

Invitation for Tenders

Selection of an insurance partner to introduce a Term Life product for Savings Groups at VisionFund Rwanda

october 22

The existence of this Invitation for Tenders and the information contained herein are subject to confidentiality obligations and should not be shared outside your organization.

I. Purpose

This invitation for Tenders is being sent to preselected insurance partners operating in Rwanda with the objective of generating expressions of interest for the selection of a reliable, committed and financially sound partner for the underwriting and marketing of a Term Life product for our clients to be marketed through our VisionFund Rwanda (VFR) branches and through its mother organization's programs, World Vision.

This invitation for Tenders does not constitute an offer and VFR does not undertake to accept any response to an offer.

II. Background and objectives

A. VisionFund International

VisionFund International (VFI) is the world's largest global Christian microfinance network and part of World Vision, a Christian relief, development, and advocacy organisation. We serve over 990,000 clients and impact the lives of 4.25 million children in 28 countries.

We believe in brighter futures for children, building lives free of need and full of promise. We achieve this through our financial services empowering impoverished households to create income and jobs. We also train clients to grow successful businesses using their income to support their children and families. This also unlocks economic potential for communities to thrive.

VFI is unique across the financial inclusion industry where institutions are increasingly leaning towards return on investment and moving away from social impact. Micro-Finance Institutions (MFIs) have withdrawn from the rural areas where the need is great, but costlier to implement but VisionFund remains committed to serving this market segment and to developing efficient and cost-effective models.

We believe providing insurance can bring greater security and benefits to our clients and their communities as well as enhance confidence to invest in their businesses and agricultural activities.

B. VisionFund Rwanda

VisionFund Rwanda (VFR) is a subsidiary of VisionFund International and one of the largest deposit taking MFIs in Rwanda whose mission is to provide financial and non-financial services to underprivileged rural communities.

VFR started its operations in 1997 as World Vision Rwanda's department and later in 2004 got the central bank licence to operate as a deposit taking microfinance.

Since its incorporation in 1997, VFR has risen to be one of the best practice microfinance programs in Rwanda:

- Network of 8 branches
- VFR serves over 29,826 borrowers in Rwanda
- VFR offers group loans to over 1,000 Savings Groups, reaching around 26,000 members.
- As of September 2022, VFR has an outstanding loan portfolio of \$ 2,629,504 million
- 90 % of its clientele is rural based
- 64 % are women

- The average age is 40 years' old

VFR is recognized for taking financial services to the rural and the most vulnerable ones in the communities. VFR is also known to provide financial services to people who would otherwise have little or no access to credit and savings. Also, the well-being of children, families and communities in Rwanda is the main focus. We serve the country's poor people by helping them to start or grow their own businesses through loans of just a few hundred dollars.

VFR continues to consolidate its sustainability progressively. A mixed loan portfolio provided through solidarity group lending, with a high average repayment rates, longer loan life cycles, higher loan officer productivity, and repeated loans have among others contributed to increased incomes, and hence enhanced institutional sustainability.

III. Microinsurance arrangement

VFR wishes to enter a sustainable and profitable business relationship with a regulated insurance partner to provide high-value products to its clients.

In this relationship, the insurance partner will manage the risk of the microinsurance products that VFR identifies as appropriate. VFR will use its market strength and relationship with its clients to bundle the microinsurance products with loans distributed.

According to this approach, VFR will work with the selected partner to design a new insurance product that will be affordable, accessible, and appropriate to the needs of lower income households. The insurance partner will propose a product coverage, processes (enrolment, premium payment, claim reimbursement), limitations, eligibility requirements and pricing of the new products, as it will bear the financial risk.

The key assumptions for ensuring the successful implementation of microinsurance products are:

- Low-income people will be able to buy the insurance products while it will meet their needs
- Insurance partners are interested in and able to develop products that meet those needs
- VFR and the selected insurance partner can work together to efficiently deliver insurance products
- The product is both affordable and technically balanced for the providers and delivery channels.

For this Invitation for Tenders, VFR is seeking written proposals from insurance companies and/or insurance brokerage firms to provide services for our Rwandan operations that include, but are not limited to insurance placement and servicing, risk exposure analysis, as well as general insurance advisory services and claims assistance for insurances on behalf of or for the benefit of its clients.

This Invitation for Tenders does not include VFR's own insurances. Instead, it is looking for insurances relating to VFR's clients and are mostly for Micro insurance classes.

IV. Legal review

The legal review indicated that insurance partners will need to review closely any potential licensing or other regulatory issues related to VFR staff's role in selling the insurer's products.

The insurance partner is also expected to conduct a thorough review of all legal issues related to the products and the relationship between VFR and the insurer.

V. Products specifications

VFR wishes to receive tenders from insurance partners interested in providing products that meet the following specifications:

Type	Term Life
Target market	<p>All members (mandatory model distribution) of Savings Group taking a Group Loan with VFR.</p> <p>The coverage will apply to all members of the group and will last the same time as the Group Loan provided by VFR.</p> <p>The average Group Loan duration is 7 months.</p>
Expected volume	25,000 members during FY 23 (Dec 22 to sept 23) in around 1,000 groups.
Risks to cover	<ol style="list-style-type: none"> 1. Death <p><i>Additional Benefits that VFR would be interested by:</i></p> <ol style="list-style-type: none"> 2. Permanent Disability 3. Temporary disability
Benefits	<p>The insurance benefit will be the same for all members whatever the duration of the Group Loan is.</p> <p>To be provided following the requested premium amounts.</p>
Expected premium	<p>Regarding the low capacity of the target to pay for insurance, VFR would like to know the benefit(s) that could be associated to these monthly premiums:</p> <ol style="list-style-type: none"> 1. 110 RWF per month per member 2. 130 RWF 3. 150 RWF 4. 200 RWF <p>NOTE: only one level will be kept and distributed by VFR; the choice will not be left to members.</p> <p>The premium per member will be calculated accordingly: Duration of Group loan (in month) x monthly premium per member</p>

Other important aspects:

Client information	<p>Savings Groups are quite independent and internally organized. The information collected on members are only the following:</p> <ul style="list-style-type: none"> - Name - National ID number <p>Note that other info such as Gender or Date of birth is not collected.</p> <p>We then ask the potential partner to take this into consideration to be able to cover everyone in the group.</p> <p>Detailed information is known by VFR only on the President of the group, the secretary, and the treasurer.</p>
Exclusions and limitations	The insurer needs to specify the exclusions list
Mode of payment	<p>Premiums will be collected by VFR</p> <p>Insurer and VFR will develop a system to electronically exchange required client insured data</p>
Beneficiary	The main and only beneficiary in case of claim will be the Savings Group itself

VI. Insurer benefits

By participating with VFR, the selected insurance partner will benefit from:

- Access to over nearly 25,000 current members
- An effective delivery channel
- An opportunity to gain a competitive advantage over other companies

VII. Solicitation Terms

A. Agreement

VFR intends to issue an exclusive agreement for a base period of one (1) year to the successful applicant from this process.

B. Discretion

Tenders shall not disclose that they have been invited to present a tender, nor discuss the tender they intend to make nor canvass for its acceptance. Insurance partner staff shall not discuss any part of their tender with any VFR staff except to ask questions related to this invitation.

Any tenderer found to violate these confidentiality provisions will be automatically rejected and not invited to submit tenders for future work, and VFR may pursue any other appropriate legal remedy.

VFR agrees that the content of each response will be held in the strictest confidence, and details of any response will not be discussed with any other party. By submitting a response to these terms, the insurance company agrees not to disclose any material facts to the general public.

C. Offers/Quotations

Prices must be inclusive of all costs, including taxes and fees, in RWF. Quotes and prices should remain valid for ninety (90) calendar days from proposal submission.

D. Proposal Costs

There is no reimbursement for costs associated with preparing or submission of proposals in response to this Invitation for Tenders or costs associated with possible award negotiation.

VIII. Submission Requirements

A. Questions

Any queries about this Invitation for Tenders shall be addressed in writing and electronically conveyed to VFR's contact by the **12th of October 2022** at the latest. Any queries raised by one tenderer and considered pertinent to the tendering process will be responded to, without delay and in writing, electronically to all institutions invited to tender.

The VFR contact on insurance is Theophile

B. No alteration

No alteration or amendment shall be made to the original tender documents. Tenders may not be qualified or accompanied by statements that might be construed as rendering the tender equivocal; only unqualified tenders will be considered.

C. Submission of tender

Proposals must be organised according to the submission requirements and proposal format in annex.

Tenders must be submitted electronically and with scanned signatures by the **16th of October 2022 12:00pm – GMT at the latest**. Late tenders will not be accepted. Tenders should be addressed to the contact identified above.

IX. Tender Form

The following form is intended to guide tenderers in providing information that will be useful to VFR in the selection of a partner. Insurers are welcome to provide additional information that they believe might clarify issues or improve the price/quality ratio of the product and service they intend to offer. Additional information pertinent to this tender offer may be provided on separate pages. Attachments to this Tender Form should not exceed 10 pages (exclusive of financial statements).

A. Institutional capacity

Name of company:

Company address:

Contact person:

Title:

Phone number:

E-mail address:

Company website:

Please include the name, title, and contact information for an authorising official.

Please include a legal form of registration and a list of names and identity numbers of Directors or leadership Team.

Key business indicators (as at 31 December 2020, or the latest annual fiscal data available, as appropriate):

Information provided as of date:

No. of staff: Total: Headquarters: Agents:

No. of branches:

Location of branches:

Number of policies sold:

Life premiums (LOCAL CURRENCY):

Non-life premiums (LOCAL CURRENCY):

Claims ratio (%):

Total assets (LOCAL CURRENCY):

Total liabilities (LOCAL CURRENCY):

Total capital (LOCAL CURRENCY):

Net income (LOCAL CURRENCY):

Tenderers must attach their financial statements for the years ending 2019 and 2020. Annual reports with data for operations exclusively in Rwanda are preferable (as opposed to consolidated corporate annual reports from multinational entities).

B. Company information and past experience

Provide a brief summary of your firm and its culture and a description (with experience) of key staff proposed to be assigned to VFR's account (brochures and marketing materials may be included as an appendix but should not take the place of a brief written response). Include an organisational chart and reporting lines (if applicable).

Include a description of your experience and expertise serving clients:

- in the non-profit and microfinancing arenas, and a summary of what differentiates your firm from your competitors,
- with an international development portfolio of programmes,
- that receive funding from a variety of sources including donors.

Indicate the primary physical location from which you will be providing your services.

C. Service description

Describe your technical ability to undertake such an engagement especially on insurance administration, risk management and claim management.

Provide the methodology and timescales for undertaking the work streams including but not limited to:

- Product development and project management: discussion with VFR staff on product needs, development of product procedure notes and protocols, insurance documentation analysis and review
- Claim documentation and whole claim process considering the profile of VFR clientele (micro)
- Actuarial analysis and evaluation
- Reinsurance placement and certification
- Audited financial statements.

What is included in your core benefits services?

Are other services available? If so, please provide an overview.

What is the added value for VFR that will make this proposal unique?

D. Benefits

Describe the benefits of the proposed policy in detail.

E. Premiums

Based on the benefits described above, the premium for this product will be in local currency per person per month.

F. Exclusions, limitations, and underwriting requirements

Exclusions:

Underwriting requirements:

Other limitations and/or requirements (if any):

G. Fees/commissions to VFR

Recognizing that fees or commissions paid to an agent have an impact on the premium cost and recognizing VFR's role as an intermediary and distribution channel, it is expected that VFR will receive payment relative to its inputs to the sale of microinsurance products.

Please indicate the proposed fee structure.

H. Administrative requirements

Submission and payment of claims will be made between providers and the insurer.

The insurance company will commit itself to establish and comply with the following administrative procedures:

- Premium processing: VFR shall collect premiums appropriately from its participating clients on a monthly basis. Premiums shall be remitted to the insurance company net of fees (as agreed). The insurance company shall acknowledge receipt of premiums upon receipt.
- Claims: VFR and the insurance partner shall agree on the role VFR will play in the claim administration: collection of supporting documents, claim notification, claim verification and claim payment.

I. IT/MIS and other insurer inputs

The insurance company will commit itself to work in close collaboration with VFR to develop/adapt an appropriate computerized management information system that will adequately and efficiently convey all microinsurance-related activity and data required by the insurer.

The insurance company agrees to assist VFR in developing and maintaining a staff training programme related to understanding insurance and to the sale and servicing of the tendered products.

The insurer also agrees to work with VFR to develop a marketing strategy and marketing tools to use in the sale of the microinsurance product. The insurer will fund the development of the agreed-on marketing materials. Include sample materials that are representative of the support you provide your clients.

Provide references with contact information from a minimum of three clients who currently use the applicant's services. At least one of the clients must speak to the applicant's performance with non-profits, fiscal sponsors, rural and agricultural sector and/or donor funded entities.

Prior to final signing of a contract, it is expected that the insurer and VFR will formally address any issues of potential legality arising from such an agreement.

J. Engagement

This Tender Form and the related Invitation for Tenders have been reviewed by the undersigned insurance company, have received all necessary internal approvals and are signed by the authorized signatory thereof.

The signatory testifies that s/he has read the present document and commits to the product and process details offered above.

The undersigned testifies that all information provided to VFR in this Tender Form is true and accurate and reflects the engagement intended by the undersigned towards the proposed relationship with MFI and the product to be developed thereunder.

Insurer:

By:

Name:

Title:

Date:

X. Timeline and Evaluation

A. Proposal and implementation timeline

VFR intends to follow the below timeline for review and award of this solicitation:

- Questions Due: 12th of October 2022
- Deadline for Submittal: 16th of October 2022
- Review of Proposals: 17th to 19th of October 2022
- Interviews or Additional Questions Conducted: Before the 21st of October 2022
- Final selection: 24th of October 2022
- Implementation preparation: 31st of October 2022
- Contract signed: November 11th of November 2022
- Start: 1st of December 2022

* Dates are subject to change at the discretion of VFR.

B. Proposal Evaluation

VFR is committed to a transparent process of award and selection of a partner with the intention to secure the best possible solution(s) for VFR's ongoing needs while ensuring an optimal financial and operational outcome and the best value to our funders.

VisionFund will not necessarily converse on the lowest price. Any implication that the lowest price or any proposal to counter on pricing will be accepted is hereby expressly negated. The Selection for these services will be based upon evaluation criteria developed by VFR. VFR in its sole discretion will determine the manner in which each response meets the evaluation criteria.

An evaluation team will review, in detail, all proposals received to determine the best value. Following the initial review and screening of the written proposals, using the selection criteria described below, applicant(s) will be invited to participate in the final selection process, which may include participation in an oral interview and/or submission of any additional written information as requested by VFR.

The following evaluation criteria will be utilised to evaluate the proposals by an internal evaluation team from VFR to determine the best value. An applicant can receive a maximum of 100pts:

- Company Information and Past Experience (10%)
- Product knowledge and experience (15%)
- Services description (20%)
- Benefits (25%)
- Fees (20%)
- References (10%)