UNS - SACCO

TERMS OF REFERENCE FOR LOAN INSURANCE SERVICES

1. Background

The United Nations Staff Savings and Credit Cooperative Society Limited (UNS-SACCO) registered under the Co-operative Societies Act 2004 (No. 9020/RCS) was established in 2009. The objective of the SACCO is to provide its registered members access to affordable and manageable credit facilities. Over the years of its existence, the UNS-SACCO has grown in membership, operations, and financial base. The growth of the SACCO is geared towards its vision of becoming a leading SACCO promoting member prosperity for generations.

The affairs of the SACCO are directed by the Board provided for in the Byelaws and overseen by the Supervisory Board (SUPBO) that reports to the Annual General Meeting (AGM).

The UNS-SACCO Membership comprises of Ugandan UN Staff, their spouses, and children. SACCO seeks to engage a reputable insurance service provider to offer loan insurance coverage for its members. The loan insurance will safeguard both the SACCO and its members by mitigating risks associated with loan defaults due to unforeseen circumstances such as death, permanent disability, involuntary job loss (retrenchment and contract non-renewal) or critical illness among others.

2. Objectives

The primary objectives of this engagement are:

- Providing financial security by covering loan repayments in case of the borrower's death, permanent disability, critical illness or involuntary job loss as above.
- Reducing credit risk exposure for UNS-SACCO.
- Ensuring members and their families are not burdened with loan obligations in case of unexpected life events.
- Enhancing financial stability and sustainability for the SACCO.

3. Scope of Work

A. Core Operational Responsibilities
The selected insurance service provider will be expected to:

- Design and provide comprehensive loan protection insurance coverage tailored to UNS-SACCO members.
- Offer coverage for death, total and permanent disability, involuntary job loss and critical illness affecting loan repayment.
- Develop a clear claim processing system with clear turnaround timelines.
- Provide continuous risk assessment and recommend policy improvements.
- Train SACCO staff and members on policy terms, claim procedures, and benefits.
- Submit periodic reports on claims, premium collections, and policy performance.
- **Digital Integration:** Provide a dedicated digital portal/API system enabling digital claim submission, electronic document upload, automated financial reconciliation, and real-time claim tracking aligned with the SACCO's core system.

B. Mandatory Minimum Benefit Thresholds
To ensure comprehensive protection and avoid weak coverage proposals, the insurance product must meet or exceed the following baseline benefits:

- **Death (All Causes):** 100% of outstanding loan principal plus accrued interest up to the date of death.
- **Permanent Total Disability (PTD):** 100% of outstanding loan principal plus accrued interest upon certification of permanent disability preventing gainful employment.
- **Involuntary Job Loss and Contract Non-Renewal:** Payment of regular monthly loan installments for up to 6 months (or until re-employment/contract reinstatement, whichever occurs first). Must explicitly include non-renewal of UN employment contracts within job loss definitions.

- **Critical Illness Cover:** Minimum 50% to 100% payout of outstanding principal balance upon diagnosis of covered major critical illnesses.

- **Free Cover Limit (FCL):** High threshold requiring no medical underwriting or health declarations for standard loan limits up to the agreed FCL ceiling.

C. Specific Protections Addressing Historical Service Gaps

To address prior institutional challenges, the policy contract must explicitly incorporate the following protective guarantees:

1. **No Aggregate Annual Claim Caps:** The insurer shall not impose blanket portfolio-wide aggregate claim payout caps that restrict legitimate member claims.

2. **Guaranteed Policy Stability:** Prohibition of unilateral benefit reductions, mid-term exclusions, or arbitrary cancellation of specific covers (specifically contract non-renewal and job loss) during the contract period.

3. **Unalterable Loan Repayment Schedules:** Coverage terms must align strictly with original loan tenure without arbitrary reduction of repayment periods upon claim occurrence.

4. **Strict SLA Timelines:** Standard claims must be settled within 7 to 14 business days from complete documentation submission. Unjustified delays beyond agreed SLAs shall incur statutory interest penalties payable to the SACCO.

4. Eligibility Criteria

Interested service providers must meet the following criteria:

- Must be a registered and licensed insurance provider in Uganda with compliance certified by the Insurance Regulatory Authority (IRA) of Uganda.

- Demonstrated experience in offering loan protection insurance services, preferably for financial institutions or SACCOs.

- Financial capacity and stability to underwrite the required risks (verified by solvency ratios).

- A strong reputation for timely claims processing and service delivery.
- Ability to provide flexible and competitive premium rates.

5. Deliverables
The successful service provider will be expected to deliver the following:

- A detailed proposal outlining the insurance policy terms, benefits, exclusions, and conditions.
- A service-level agreement (SLA) specifying roles, responsibilities, response times (7–14 days standard), and claims procedures.
- A dedicated digital portal or integrated electronic system for claim tracking, electronic document upload, and monthly financial reconciliations.
- Monthly and quarterly Account Performance Updates, including detailed loss ratio analyses and claims utilization statistics.
- A documented Customer Service Charter detailing grievance escalation procedure, contact centers, and dedicated account relationship managers.

6. Contract Duration
The contract shall be for an initial period of two (2) years, subject to renewal based on performance and mutual agreement.

7. Proposal Submission Requirements
Interested insurance providers should submit a proposal that includes:

- Company profile and relevant experience.
- Copy of valid registration and licensing documents (including IRA compliance).
- Detailed insurance coverage plan and pricing.
- Evidence of similar work done with references (minimum of 3 active corporate references).

- Claim processing procedures and timelines.
- Clients' list.
- Any additional value-added services offered.

8. Selection Process and Evaluation Matrix
Proposals will be evaluated based on a two-stage process: **Technical Evaluation (75%)** and **Financial Evaluation (25%)**. Bidders must score a minimum of 50% on the technical evaluation to proceed to financial consideration.

Proposals will be scored according to the following matrix:

(i) **Technical Capacity and Experience (20%)**

- Proven track record, licensing compliance with the Insurance Regulatory Authority (IRA) of Uganda, and financial stability/solvency ratios *(10%)*
- Experience in underwriting group loan protections for SACCOs or financial institutions, supported by three (3) active corporate references *(10%)*

(ii) **Comprehensiveness of Coverage (35%)**

- Inclusions of contract non-renewal within job loss definitions, flexible age brackets, high Free Cover Limits (FCL), and minimal restrictive exclusions *(25%)*
- Scope of international/worldwide coverage and multi-currency handling capabilities *(10%)*

(iii)**Claims Management and Digital Capabilities (20%)**

- Commitment to strict SLAs (7–14 days standard) and clear claims procedures *(10%)*
- Availability of a digital portal/API system for online claim tracking and automated reconciliation *(10%)*

(iv) **Commercial / Premium Proposal (25%)**

- Competitiveness of the premium rate structure (e.g., rate per 1,000 of loan book) and flexibility of premium payment structures *(25%)*

9. How to Apply and Important Procurement Rules

We encourage interested providers to submit competitive and comprehensive proposals in line with the requirements outlined above.

All proposals must be addressed to:

Chairperson, Management and Operations Committee

United Nations Staff Savings and Credit Cooperative Society Limited (UNS-SACCO)

AGA House, 2nd Floor, Plot 89 Mawanda Road

P.O. Box 21412, Kampala, Uganda

Proposals must be submitted in hard copy to the address above by **September 4th, 2026 at 5:00 PM EAT** and via email to **procurement20@uns-sacco.com** **after the submission deadline but not later than September 5th, 2026 at 2:00 PM EAT**. Please observe the submission dates and time.

Important Procurement Timelines and Rules:

- **Proposal Validity:** Submitted proposals must remain valid for a period of ninety (90) days from the date of the submission deadline.
- **Requests for Clarification:** Prospective bidders may seek clarifications regarding these Terms of Reference via email to **procurement20@uns-sacco.com** no later than **August 28th, 2026**.
- **Late Submissions:** Any proposal received after the specified deadline of **September 4th, 2026 at 5:00 PM EAT** will be automatically rejected. Late submissions will not be considered.

For further inquiries, please contact **+256 414258935** or email **info@uns-sacco.com**.