

PENNY WISE

BY NASREEN SATTAR

Former CEO, Standard Chartered Bank,
Afghanistan

Profiting from our poor unsuspecting workers

It saddens me, and I am sure many others, to see how unethical some people can be. This is especially true in the case of making money at the expense of poor, unsuspecting people. We all know that the Government of UAE has decided against issuing visas for Bangladeshi nationals – the reason being that many of our countrymen had arrived in Dubai with fake visas and work permits.

These poor people, mainly from rural areas, were lured by so-called manpower agents into selling their land and other valuables to give a huge sum of money to these middlemen in return for valid work permits in the Middle East.

Saying goodbye to their loved ones, these poor people boarded their flights, with hopes for a bright future for

themselves and their families back home. What awaited them at their destination was something beyond their imagination! Obviously the visas on their passports looked so genuine that even immigration in Bangladesh or the airline could not detect them.

It was only at Dubai airport, the UAE immigration rejected the visas and these poor victims were deported back home, penniless and helpless, having lost everything. The agents, having completed their heinous acts, had of course disappeared!

If only there was a way that people in the villages could be warned of these criminals. Such incidents keep on happening all the time, and yet people put all their trust and money into the hands of

these agents. If only the villagers would refrain from wanting to go overseas. They could put their money into safer investments, where they would get guaranteed returns.

NGOs working in the rural areas could play an important role in educating the communities to be on guard against charlatans luring them into investing all their saving as well as borrowed money in the hope of dream jobs abroad that just do not exist.

Some unemployed rural youth have succeeded in creating innovative projects of their own and not only achieved gainful employment for themselves but also created jobs in rural areas in enterprises such as the cultivation of fruits, high value vegetables, fish farming, etc.

We can only hope the large NGOs can help in disseminating information to protect the rural poor from the exploiting 'agents' and also train the youth in acquiring skills for the cottage industries and advanced farming.

When I was transiting through Dubai airport several years back, I still remember vividly seeing a fairly large group of Bangladeshi workers, looking lost and waiting to board a flight to Dhaka. When I asked one of them why they looked so tense and broken, he said that they were being deported back for entering with forged passports and visas, which they were unaware of.

How can anyone with any conscience work towards becoming rich at the expense of the poor!

PERSPECTIVE

Giving peace of mind: Understanding life insurance

Protection is one of the greatest gifts you can give your family. No one likes to think about a time when he/she is not around, but it is important to plan for how your loved ones would cope if you were not there to provide for them.

Not only does life insurance offer the peace of mind of knowing your family would be alright, but policies can also help with saving for retirement and even paying medical bills, making it an important financial asset to have.

WHO NEEDS LIFE INSURANCE?

Life insurance may not be the top priority for most, but it is important to think about taking out cover if you have people who are dependent on your income, such as young children or a spouse who does not have regular income. Consider whether these people would be able to manage if you were not there to provide for them. If you have a substantial amount of savings, you may not need life insurance, but if it is unlikely your family would be able to support themselves without you, it is a good idea to think about taking out cover.

You may also want to consider a life insurance policy if you owe money, such as a mortgage or car loan. Unfortunately, if something happens to you, any debts you have will still have to be repaid and a life insurance policy can be used to cover these.

HOW MUCH DO I NEED?

Working out how much cover you need can be a bit tricky and it may be a good idea to get some professional advice. As a general rule, think about how much money your family would need to live off if you were not there. Next, think about for how long they would need that support.

If you have young children, you may want to take out life insurance that would provide your wife with an income until they had finished their education. In which case, simply multiply the annual amount you



think your family would need by the number of years for which they would be likely to require it. This calculation gives you the lump sum for which you should be insured.

Alternatively, you may decide to take out cover to replace your income for a set period, such as five years, to give your family time to adapt without having to worry about money.

If you owe money, you may consider a life insurance policy with a value and term that matches the debt.

Whatever you decide, it is important that the premiums are affordable, as if you cannot pay your premium regularly, the policy will no longer be valid.

HOW DOES LIFE INSURANCE WORK?

There are many different life insurance products available. The basic type is a term life insurance policy. This policy is taken out over a set period of time, such as 10 or 20 years, and pays out a lump sum to the family of the policyholder if he/she dies during the policy term. These policies tend to have the lowest premiums, but they do not offer additional benefits.

Another type of policy is known as permanent life insurance, which not only provides a lump sum when you die, but also helps you plan for retirement by paying out a pension after a set period of time. An endowment life insurance policy is similar,

but pays out a lump sum at the end of the term, rather than a regular income.

Some policies combine life insurance with other forms of protection. For example, MetLife's Critical Illness Insurance with Return of Premium Super (CI ROP Super) provides life insurance, but also gives you a lump sum if you are diagnosed with, or have undergone a surgery for 10 critical illnesses, helping to cover medical bills. If during the policy term you have not made a claim on your policy, 100 percent of the premium you have paid are refunded after the term expires.

HOW MUCH DOES IT COST?

The cost of life insurance typically varies from person to person, depending on a number of factors, such as how old they are, whether they have any existing health conditions, and for how long the cover will be in place. You generally pay for life insurance in periodic instalments for the entire length of the policy, although some policies do have the option to pay a one-off lump sum. Premiums are set when you first take out the product, and as a result, it is often cheaper if you start a policy when you are younger. It is important to see the policy as a regular commitment, as if you stop paying the premiums you will no longer be covered.

Life insurance forms the cornerstone of good financial planning, so take the time to think about your family's needs and consider talking to a professional advisor to help you get it right.

By Mohammad Kamruzzaman, Director, Product Development & Data Analytics, MetLife Bangladesh