

Deficit Budget : What to do as insurance sector

It is privilege after getting certification by Roland Moleresh, Head of CDP Secretariat at Newyork as Middle Income Country on 15th March, 2018. On 22.03.2018 IDRA organized a colourful rally by festoon, Banner, Band Party, different categories of artists, attachment of all employees under working of IDRA and all employees of insurance companies by giving them T-Shirt with Logo printed by IDRA and wrote their "AcOwZjiva" AMObvlsq evspj'ko. The rally ended at Bangabandha Stadium in presence of honorable Prime Minister by her chair.

After the national showdown, the IDRA (Insurance Development and Regulatory Authority) organized a meeting on the subject on 25.03.2018 in its office for all members of insurance companies to find out ways to contribute more towards the achievement of the status of Middle Income Country. Different findings are identified by the participants as under:-

- To build up image of the industry;
- To find out the way to discourage commission;
- To build up target base strategy for safeguard of the industry
- To increase claims settlement ratio,
- To initiate for opening insurance branches or agencies in abroad,
- To expand local re-insurance market by establishing separate re-insurance institute,
- To take appropriate measure for reducing re-insurance premium at abroad,
- To build pool system re-insurance market within country to control foreign currency transferring,
- To improve insurance industry by observing 'National Insurance Day' and to aware people for the benefit of insurance,

To open Best Practice Award for encouraging insurance industry in different aspects such as considering Tax, Vat, claim settlement and clientel service.

To prepare quickly all types of Laws and bye-laws of Insurance Act, 2010 and Insurance Development and Regulatory Authority Act, 2010.

To take appropriate measure by scrutinizing for rectification the conflict of Insurance Act/laws/bye-laws.

To make the policy about insurance of government assets,

To initiate appropriate action for rectification of insurance act/laws for which everybody can do business in honesty,

To take initiative for all the workers who are working at home and abroad come under the life policy,

To mandatory hospitalized insurance for all insurance companies employees,

To adopt continuous process of implementing laws and acts for insurance sector,

To frame out compulsory rule for education to every employees of insurance sector,

To establish Chartered Insurance Institute in Bangladesh by creating professional man power of the industry within the framework of insurance professionalism,

To establish same organogram, scale and facilities for all employees who are working insurance sector,

To create opportunity of job within the line of same salary structure and also help to create efficient management in the industry,

To prepare appropriate same guideline by Insurance Development and

Regulatory Authority for all insurance companies in order to equip efficient man power,

To consider BIA Diploma Degree as a part of experience and recognized equivalent's foreign degree,

To circulate guideline for opening Corporate Governance system in the insurance sector,



To initiate and adopt Broker Licence, To increase efficient level of rating of Broker Financial Associate-Surveyor-Adjuster/Rating Companies etc.

To issue licence must considering minimum eligibility, experience, training and moral values and also advantage will be given to them who are experienced and professionally equipped in insurance,

To ensure discipline in management system by the way of conducting isla-

mi insurance procedure under the framework of Shariah,

To adopt and open of Takahul Hajj and Omrah Insurance Scheme,

To create welfare insurance product to the help of poor people under social responsibility,

To conduct Health Insurance, Agriculture Insurance, Cattle Insurance, Railway insurance, weather insurance etc. and all vehicle & person (user) within the framework of insurance,

To implement Integrated Software between the insurance companies and IDRA in order to supervise the activities of insurance companies and to protect the interest of insurance sector,

To remove the obstacle for selling insurance policy under digital channel system,

To ensure the issue of pay order by the Bank in the same day when issuing insurance documents in favour of clients/banks for the disciplinary measure in insurance sector,

When the honorable President Hossain Mohammad Ershad thought to give Permission of insurance companies is a private sector,

object was to motivate the people to come under the umbrella of insurance for protection of their lives and Properties by which social and economic development may be confirmed without any hassle. To protect the industry and sustainable growth of the country the present Govt. reformed the insurance Act 2010 to establish professionalism, honesty, sincerity and financial stability.

Insurance is highly regulated sector

in worldwide. In our country the insurance Development Regulatory Authority (IDRA) started its function from January 26, 2011. IDRA has been working on making rules and regulation for the insurance industry. The Chairman and Members of IDRA are interrelated with Insurance Act. The Present Chairman and his associate are working since formation and now they are working for implementation of Insurance Act 2010. They are very much experienced and educated in their line on the other hand they work in the initial stage of preparing Insurance Act, 2010, so expectation from them is in highest level to the insurance industry.

From the very inception IDRA had to face an uphill task to enforce discipline in the Market. IDRA formed vigilance teams to inspect different branches of insurance companies and any violation detected was severely punished through enforcement of heavy monetary penalties. Especially in the non-life sector for documents issued without receiving money and over commission as set by the Authority. Now the present team of IDRA working for the development rather than Punishment. This is week tremendously for development of the insurance arena.

A healthy insurance market must have a base and growing volume of business. In our present market, only a few types of non-life insurance business (schemes of insurance) are underwritten, mostly on compulsion basis. A vast of private property remains outside insurance protection. No doubt the volume of business has insured to some extent, but the schemes of insurance are restricted a few types viz. a few schemes under fire, marine, motor and accident insurance business are in

practice. Many insurance schemes like householder's policy, locker insurance, jeweler's block policies, loss of profit or consequential loss policy, employees liability, public liability, product liability, professional indemnity, Machinery Break Down, Deterioration of Stock, Hotel Owners insurance, Industrial all risk, Contractor's all risks, plate glass insurance, crop insurance, Export credit Guarantee insurance, live stock insurance, Money insurance, ATM booth insurance and many other non-traditional schemes of insurance are hardly underwritten in the private sector. Of course, the financial strength and lack of specialized knowledge of the new and smaller companies don't permit to underwrite such risk. Even bigger companies are often shy of underwriting such risk. But for the sake of growing market more and more risks should be covered to minimize the losses. People should be persuaded and educated to buy new types of insurance products. Before issuing this types of policy underwriting and development personnel need to train up about the language of policy working and the coverage. Otherwise the companies will involve themselves in unfair competition in a limited market for procuring the same business, without Proper Knowledge of Development personnel.

Same is the case with life insurance. Life products are also restricted to a few traditional schemes. Various innovative products can be developed to cover different needs viz. accident, medical needs, education/marriage of children, requirement benefits, Hospitalization and other needs of human beings from cradle to death. But presently the life companies can't satisfy these needs satisfactorily rather

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