

Notice Inviting Expression of Interest (EoI) for Selection of Consultancy Firms for the comprehensive study of insurance schemes related to disaster risk transfer in Uttarakhand, Baseline Survey and development of insurance service proposal for disaster prone areas in the State of Uttarakhand
(UTTARAKHAND STATE DISASTER MANAGEMENT AUTHORITY (USDMA), UTTARAKHAND)

Risk transfer is a risk management and control strategy that involves the contractual shifting of a pure risk from one party to another. Risk transfer is most often accomplished through an insurance policy under the social protection measures in the field of disaster management. This is a voluntary arrangement between two parties, the insurance company and the policy holder, where the insurance company assumes strictly defined financial risk from the policy holder. When done effectively, risk transfer allocates risk equitably, placing responsibility of risk on designated parties consistent with their ability to control and insure against that risk, liability should ideally rest with whichever party has the most control over the sources of potential liability.

Following the risk transfer protocols, the current strategy of the Government of Uttarakhand is to develop a combination of financial instruments to cost effectively finance the contingent liabilities of natural disasters and thus reducing the burden on the state exchequer in terms of compensation and rehabilitation. To have this done in a proper and systematic way State Government intends to engage a consultancy agency that can provide answers to all the queries of the Government of Uttarakhand in formulating the risk transfer instruments so envisaged.

1. Objective

The purpose of this proposed engagement is to build an understanding of the contingent liabilities faced by the government of Uttarakhand and to develop financial strategies to increase its financial response capacity on the aftermath of natural disasters, while protecting their long-term fiscal balances. The consultancy firm to be engaged has to study, review, collect and analyze necessary data for the formulation of a strategic document which outlines government priorities on disaster risk finance keeping track record of the existing insurance policies, benefitting the resident population of the state and the state itself. By developing such a strategic document, it is intended to build financial resilience in the state through sovereign disaster risk financing, property catastrophe risk insurance, agricultural insurance, and disaster micro-

insurance. This comprehensive study is to (i) identify extent of contingent liabilities faced from natural disasters, (ii) analyze scope and implementation of various existing insurance schemes in the state of Uttarakhand, (iii) implementation modalities, liabilities and benefits emanating from these schemes, (iv) carry out a baseline survey, and (v) develop an appropriate insurance service proposals for the state of Uttarakhand, thus reducing the financial burden on the state exchequer that follow the aftermath of a disaster.

2. Scope of Work

The work is to be conducted in two phases over a period of 8 months with the first phase prioritizing the collection of data to improve the understanding of disaster losses and expenditures in the state of Uttarakhand. The second phase is to focus on the development of a disaster risk financing strategy and how existing instruments used can be improved/complemented with additional financial instruments to better manage the contingent liabilities from natural disasters. This report is to include options for confederation and an implementation plan with key actions and timelines.

The proposed comprehensive study for the risk financing strategy document development and financial instrument proposals development is to cover the following components:

- Review the past ten to fifteen years of post-disaster expenditures to identify the level of contingent liabilities incurred by the state. This has to be done using the framework developed by the World Bank and Organization for Economic Cooperation and Development (OECD).
- Identification and analysis of disaster specific annual losses (both life and property) incurred due to various natural hazards in the state.
- Plan and conduct a baseline surveys to collect relevant and accurate data contributing to the formulation of risk financing strategy document including options for consideration as to how to improve the insurance coverage against natural disasters recognizing that several instruments should be investigated to complement insurance coverage.
- Study and review of the existing schemes, both life and general insurance schemes, implemented by the central and/or state governments related to natural disasters.
- Thorough market survey of commercial policies related to disaster risk transfer.

- Organization and analysis of the collected data easing content management to arrive at a proper docket realizing the development of strategic document for implementation of disaster risk financing in Uttarakhand.
- Formulation of draft disaster risk financing and insurance strategy which outlines the priorities of the government of Uttarakhand to inform risk transfer and the associated insurance proposal with the inclusion of desired multiple financial instruments with different covers satisfying the needs of the envisaged insurance scheme.

Incorporation of suggestions and recommendations from the Insurance Advisory Committee, Government of Uttarakhand into the final policy docket to be implemented through the insurance scheme envisaged.

3. Qualifications of the Consultancy Firms for this Engagement

- This assignment is suitable for a consultancy firm having a vast experience in insurance sector and possesses a minimum of 10 years of experience consultancy service for State Government or Central Government.
- The consultant firm should have a successful track record of designing and completing evaluations of nation-wide/inter-state/state-wide insurance services/development projects funded by international funding agencies/GOI or State governments or their agencies/international NGOs/corporate sector.
- Organization must have a substantial survey infrastructure to support field- based data collection, electronic archiving of the data ensuring highest-level of confidentiality for survey as well as high validity of responses.
- Average annual turnover for the previous three financial years ending on 31st March 2019 should be equal to or greater than 150 lakh. (Attach balance sheets and P&L accounts of last 3 years.)
- The consultant firm must have carried out similar study involving fairly large samples during similar baseline survey.
- The Bidder should not be under a declaration of ineligibility for corrupt and fraudulent practices or any other reason, whatsoever, or have not been blacklisted by the Government of India or any other government agency. (Submit declaration to this regard on your official letter head)
- All the documents must be signed and self-attested by authorized signatory.

- Biodata of the key experts with experience in the field of disaster management working full time for the firm should also be included.

SUMMARY SHEET

Name of the Agency:	
Address of Registered Office	
Contact Person	
Year of Establishment	
Average Annual Turnover in last three years Year 2018-19 Year 2017-18 Year 2016-17 *Audited Statements to be enclosed	
Net worth of Agency:	
Detail of experts (attach CV)	
Any Other Relevant Details	

DETAILS OF SIMILAR WORKS CARRIED OUT

Assignment Name:	
Location:	
Name of the Client:	
Address:	
Start date (Month/Year)	
Completion Date (Month/Year)	
Work Order Amount (in INR)	
Name of Association of Project	
Brief Description of Project	

Complete proposal to be submitted by registered post by on or before 05th September 2019 at below mentioned address.

(Executive Director)
Disaster Mitigation and Management Centre
Uttarakhand Secretariat, 4 Subash Road, Dehradun,
Uttarakhand, India-248001
Phone no: 0135-2710233/2710232