SAIA CONSUMER EDUCATION

REQUEST FOR PROPOSALS (RFP) CONSUMER EDUCATION PROJECTS FOR 2017/18
Request for Proposal (RFP) – Consumer Education Projects

1. Statement of Purpose

The South African Insurance Association (SAIA), through its members, have pooled resources together to establish a Consumer Education Fund. The main objective of the fund is to contribute towards the improvement of financial literacy skills and insurance product awareness, with a view to improve financial literacy and inclusion in South Africa.

The SAIA hereby invites qualified suppliers to submit proposals to implement Consumer and Financial Education projects, for the years 2017/18. The consumer education initiatives must adhere to the Financial Sector Charter (FSC) Consumer Education objectives and Standards.

2. Background Information

The South African Insurance Association NPC (SAIA) is the representative body for the short term insurance industry of South Africa. Currently, the SAIA represents the interests of approximately 60 short term insurers (inclusive of reinsurers). These 60 insurers (inclusive of reinsurers) collectively account for more than 90% of the short term insurance market.

Our vision is to promote and represent the interests of the short-term insurance industry, while leading and enhancing the efforts of the industry to become recognised and trusted as an important contributor to the South African economy and society.

Financial Consumer Education continues to be play a critical role in the upliftment of our communities, particularly in the low income market. The SAIA and its members recognise that an informed community makes better informed financial choices, thus positively contributing to the economic welfare of the society and allowing consumers to better being able to appropriately use insurance products.

3. Scope of Work

SAIA requires prospective Service Providers to propose projects that meet the FSC Requirements as stated in point 4 below.

The Service Provider is required to develop, produce, implement and oversee the approved Financial Consumer Education Project as well as implement the monitoring and evaluation of the project by an independent research company appointed by the service provider as a subcontractor. On conclusion of the project the service provider will be required to submit a final assessment report which describes the research findings and impact of the projects. The Service Provider may outsource some of the non-core functions of the project.
For the years 2017/18, SAIA wants to focus on projects that bring the following outcomes:

3.1. Consumer Awareness Projects

a) **Update our consumer education website**

We require a service provider to develop material for the SAIA Consumer Education Website ([www.knowyourinsurance.co.za](http://www.knowyourinsurance.co.za)), in line with the short-term insurance industry’s requirements, as well as with the Financial Sector Code Standards for consumer education.

Services required are:
- The development of content material
- The updating of the website
- The development of a monitoring and evaluation tool

b) **Consumer Awareness Programmes**

We require proposals from service providers that can develop a consumer awareness programme, which will assist consumers to:

- identify risk exposures to fire and storm and also teach them how to manage these risks;
- identify risks they are exposed to and link these risks to available short-term insurance products;
- measure / evaluate the result of this intervention in terms of improved knowledge, attitude, skills and uptake of appropriate financial instruments.

3.2. Interactive Consumer Education Programmes

We require proposals from service providers that can develop an interactive consumer education programme which will assist consumers to:

- identify risk exposure to fire and storm and also teach them how to manage these risks;
- associate their financial decisions / life events with short-term insurance products;
- identify risks they are exposed to and link these risks to available short-term insurance products;
- improve policy management capabilities;
- improve on basic financial management skills.

The service provider is also required to develop and implement a monitoring and evaluation tool.
3.3. Any other Consumer Education Programme

The SAIA will welcome any other proposal for a Consumer Education Programme that is in line with the FSC Consumer Education Standards, SAIA objectives and target market.

3.4. Additional information

The following risks may be incorporated into the educational programmes:
- Weather related activities: storms, flooding, wind, hail, lightening, etc.
- Hazards like burglaries, wildfires, fires, service delivery protests, car accidents, etc.

The following financial decisions may be incorporated into the education programmes:
- Asset purchase decisions; (car, house, furniture, etc.)
- Holiday travel

Policy management strategies may include:
- Understanding how premiums are made up
- Premium collection issues
- Claims related issues
- Underinsurance
- Complaints
- Various Ombudsman and their importance

4. Objectives of the Financial Sector Charter Consumer Education

Consumer education projects aim to achieve the following objectives:

- Improving the level, accessibility and quality of information and education provided to individuals on risks, available coverage and insurance mechanisms.
- To encourage beneficiaries to practice better risk management
- To educate beneficiaries to prevent and protect against fraud and financial abuse.
- To ensure that better informed and financially educated individuals are taking active steps to assess their risk exposure/vulnerability and seek and choose appropriate coverage.
- To promote the short-term (non-life) insurance Industry by creating an awareness and understanding of the industry to users and potential users of financial services.
To alert consumers of the dangers of dealing with unregistered suppliers, intermediaries and other unscrupulous operators.

To help consumers gain a greater understanding of short-term (non-life) insurance – “help them to ask right questions” – thereby understanding what they have bought and what they should buy.

To provide an awareness of consumer rights and mechanisms in place within the industry to resolve disputes.

Raise consumer awareness.

Increase the credibility of the short-term insurance industry with existing and potential consumers.

To promote Insurance literacy.
4.1. Financial Sector Charter Council Requirements

The FSC Council allows up to 40% of the Consumer Education funding available to be spent on awareness initiatives that are not interactive as defined. Further, the Council specifies Consumer Education Standards to which the sector must comply, when developing Consumer Education programmes, in order to score consumer education B-BBEE points.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a) Physical Accessibility</strong></td>
<td>A minimum of 25% of the funds available must be allocated to rural areas</td>
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<tr>
<td><strong>1) General</strong></td>
<td>Consumer education initiatives and programmes must meet identified needs of and be directed at the consumers in the Charter target groups with the aim of achieving the Charter’s access goals. The outcome of the Charter consumer education programmes must be measurable and able to contribute to the achievement of score points. Consumer education must enable consumers to make more informed decisions about their finances and lifestyles.</td>
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<tr>
<td><strong>2) External Service Providers</strong></td>
<td>The service provider should be a registered company with appropriate governance and management structures in place. Should the project be delivered by an individual, such individual should have the necessary qualifications and experience to do so. The service provider should have appropriate BEE credentials An appropriate agreement, such as a service level agreement, must be in place in order to ensure quality implementation of projects. The service provider and/or individuals who will be implementing the project must be suitably qualified in its/his/her field, i.e.</td>
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<tr>
<td>b) Appropriateness</td>
<td></td>
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<td></td>
<td>• School project service providers must have experience and qualifications in the formal education environment.</td>
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<td></td>
<td>• Face to face classroom type service providers must have appropriate experience and qualifications in the field of face to face training.</td>
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<tr>
<td></td>
<td>• Media project service providers must have appropriate qualifications and experience in the media environment, and preferably in the world of educational media / edutainment.</td>
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<tr>
<td></td>
<td>• Any other relevant service providers must be able to prove qualifications and experience in their fields.</td>
</tr>
<tr>
<td>Standard</td>
<td>Description</td>
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| **3) Internal Resources** | Internal resources must be appropriately and suitably skilled and equipped to deliver the consumer education messages to recipients of the programmes.  
A peer review of internal resources should be used periodically to make sure that the resource/s perform his/her/their services efficiently and successfully.  
The material/content used by the internal resource should be reviewed by an independent person or through the verification process.  
The impact of the projects using internal resources should be considered when a project is repeated or continued. Should the impact assessment indicate a lack of learning/impact, the internal resource should be replaced with a more suitable candidate.  
The impact assessment of projects using internal resources should be done by an independent service provider. |
| **4) Measurability** | All initiatives should be measurable to demonstrate impact. Monitoring and evaluation should therefore form part of every project to ensure both quality service providers and good use of money.  
All projects should be measured by independent service providers, including projects using internal resources. This means that a separation between the person and / or entity that implements the project and the person and/or entity that measures the impact should exist at all times. |
| **5) Branding** | Consumer education should not cross thin line into marketing. However, branding should be allowed as this could assist companies in creating a trusted brand in the market, and may also ensure the use of quality service providers as the companies’ brands will be at stake.  
Any image branding by FSC participants or individual financial institutions should be appropriate, and not overwhelm the educational content.  
The content should be generic and product type related and not related to a brand specific product  
Specific product or service marketing will not count for consumer education.  
There will be no branding in the education content itself. Branding will be allowed in the following manner:  
- **Booklets**: the logo and pay-off line on the cover and limited to 10% of the educational material  
- **Posters & other aids**: The logo and pay-off line in the footer and not more than 5% of the material  
- **Radio & Television**: Less than 5% of airtime |
<p>| | Quality of branding should be consistent with that of the educational content. |</p>
<table>
<thead>
<tr>
<th>Standard</th>
<th>Description</th>
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<tbody>
<tr>
<td>c) Affordability and fair value</td>
<td>Consumer education must be offered free of charge to the consumer.</td>
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<td>d) Simplicity and understandability</td>
<td>Content must be simple and understandable by the target market.</td>
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5. Target Market

The FSC Code prescribes that Consumer Education programmes be developed for LSMs 1 – 8 target market, with 25% of the budget being spent on rural markets. Below is a target market framework, Service Providers may use to develop and roll-out Consumer Education programmes.
**Target Market Framework**

Furthermore, programme developers may take into account the following target market framework, when deciding on target market and appropriate approach:

<table>
<thead>
<tr>
<th>Target</th>
<th>LSM Group</th>
<th>Provinces</th>
<th>Approach</th>
<th>Typical Programmes</th>
<th>Supporting Material</th>
</tr>
</thead>
</table>
| Rural           | 4 – 6     | KZN; Limpopo; Eastern Cape; North West & Mpumalanga | Face to face - Community based, place of work; Radio; TV & Newspaper | - Risk management strategies  
- Technical Mathematics | Pamphlets  
Newspapers  
DVDs |
| City Areas      | 4 – 6     | Gauteng; KZN & Free State                     | Face to face - Community based, place of work; Radio; TV & Newspaper | - Risk management strategies  
- Technical Mathematics  
- Financial Literacy | Pamphlets  
Newspapers  
DVDs |
| (Metro / Urban) |           |                                               |                                                   |                                                         |                           |
| Suburban Areas  | 7 - 8     | KZN; Gauteng; Mpumalanga; North West & Western Cape | Radio; TV; Magazines; Newspaper; Internet         | - Risk management strategies  
- Financial Decisions  
- Managing your policy  
- Financial Management | Website  
APP |
| Metro Areas     | 7 – 8     | Gauteng; KZN & Western Cape                   | Radio; TV; Magazines; Newspaper; Internet         | - Risk management strategies | Website  
APP |
6. Outcomes and Performance Standards & Deliverables

The education programmes must be delivered in line with the Financial Sector Charter Consumer Education Standards.

The projects must allow beneficiaries to understand:
- What short-term (non-life) insurance is;
- Basic concepts of short-term insurance, i.e. risk pooling;
- Risk management;
- Different types of insurance products and how to find them;
- How to manage a policy and submit a claim;
- How consumer behavior impacts insurance policies;
- Recourse mechanisms.

The consumer education initiatives may either be interactive or awareness type. The FSC allows for 100% of the consumer education funds to be spent on interactive programmes, and only 40% to be spent on awareness projects.

Current awareness programmes, that the SAIA is or has been involved in include, TV programmes, website and APP. Interactive programmes include, school teacher financial literacy programmes, and short theatre type shows.

Projects may be delivered through:
- Schools
- Tertiary institutions
- Media (TV, radio, APPs)
- A dedicated website
- Workplaces
- Community meeting places (shopping malls, community halls, religious centres, etc.)

7. Monitoring and Evaluation Framework

In line with the OECD, the objectives of the SAIA’s Consumer Financial Education Programmes are to help consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.

According to the Access to Insurance Initiative, the goal of financial education is improved financial capability. Financial capability can be broken down into four components, being:
- Knowledge – about specific products, their benefits and how to access them.
• **Skills** – use of specific products, channels & technologies.
• **Attitude** – towards products, providers and channels of access to the products.
• **Behaviour** – consumers closing the gap from learning to intentions and action, by purchasing and using products.

Each project must include a monitoring and evaluation aspect. The evaluation process should also take into account age, gender, income, level of education and target market.

Where applicable, researchers may use the G20/OECD Core Competencies Framework on Financial Literacy for adults, as per attached annexure (#123743).

### 8. Term of Contract

Once awarded, the contract will run for 12 months from date of acceptance.

### 9. Payments, Incentives and Penalties

Payments will be made periodically as each agreed milestone is reached.

### 10. Evaluation Process

Proposals will go through the following evaluation process:

<table>
<thead>
<tr>
<th>Process Step</th>
<th>Final Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal due date</td>
<td>22 September 2017</td>
</tr>
<tr>
<td>Short listing</td>
<td>30 September 2017</td>
</tr>
<tr>
<td>Presentation of proposals to the Consumer Education Committee</td>
<td>20 October 2017</td>
</tr>
<tr>
<td>Request for approval to the Board Committee: Transformation &amp; Social Risks</td>
<td>03 November 2017</td>
</tr>
<tr>
<td>Request for approval to the SAIA Board</td>
<td>16 November 2017</td>
</tr>
<tr>
<td>Communication to applicants</td>
<td>24 November 2017</td>
</tr>
<tr>
<td>Preparation of Contracts</td>
<td>30 November 2017</td>
</tr>
<tr>
<td>Signing of Contracts</td>
<td>08 December 2017</td>
</tr>
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### 11. Additional information

Please refer to Annexure 1 for additional guidelines with regard to the SAIA Consumer Education Programmes. Proposals should be submitted by email to Zanele Gigaba – [zanele@saia.co.za](mailto:zanele@saia.co.za)

For any further information please contact Zanele Gigaba on the above mentioned email address.