TERMS OF REFERENCE

BOARD INDEMNITY INSURANCE

1. BACKROUND

1.1 In May 2024, the KwaZulu-Natal Provincial Executive Council, approved the establishment of the KwaZulu-Natal Tourism and Film Authority (KZNTAFA), as a result of a merger between former KwaZulu-Natal Film Commission and KZN Tourism Authority.

1.2 In September 2024 the Board for the KZN Tourism and Film Authority was appointed which consisted of 11 None-Executive Directors and 1 Independent Audit and Risk Committee Chairperson.

1.3 KZN TAFA requires services of the Board Indemnity insurance for all members of the Board.

2. PURPOSE

The purpose of this insurance is to:

a) Provide financial protection to directors and officers against legal liabilities arising from decisions and actions taken in the course of their duties.
b) Cover legal defence costs, settlements, or judgments associated with claims of wrongful acts.
c) Attract and retain qualified individuals to serve on the board by mitigating personal financial risk.

3. SCOPE OF WORK

The insurance coverage should, at a minimum, include the following:

3.1 Who is Covered

- All current and former directors and officers.
- Board members (executive and non-executive).
- Board Committee members (if applicable).
- Employees acting in a managerial or fiduciary capacity (if required).

3.2 Claims Covered

- Allegations of wrongful acts (e.g., breach of duty, misrepresentation, negligence, errors or omissions).
- Employment practices liability (e.g., wrongful termination, harassment, discrimination) – optional rider.
- Regulatory investigations and inquiries.
- Defence costs, legal representation, and settlements or damages.

3.3 Territorial and Jurisdictional Limits

- South African coverage, (optional depending on organization's operations).

3.4 Key Exclusions

- Fraud or criminal acts (unless proven innocent).
- Bodily injury or property damage (covered under general liability insurance).
- Pending or known litigation prior to policy inception.
- Claims covered under other insurance policies.

4. DURATION OF THE ASSIGNMENT

Feature	Requirement
Limit of Indemnity	**R50m**
Policy Period	12 months

5. COMPETENCIES AND CAPABILITIES

The critical success factors of this exercise are, but not limited to, the following competencies and capabilities required:

a) Insurer must be licensed and regulated in South Africa.
b) Insurer to provide clear and transparent policy wordings.
c) Claims process must be clearly defined and supported by a dedicated claims team.
d) Broker or agent must provide advisory support, policy servicing, and periodic reviews.
e) Policy document with full terms, conditions, and exclusions.
f) Certificate of Insurance
g) Confirmation of premium, taxes, and fees.
h) Claims handling procedure.
i) Contact details for underwriting and claims support.

6. DOCUMENTATION

The following documentation must be included in the proposal

Interested insurers or brokers must submit the following:

a) Company profile and credentials.
b) Copy of the proposed policy wording.
c) Summary of benefits and exclusions.
d) Premium quotation and payment terms.
e) Claims handling track record.
f) List of similar organizations currently insured.
g) References (4 reference letters must be submitted. Letters must be dates and signed on a company letterhead. Letters should not be older than 5 years)

7. CONFIDENTIALITY OF INFORMATION

7.1 The names of the service providers team must be disclosed prior to the approval by KZN TAFA. Any changes, replacements and or additions should be submitted for prior approval of KZN TAFA.

7.2 All members will have to sign a non-disclosure agreement before the commencement of the assignment.

8. COSTING AND PROPOSAL

8.1 The service provider will be requested to provide a detailed quotation regarding the work to be undertaken for this assignment.

8.2 The total cost must be VAT inclusive and should be quoted in South African currency (i.e rands)

8.3 The service provider must be prepared to work at rates not exceeding those prescribed by National Treasury, and/or body regulating of the consultants.

8.4 Costing should be aligned with the assignment activities.

8.5 Proposals submitted to the KZN TAFA must have the following:

8.5.1 Detailed indemnity limits
8.5.2 Policy document with full terms, conditions, and exclusions.
8.5.3 Confirmation of premium, taxes, and fees.

9. EVALUATION CRITERIA

The bid for the appointment of each service provider will be evaluated on compliance, mandatory requirement, functionality, preference point system and specific goals in accordance with the Preferential Procurement Regulation 2022.

Phase 1: COMPLIANCE

- ***The bidder must be registered as a vendor on the National Treasury Central Supply Database (CSD). If not registered bidder must make means to register in order to bid for the process: Link below for registration on the database:***

  Register user - Central Supplier Database Application (csd.gov.za)

- ***The bidder must be in good standing with SARS, the information will be verified through Central Supply Database (CSD) and SARS efiling pin in compliance with Instruction Note 9 of 2017/2018 prior to the award of the quotation.***

- ***Completed Standard Bidding Documents (SBDs), Defaulters etc.***

Phase 2: MANDATORY REQUIREMENTS (If applicable) *(disqualifying requirement)*

- Certificate of Insurance
- Insurer must be licensed and regulated in South Africa (The registration must be with Financial Sector Conduct Authority (FSCA) and Prudential Authority (PA) Licensing

Phase 3: EVALUATION OF THE SPECIFICATION

Phase 4: APPLICATION OF PREFERENCE POINT SYSTEM AND SPECIFIC GOALS:

The 80/20 preference points system will be applicable for the evaluation of this process in accordance with the Preferential Procurement Regulations 2022.

	Specific Goals
Price	80
Ownership Goals	
• At least 51% Black Africans, Indians and Coloreds Owned Companies	10
• At least 51% Youth Owned Companies	05
RDP Goals	
• The promotion of enterprises located in KwaZulu-Natal	05
Total	**100**

Kindly Refer to Table 1 of SBD 6.1 of the Preference Claim Form to claim for Points.

Verification of Specific Goals:

- **Black Ownership verification:** will be verified through submission of the Sworn Affidavit or BBBEE Certificate with a summary report.
- **Youth verification**: will be conducted through submission of the Sworn Affidavit or BBBEE Certificate with a summary report or CSD Report.
- **Locality Verification:** will be verified through submission of the Utility bill or a CSD Report.

Failure on the part of a tenderer to submit proof or documentation required in terms of this Quotation to claim points for specific goals with the tender, will be interpreted to mean that preference points for specific goals are not claimed.

The organ of state reserves the right to require of a tenderer, either before a Quotation is adjudicated or at any time subsequently, to substantiate any claim in regard to preferences, in any manner required by the organ of state.

All quotations with all the required documentation to be forwarded to *quotes@visitkznsa.com* and failure *to do so will result in your submission not being accepted.*

For enquiries related to SCM, kindly forward to scm@visitkznsa.com

Technical Inquires: Keshnee Williams keshneew@visitkznsa.com