



## MAKING INSURANCE

# a Core Component of Personal Financial Planning

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**The Daily Star (TDS):** What has been your experience with bancassurance so far?

**Md Ashanur Rahman (MAR):** Since the official launch of bancassurance in Bangladesh on March 3, 2024, the market has responded with a mix of optimism and caution from stakeholders, including the general public, banks, and insurance companies. Public reception has been largely positive, mainly due to the higher level of trust in banks compared to insurance companies.

City Bank has emerged as a leading player in the early stages of the bancassurance market. In 2024, the bank sold a total of 9,838 life insurance policies, comprising 1,104 standalone policies and 8,734 policies bundled with loans. In the first four months of 2025 alone, City Bank sold an additional 6,865 policies, bringing the total to 16,703 policies as of April 2025. This achievement has secured City Bank a dominant 56% market share in the growing bancassurance sector. The total premium collected stands at BDT 8.35 crore, with total coverage amounting to BDT 1,416 crore.

Despite this strong start, several challenges remain. These include persistent public skepticism toward

insurance providers, limited awareness and understanding of insurance products, and the need for seamless technological integration between banks and insurers. At present, only Bangladesh Insurance Academy offers certification for bancassurance, making it challenging to meet growing training demands across expanding banks.

Nevertheless, the collaborative approach adopted by banks and insurance companies, supported by regulatory authorities, is expected to address these issues over time.

**TDS:** What types of insurance (e.g., life, general) are currently offered through your bancassurance partnerships?

**MAR:** At City Bank, we have established strategic partnerships to deliver a wide range of insurance solutions under our bancassurance model, designed to meet the diverse financial protection needs of our customers. Our product portfolio currently includes the following:

**Individual Life Insurance Products**

Conventional Life Insurance: Offered in collaboration with Guardian Life Insurance, providing customers with robust protection solutions.

Shariah-Compliant Life Insurance: In partnership with Akjij Takaful Life Insurance, we offer Islamic life insurance

products tailored for customers seeking takaful-compliant options.

### Insurance Bundled with Loan Products

SME-S Loan & Remittance Beneficiary Loan: These products include life insurance coverage of up to BDT 10 lakh, underwritten by Guardian Life Insurance and Delta Life Insurance.

**Personal Loan:** Our personal loan facility includes life insurance coverage of 200% of the loan amount, up to BDT 40 lakh, provided by Guardian Life Insurance.

### Upcoming Offerings

By the end of this month, we will expand our portfolio to include motor insurance, offered through our partnership with Reliance Insurance Limited.

To ensure efficient and compliant service delivery, City Bank has formed a dedicated Bancassurance Team that oversees operations, regulatory alignment, and staff training. So far, 1,124 employees have received certification from the Bangladesh Insurance Academy. The team also conducts ongoing training on product features and ethical sales practices. We prioritise transparent communication—clearly explaining policy benefits, terms, and exclusions—because we believe an

informed customer is an empowered one. This customer-first approach defines our Bancassurance strategy and commitment to financial inclusion.

**TDS:** What is your process for handling insurance-related complaints, and how do you ensure compliance with Bangladesh Bank and IDRA guidelines?

**MAR:** City Bank has implemented a structured, transparent, and compliant process for managing insurance-related customer complaints, fully aligned with the guidelines of both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA).

We have established a dedicated Complaint Management Cell responsible for:

Receiving complaints through various channels, including branches, call centres, and online platforms;

Providing customers with timely updates on the status of their complaints;

Coordinating with internal teams to investigate and resolve issues;

Communicating resolution outcomes to customers via phone and email.

Customers can lodge complaints at any City Bank branch, where staff promptly forward them to the Bancassurance Team for swift

investigation and resolution. The team also ensures regulatory compliance by submitting reports to Bangladesh Bank and IDRA, and by monitoring adherence to all relevant rules, circulars, and obligations.

**TDS:** What is your outlook on the future of bancassurance in Bangladesh?

**MAR:** As the first licensed bank to operate in the bancassurance space in Bangladesh, City Bank recognises both its pioneering role and the vast potential of this channel. Since the official launch on March 3, 2024, we have aimed to integrate banking and insurance to offer holistic financial protection. Our long-term vision is to make insurance a core part of personal financial planning, driving financial inclusion, enhancing social protection, and increasing the insurance sector's contribution to the national economy.

Looking ahead, we are highly optimistic about bancassurance becoming a cornerstone of Bangladesh's financial ecosystem. Our approach will focus on:

- Continuous product innovation;
- Strong and responsible partnerships with insurers;
- Transparent and empowering customer education.

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## The Bancassurance Breakthrough

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"The opportunity is enormous, but the missing ingredient has always been trust," says Md Main Uddin, Professor and former Chairman of the Department of Banking and Insurance at the University of Dhaka. "People are far more likely to engage with insurance if it comes through institutions they already know and rely on."

Recognising this gap, Bangladesh Bank approved the launch of bancassurance in December 2023. In the first 16 months, the impact has been tangible: 14 banks have received operating approval, and nearly 16,000 life insurance policies have been sold—many to first-time buyers. For the insurance industry, it's more than a new distribution channel; it's a fresh chance to win public confidence and scale up impact.

Ala Ahmad, Chief Executive Officer, MetLife Bangladesh, shares, "Bancassurance holds great potential to complement the traditional agent-led sales channel. It can significantly expand insurance coverage across Bangladesh, especially for customers who may not otherwise engage with insurance providers. While it's still early days, the response has been encouraging."

"Banks are well positioned to promote insurance by simplifying distribution. One of the biggest advantages banks offer is access to a captive client base, which allows for targeted outreach and the creation of a sustainable economic pool," says Ahmed Istiaque Mahmud, Executive Vice President & Head of Bancassurance at Guardian Life. While banks have started to explore insurance, they are strategically expanding their services through their branches to support customers via their wide-reaching channels.

M Khorsheed Anowar, Deputy Managing Director at Eastern Bank, mentions, "We currently offer both life and general (non-life) insurance through our bancassurance model. Our life insurance offerings provide protection in the event of death and other unforeseen circumstances, while our non-life portfolio includes motor, health, and travel insurance."

"Currently, only life insurance services are being offered through our bancassurance partner—

National Life Insurance PLC—as this remains the most effective way to reach the majority of the country's population. We have already introduced an affordable short-term life insurance product in the market—Prime Life," states M. Nazeem A. Choudhury, Deputy Managing Director of Prime Bank.

To support their new role in bancassurance, many banks have formed dedicated teams to deliver insurance services.

"We have a dedicated bancassurance team operating both at the head office and across our branch network. They are fully trained and certified, and we work closely with our insurance partners to ensure they have a deep understanding of the products," notes Mahbubur Rahman, Chief

Our decision to enter the bancassurance sector is driven by a deep understanding of our customers' evolving financial needs. With life's uncertainties increasing, insurance has become an essential tool for ensuring financial stability for families."

Despite growing optimism, banking and insurance insiders stress that unlocking bancassurance's full potential requires stronger regulation and expanded training, especially from the Insurance Academy.

"Bangladesh has only one insurance academy to train both bank and insurance officials, creating a major capacity bottleneck," says Md Ashanur Rahman, Deputy Managing Director, Chief Economist &



Bancassurance Officer, BRAC Bank.

Md Ahsan-uz Zaman, Managing Director & CEO of Midland Bank, states: "To support informed decision making, we have partnered with insurance companies whose representatives

provide proposal forms, brochures, and detailed product literature. This ensures customers fully understand each product's features, terms, conditions, and exclusions before making a purchase."

Midland Bank launched its bancassurance operations this month, as more banks join in amid rising demand and promising prospects.

Ahsan Zaman Chowdhury, Managing Director & CEO of Trust Bank, explains why they are considering launching bancassurance at their institution:

Country Business Manager of City Bank. "While we've trained 1,174 staff, our target is 2,500. The growing demand makes it clear that private organisations and insurers must step up to strengthen training capacity and institutional support."

Customer awareness and understanding of bancassurance remain low, underscoring the need for strategic outreach and sustained financial literacy initiatives to drive adoption.

Mohammad Ali, MD and CEO of Pubali Bank, observes, "I feel that the necessary publicity or awareness among customers about bank insurance hasn't really taken off yet. After all, bancassurance is essentially a combination model—we're just providing the support service. But the moment public trust in insurance increases, the model will flourish."