
    - Quarterly reports must be submitted to the municipality within four (4) business days after the end of a quarter. Note: All reports will be continuously reviewed and tailor-made to meet municipality's needs at the time of review.
    - Meetings

- The Service Provider will be required to review the municipality's short-term insurance portfolio with municipality's' Procurement, Finance and Legal (if necessary) departments in a formalised pre-set meeting on a quarterly basis.
- The Service Provider will be required to report on the overall progress of the Services and discuss service execution issues i.e. problems, risks, administrative issues etc. at a customer.
- Relationship Review on a quarterly basis.
    - Advice to the municipality
- The Service Provider must provide financial advice on the short-term insurance portfolio in the event the municipality requests such advice within the timelines as agreed to from time to time and must furthermore assist municipality with the interpretation of insurance policy documents and matters incidental thereto including the interpretation of insurance rules and regulations.
- Where advice given results in a loss to the municipality consequence management will apply in accordance with the Service Agreement.

4.4. Location of the works

Thembisile Hani Local Municipality