

INSURANCE REGULATORY DEVELOPMENT AUTHORITY

22nd December 2014

Subject: Minutes of the 29th Procurement Committee meeting held on 22nd December 2014

Present:

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| (i) Shri R.K. Nair, Member (F&I) | - Chairman |
| (ii) Shri M. Pulla Rao (Sr. JD-General) | - Member |
| (iii) Shri Lalit Kumar Chandel (FA) | - Member |
| (iv) Shri M.S.Jayakumar (CAO) | - Member Convener |

User Department invited:

- (v) Smt KGPL Ramadevi (DD-CE)

CAO mentioned that Ms Mamta Suri, SJD(I&C) expressed her inability to attend the meeting in the afternoon of 22nd December due to her pre-occupation with other meetings. Since the meeting of the procurement committee as per the convenience of Members was scheduled at 5.00 p.m. on the day Ms. Mata Suri was granted leave of absence. The Chairman of the Committee enquired about the quorum for conducting the meeting. It was informed that only one Member is not available and hence the quorum is complete.

Chairman and Members of the committee were apprised about the agenda items. The committee discussed each item on the agenda and the record of discussions and decisions taken is as under:

Agenda item 1: Approval for post-launch survey of insurance awareness campaigns by NCAER

The Committee examined the proposal of assigning the post- launch survey work to NCAER. The Committee observed that as per the MOU dated 19th February 2010 between IRDA and NCAER, the post-launch phase would be for a duration of 12 months tentatively starting from January 2011. Committee members indicated that there is delay in conducting the post launch survey.

It was informed by the department representative that NCAER started the pre-launch survey in the month of February 2010, and the report was submitted in March 2011. Moreover, the focused insurance awareness campaigns by IRDA started in 2010-11 onwards at pan India level through print and audio visual media. In the context of delay in conducting post launch survey, it was informed that probably no purpose would have been achieved by conducting post-launch survey from January 2011 when even the report of the pre- launch survey was not available and the insurance awareness campaigns were in full swing. Thus, it would have been appropriate to conduct the post assessment survey once the insurance awareness campaign has run for a considerable time so as to have meaningful impact.

In this connection the committee was also informed that the Select Committee set up to examine the Insurance amendment law 2008 in a meeting held on 27/10/2014 has pointed out that IRDA should initiate assessment of impact of its insurance initiatives on the level

of penetration and density. In the spirit of the observations of the select committee, it is desirable to initiate the post-survey with agency already engaged for the purpose. Although there is some delay in assigning this job which is not intentional. As there is mention about the explicit post-launch survey in an explicit in the MOU dated 19th February 2010 no need was felt to scout for a new agency.

The Committee after discussions approved the post launch survey to be conducted by NCAER at the cost of Rs 2,08,72,623/-. However, it is suggested that the Board of IRDA be apprised of this initiative.

Agenda Item 2: Insurance Awareness campaign by advertising inside Delhi Metro Trains, Inside stations and outside stations

Deferred.

Agenda Item 3: Approval for production of three TVCs for caution AD about spurious calls

The Committee was informed that the Publicity Committee in its meeting held on 9th July, 2014 recommended the production of TVC for duration of 20-30 seconds with voice-over in regional languages. The Committee also recommended exploring the advertisement agency panel of LIC of India. The matter was placed before the Competent Authority who accorded its approval for production of TVC and utilization of advertisement agency panel of LIC of India.

Accordingly, LIC of India was requested to provide necessary support and allow IRDA to utilize the services of their advertisement agencies both for production and also for transmission of IRDA advertisement through TV and other electronic visual media. The LIC of India gave a list of 7 advertising agencies for the purpose. An internal Committee of the following was constituted to finalise the concept of the advertisement.

1. HoD (Life)
2. HoD (Non-Life)
3. HoD (Finance/Accounts)
4. HoD (Consumer Affairs Department)
5. DD (Consumer Education)
6. Representative of LIC of India

The Committee set up for the purpose had three meetings and recommended the following concepts for production of TVCs.

S.No.	Concepts	Name of Agency
1.	Policeman	Prachar Communications
2.	Smt. & Shri Sharma	HTA Private Limited
3.	Cafeteria	RK Swamy BBDO

The matter was placed before the Competent Authority who accorded its approval and the LIC was requested to call for financial estimates for the selected three concepts from the agencies concerned. LIC of India obtained estimates for the three concepts as per the details given below:


S.No.	Name of Agencies	Production cost of TVC
1.	Prachar Communications	Rs 43,50,000.00 plus taxes
2.	HTA Private Limited	Rs 36,00,000.00 plus taxes
3.	RK Swamy BBDO	Rs 45,00,000.00 plus taxes
Total cost of production of 3 TVCs		Rs 1,24,50,000.00 plus taxes

Department also informed that a budget of Rs 31 Crores for CAD was approved for the Current Financial Year 2014-15 out of which Rs 10 crore was earmarked for the campaign through electronic media.

The Committee examined the proposal on production of Television Commercials and observed that even though the duration is the same, the rates charged by the agencies are varying. The department representative explained that in creative works the estimates are generally linked to the development and production of the concepts including features such as video shooting (indoor/outdoor/duration), number of artisits required, location, audio features, animations used etc. The estimates cannot be based only on the duration..

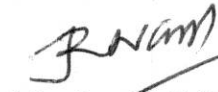
The Committee approved above proposal of Rs 1,24,50,000 plus taxes as applicable.

The meeting ended with vote of thanks to the Chair.


 CAO
 Member-Convener


 Sr. J D (Gen)
 Member


 F A
 Member


 Member (F & I)
 Chairman