



BANCASSURANCE

as a Cornerstone of Financial Well-Being

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

Md. Shafquat Hossain (MSH): I believe bancassurance will open a new horizon for the insurance industry in Bangladesh, as this collaborative arrangement will help insurers expand their coverage at an affordable cost. This will not happen overnight, but the steps in the right direction have been initiated, for which I would like to congratulate both Bangladesh Bank and the Insurance Development and Regulatory Authority (IDRA).

On the experience side, I would highlight the fact that this will require a lot of hard work from both the insurance companies and the banks, particularly in terms of imparting the necessary training to bank staff members to sell insurance products to the bank's customers. Mutual Trust Bank has a long-standing reputation for sustainability and reliability, which has allowed us to gradually build trust with our customers in this new avenue.

Through consistent communication, training, and customer engagement, we have been able to create awareness about the benefits of insurance as a

financial planning tool.

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

MSH: At Mutual Trust Bank, we currently offer both life and non-life insurance products through partnerships with leading insurers in Bangladesh. For life insurance, we have strategic collaborations with Guardian Life Insurance Ltd. and Pragati Life Insurance. In the non-life category, we work with Green Delta Insurance.

Our life insurance offerings include endowment plans and credit shield products. Endowment policies are designed to help customers accumulate savings over time while also providing financial protection in the event of death or permanent disability. These plans support long-term financial planning and encourage disciplined savings, while also offering tax benefits.

Credit shield insurance protects borrowers by covering outstanding loan liabilities with the bank in the event of death or permanent and total disability. This prevents financial hardship for dependents, shielding them from the burden of debt repayment. It also

protects the bank by reducing default risk from such unforeseen events. In the non-life segment, we offer insurance solutions that cover health, motor vehicles, and travel.

We have established a dedicated Bancassurance Department. This team works in close coordination with branch-level officers and ensures that all staff members receive comprehensive training on product features, benefits, and exclusions.

To promote clarity and transparency, we provide regular refresher courses, internal guides, brochures, FAQs, and visual aids. Our goal is to ensure that customers are well-informed, enabling them to make confident and responsible insurance decisions that secure their future and promote financial resilience.

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

MSH: Customer satisfaction is our top priority, and we follow a structured process to address insurance-related complaints. Our dedicated Bancassurance Department remains on standby to support both branches and

customers with product clarifications, onboarding guidance, claims assistance, and post-sales queries. We emphasise resolving issues promptly at the branch level through trained relationship managers.

We also maintain strict compliance with the regulatory guidelines of Bangladesh Bank and the IDRA. Our Bancassurance Department closely collaborates with our insurance partners to regularly monitor operations, ensuring that all disclosures, documentation, and sales protocols strictly adhere to regulatory standards. Furthermore, we have implemented an escalation mechanism for swift resolution of complex cases.

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

MSH: The future of bancassurance in Bangladesh is promising. Although still in its early stages, it holds significant potential in a market like ours where insurance penetration remains relatively low. Banks play a pivotal role in bridging this gap, serving as trusted intermediaries between customers and insurers. In the coming years, the focus will need to be on raising awareness,

educating customers, and building long-term credibility.

At Mutual Trust Bank, we recognise this responsibility and have taken proactive steps to contribute to this journey. We are one of the pioneers in launching a community engagement programme at the Gulshan Society Lake Park, which included free health check-ups. This initiative not only promoted wellness but also provided a valuable opportunity to educate the community and potential customers about the importance of insurance and financial protection. We plan to host a few more of these by the end of 2025.

With the regulators' increasing emphasis on financial inclusion and the Sustainable Development Goals (SDGs) 2030, bancassurance is positioned to become a vital instrument in ensuring financial security for the underserved and marginalised populations. We anticipate deeper collaborations between banks and insurers, an expansion of product offerings tailored to diverse customer needs, and a growing reliance on digital platforms to deliver seamless, accessible insurance solutions.

Key Considerations for Getting Bancassurance

ZARIF FAIAZ

In Bangladesh, bancassurance is gradually becoming a popular and convenient way for customers to purchase insurance products through their banks. This service allows individuals to access both life and non-life insurance policies directly from their trusted banking institutions, often alongside their regular banking transactions. If you are thinking about getting bancassurance—that is, buying insurance through a bank—it is important to understand the process and the key factors that will help you make a well-informed decision tailored to your needs.

Bancassurance refers to the partnership between banks and insurance companies that enables banks to sell insurance products to their customers. This means that when you visit your bank for everyday banking activities or loan services, you can also explore insurance options such as life insurance, health insurance, motor insurance, or travel insurance. Many banks in Bangladesh, including prominent names like Eastern Bank Limited and BRAC Bank, have started offering these services to make insurance more accessible and convenient for their customers.

Opening an insurance policy through bancassurance is designed to be straightforward and customer-friendly. Typically, you would begin by visiting your bank branch or using the bank's online platform, where bank staff can guide you through the available insurance products. You will need to provide identification documents such as your National ID card or passport. Thanks to the electronic Know Your Customer (e-KYC) system introduced by Bangladesh Bank, this process is often quick and requires minimal paperwork—sometimes completed within just a few minutes.

Once you have selected the insurance product that suits your requirements, you will complete a simple application form. Premium payments can often be linked directly to your bank account, allowing for convenient automatic deductions. After completing the process, you will receive your

insurance policy documents either physically or digitally, which will outline the coverage, terms, and conditions of your policy.

Before committing to a bancassurance policy, it is essential to consider several important factors. Understanding the coverage and exclusions of the policy is critical. Every insurance product has specific terms detailing what risks are covered and what is excluded. For example, a health insurance policy might not cover certain pre-existing conditions or specific treatments. It is important to ask the bank representative to explain these details clearly and to clarify any doubts you may have.

Another key consideration is the insurer's claim settlement record.



In Bangladesh, life insurance companies generally have higher claim settlement rates compared to non-life insurers. Knowing how efficiently and fairly claims are settled can save you significant stress in difficult times. You can request this information from your bank or check reports published by the Insurance Development and Regulatory Authority (IDRA).

It is also wise to compare premiums and benefits offered through bancassurance with those available from other insurance providers or agents. While bancassurance offers the convenience of purchasing insurance through your bank,

premiums and benefits can sometimes vary. Ensuring that the policy provides good value for money and meets your financial goals is essential.

You should also consider your financial needs and budget. Insurance should be affordable and appropriate for your situation. Avoid purchasing policies that are too expensive or provide coverage you do not need. Reflect on your current and future financial responsibilities—such as protecting your family, securing a loan, or covering health expenses—and choose a product that aligns with these priorities.

Understanding the payment terms is equally important. Many bancassurance products allow

premiums to be automatically deducted from your bank account, which is convenient. However, you should be aware of the payment frequency—whether monthly, quarterly, or yearly—and the consequences of missing payments, as some policies may lapse if premiums are not paid on time.

Finally, inquire about policy servicing and customer support. It is helpful to know how you can access assistance, make changes to your policy, or file claims. Banks typically provide dedicated bancassurance units or contact points, but understanding the process and expected timelines will help you manage your policy effectively.

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