



# International Information Exchange

Country : Bangladesh

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# BANGLADESH FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	147,570 km <sup>2</sup>		Ministry of Planning (2011)
Climate/Weather	Dhaka	Average Yearly Temp.: 25 °C Annual Rainfall: 5,016 mm	Abhawa Office
Population	155,000 (Thousand )		World Health Organization (WHO); 2011
Young Population (0-15)	47,383.50 (Thousand, 30.57%)		
Productive Population (16-60)	69637 (Thousand, 62.54%)		
Elderly Population (Over 61)	10679.50 (Thousand, 6.89%)		
# of Households and Ave.ppl/h.h	32173.63 (Thousand) / 4.4 ppl		Ministry of Planning (2011)
Average Life Expectancy	Male: 69 ; Female: 71		(WHO); 2011
Total Fertility Rate (*)	2.21		(WHO); 2011
GDP (Nominal GDP)	9,147,860 (BDT Million )		Bureau of Statistics; 2011-12
GDP per Capita	0.848 (USD Thousand)		Financial Express (2012)
Social Security Program			
Remarks	Some nominal amount of level annuity is given to Old-age persons and Freedom Fighters but this can't be addressed as Social Security Program		

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## 2011 and 2013 LIFE INSURANCE INDUSTRY FAST FACTS

Information is not stored integrated as per (BDT)  
given fields for Bangladesh so far  
(BDT Million) for 2011

	Premium in New Business	Premium Income Renewal		
Type	Income	Income		
Individual	18383	41880.54		
Group	2549.81			

(BDT Million)

Criteria	Data/Stats	
# of Life Insurers	18	(as per IDRA) (Now Size is 30)
Net Premium Income	61673.84	(as on 2011 calendar Year)
Payment of Insurance Claim	18520.91 (Net=Less Reins.)	(as on 2011 calendar Year)
Total Assets	202945.56	(as on 2011 calendar Year)
Main Products	Whole Life, Term, Saving	
Distribution Channel	Tied-Agents	16,000 people (app.)
	Agencies	No Corporate Agent Practice
	Mail Order, Internet	None

\* Calculation based on the exchange rate of BDT 78.40=US\$ 1 (Bangladesh Bank)

# Challenges of Bangladesh's Life Insurance Industry

## **Absence of exact reflection of mortality driven issues every where as no indigenous life table exists in Bangladesh**

Four generations of companies are doing life business since our insurance was opened for private sector in 1984. But, there is no own mortality table. Subsequently, the patch work has been going on through loading over different mortality tables by different companies that results the clients vulnerable monetarily and leaves the company jeopardizes.

## **Absence of potential role from life insurance regulator**

The Insurance Development and Regulatory Authority (IDRA) has under potential role over the industry due to different constrains including severe shortage of actuarial peoples and sector wise skilled man power in the IDRA. Regulator lack concrete pragmatic knowledge and experience to play regulatory role.

## **Shortage of actuarial brains**

Only one fellow actuary (FSA) works for the regulator, one associate level actuary (AIA) does the valuations for all domestic life insurance companies in Bangladesh, and one fellow and one associate level actuary works for employee benefit scheme sector. There are 6-7 companies where actuarial department exists at where only 1 part qualified actuarial student runs the entire actuarial department. Even IDRA has no its actuarial department. In practice, actuarial quality is very poor.

## **Public reliance on life industry is poor**

Common people's reaction over life industry is notably negative.

## **Shortage of long-term measures**

Long-term measures from the life offices is readily absent.

## **Other points**

High expense, Most of the life companies are insolvent, no corporate agency practice from domestic life companies