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**KERALA WATER AUTHORITY**

**Jalabhavan**  
**Thiruvananthapuram – 695033**  
**Kerala - India**

**PROCEEDINGS OF THE MANAGING DIRECTOR,**  
**THIRUVANANTHAPURAM**

**PRESENT : Bhandari Swagat Ranveerchand IAS**

Sub: KWA - Admn- Renewal of Group Health Insurance Scheme for Employees of Kerala Water Authority for the year 2024-2025 – 1<sup>st</sup> installment payment(50% payment) sanctioned - Orders issued.

No . KWA-JB/5609/2023-E11

Dated:15-04-2024

- Read:
1. SRO No.334/86 and Notification No.50329/F2/84/LAD dated 27<sup>th</sup> December 1985.
  2. G.O.(P) No.58/2012/Fin dated 19.01.2012.
  3. The Authority Board resolution no. 9783 of 369<sup>th</sup> meeting held on 21.02.2014.
  4. Minutes of the meeting held with the Employees Organizations on 16.01.2024.
  5. Notice inviting tender with Tender ID – 2024 \_KWA-656560\_2 and Tender Reference No .-HO/SP-16/2023-24/INS, dated 09.02.2024.
  6. Minutes of the pre bid meeting held on 13.02.2024.
  7. E Tender Corrigendum No.KWA-JB/5609/2023-E11, dated 24.02.2024.
  8. Bid Evaluation committee formation proceedings No.KWAJB/ 5609/2024-E11 dated, 12.02.2024.
  9. Bid Summary dtd 02.03.20224.
  - 10.Minutes of the Bid Evaluation Committee held on16.03.2024 .
  - 11.Minutes of the Bid Evaluation committee held on 03.04.2024.
  12. Technical evaluation order No. KWA-JB/5609/2024-E11 dated 04.04.2024.

13. Email Sent to M/s United India Insurance Company Ltd dated 06.04.2024 regarding the negotiation .
14. Minutes of the Negotiation meeting held on 08.04.2024.
15. Email received from Smt. Chitra P, Senior Divisional Manager ,M/s . United India Insurance Company Ltd ,Divisional Office II,Trichy on 10th April 2024.
16. Financial evaluation order No.KWA-JB/5609/2024 –E11 dated , 11.04.2024.
17. Email received from Smt. Chitra P, Senior Divisional Manager ,M/s . United India Insurance Company Ltd ,Divisional Office II,Trichy on 11<sup>th</sup> April 2024.

### **ORDER**

As per paper (1) read above, Government of Kerala Published the rules for reimbursement of medical expenditure in respect of employees of Kerala Water Authority(i.e., Kerala Water and Waste Water Authority Employees Reimbursement of Medical Expenditure Rules 1985). In this rule, it is provided one month salary drawn by the employee as Out Patient (OP) treatment which can be reimbursed to an employee during the calendar year except in the case of hospitalization and also provided reimbursement of medical claim as special sanction in case of prolonged medical treatment involving hospitalization with a limit of ₹10,000/-. More than the same shall be considered by Government sanction from time to time from 1985.

As per Paper (2) read above, 9<sup>th</sup> pay revision effected for Kerala Water Authority, the Pay revision Committee recommended that the existing medical reimbursement facility will be continued till a Health insurance scheme for employees is evolved. Also, the special sanction limit of ₹10,000/- to Managing Director for sanction of Medical Reimbursement claim was enhanced to ₹50,000/-.

The Authority Board vide paper (3) read above, resolved to accept the proposal of Group Health Insurance policy to the employees in Kerala Water Authority for one year by way of deducting the 50% of Medical OP Claim (Basic Pay(BP) + Dearness Allowance(DA)) admissible to the employee for In- patient(IP) Treatment. It has also been decided to give balance 50% of Basic Pay + DA, admissible to the employees of Kerala Water Authority as OP treatment claim.

Accordingly, Kerala Water Authority (KWA) is facilitating a Group Health Insurance Policy for its employees since 2014-2015 and is continuing. The existing Group Health Insurance Scheme for the Employees of KWA is due to expire on 15.04.2024 midnight.

The procedures for renewing the Group Health insurance policy for the employees of KWA for 2024-25 was discussed during the meeting held with the recognized Employee's organizations on 16.01.2024 vide paper (4) read above.

In the Meeting, Employee's organizations have unanimously opined that to refresh the existing policy without break w.e.f. 16.04.2024. Also resolved to invite tender directly from IRDAI (Insurance Regulatory and Development Authority of India) approved public and private sector insurance companies for the year 2024-25. Discussions were also made to increase the premium coverage and to enhance the buffer fund. After analyzing past 3 years data, it was ascertained that the number of employees who claimed above ₹3 lakh (i.e., the present premium coverage) is very less compared to the average claim per person. Therefore, increasing premium coverage will only increase in the premium amount without much benefits to the Employees. Considering the increasing demand for buffer fund, employee's organizations were unanimously requested to enhance the buffer fund. Also, it was requested to enhance in disease capping's i.e., for maternity benefit C section from ₹35,000/- to ₹40,000/- and cataract treatment for each eye from ₹35,000/- to ₹40,000/-.

Remarks have been obtained from recognized trade unions on the draft tender document and after collecting the remarks the final tender document has been approved.

In view of the above, it was decided to invite tender with the following three options.

- **OPTION A** - For 7300 Employees and their dependents with Sum Insured - 3 Lakh with corporate buffer 1 Crore.
- **OPTION B**- For 7300 Employees and their dependents with Sum Insured - 3 Lakh with corporate buffer 1.5 Crore.
- **OPTION C** - For 7300 Employees and their dependents with Sum Insured - 3 Lakh with corporate buffer 1 Crore and enhancement in diseases capping such as cataract from ₹ 35,000/- to ₹ 40,000/- and maternity benefit C Section from ₹ 35,000/- to ₹ 40,000/-.

Accordingly, Tender was invited from both private and public sector insurance companies vide paper (5) read above fixing submission of tender start on 17.02.2024 9.00 AM and last date for submitting tender as on 24.02.2024 at 5.00PM. A pre-bid meeting with the bidders convened on 13.02.2024 at 3.00 PM, vide paper (6) above. Later, as some technical errors were noted in the BoQ issued with the tender, the last date for submitting the tender was extended up to 29.02.2024 at 3PM, vide paper (7) read above.

Technical Bids were opened on 02.03.2024 at 3.00 PM. As per the bid summary vide paper (9) read above, following 5 bidders participated in the Tender and submitted their bid documents through e-tender.

SL No	Name of bidder
1	M/s Bajaj Alliance General insurance Company Ltd
2	M/s National Insurance Company Ltd
3	M/s SBI General Insurance Company Ltd
4	M/s Oriental Insurance Company Ltd
5	M/s United India Insurance Company Ltd.

On scrutiny of the submitted documents attached by the firms in the technical bid, the Bid Evaluation committee constituted for this purpose vide paper read (8) above, verified the documents, vide paper (10) read above, submitted by the bidders and found that certain documents were not legible and decided to inform the bidders and to collect the same via email on or before 19.03.2024. Hence, intimation has been given to the bidders to furnish the same by 19.03.2024. The Bid evaluation committee further met on 03.04.2024, vide paper(11) read above, scrutinized the documents submitted by the bidders and decided that the curable documents submitted by 4 bidders within the stipulated time are found satisfactory, except by the bidder M/s National Insurance Company Ltd. Bid Evaluation Committee noted that M/s National Insurance Company Ltd has not produced the inevitable documentary evidence required for the evaluation of pre-qualification. Also, it was mentioned in the NIT that the rates should be quoted only in BOQ sheets provided in the tender document section, the company quoted the rate in Annexure 8 along with documents submitted. Therefore, it was unanimously agreed to reject the tender submitted by M/s National Insurance Company Ltd on the above grounds and qualify the four firms as below:

1. M/s United India Insurance Company Ltd.
2. M/s Oriental India Insurance Company Ltd
3. M/s SBI General Insurance Company Ltd
4. M/s Bajaj Alliance General Insurance Company Ltd.

The Committee verified all the documents submitted by the above four firms and found sufficient. As per the conditions laid down in the Notice Inviting Tender (NIT), the pre-qualification criteria evaluation has been carried out and found that all the four companies scored above 75 marks (which is the cut off marks for the pre-qualification) and qualified in the pre-qualification criteria.

1. M/s Bajaj Alliance General Insurance Company Ltd.- 85 Marks
2. M/s SBI General Insurance Company Ltd - 85 Marks
3. M/s Oriental India Insurance Company Ltd -95 marks
4. M/s United India Insurance Company Ltd. – 95 marks

Hence, it has been decided to accept the technical bids of above four firms and to open financial bids on 04.04.2024 at 3.00 PM, vide paper (12) read above. As decided, the price bids of the technically qualified bidders for the Renewal of Tailor Made Group Health Insurance of Employees for the year 2024-25 (for 7300 No of employees and their dependents) were opened on 04.04.2024 and the details are appended below.

Sl.No	Description of Work / Items(s)	No. of Employees	M/s Bajaj Allianz General Insurance Company Limited		M/s Oriental India Insurance Company Ltd		SBI General Insurance Company Ltd		M/s United India Insurance Company Ltd	
			Rate Without Tax	Rate With Tax	Rate Without Tax	Rate With Tax	Rate Without Tax	Rate With Tax	Rate Without Tax	Rate With Tax
1.00	Options as in NIT									
1.01	OPTION (A):	7300	2766395 80.900	326434 705.460	254828 400.00	300697 512.00	289242 060.00	341305 630.80	229914 157.00	271298 705.26
1.02	OPTION (B):	7300	2780919 81.600	328148 538.290	260383 700.00	307252 766.00	290242 160.00	342485 748.80	235068 760.00	277381 136.80
1.03	OPTION (C):	7300	2904715 62.500	342756 443.750	257259 300.00	303565 974.00	297812 260.00	351418 466.80	232166 864.00	273956 899.52

It is observed that, **M/s UNITED INDIA INSURANCE COMPANY LIMITED** has quoted the lowest rate for all the three options. The firm had quoted an annual premium per employee including GST for an amount of ₹37,164.20/- (including 18% GST) for Option (A), ₹37,997.41/- (including 18% GST) for Option (B) and ₹37,528.34/- (including 18% GST) for OPTION (C). Hence M/s United India Insurance Company Ltd was selected as **L1**.

The rate quoted by the firm for all the three options as in NIT have been reviewed in detail at competent level.

- a. The rate quoted for Option A- is Rs.3,016/- higher than that of previous year which

seems 8.83 % hike with the existing pro rated 103% incurred claim ratio as on 04.04.2024.

- b. The rate quoted for Option B to increase buffer amount Rs. 50.00 Lakh, for which Rs. 60.82 Lakh additional premium is demanded.
- c. The rate quoted for option C for additional enhancements for cataract and maternity benefit C section, is also seems 7-8 Lakhs higher while analyzing the data.

Accordingly, a letter of negotiation vide paper (13) read above, was sent to the lowest quoted firm i.e., M/s. United India Insurance Company Ltd for a negotiation meeting at Chief Engineer (HRD&GL) level on 08.04.2024 at 3.30 PM vide paper (14) read above.

After negotiation, Vide paper (15) read above, a revised proposal has been received from M/s United India Insurance Company Ltd stating that their head office approved to reduce the premium by 5 lacs + 18% GST from their earlier quote under each option.

Sl.No	Description	No.of Qty	Premium quoted as per tender for option with out Tax	Premium after rate reduction by 5 lakhs without tax	GST 18 %	Total Rate including GST	Annual Premium including GST
1.00	Options as in NIT						
1.01	OPTION (A):	7300	229914157.000	22,94,14,157	4,12,94,548.26	27,07,08,705.26	37,083.38/-
1.02	OPTION (B):	7300	235068760.000	23,45,68,760	4,22,22,376.80	27,67,91,136.80	37,916.59/-
1.03	OPTION (C):	7300	232166864.000	23,16,66,864	4,17,00,035.52	27,33,66,899.52	37,447.52/-

The revised rate after negotiation by the firm for all the three options further reviewed in detail at competent level. The observations are as follows :

- a. The revised premium quoted by the firm after negotiation is reduced by ₹ 80.81/- per family premium compared to their earlier quoted rate.
- b. For Option B – No change is reflected. Still in the revised rate, to increase buffer amount ₹ 50.00 Lakh, for which ₹ 60.82 Lakh additional premium is demanded.
- c. For option C – No change is reflected. Still in the revised rate, for additional enhancements cataract and maternity benefit C section , is also seems 7-8 Lakhs higher while analyzing the data.

In view of the above, the proposal for option (B) & (C) seems not beneficial to Kerala Water Authority, it was unanimously decided to drop option (B) & (C) and continue to renew the policy with existing conditions, i.e, with Option (A) as in NIT. This was informed to the eligible bidder vide paper (16) read above.

As per paper (17) read above, M/s United India Insurance Company has informed to remit the 1<sup>st</sup> instalment 50 % premium as detailed as given below:

Premium quoted as per tender for option A (without GST)	₹	22,99,14,157
Premium after rate reduction by 5 lakhs (without GST)	₹	22,94,14,157.00
18% GST	₹	4,12,94,548.26
TOTAL PREMIUM TO BE PAID FOR THE YEAR 2024-25(including GST)	₹	27,07,08,705.26
Per family premium including GST (31426.60 + 5656.78)	₹	37083.38
Total 1 <sup>st</sup> installment premium to be paid - 50% of Rs. 27,07,08,705.26 /- (including GST)	₹	13,53,54,352.63
Total Premium to be paid as first installment - rounded off to	₹	13,53,54,353/-

The Basic Salary Plus DA of all the employees of KWA for December 2023 was ₹3411.16 Lakh (Basic ₹3129.50 Lakh and DA @ 9.00% ₹281.66 Lakh). The total premium payable now is ₹2707.08 Lakh which is 79.36 % of the total amount permissible. The total amount which can be paid towards medical expenses as per rule is ₹3411.16 lakhs including medical insurance. The medical insurance premium for the year comes to ₹2707.08 lakhs. Hence the maximum amount available for medical expenses under OP claim will be Rs.704.08 lakh during the calendar year 2024 subject to eligibility of each employee individually and the premium per employee.

The special condition in respect of the policy are:

- The premium for one year has to be released in two equal instalments.
- First instalment will be released to the company for the first six months at the policy inception. Policy will be commenced immediately with available insured persons.
- Second instalment of the premium will be paid to the company at the end of the sixth month from the date of inception.

As per the lowest offer for renewal of Group Health Insurance Scheme for Employees of Kerala Water Authority for the year 2024-25 from M/s United India Insurance Company Ltd. with the existing conditions for 7300 employees and their

dependents, at an annual premium of ₹37,083.38 (₹ 31426.60 + ₹ 5656.78 18% GST) the total amount comes to ₹ 27,07,08,705.26 (Twenty Seven Crore Seven Lakh Eight Thousand Seven Hundred and Five Rupees and Twenty Six Paise only) including GST. As such, the first instalment of premium including GST (50% of total annual premium) to be paid immediately is ₹13,53,54,352.63/- round off to ₹13,53,54,353 (Rupees Thirteen Crore Fifty Three Lakh Fifty Four Thousand Three Hundred and Fifty Three Only). The actual number of families is variable as some newly recruited are expected to join soon. The premium for the actual number of employees covered will be paid / shall be refunded in due course.

Under these circumstances, the offer of M/s. United India Insurance Company Ltd., Divisional office II, NO.74A/1, SALAI ROAD, TRICHY 620018 for renewal of GHIS for Employees of KWA for the year 2024-2025, at the terms and conditions cited above, for an annual premium of ₹37,083.38/- (Thirty Seven Thousand Eighty Three Rupees and Thirty Eight paise only) including GST @18% per Employees for 7300 Employees and their dependents, amounting to ₹27,07,08,705.26 (Twenty Seven Crore Seven Lakh Eight Thousand Seven Hundred and Five Rupees and Twenty Six Paise only) including GST is here by accepted and sanction is hereby accorded to release an amount ₹13,53,54,353/- (Rupees Thirteen Crore Fifty Three Lakh Fifty Four Thousand Three Hundred and Fifty Three Only) including GST being 50% as the first instalment of the premium to the firm, subject to the condition that medical expenses towards OP claim for the calendar year 2024 shall be limited to ₹704.08 lakh subject to eligibility of each employee individually and the premium per employee. If the number of employees is less than 7300, that amount will be adjusted in the balance amount to be paid to the insurance company.

The payment is made subject to the condition that depending upon the number of Employees covered, the premium will be either collected or refunded during the payment of the second installment. Also, in case the insured person dies during the currency of the Policy period without making any claim, the premium will be proportionately refunded or settled against their approved dependents, if the employee is survived by his/her spouse/children/parents. If the Employee is single, the premium shall be returned to the INSURED, the Kerala Water Authority on Pro-rata basis.

This shall be placed before Board of KWA for information.

Bhandari Swagat Ranveerchand IAS  
MANAGING DIRECTOR



- To:**
1. The Senior Divisional Manager,  
M/s. United India Insurance Company Ltd.,  
Divisional office II, Murugan Complex,  
NO.74 A/1, Salai Road,  
Trichy 620018,  
Tamil Nadu .
- Copy To:**
1. FM & CAO for allotting the required funds to AO (Admn & Estt), HO,  
JB,TVPM
  2. JS (A/cs) (for information and necessary action)  
  
PA to MD/ PA to TM/ PA to AM/CA to CE (HRD & GL)/ CA to  
DCE(GL)/ CA to Sr. AO/ RAO/AO (Admn. &Estt)/ AO (Funds)/ SS  
3 (Funds)/ SSI & II// JS (Admn&Estt.)/ E11/ File/ Stock File (For  
Information).
  - 4 All CEs/SEs/EEs for information.
  - 5 Website for publication