SAARC

1st SAARC Insurance Regulators' Conference 2013

-The Way Forward in The Wake of Global Reality-

INSURANCE DEVELOPMENT AND REGULATORY AUTHORITY
IDRA
BANGLADESH

06-07 April 2013

Bangabandhu International Conference Centre (BICC)
Dhaka, Bangladesh

Message

PRIME MINISTER
GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

23 Chaitra 1419
06 April 2013

I am happy to learn that Insurance Development and Regulatory Authority (IDRA), Bangladesh is going to hold the First SAARC Insurance Regulators Conference 2013 on 6-7 April 2013 in Dhaka.

Insurance is vital for eradicating people's misery, minimizing risk of business and mobilizing internal resources.

To strengthen the insurance industry, the present government has enacted new Insurance Act 2010 replacing the old one and established IDRA.

I hope this conference will help the regulators meet the upcoming challenges of supervision in the insurance sector and thus help protect the interest of the insured and insurer alike and bring about discipline in the insurance market.

I wish the conference all out success.

Joi Bangla, Joi Bangabandhu
May Bangladesh Live Forever.

Sheikh Hasina

About Conference

Insurance Development & Regulatory Authority (IDRA) Bangladesh is honoured for being able to host this conference and extend its gratefulness to the regulators of SAARC countries for extending their whole hearted co-operation to us in this regard.

We know that one of the main objectives of SAARC is to promote the welfare of the peoples of South Asia and to improve their quality of life through active co-operation and mutual assistance in the economic, social, cultural, technical and scientific fields. In order to achieve this objective of SAARC through collaboration and co-operation amongst the insurance regulators of SAARC countries, this conference has been organized. We have set to achieve following objectives through this conference:

a) To establish contact and Co-operation amongst the regulators of SAARC countries;
b) To benefit from each other's experience in the field of supervision and related regulations.
c) To prepare guidelines for the effective operation of supervisory systems amongst the SAARC countries;
d) To exchange technical Know-how, claims experience and loss exposure.
e) To offer training facilities in each other country according to need and facilities;
f) To offer reinsurance service;
g) To hold seminars, workshops etc in each country every year by rotation;
h) To share information with other relevant Supervisory Authorities regarding problem solving;
i) To invest surplus fund in respective countries of SAARC.

In total there will be eight sessions and fifteen papers will be presented in conference. 10 Resource Persons will present Papers which will include interalia Insurance Laws and regulations of the respective countries, capital adequacy and solvency margin requirement for insurance companies, how to enforce discipline in the insurance market through supervision and enforcement of regulations, challenges facing the reinsurance market of SAARC Countries Insurance Development & Distribution strategies etc.

A recommendation will be made to the government based on the deliberations made in the conference. Conference shall propose to form a committee consisting of the regulator of the SAARC Countries. A proposal will also be made to hold such conference every year by rotation in each member country and continue collaboration through exchange of insurance personnel from time to time.

Message

Minister
Ministry of Finance
Govt of the People's Republic of Bangladesh

I welcome most heartily the First SAARC Insurance Regulators Conference organized by Insurance Development & Regulatory Authority (IDRA) of Bangladesh in this historic city of Dhaka.

I understand that the Insurance Regulators of SAARC Countries will assemble together for the first in the Dhaka Conference. This is certainly an important event in the history of Bangladesh insurance industry. I congratulate the organizers of this international conference.

I believe that insurance sector is rather underdeveloped in this part of the world and regulators may play a positive role in expanding the activities of this sector. The regulators from different countries have varying experiences as also divergent views. This Conference will surely provide the opportunity to pool the experience, identify best practices and thus enable all countries to meet the challenges of this industry. Hopefully, the conference will lead to adoption of innovative means to meet such challenges.

I wish the Conference a grand success.

31 March, 2013

(Abul Maal A. Muhith)

Message

Secretary
Bank & Financial Institution Division
Ministry of Finance

It is indeed a great pleasure to know that Insurance Development & Regulatory Authority, Bangladesh is going to organize "1st SAARC Insurance Regulators' Conference 2013" on 6 and 7 April 2013.

The role of insurance industry is vital for any economy particularly for a development economy like Bangladesh. Among others, proper implementation of regulations, effective policy framework, prudential regulations, regular compliance and monitoring are crucial for healthy growth of this sector. I am aware that in a present day complex economic system, effective supervision and compliance of rules and regulations require constant vigilance and effective communication between the Authority and the stakeholders. Sharing experiences and learnings with regional counter-parts can play a vital role in enhancing effectiveness of compliance regime at the national level.

I am very happy that Insurance Development and Regulatory Authority Bangladesh has very rightly taken this initiative to hold the conference where the regulators from South Asian countries shall discuss and exchange views and sort out
problems and prospects for the mutual benefits of all.

I wish the conference a grand success.

Dr. M. Aslam Alam
Secretary
Bank & Financial Institution Division
Ministry of Finance

About IDRA

In order to ease the overall functioning of insurance business in Bangladesh, the concerned authority had always been alert. Considering the expansion of trade and commerce in the country and for reducing risk related problems in people's life, the new law titled "Insurance Act 2010" has been enacted to update the provisions of Insurance Act, 1938. Insurance Development and Regulatory Authority Act 2010 has also been formulated with the spirit of newly enacted Insurance Act, 2010 to maintain proper control and supervision of the sector and protect the interests of policy holders and beneficiaries under the insurance policy. Insurance Development and Regulatory Authority (IDRA) has been established under the provision of Insurance Development and Regulatory Authority Act, 2010 and the Act, 2010 provides for the composition of the Authority, its terms & conditions.

The IDRA has been entrusted with functions and responsibilities under section 15 of the Insurance Development and Regulatory Authority Act, 2010, among them few are:

- Developing insurance industry in Bangladesh and advising Government in all respects for the development of this industry;
- laying down code of conduct and guidelines for training and instruction manuals for intermediaries, insurance and reinsurance intermediaries and agents;
- establishing and regulating funds for the protection of policyholders;
- formulating regulations for insurance industry and delegation of powers with prior approval from Govt.;
- establishing and regulating the Insurance Regulatory Fund for protecting the interest of policy holder;
- organizing seminar, workshop, conference etc. on insurance matters to increase public awareness.

IDRA as the new regulatory body started its journey on 26/01/2011 with the vision to establish the insurance industry as the premier financial service provider in the country.
Since inception IDRA has confronted with many challenges namely excess commission, tariff violation, business on credit, lack of transparency etc. In order to bring discipline and stability in the industry 11 regulations/rules have been framed. IDRA already has issued 40 (forty) direct circulars giving different instruction to follow.

IDRA's vigilance teams inspect different branches of insurance companies in order to detect violation of rules and regulation. Vigilance teams already have inspected 181 branches of different insurance companies and their visits have yielded significant success as a result of which remarkable improvement in the insurance industry has been achieved.

To ensure the protection of the policyholders IDRA on receipt of complain goes for hearing. IDRA has settled significant number of claims by organizing hearing with the concerned parties.

To bring any changes IDRA always consult with concerned parties. IDRA organizes meetings with the chairman and chief executive officer of the insurance companies to mitigate different problems. To become conversant with problems of insurance industry IDRA organizes meetings with the officers and employees of the insurance industry in different parts of Bangladesh.

IDRA has recently become a member of International Association of Insurance Supervisors (IAIS) and this will help IDRA to get access to latest supervisory techniques and international best practices.

Now IDRA is going to arrange "First SAARC Insurance Regulators Conference, 2013" on 6th & 7th April 2013 to exchange the views, information, thought, experiences to promote the insurance sector of SAARC region as well as Bangladesh.

Message

M. Shefaque Ahmed, Actuary
Chairman
Insurance Development and Regulatory Authority (IDRA)

It is indeed a great pleasure for me that Insurance Development and Regulatory Authority, Bangladesh has been able to organize 1st SAARC Insurance Regulator's Conference 2013 in Dhaka on 6 and 7 April 2013.

South Asian Association for Regional Co-Operation (SAARC) was formed with a view to promoting active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields amongst the south asian countries. In to-day's knowledge based society co-operation is the hallmark to achieve proper development and accelerate the path of economic wellbeing. This conference is being organized for the first time in Dhaka, and therefore, this is an important step to initiate collaboration and co-operation amongst the Regulators of this region which would help each other to face the challenges of supervision and to implement rules and regulations having interchange of views and experience amongst the participants.

The present government promulgated Insurance Act 2010 in place of age old Insurance Act, 1938 and also enacted the Insurance Development and Regulatory Authority Act 2010 by which Department of Insurance was annulled. The Insurance Development and Regulatory Authority was entrusted with the task of setting right the ailing insurance industry of Bangladesh. To-day I am very happy to say that with the introduction of sweeping reforms and enforcement of rules and regulations very strictly the insurance market of Bangladesh has started improving and enjoying the fruits resulted from stringent compliance of regulatory instructions.

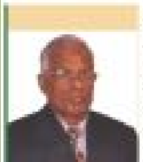
Insurance Development and Regulatory Authority always encourages Insurance Companies in practicing good corporate governance in functional activities, uniformity and discipline in the reporting system and above all to mobilise resources for the greater benefit of insured public, prompt settlement of claims and contribute towards building efficient human resources to keep pace with the development. I believe and hope that the resource persons and participants from home and abroad shall be immensely benefited by sharing the expertise, technical know-how and experience of each other during the conference.

I welcome most heartily the resource persons, participants of home and abroad and wish all success of the conference.

M. Shefaque Ahmed, Actuary

A Few words

A.B.M Nurul Haq
Consultant, Meghna Insurance Company Limited
Member-Secretary, Conference Organizing Committee



It is worth mentioning here that collaboration and co-operation amongst the insurance regulators and other insurance stakeholders could not be established so far although there is vast possibility of achieving win-win situation in this sector of the South Asian Region. There is a wide scope of establishing liaison and collaboration in the areas of effective operation of supervisory systems, to exchange technical know-how, claim experience and loss exposure, to offer training facilities in each other country according to need and facilities available, to offer reinsurance services, to hold seminars, workshops etc in each other country every year by rotation, to share information with other relevant supervisory authority regarding problem solving, to invest surplus fund in respective countries etc. I think the conference will be an appropriate forum for establishing close contact to achieve the objectives set forth as above.

I am very glad to find that Insurance Regulators of SAARC Countries responded very favourably and extended their wholehearted cooperation towards the conference. The resource persons, participants of home and abroad shall get an excellent opportunity to exchange views, thresh out ways and means to create opportunities for mutual benefits. In this connection, I recall with wholehearted gratitude the instant support and encouragement extended by H.E. Ahmed Saleem, Secretary General of SAARC when we proposed for organising the conference. He wrote "I congratulate you warmly on this laudable initiative. I am confident that the proposed conference will provide a welcome opportunity to the participants to exchange views and learn from one other's experience in the field of insurance." We are extremely grateful to him for his support to us.

SAARC has one recognised body in insurance field which is "Federation of States Insurance Organisation of SAARC Countries (FSIO). Mr. Sarad Shrivastva is the Secretary General of this body. When we contacted him, he instantly extended his wholehearted support and opined." In my capacity as Secretary-General of the Federation of State Insurance organisations of SAARC Countries and as Secretary General of Insurance Institute of India, I am pleased to extend all support for the conference and would also be happy to be part of the conference."

I can't but appreciate from the core of my heart the sincere support and good wishes being received from all of them including our Foreign Ministry who have also encouraged us to go ahead with the programme.

Looking forward to see that the initiative taken by Insurance Development & Regulatory Authority (IDRA) of Bangladesh bring about fruitful results and such conference is also held in other SAARC countries by rotation.

Let this conference be the beacon light for the future of insurance of this region.

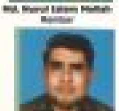
Insurance Development and Regulatory Authority (IDRA)
Bangladesh

M. Shefaque Ahmed, Actuary
Chairman

Md. Fazlul Karim
Member

Md. Nurul Islam Mollah
Member

Neha Gopal Basak
Member



Md. Sayeed Ahmed Khan
Member

Foreword

Md. Fazlul Karim
Member
Insurance Development & Regulatory Authority (IDRA), Bangladesh
Convenor - Conference Organizing Committee

I am very happy to find that after great efforts and sincere hard work, it has been possible to organize "1st SAARC Insurance Regulators' Conference 2013". I am grateful to the members of the conference organizing committee and sub-committees who have been working relentlessly for the last few months to gather all the resources and materials together to hold this conference successfully. Besides, all the Insurance Companies also deserve heartfelt appreciation for extending their best co-operation by sending participants to the conference and providing various resources as are needed for this conference.

In to-day's world no country can develop in isolation. Due to sharp development of electronic media and other means of communication, collaboration and co-operation amongst the countries of homogeneous socio-economic condition may be the right path of achieving accelerated economic, social and cultural development. South Asian Association for Regional Co-operation (SAARC) was established with the main objectives amongst others to achieve economic wellbeing of the large multitude of economically backward people of the South Asian countries. It is needless to say that Insurance Industry is unquestionably the main vehicle to accelerate the path of economic development of a country. This is for the first time that a conference of the SAARC Insurance Regulators is being organised where the Insurance Regulators shall meet together and express their views, discuss amongst them about the challenges being faced by the supervisors and recommend improvement of rules and regulations to achieve better results.

I wish that the participants from different insurance organisations of home and abroad shall devote wholeheartedly to accrue as much benefit as they can through their active participation in the different sessions of the conference.

The members of the conference organizing committee and sub-committees have worked relentlessly to accomplish the stupendous task of holding this conference. I recognise with heartfelt gratitude the contribution each one of them has made. Besides, the logistic support which have been provided by the different organisations is also gratefully recognised.

I wish all success of the conference.

Organized By

IDRA
BANGLADESH

In Co-operation with

Federation of State Insurance Organizations of SAARC Countries (FSIO)

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