

## CASE STUDY GOVERNMENT

INSURE RIGHT  
THROUGH  
PROCUREMENT  
AUSTRALIA.

One of Victoria's largest councils **achieves cost savings in excess of 40%** with incumbent broker.

Procurement Australia's risk management and insurance division – Insure Right – were approached by one of Victoria's oldest and largest Councils, with a total population exceeding 120,000 and over 50,000 residential dwellings. The Council required the services and support of an independent expert as part of an internal corporate governance review to help ensure their insurance and risk management programs were not only appropriate but represented best practice.

Given budgetary constraints and financial pressures resulting from reduced federal funding and rate-capping, the **Council was eager to save money on their annual premium spend of \$1.6 million**. More importantly, Council sought to explore both the adequacy and cost effectiveness of their existing risk management and insurance arrangements and test the long-standing relationship with their incumbent intermediary.

The Procurement Australia team managed a bespoke Request for Proposal (RFP) tender process for the provision of insurance broking and risk management services that was tailored to meet the unique and diverse requirements of Council.

The RFP process focused on a wide range of key servicing criteria prioritised by Council, resulting in detailed proposals being received from a select panel of suitably qualified brokers, including five of the largest brokers both nationally and globally.

Following Procurement Australia's detailed appraisal of each respondent's response, which included broker presentations from the client's preferred applicants, Council opted to reappoint their incumbent provider.

Ultimately, the competitive tension generated as a result of the RFP process **not only helped Council secure cost savings of more than 40% combined with improved coverage** conditions, but Procurement Australia's team were also able to work with **Council and their appointed broker to ensure a more open, transparent working relationship between the two parties**; thereby eliminating any potential or perceived issues in terms of broker advocacy or support.

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