TERMS OF REFERENCE (TORS)

1. Background

National Insurance Company Limited (NICL), a State-Owned Enterprise (SOE), has historically operated primarily under a public sector/captive insurance business model. In view of the proposed Insurance Bill 2026 and the anticipated opening of public sector insurance business to wider market competition, NICL is expected to face a fundamentally transformed operating environment.

To ensure long-term sustainability, competitiveness and business growth, NICL intends to undertake a comprehensive strategic review of its business model, institutional framework, operational capabilities, market positioning and growth prospects. Accordingly, NICL seeks to engage a reputable consultancy firm to develop a practical, evidence-based and implementable Strategic Transition and Transformation Plan to guide the Company's transition into a commercially competitive insurer serving both public and private sector markets.

2. Objective of the Assignment

The primary objective of the consultancy is to develop a comprehensive transition and transformation roadmap that will enable NICL to:

- Sustain and strengthen its market position under the evolving insurance regulatory framework.
- Effectively compete with private sector insurance companies.
- Improve operational efficiency, governance and service delivery mechanisms.
- Develop sustainable business growth strategies for medium and long-term competitiveness.
- Establish an implementation framework with clear priorities, timelines, resource requirements and performance indicators.

3. Scope of Work

The consulting firm shall undertake the following activities for preparation of NICL's Strategic Transition and Transformation Plan:

a) Review NICL's Existing Business Model

- Assess NICL's current business operations, organizational structure, branch network, human resources, underwriting practices, claims management system and overall market position.

b) Assess Impact of Emerging Insurance Sector Reforms

- Examine the implications of the proposed Insurance Bill 2026 and other regulatory developments on NICL's future business environment.
- Identify opportunities, challenges, risks and competitive pressures likely to arise from the evolving insurance market.

c) Develop Strategic Business Transition Roadmap

- Prepare a comprehensive roadmap for NICL's transition from a predominantly public sector insurer to a competitive insurer operating effectively in both public and private sectors.

d) Recommend Private Sector Business Expansion Strategy

- Identify viable market segments, business lines and growth opportunities.
- Recommend strategies for increasing NICL's presence in private sector insurance business.

e) Recommend Business Acquisition and Distribution Framework

- Propose suitable business acquisition mechanisms, agency models, marketing approaches, partnerships and alternative distribution channels to support business growth.

f) Identify Legal, Regulatory and Operational Gaps

- Review existing legal, regulatory, policy, governance and operational arrangements and identify impediments affecting NICL's competitiveness and business expansion.

g) Recommend Institutional and Operational Reforms

- Recommend practical improvements in organizational structure, business processes, governance arrangements, human resource capacity, technology utilization and operational efficiency required for successful transition.

h) Assess Financial and Commercial Sustainability

- Evaluate the financial implications of the proposed transition and recommend measures for sustainable growth, revenue enhancement and improved competitiveness.

i) Prepare Phased Implementation Plan

- Develop a realistic implementation roadmap identifying key initiatives, priorities, timelines, resource requirements, responsibilities and milestones for execution of the transition strategy.

j) **Stakeholder Consultations**

  - Conduct meetings, consultations and discussions with NICL management and Board representatives as necessary for preparation of the transition plan.

k) **Final Report and Presentation**

  - Submit a comprehensive Transition and Transformation Plan together with an actionable implementation roadmap and present the findings and recommendations to NICL Management and the Board of Directors.

4. Deliverables

The selected consulting firm shall provide the following deliverables:

Deliverable 1: Inception Report

- Understanding of the assignment.
- Proposed methodology and work plan.
- Information and data requirements.
- Stakeholder consultation plan.

Deliverable 2: Diagnostic Assessment Report

The report shall include:

- Review of NICL's existing business model and operations.
- Assessment of organizational, operational and business strengths and weaknesses.
- Analysis of challenges and opportunities arising from insurance sector reforms and changing market conditions.
- Identification of legal, regulatory, operational and institutional gaps affecting competitiveness.

Deliverable 3: Strategic Transition and Business Transformation Plan (Draft)

The draft plan shall include:

- Future business model for NICL.
- Strategy for expansion into private sector business.
- Business acquisition and distribution framework.
- Recommendations for institutional, operational, governance, HR and technology improvements.

- Financial and commercial sustainability measures.
- Key strategic initiatives required for transition.

Deliverable 4: Final Strategic Transition and Business Transformation Plan

Final report incorporating NICL's comments and recommendations, including:

- Detailed transition strategy.
- Recommended reforms and interventions.
- Business growth and competitiveness framework.
- Risk assessment and mitigation measures.

Deliverable 5: Implementation Roadmap

A practical implementation roadmap containing:

- Priority actions and initiatives.
- Short-term, medium-term and long-term activities.
- Timelines and milestones.
- Responsible functions/departments.
- Resource requirements.
- Key Performance Indicators (KPIs) for monitoring progress.

Deliverable 6: Management and Board Presentation

- Presentation of key findings, recommendations and implementation roadmap to NICL Management.
- Final presentation to the Board of Directors for consideration and strategic guidance.

5. Similar Assignments

- Strategic transition planning
- Institutional transformation or restructuring
- Business transformation
- Market liberalization or competitiveness assessment
- Financial sector or insurance sector reforms
- Organizational restructuring of public sector entities, financial institutions, insurance companies, regulators or large corporate organizations.

Preference shall be accorded to firms having successfully completed assignments of comparable scale, complexity and strategic significance to the proposed NICL Strategic Transition and Business Transformation Plan.

Duration of Assignment

The assignment is expected to be completed within **60 days** from date of award and can be extended depending on the circumstances and nature of the assignment.

Technical POC Details

Name: Mr. Khurram Irshad Khan
Designation: Acting Executive Director/ Zonal Head NICL, North Zone Islamabad
Tel No: 051-9100351

Note on Joint Venture

A Lead Firm (vendor registered on E-PADS v 2.0 and submitting the bid) with not more than one (01) Associate Firm may bid as a Joint Venture/Consortium. The Lead Firm and the Associate Firm shall individually be registered, hold a valid NTN and Sales Tax/GST registration, and not be blacklisted, and shall individually satisfy each of the mandatory requirements below other than experience; only the consultancy experience and technical qualification criteria may be met jointly by the Lead Firm and the Associate Firm taken together. The Lead Firm shall additionally submit a signed Joint Venture/Association Agreement with the proposal.

A bidder may be a single firm, or a Lead Firm together with not more than one (01) Associate Firm, forming a Joint Venture/Consortium for this assignment. The Lead Firm shall sign the proposal and contract, shall hold majority responsibility for the assignment, and shall be jointly and severally liable with the Associate Firm for the entire scope of work. A signed Joint Venture/Association Agreement specifying the role and responsibility share of each firm shall be submitted with the proposal. Each of the Lead Firm and the Associate Firm shall independently be a legally registered entity meeting the registration and eligibility requirements of this assignment; only the experience and technical qualification requirements set out below, including the requirement of three (03) similar assignments, may be met jointly by the Lead Firm and the Associate Firm taken together. Engagement of individual consultants outside a registered firm structure shall not qualify as an Associate Firm for this purpose.