



1. INTRODUCTION

State Life Insurance Corporation of Pakistan plays pivotal role in the Life Insurance industry of Pakistan. It was incorporated in 1972.

Major portion of individual life business of the Corporation is sold through its dedicated sales force (field force) all over the country prior to re-structuring. The field force was organized under a three tier system consisting of Sales Representative (SR), Sales Officers (SO) and Sales Managers (SM). They are not permanent employees of the corporation; they procure business on commission basis. Field force is headed by Area managers who are permanent employees of the Corporation.

In February 2019, cadre of SO has been abolished by promoting all SOs to the cadre of SM. It was also decided that in future, no SR would be promoted as SO.

BAC/Board has directed to get opinion from auditors on restructuring the business distribution channel. The resolution of BAC is reproduced below:

“The BAC directed that review report / opinion from the statutory auditors on restructuring of field channel, which must contain plus / minus impact on both scenarios i.e., on the existing field structure and the old field structure i.e., before restructuring of the field channel, be obtained within 20-30 days for 5 years including the base year i.e., the previous year (2018), the current year i.e., same year when decision was taken (2019), three upcoming years i.e., next 3 years (2020, 2021 and 2022) including projected figures in order to help BAC and BOD to take informed decision and further steps in this regard”.

2 Scope of Work/ToRs

Considering the existing field structure and old field structure, carrying out:

- (i) Analysis of loss/gain of business (First year premium, Second year, and Renewal Premium) in monetary terms-current and future for 5 years.
- (ii) Impact on Cash surrenders/ auto surrenders of retained business.
- (iii) Cost benefit analysis (identify the benefits of an action as well as the associated costs).
- (iv) Impact on market share of business in the industry.
- (v) Comparative analysis of acquisition costs with industry.
- (vi) Impact on Dividend.
- (vii) Impact on Bonus to Policy Holders.



- (viii) Impact on Cash inflows and Cash outflows and redemption of related investment etc.
- (ix) Impact on retention of field force.
- (x) Whole industry growth rate vs growth rate of corporation.
- (xi) Any other, which deem necessary for compiling report on restructuring.

3 **Eligibility Criteria:**

A rated Audit Firm as per SECP List.

4. **Financial Proposal:**

a)	Audit Fee	PKR _____
		<u>Rupees in Words</u> _____
b)	Out of pocket expenses, if any	PKR _____
		<u>Rupees in Words</u> _____
C)	Federal/Provincial Taxes (if applicable)	PKR _____
		<u>Rupees in Words</u> _____
d)	Grand total (a+b+c)	PKR _____
		<u>Rupees in Words</u> _____

Date: _____

Authorized signature: _____

Name: _____

Title: _____

Terms & Conditions

a) **Bidding System**

Open Competitive biddings i.e., single stage one envelope as described under PPRA rules 36 & 37.

b) **Submission of Bids**

The last date of submission of bids is 17-03-2020 at 11:00 a.m. Bids are required to be submitted to the following address.



**Muhammad Amjad
Divisional Head (F&A)**

State Life Insurance Corporation of Pakistan
Principal Office, Finance & Accounts Division,
4th Floor, State Life Building No. 9,
Dr. Ziauddin Ahmad Road, Karachi.
Tel. 99202863 Fax: 99202849
Web: www.statelife.com.pk

c) Validity of the Bids

All bids and prices shall remain valid for a period of 90 days from the closing date of submission of bids i.e., 17-03-2020.

d) Opening Of Bids

Bids will be opened on last day of submission of bids i.e., 17.03.2020 at 11.30 A.M., in the presence of representatives of firms. Participating firms are requested to observe the time strictly.

e) Award of Work

Work will be awarded to lowest evaluated bidder at earliest.

f) Submission of Report

Successful firms should submit analysis report within one month after award of work.

g) Signing of Bid

Para 2 (Scope of Work/ToRs) and Para 4 (Financial Bid) of bidding document must be signed by bidder with official seal.

h) Release of Fee

Payment of fee will be made within 45 days after the submission of final report.

i) Queries on report

Queries by management/BAC/Board on submitted report will be responded by successful bidder without any additional fee. Such queries could be raised within 90 days after the submission of report.