INTERNATIONAL INFORMATION EXCHANGE

Bangladesh

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PRAGATI LIFE
INSURANCE LIMITED

Bangladesh Fact Sheet : Country Overview

Criteria	Data/Stats		Source/Year
National Land	147,570 km^2		**Bangladesh Bureau of Statistics (BBS)**
Climate/Weather	Capital City	Average Yearly Temp.: 25 ℃	www.bangladesh.gov.bd (Weather Office)
	Dhaka	Annual Rainfall: 5,016 mm	
Population	156,594,962		www.bangladesh.gov.bd
Young Population（0-14）	5,29,29,097 (33.8 %)		
Productive Population（15-64）	9,83,41,636 (62.8 %)		
Elderly Population（Over 65）	53,24,228 (3.4 %)		
# of Households and Ave.ppl/h.h	32173.63 (Thousand) / 4.4 ppl		Ministry of Planning (2011)
Average Life Expectancy	70.65 years （Male: 68.75 /Female: 72.63）		www.bangladesh.gov.bd
Total Fertility Rate	2.45 %		www.bangladesh.gov.bd
GDP (Nominal GDP)	**$175.52** billion		www.bangladesh.gov.bd
GDP per Capita	**$1,190** (nominal; 2014)		www.bangladesh.gov.bd
Social Security Program	Pension for Govt. Employee, Govt. allowance for poor Senior Citizens		
Remarks	•Transition period undergoing after enactment of Insurance Act 2010 (Replacing 1938 Act). ＊ Regulatory frameworks undergoing. ＊ JBP (National Insurance Policy −2014 under implementation.		

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2014 Life Insurance Industry Fast Facts

Type	New Business		Policy In-Force		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	2,008,427		13,806,572		1.5	
Indiv. Annuity	–		–			
Group	56				1	

Criteria	FY 2012	FY 2013	FY 2014
# of Life Insurers	17	24	31
Net Premium Income (USD In million)	801.06	856.85	916.82
Payment of Insurance Claim (USD In million)	300.41	364.28	440.77
Total Assets (USD In million)	2872.87	3570.04	4426.84
Main Products	Endowment Policy (3/4/5 Payment Plans, Child Education Plans, Pension Plans)		

Distribution Channel	Scale	Participation rate
Tied-Agents	6,52,179	95%
Life Office Counter	Nil	––
Agencies	Bank	1.5%
	Telecommunication Companies	0.5%
Mail Order, Internet	Nil	––
Working Office, Others	7 Companies	3%

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Challenges of Bangladesh's Life Insurance Industry

- **INCREASING INSURANCE PENETRATION & DENSITY**

Current penetration rate is 0.9% and density is US$ 5.5 only. Poor economic condition is considered to be the main reason for poor life insurance penetration & density in Bangladesh. The country has a very low per capita income (USD 1,190) and 32% of our total population lives below the poverty line. Inability to save or negligible savings by a vast majority of population kept them away from the horizon of life insurance.

- **CREATING AWARENESS & INSURANCE NEEDS**

Mass people are not aware of insurance. No stakeholder (Govt. / Regulators / Insurance Association / Individual Company) takes initiatives to educate and make aware about the need of insurance through different communication channels.

- **LACK OF TALENTS**

Educated young people are reluctant to take insurance as a profession due to Image Crisis and low remuneration. Therefore, persons finding no job or persons having lesser knowledge become insurance agent / Staff. Such employee cannot play efficient role in this sector. There are a few institution available for Insurance Education and we have only one practicing Actuary to serve 30 Life Insurance Companies.

- **INEFFECTIVE ROLE FROM INSURANCE REGULATOR**

The Insurance Development and Regulatory Authority (IDRA) which is passing it's 4th year is yet to get required Manpower and Logistic support from the Govt. to regulate 76 Insurance Companies resulting weak monitoring and Control.

- **INTRODUCING BEST PRACTICES**

Too many Players in a Poor Country **.** As such, Unethical practices rampant in the industry due to cut throat competition and lack of monitoring by the Regulator.

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