



Request for Proposal (RfP)

**Core Insurance system for Prime
Insurance Ltd and Prime Life
Insurance Ltd**



DECEMBER 4, 2017

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1.Objective of this document

The objective of this document is to outline the requirement for tender to be published and submitted to Core Insurance System Vendors to be used by Prime Insurance Ltd (“Prime Insurance”) and Prime Life Insurance Ltd (“Prime Life”) – (together “the companies”), both insurance companies operating in Rwanda in the General and life insurance business respectively.

This document contains background information around these companies today and the Strategy going forward, the selection criteria for the target solution and its implementation as well.

2.Background and context

2.1. The companies

Prime Insurance was established in 1995 as COGEAR Ltd, and was allowed to trade general and life insurance business. In order to comply with regulator, COGEAR created Prime Life Assurance Ltd and was licensed in May 2012. The company was rebranded into Prime Insurance Ltd and Prime Life Insurance Ltd respectively when Greenoaks Global Holdings acquired the companies in 2014.

In June 2017 Local companies (Rwanda Mountain Tea, Kitabi Tea Factory, SP Aviation, etc) which were minorities acquired majority shares from Greenoaks Global Holding.

Prime insurance Ltd represents today 8.1% of the of the Rwandan General/short-term insurance market (position #7 out of 8) in terms of gross premiums with Frw 3.8bn; While Prime Life Insurance is capturing today 6% equivalent Frw 0.67 billion of gross written premium in Rwanda Life Insurance market (position #4 out of 4).

2.2. Technology front

Since the establishment of these companies, different Information System were used for the management and processing of company's data; among others, we have been using for **(1) Prime Life**, CICA-RE (Pension and Education-Underwriting) and EXCEL (Loan Protection and Group Life).

As (a) CICA-RE was not fully covering all products and outdated (under DOS) (2) and as Prime Life could not manage long term insurance policies and business in Excel; Prime Life decided to look for a system which will manage all Prime Life's Products from Underwriting- Claims; It is in this regard that in 2013 NOVANET comes in.

NOVANET-Life was not either fully developed, and Prime Life provided all requirements for four Products (Pension/Savings, Education, Loan Protection and Group Life) then Leader Informatique, based in Lille, France, started development of Life Products under NOVANET brand.

For **(2)Prime Insurance**, General Business, we have been using MS Word and Excel for all Products, It is in 2007 where the company decided to develop internally the WISE windows Version and started to be operational in 2008 up to 2013, and it was able to manage motor Product and Non-Motor Products.

WISE was able to generate contracts and premium register, but all branches were not connected to the system live. To handle this issue, internal team started fresh development to upgrade WISE as Web-based Version from 2013 up to now.

Usually a good Core Insurance system must contains at least following Modules:

Policy Factory, Policy Administration, Reinsurance, Claims, Finance management, Distribution Channel Management, Reporting and Analytics, Access Management and then API for external partners.

WISE online has Underwriting, Claims and Payments module fully developed for Motor product and partially developed for Non- Motor products; other modules are not yet developed.

When **GGH** come, they decided to develop a new Core Insurance System from scratch in partnership with **SOCOTRA**, the project was supposed to be live by end of December 2015, for all products but only 3 products were partially ready and were only for general business (Motor, Property and Travel).

As we could not wait eternally, Prime Life Technical Department in Collaboration with IT department opted to look for an internal solution, starting from Loan Protection and management of existing long terms policies.

This solution has succeeded, then management approved to continue in-House development to remove the gap of Prime Life MIS, and we comes up with In-House System called INGENZI SMART INSURANCE SYSTEMS in May 2016.

In parallel, WISE Online was also used for all products excluding Individual motor and Property in some cases.

After re-acquisition of Prime Insurance Ltd and Prime Life Insurance Ltd by Majority Shareholder (Rwanda Mountain Tea, Kitabi Tea Factory, etc.); On 01/07/2017, Management decided to return back to WISE online and abandoned Socotra.

For now all general underwriting businesses are managed in WISE Web-based; and for Life business, INGENZI manage all old policies for Education and Pension, Loan cover, Pension/Savings; for Group Life only quotations are produced in INGENZI.

As shown in above paragraph both systems WISE and INGENZI helps to run business but most core modules are still incomplete or missing;

Prime Insurance and Prime Life have since then embarked into a transformation plan to become next insurance leader in Rwanda. Both companies opted to look for a fully developed Core Insurance system which meet all business requirement, standards and customizable to meet all operations and business continuities; and also ready to be integrated with our stakeholders (Banks, MNO's, BNR, etc..).

2.3. Current Integration with external partners

Currently, we have integrated with different Institutions and each integration depends on type of business or requirement we are dealing with.

Regulator requirement.

We have integrated with The National Bank of Rwanda (BNR) for the project called BNR DATA WAREHOUSE, the purpose of this project is to allow BNR to collect specified financial and non-financial data from all financial Institutions in Rwanda.

Our roles here as Insurance company, was to prepare **views** in our database and create VPN/IPSec between Prime Insurance/Prime Life and BNR which allows BNR to extract Data on real-time; So the needed system must be flexible to allow creation of views(especially relational database management business) and allowing secured external access with partners.

National police reporting.

Rwanda National Police has launched a project for all Insurance companies in motor business, which requires to report every motor policy underwritten.

The purpose is to allow Traffic Police to validate insurance certificates when controlling vehicle.

Our role here, was to connect with Rwanda National Police using One-way API provided by Rwanda National Police.

Business Integration

Among business we have in both companies, we need partnership with commercial banks for bancassurance, Loan Protection in Life business and then property-fire and personal accident in general business.

1. Currently we have integrated with one commercial bank (COGEBANQUE) on Loan Protection. The integration is Two Way API integration, where by when a loan officer is processing a loan from bank system can send customer information and loan details to Prime Life System, then Prime system calculate the premium and return full information of the contract and then loan officer print the contract from bank.
2. Apart from this, the Prime system allows also a web portal/link, where the Loan officer can access the system online limited to loan officer right, then issues a policy online.
3. We have integrated also with Rwanda Public Procurement authority for the E-Procurement, a project introduced by Government of Rwanda to help online tender process. Our role here is to sales Bid Security and performance Guarantee and here we use one way API Integration.

2.4. Growth and transformation plan

With its recent acquisition, Prime Management and Shareholders intend to transform both companies into the leader of the Rwandan insurance market, both on life and non-life.

In order to achieve this ambition, both companies have started to go through a major transformation, including

- Expansion and professionalization of distribution network (***agents, proprietary branches, alternative distribution, banc-assurance***);
- Sophistication of underwriting procedures and rules ;
- Expansion into new profitable product lines;
- Optimize management of reinsurance programs;
- Digital Insurance transformation
- Introducing core insurance system which respond to present and future Prime business needs.

The program will require significant additional talents and technology investments.

Both companies will continue to be managed as two separate units (for life, and non-life insurance) to comply with Rwandan Regulation but some services will remain shared especially Technology (Staff and Infrastructure).

3. Functional requirements

Solution must cover the majority of functional requirements, without additional development. In particular, we will look at how the solutions can respond to specific requirements of the local market, Rwanda and Regional; East Africa communities, COMESA and Worldwide in general.

We are looking for following minimum functional requirements:

3.1. Prime insurance General business System Suite

The Core Insurance system must support the entire lifecycle operation of general insurance business, from new business, endorsement, claims, reinsurance, finance, compensation, and so on, with a high degree of flexibility, configurability, and automation.

The system must have a fully developed module for reporting which covers all modules.

It must support all current 10 classes of products for General business that are classified as follows but with the option of adding new classes of General Products:

1. **Prime Motor Product** (Individual Motor insurance and Fleet Motor Insurance for TPL, TPL Plus, and Comprehensive)
2. **Prime Property-Fire Product** (Residential, Commercial, Industrial, Administrative, Mixture for Building & Content)
3. **Prime Travel Product** (Protect, Student and Pilgrimage)
4. **Prime Bond Product** (Bid Bond, Performance Bond, Custom Bond and Advance Payment Bond)
5. **Prime Marine Product** (Marine, Aviation, and Goods in Transit)

6. **Prime General Accident Product** (Personal Accident, Group Personal accident)
7. **Prime Casualty/Liability Product**
8. **Prime Fidelity Guarantee Product** (Fidelity-Money, Fidelity-Goods and Fidelity-Property)
9. **Prime Engineering Product** (Erection all risk (EAR), Contractors all risk (CAR), Electronic Equipment, Machinery breakdown, IT Equipment and Contractors Plant & Machinery (CPM))
10. **Prime Money Product** (Money in Transit and Money in Safe)

The Core Insurance System must supports **Personal Insurance, Group Insurance and Combined Products for General business.**

3.1.1. Product Factory

The Core insurance must contain product factory which provides flexible product definition capability, used to define all the business rules and static information that the system needs to enforce rules and perform the day to day processes of a given product.

3.1.2. Policy Administration

Policy Administration module must manage the policy lifecycle, this includes:

Quotations, provides the user with the capability to give quotations for one or multiple products.

Underwriting, provides the data capture, validation and premium calculation facilities based on every class of insurance.

- New business
- Endorsements
- Renewals.
- Integration of underwriting and reinsurance components

3.1.3. Claims

Claims module must respond to all claim processes for all kinds of products including but not limited to:

- a) Claim first notice
- b) Claim reporting and booking,
- c) Reserving,
- d) Settlement (appraisal, field investigation, special investigation, calculation, etc)
- e) payments,
- f) Recovery (scraps and recourse/subrogation).
- g) Maintaining claims history on clients, policy etc.....

3.1.4. Business Channel Management

The system must support, the management of all sales channels, sales Agent channel, Brokers, sales staff, point of sales and Branches.

This must including but not limited to:

- Sales channel and agreement set up and maintenance;
- Commission calculation and settlement;
- Sales performance tracking.

3.1.5. Finance/Account Module

Finance (Bill, Collection & Payment) Module must manage real-time generated financial records, handles premium and fees payment, and supports general ledger (GL) posting processes.

Fully integrated with all business modules, and able to collect financial data from new business, renewal, endorsement, claims, recovery, reinsurance co-insurance, commission and agent consolidation billing. This means that accounts receivable and accounts payable must be generated and posted to the GL. The system must support or allow configuration of Prime accounting rules in system.

The system must support all mode of payment available in Prime, Cash, Bank transfer, POS, and online payments, mobile payment.

3.1.6. Reinsurance

The Reinsurance Module must provide the functionality of managing outward reinsurance businesses, including treaty and facultative.

The risk must be automatically checked, for whole policy and also on level of risk unit. The retentions and cessions must also be automatically calculated, and system must be able to generate reinsurance arrangements according to the treaty. Once the risk exceeds the treaty capacity, the facultative must be triggered.

The Reinsurance module must provide needed statements especially premium and claim recovery, for PRIME to settle with the Reinsurance Company.

3.2. Prime Life, Life business System Suite

The Core Insurance for Life Insurance Suite must support entire lifecycle operation of life insurance business, from new business, endorsement, claims, reinsurance, finance, compensation, and so others, with high degree of flexibility, configurability, and automation. The core must cover both group and individual business.

The Core Insurance for Life Insurance Suite must support term life, whole life, endowment, loans and savings, permanent and short-term disability.

A. Traditional and ordinary Life

1. Education Endowment product
2. Pension Endowment product
3. Savings Product
4. Loan Protection/Group Credit Insurance Product
5. Group Life Insurance
6. Group Pension

The needed Life Core insurance System must have following functionalities:

Individual Product

- ✓ Individual Quotations, Proposal
- ✓ Individual Underwriting & Administration
- ✓ Individual Medical record
- ✓ Individual Reinsurance
- ✓ Individual Claims
- ✓ Investment Linked
- ✓ Management of Commission

Group Product

- ✓ Group Quotations
- ✓ Group Underwriting & Administration
- ✓ Group Medical Record management
- ✓ Group Reinsurance
- ✓ Management of Commission
- ✓ Group Claims

Individual & Group Pensions

- ✓ Defined Contribution Schemes
- ✓ Defined Benefit Schemes
- ✓ Personal Pensions
- ✓ Retirement Annuities
- ✓ Deferred Annuities
- ✓ Management of Commission

B. Innovative Insurance Product:

- a) Micro-Insurance
- b) Mobile Insurance

C. Self Service Reporting.

The system must have a fully developed module for reporting which cover all modules.

3.2.1. Product Factory

The Core insurance must contain product factory which provides flexible product definition capability, used to define all the business rules and static information that the system needs to enforce rules and perform the day to day processes.

This Module must support flexible product structure including the definitions of product model and other required information to self-configure a new product in the Core System.

3.2.2. Policy Administration

Policy Administration Module, must automates all policy related transactions from the initial collection of proposal and continuing through the lifecycle of the Life insurance contract.

The Policy Administration module must have following functions:

- Management of Life Insurance Proposal
- New Business
- Renewal Cycle for some Product
- Policy Change/Endorsement
- Maturity and payment management
- Advance management for some Product,
- Partial and total surrender management for some Product

3.2.3. Claims Modules

Claims module for life insurance must handle all claims processing.

- Automated claim processes
- Flexible claim formula setup

- Claims module must supports major and minor claims for all products.

3.2.4. Business channel Management

The system must support the management of all sales channels, sales Agent channel, Brokers, Sales staff, point of sales and Branches.

This must including but not limited to:

- Sales channel and agreement set up and maintenance
- Commission calculation and settlement
- Sales performance tracking

3.2.5. Finance/Account Module

Finance Module (Bill, Collection & Payment) must manage real-time generated financial records, and supports general ledger (GL) posting processes.

Finance Module must be fully integrated with all business modules, and able to collects financial data from new business, renewal, endorsement, claims, recovery, reinsurance co-insurance, commission and agent consolidation billing. This means that accounts receivable and accounts payable must be generated and posted to the GL. The system must support or allow configuration of Prime accounting rules in system.

The system must support all mode of payment available in Prime, Cash, Bank transfer, POS, and online payments, mobile payment.

3.2.6. Reinsurance

The Reinsurance module must provide the functionality of managing outward reinsurance businesses, including treaty and facultative.

The risk must be automatically checked, for whole policy and also on level of risk unit. The retentions and cessions must also be automatically calculated, and system must

be able to generate reinsurance arrangements according to the treaty. Once the risk exceeds the risk the facultative must be triggered and recalls regularly sent until the policy is fully placed.

The Reinsurance module must provide needed statements especially premium and claim recovery, for Prime Life to settle with the Reinsurance Company.

The system must be able to calculate the total sum to be reinsured per policyholder.

3.3. External partners functionalities

The Core Insurance System, must support integration with external partners especially Banks, MNO, online payment technologies, etc...

3.4. Business Intelligent and other functionalities

The Core system must have power full reporting module which can provide all about what has already happened on a given period in deferent format, numbers graphs, test etc....

The system must have Personalized Dashboards which helps, easily understood real-time data to Prime management, to support faster and better decision-making

The system must support facilitate interactions of admin with database for views and stored procedures creation.

As Prime has internal development team, we need a system which provide provides a software development kit (SDK) for developers.

3.5. Integration with SAP Business One

As the company plan to use SAP Business one as Core Financial system, the vendor must describe well how the proposed solution will be integrated with SAP Business one and how data will flow automatically for Core Insurance to SAP Business One.

4. Technical requirements

We expect full description of technical requirements required to support proposed solution. In addition, we will look at how demanding the technical setup will be for the target solution, in particular with regard to General IT infrastructure (e.g., number of servers, required additional third-party licenses, etc...).

As we have branches upcountry and other stakeholders, we need full description of connectivity required to access the system.

Vendor must also describe the type of application used:

- Web application client- server "Which requires configuration on server side then accessible by client via browser"
- Windows application client- Server "which requires Installation on each client and Servers"
- Clarify other apps if any (USSD, Mobile, etc...)

5. Implementation and support

The first criteria will be the expertise of the implementation team. The vendors should add details on the team they will provide for the implementation. We expect as much as possible involvement of local implementation team, ideally with track record to implement the Core System.

We expect the vendors to communicate a pretty detailed implementation plan which allows the companies to capture benefits early on and phase future implementation over time.

We also expect the vendors to clearly outline how the companies will be able to further add new solution with new/emerging products, and how much of external support will be needed to implement changes (e.g., New Product, integration with external partners (Banks, Mobile Network Operator), etc....).

Last, we expect vendors to clearly outline release management and bug fixes strategy of the solution.

5.1. Training

Training represents a significant challenge. We expect the Vendor to provide details on how they will train the relevant staff, and possibilities of addition “on demand” training on the solution.

We need clear plan for knowledge transfer from the Vendor Implementation team to Internal Implementation team.

5.2. Vendor expertise

We expect to have a list of existing implementations of similar size in our region and other players across more developed markets in general

5.3. Confidentiality and intellectual property protection

Although we obviously expect the vendors to keep full ownership of their solution, we will look at the protection of our custom developments and parameterizations vs. other players on local market. We expect the vendors to clearly outline how they will ensure confidentiality for Implementation/developments and intellectual property/best practices that will be shared with them and their implementation partners.

6. Selection criteria

This RfP will be published nationally and internationally and sent direct to the identified vendors for the future Prime Life and Prime Insurance Core Insurance System.

All proposals will be evaluated by PRIME Internal Tender Committee and Management for functionality and price, then submitted to the Board of Directors.

A two-phase evaluation process will be followed.

1. The first phase includes the evaluation of functionality
2. The second phase includes the evaluation of price.

6.1. Price/costs

Pricing Proposals will only be considered after functionality phase has been adjudicated and accepted. Solution should be priced reasonably, both on the one-off setup costs as well as the ongoing licensing charges and maintenance if applicable.

We expect the vendors to provide the full costs for the software related costs as well as typical illustrations of infrastructure costs, to guarantee proper running of the software.

It is important to specify that solution will be used by Prime Insurance Ltd and Prime Life Insurance Ltd as separate companies but on same infrastructures.

Any options offered must be clearly labelled and included in the Price.
The price needs to be provided in USD or Rwandan Francs (RWF);

7.Submission process and timeline

In order to take a decision, we expect the vendors to submit the following files and document in electronic format

1. Cover letter
2. Completed functional coverage worksheet
3. Implementation/roll out strategy (e.g., migration approach, handing of the two different entities for life insurance and general insurance in same Infrastructures)
4. Detailed implementation schedule, including resources requirements for both the vendor as well as PRIME Insurance.

5. Credentials/details on implementation team (e.g., past installations, insurance expertise)
6. Customer references (if possible, on comparable size, complexity and geography), including description of project, names and contact details (email, phone) of relevant clients.
7. Price/cost "Financial offer"(including one-off charges/implementation costs, recurring costs including license, indicative full infrastructure costs)
8. Any other document that vendor may judge useful.

Submission should be done electronically

To: coreinsurance@prime.rw

CC: ITC@prime.rw

The submission process will run as follows

Date	Activities
December 4th , 2017	Send out to RfP to vendors and Publish online
December 11-22nd , 2017	Clarification with each vendor if needed
January 5th , 2018	Submission of Proposals by vendors
February 23rd 2018	Communication of selected vendor

The above timeline is draft and might change during the course of the RfP process, in particular based on the feedback from the vendors in order to be able to provide a comprehensive response to this proposal.

8. Confidentiality

As a pre-qualification to receiving this RfP, you have signed a confidentiality agreement (“NDA”). This Agreement is still in effect and the contents of this RfP together with all other information, materials, specifications or other documents provided by PRIME INSURANCE Ltd or Prime Life Insurance Ltd, or prepared by you specifically for us, shall be treated at all times as confidential by the respondents.

All intellectual property rights in this RfP and all materials provided by us or our professional advisers in connection with this RfP are and shall remain the property of PRIME INSURANCE Ltd or Prime Life Insurance Ltd, and/or its professional advisers.

9. Warning / Disclaimers

Nothing contained in this RfP or any other communication made between Prime Insurance , Prime Life or its representatives and any party or part thereof shall constitute an agreement, contract or representation between Prime Insurance , Prime Life and any other party (except for a formal contract made in writing by Prime Insurance and/or Prime Life).

Receipt by the respondent of this RfP does not imply the existence of a contract or commitment by or with Prime Insurance and/or Prime Life for any purpose and respondents should note that this RfP may not result in the award of any business.

Prime Insurance and/or Prime Life reserves the right to change any aspect of, or cease, the RfP and subsequent tender process at any time.

The information contained in this RfP is subject to constant updating and amendment in the future and is necessarily selective. It does not purport to contain all of the information which a respondent may require. While Prime Insurance and/or Prime Life has taken all reasonable steps to ensure, as at the date of this document, that the facts which are contained in this RfP are true and accurate in all material

respects, Prime Insurance and/or Prime Life does not make any representation or warranty as to the accuracy or completeness or otherwise of this RfP, or the reasonableness of any assumptions on which this document may be based.

All information supplied by Prime Insurance and/or Prime Life to the respondents, including that contained in this RfP, is subject to the vendor's own due diligence and Prime Insurance accepts no liability to respondents whatsoever and however arising and whether resulting from the use of this RfP, or any omissions from or deficiencies in this document.

Prime Insurance and/or Prime Life may use the information included in a vendor's response for any reasonable purpose connected with this RfP. In particular, once a vendor has been excluded, Prime Insurance and/or Prime Life reserves the right to use any ideas contained in that vendor's response in any ongoing discussions with other vendors but undertakes not to reveal the identity of the provider of such ideas.

Vendors should note that any quantities or volumes contained in this RfP are for indicative purposes only and any future quantities or volumes may vary from those stated. It is the responsibility of vendors to obtain for themselves at their own expense all additional information necessary for the preparation of their response to this RFP. No claims of insufficient knowledge will be entertained. Any vendor who directly or indirectly canvasses any employee of PRIME INSURANCE concerning the award of the contract will be disqualified. All vendors are recommended to seek their own financial and legal advice.

Done at Kigali December 04st, 2017

CEO's