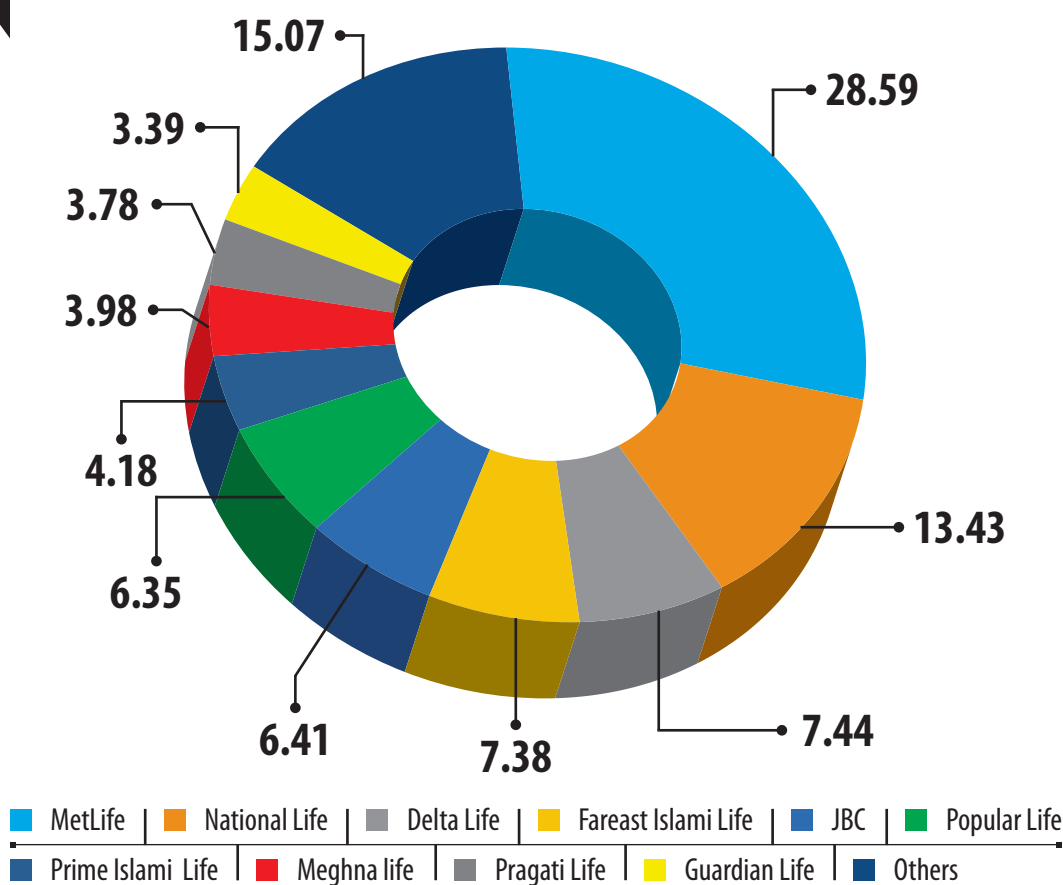


## MARKET SHARE OF LIFE INSURERS In %



# Ten life insurers hold 85pc of the market

SUKANTA HALDER and AHSAN HABIB

Ten insurance companies hold around 85 per cent of the life insurance market in Bangladesh thanks to their experience and record in settling claims fast.

In the non-life insurance sector, the prevalence of top companies is common, but almost all firms hold a handsome stake in the segment.

The top 10 general insurance companies collectively control 52 per cent of the market.

In 2021, the gross premium of life insurance grew 7.63 per cent to Tk 10,255 crore compared to the previous year, according to data from the Insurance Development and Regulatory Authority (IDRA). However, the data is un-audited.

MetLife alone holds 28.59 per cent of the market followed by National Life Insurance with 13.43 per cent, and Delta Life Insurance with 7.44 per cent, IDRA data shows.

"The experience and claim settlement history of first-generation companies attracted people, so their market share is higher," said Sultan-ul-Abedin Mollah, a former member of the IDRA.

They are old and established and their

network and agents are spread all over the country, he added.

People's experience with first-generation companies also makes the business easier. The policies of most of the fourth-generation insurers have not matured yet.

"As a result, it will take time for them," Mollah said.

However, Guardian Life Insurance has been exceptional. Despite being a fourth-generation company, it has been able to grab a fair share of the market riding on good corporate governance.

Guardian Life Insurance holds a 3.39 per cent market share in the life insurance sector, as per IDRA data.

Apart from Guardian Life, some of the second-generation and third-generation insurers are also doing good business due to their good behaviour.

"If other companies can create confidence among people, they will be able to win more market share as well," Mollah added.

A number of key factors contribute to an insurance company's long-term success.

They include the tenure of business, operational efficiency, the strength of the workforce, product diversification,

vision, and reputation, according to Ala Ahmad, chief executive officer of MetLife Bangladesh.

At MetLife, customers' trust and confidence have helped the firm become one of the major life insurers in the market.

"Our history in Bangladesh dates back to 1952 and throughout our journey, we have focused on building one of the best teams of employees and financial associates, bringing technological innovations, and providing world-class life insurance solutions to the people of Bangladesh."

In Bangladesh, insurance penetration is less than 0.5 per cent. This indicates that life insurers can work together to bring more people under the protection of insurance.

"While healthy competition provides an incentive to excel, it is also important for companies to differentiate themselves with products and services to sustainably grow in the long run," Ahmad said.

Alamger Feroz, deputy managing director of Popular Life Insurance Company Ltd, said all 33 life insurance companies did not come to the market at the same time.

As the old ones have been doing

business for many years, they have been able to grab the lion's share of the market.

"The newcomers are trying to make a mark in the market. They entered the industry when the economy was volatile. But they will also be stronger after a certain period."

SM Shakil Akhter, executive director and spokesperson of the IDRA, said some of the top companies are doing quite good business as customers have confidence in them.

"The companies' reputation has climbed to an upper level and they are getting its fruits," he said.

It is a long-term business, some of them have succeeded. But some of them are lagging behind commercially even though they were first or second-generation companies, said Akhter.

The gross premium of non-life insurance companies rose 10.5 per cent to Tk 4,137 crore in 2021.

Among the non-life insurers, state-run Sadharan Bima Corporation holds the most market share with 11.02 per cent followed by Green Delta Insurance with 9.24 per cent, Reliance Insurance with 7.59 per cent, Pioneer Insurance 6.90 per cent, and Pragati Insurance 6.02 per cent.



## Market share

(Non-life insurance) In %

Sadharan Bima	11.02
Green Delta	9.24
Reliance	7.59
Pioneer	6.90
Pragati	6.02
Provati	2.55
Northern General	2.40
Eastland	2.38
Global	2.12
Bangladesh National	2.02

## Elias Brothers owners jailed for loan default

STAFF CORRESPONDENT, Ctg

The money loan court in Chattogram yesterday slapped five owners of Messers Elias Brothers (MEB) with a five-month jail sentence for defaulting a loan of Tk 185 crore.

Judge Mujahidur Rahman of Chattogram Money Loan Court issued the ruling against MEB Managing Director Shamsul Alam, Chairman Nurul Absar and Directors Kamrun Nahar Begum, Tahmin Begum and Md Nurul Alam based on a case filed by the National Bank on April 5 in 2015.

According to the money loan court, 25 cases have been filed against the company so far for defaulting around Tk 938 crore loan taken from 17 different banks and financial institutions.

Mohammad Elias started commodity trading in 1962, when he was 25 years old.

Initially, MEB's concentration was in consumer goods. Gradually, it expanded into areas such as galvanised plain sheets, ship-breaking, agro-industry, glass sheet, soybean oil, beverages, paper, board, garments, and brickfields.

Rezaul Karim, bench assistant of the money loan court, told The Daily Star: "MEB took out Tk 185 crore in loans from the bank but did not repay the loan despite several notices issued by the bank authorities. Today the money loan court gave an order in favour of the bank."

This correspondent tried several times to reach Shamsul Alam and Nurul Absar over phone, but their mobile phones were found switched off.

## Gain knowledge before investing in stocks: experts

STAR BUSINESS REPORT

People should gather enough knowledge and do more research before investing in the stock market such that their funds do not go to waste, analysts said.

"People should acquire proper knowledge before buying or selling shares," said Prof Shaikh Shamsuddin Ahmed, a commissioner of Bangladesh Securities and Exchange Commission (BSEC).

Ahmed went on to say that although rumour-based trading is bad for the stock market, this problem persists across the globe.

"But people should not pay heed to rumours," he added.

While clarifying what he means by acquiring knowledge, Ahmed said that people should have some financial and technological understanding on any potential investment.

The BSEC commissioner also urged for more analyses on the stock market as it would be helpful for policymakers.

Ahmed's comments came at a certificate-giving ceremony for post-graduate diploma holders organised by the Bangladesh Institute of Capital Market (BICM) on Saturday.

## Exports to Russia, Ukraine hit

FROM PAGE B1

On March 1, the three shipping companies announced that they would no longer take bookings for goods to and from Russia amid the Russian military attack on Ukraine.

German company Hapag Lloyd and Singapore-based ONE followed suit.

Though other companies are yet to make any such announcement, they are already expressing unwillingness to accept bookings from Bangladesh to these two destinations.

Md Ruhul Amin Sikder, secretary to Bangladesh Inland Container Depots Association, told The Daily Star yesterday that the cargoes were either already stuffed inside containers or lying in wait at inland container depot (ICD) warehouses.

Sources said Esack Brothers Industries, an ICD near the Chattogram port, alone had 35 TEUs of the export-laden containers lying idle for several days now for Maersk having stopped accepting bookings.

A senior official of the CMA CGM's Bangladesh office said their principal office directed to refrain from taking bookings for cargo shipment to Russia or Ukraine until further notice.

Bangladesh also faces the possibility of losing one of its most promising apparel export destinations as various Russian lenders have been excluded from the

SWIFT messaging system in response to the country's invasion of Ukraine.

Rajiv Chowdhury, managing director of Young 4 Ever Textile, said after a long negotiation his Russian buyer has confirmed in writing that he would pay his \$200,000 soon through his office in Turkey.

However, he is now apprehensive over the export of garment items worth \$250,000 which he has already manufactured although the buyer has confirmed of taking the goods to Russia through the port of a third country.

But Chowdhury was advised by his Russian buyer not to manufacture any more garment items sought under previous orders until further notice as the situation over the war was gradually worsening.

So an uncertainty has been created for Chowdhury over accessing the Russian market, exports to which from Bangladesh grew 36 per cent in fiscal 2020-21 to reach nearly \$600 million.

"Like me, many garment exporters have been facing trouble in receiving payments and shipping goods to Russia," said Chowdhury, whose t-shirts, polo shirts, jackets and hoodies are sold in Russian markets.

Chowdhury, also a director of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the

association has already asked members to send data on export and payment receipts to create a database on Russian and Ukrainian markets.

Of garments exported to Russia, some 20 per cent is shipped to buyers directly and the rest through third country offices, said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

There are Russian buyers who have offices in countries including Turkey, Hong Kong and Poland. Cases involving them cause no problems in local exporters receiving payments.

However, in case of the direct exports, problems are arising over receiving payments.

So far, two exporters have lodged complaints with the BKMEA over not receiving payments from Russian buyers, he said.

In the July-January period of the current fiscal year, the country sent garment items worth \$415.47 million to Russia, registering a 36.47 per cent year-on-year growth, showed data from the Export Promotion Bureau.

Bangladesh shipped apparel items worth \$593.66 million to Russia last fiscal year. Of it, knitwear items were worth \$373.25 million while woven items \$220.41 million.

## NBR extends duty benefit for raw

FROM PAGE B1

The NBR slashed the regulatory duty on raw sugar on October 14 and offered the privilege until February 28 to curb the spiralling prices in the domestic market.

Consumers had to pay as much as Tk 80 to get one kilogramme of sugar from retailers in Dhaka city yesterday, according to market price data collected by the Trading Corporation of Bangladesh (TCB).

On average, prices were 3.27 per cent higher than the Tk 75-78 paid per kilogramme a month ago.

Similarly, yesterday's refined sugar prices in

Dhaka were 17 per cent higher year-on-year compared to Tk 65-70 in 2021, as per TCB data.

Bangladesh imports 97 per cent of the 18 lakh tonnes of sugar required annually as local production of sugarcane and sugar at state mills is very minimal.

Currently, importers have to pay Tk 3,000 as fixed tariff to import each tonne of raw sugar in addition to value added tax and 20 per cent regulatory duty.

In case of refined sugar, import duty is higher than raw sugar, according to the NBR.

## Light commercial

FROM PAGE B1

gained a foothold in Bangladesh by entering the market back in the 1980s and have since gradually overtaken their Asian and European counterparts.

Most of the demand for commercial vehicles comes from the country's garments industry, which uses a vast number of trucks and other light cargo carriers to transport goods.

The growing cement, steel, and shipbuilding sectors are also making increasing contributions to the commercial vehicle industry as they need to transport heavy raw materials. Moreover, the booming e-commerce industry is fueling the sales

of vehicles as they need to transport goods all over the country.

According to Hafizur Rahman Khan, chairman of Runner Group, Bangladesh is a potential market for commercial vehicles as its economy is booming.

There are 14 to 16 large automobile retailers in the country. Of them, five or six have assembly plants while the rest are sole distributors or importers of select international brands.

Ifad Autos, Aftab Automobiles, Navana, Rangs, Rancon Motors, Nitol Motors, Runner Motors, ACI Motors, and Energypac are major distributors of commercial vehicles.

## Audit firms asked to report

FROM PAGE B1

So, the audit firms can't avoid their responsibility as they had not informed the central bank about the scams, he said.

As per rules, the audit firms have to submit the annual audit report to the central bank after the completion of the exercise. But, the reports have failed to highlight financial forgeries. As a result, unscrupulous directors, senior executives and borrowers embezzled thousands of crores of taka from a number of NBFIs.

Prashanta Kumar Halder, also known as PK Halder, who is believed to be living in Canada after fleeing from Bangladesh, is one of the people responsible for the ongoing

vulnerable situation of the NBFIs sector.

Halder, a former managing director of NRB Global Bank and Reliance Finance, and his associates swindled around Tk 4,000 crore to Tk 5,000 crore from four NBFIs: International Leasing & Financial Services Ltd, FAS Finance & Investment, People's Leasing & Financial Services Ltd, and Reliance Finance.

The chartered accountancy firms chiefly flopped in carrying out their duties as the money was siphoned off from the NBFIs.

Currently, more NBFIs are unable to repay depositors despite maturity.

Md Shahadat Hossain, chairman of the Institute

of Chartered Accountants of Bangladesh, says that the central bank's letter is logical and audit firms should inform the BB soon after they find any gross violations.

"As per global best practices, an audit firm should inform the top management immediately after they spot any anomalies. If required, they should notify the financial regulator."

The audit firms have been asked to examine at least 80 per cent of the outstanding loans disbursed by NBFIs.

In addition, they have to verify whether NBFIs have transferred the interest on the rescheduled loans to the income segment of the financial statement accurately.

those to Bangladesh at low prices.

"Our farmers are not very interested in cultivating jute seeds as compared to other crops," he said.

Scientists at Bangladesh Jute Research Institute developed improved varieties of jute, which enable higher yields compared to Indian varieties, added Razzaque.

"Work is underway to popularise its cultivation among farmers within the next three years," he said.

Bangladesh requires around 5,500 tonnes of jute seeds, most of which are imported from India for scanty domestic production.