

Auditor RFP: Insurance Awareness Committee, Life Council

Contract Term of the Auditor: 3 Years starting the date of appointment, with Quarterly performance reviews with IAC CMO's.

Budget for the Insurance Awareness Committee: ~ Rs. 70 Crs (tentatively)

Background/Context:

All the life insurance companies in India are part of a jointly constituted body- the Life Insurance Council (LI council), which is a forum that connects the various stakeholders of the sector. It develops and coordinates all discussions between the Government, Regulatory Board and the Public. A smaller sub-body has been created, within the LI council called the Insurance Awareness Committee which consists of members who are CEO's of LI companies. The Insurance Awareness Committee was created for the purpose of enhancing life insurance awareness by conducting continuous consumer education through various communication tools available. It is responsible for conceptualizing, planning, strategizing, and executing activities that will help the cause of increasing life insurance awareness.

In the recent times, the attention of the Life Insurance industry's target audience is being drawn away by competing categories like: Mutual Funds & Health Insurance which have created a strong perception of providing 'tangible benefits' in foreseeable future. The need for life insurance is latent and the industry leaders fear a loss of stature and mind-share for the category.

Symptoms of the problem

- Low growth rates- a large part of the industry has grown on the back of ticket size- actually the number of new customers being acquired is declining.
- Low persistency- the contract spans over multiple years and only a third of the people remain on the books by the end of 5 years for the industry.

The potential causes are probably the following:

- Poor Understanding of Life Insurance
- While incidence of ownership is high, understanding of need for life insurance products and its benefits is low
- People are not able to relate how can life insurance products help in achieving life goals- (child's education, retirement planning etc.) both short term & long term
- Product designs are seemingly complex
- Lower Than Adequate Life cover
- Quantum of life insurance cover is significantly lower than what is actually adequate basis the age group, lifestyle, financial liabilities, spends etc.
- Life Insurance is not seen as the "smart thing to do" in the minds of the customers

Objectives of the Insurance Awareness Committee

- Help consumers understand benefits of life insurance better – feel good about life insurance
- Get a larger share of the consumer’s wallet – both protection and long-term savings – we have one of the lowest policy densities in the world with an average customer holding only 1.2 policies
- Place the sellers favourably in front of the prospect- Start with trust when the door is knocked
- Nudge the consumer to take action and feel proud to act responsibly by securing the future of their families
- Help the industry overcome the persistency problem and educate the population of the checks and balances which companies deploy, the safety net which the IRDA has created, the capital companies hold- all of which ensure market conduct is of a good standard.

High Level Expectations from the auditor

1. Process Governance across all squads (Creative, media, research, PR, digital and support functions), reporting and recommending directly to the IAC Governance Squad and LI Council.
2. Financial Governance across all squads and agencies: Auditor to uphold and deliver highest standards of Adherence to best practice and aligned process to ensure optimal utilisation of funds. For releasing any payment approvals to LI Council for retainers etc. the auditor to verify, record and submit all proofs of documents that they have verified and explicit approval from the CMO Squad Leads.
3. Monthly reviews with the IAC CMO’s and LI Council with cross stream dashboards highlighting the key measures of success. Structure agreements for payments linked to achievement of key performance metrics, defined parameters.

Broad SOW for the Audit partner

1. Objectively run and advise the Insurance Awareness Committee CMO’s through the RFP process, contracts, negotiations, invoicing, Dash boarding of Measures of success and achievements to enable effective funds utilisation and ways of working in accordance with the brief’s and objectives of the IAC.
 - a. Designing Evaluation methodology –
 - i. Technical Bid Process & Technical Evaluation Matrix
 - ii. Financial Bid Process & Financial Bid Evaluation
 - b. The financial bid will be a sealed quotation to be opened by the auditor in the presence of IAC CMO’s, LIC of India and Mr. Bhattacharya (LI Council)

2. Execution of contracts - contract process, obligations, end to end implementation across all leading and supporting functions related to marketing and communications campaigns for IAC.
 - a. Designing Performance Evaluation/ Incentive Evaluation Scorecard
3. Keeping detailed records of all proofs of invoices and other documents including agency monthly reports basis which the payments are being released. The Auditor will be the custodian of all the documents and preservation of documents will be essential item.
4. Agency RFP Process ownership for shortlisting, selecting, on boarding and executing the contracts with the agency partners needed for the insurance awareness campaign wherein Auditor will also recommend objective evaluation parameters, weightages for partner evaluation grids across agencies with optimal remuneration structures.
 - a. Creative Agency – for IMC media and Digital creative
 - i. Benchmark Creative agency SOW and costs as per the brief issued.
 - ii. Recommend Benchmark production costs and services to build cost efficiency
 - iii. Recommend support functions partners Sow and Costs to enable the campaigns including material, legal, trademarking services etc.
 - b. Integrated Media Agency RFP process and execution of media plans across mix and channels.
 - i. Services to include PR as a sub stream for IMC agency
 - ii. Ratify and validate the brief for the IAC campaign with the recommended approach
 - iii. Cost benchmarks across the recommended media mix and channels, publications, digital sites, OOH, events and BTL touchpoints
 - iv. Recommend optimization, rate evaluation, deal evaluation for media plans
 - v. Rate Commitments, planning tools and capabilities, in sighting, AVB and incentive evaluations
 - vi. Across the process auditor ownership of Media planning, buying and post buying deliverables to IAC.
 - c. Digital Agency
 - i. Website hosting – already shortlisted.
 - ii. Content partnership's
 - iii. Social Media agency
 - d. Research and
 - e. PR work streams
 - f. Support Agencies to enable seamless execution as and when required
5. Invoicing:
 - a. Auditor to ratify 100% of the invoices for all IAC related work streams for the period.
 - b. Auditor to recommend self-contract term keeping the frame of lagging Invoices.
 - c. Auditor to recommend optimization where applicable to bring in cost efficiencies.