



## MAKING INSURANCE SIMPLE AND DIGITAL

**M. J. AZIM, Managing Director & CEO Pragati Life Insurance PLC.**

Pragati Life Insurance PLC ensures absolute dedication to policyholder satisfaction. Through prompt services, innovation, and strict information security, the company is building a foundation of transparency and integrity. M. J. Azim, Managing Director & CEO, shares insights on how they are turning this vision into reality.

every 17 people in Bangladesh holds a life insurance policy. Given Bangladesh's population of approximately 170 million, this suggests that only around 6-7 million people, or roughly 4-5% of the population, may have a life insurance policy in any form.

**TDS:** Has this number gone up compared to ten years ago? Can you

recent years. At the same time, the total number of active life insurance policies dropped from around 11.2 million in 2009 to about 6.7 million by 2025, mainly because of high policy lapsation.

**TDS:** How has your product lineup changed over the past ten years?

**MJA:** Compared to a decade ago, our product portfolio is not only bigger but also modern, inclusive and better aligned with evolving customer needs. Ten years ago, the industry, including Pragati Life was mostly dependent on traditional endowment and whole-life policies. Today we offer more diversified plans: term insurance, savings-linked plans, health insurance, investment-oriented policies, children's education plans and riders such as critical illness benefits.

Now we focus heavily on customisation and flexibility, creating options for young generation and families. We have introduced digitally friendly products, which can be purchased, managed and renewed online.

**TDS:** What steps have you taken to make the claim process easier for customers?

**MJA:** To make the claim process faster and more customer-friendly, we prioritize rapid settlement for death claims to ensure immediate support for nominees. Additionally, we have

accelerated the processing of survival and maturity claims to guarantee timely, hassle-free payments. A major step forward is the integration of EFTN (Electronic Fund Transfer Network), which allows claims to be processed within 12 hours and transferred directly to bank accounts for digital premium payers. Additionally, the company offers cashless hospitalisation for Group Health clients, settling bills directly with designated hospitals to eliminate upfront costs.

**TDS:** What are the most common reasons claims get delayed or rejected, and how are you fixing those issues?

**MJA:** There are typically three major reasons: incomplete documents, a mismatch between policy records and submitted information, and Potential fraud or suspicious circumstances.

To fix these issues, we educate customers at the time of purchase about the required documents, so families are not unprepared at claim time. We perform an early-stage document check and immediately notify the claimant if anything is missing. The fraud investigation process is streamlined to avoid unnecessary delays in genuine claims. These improvements have significantly boosted our claim settlement efficiency and customer satisfaction.

**TDS:** Are young people buying life insurance, or is it still mostly older clients?

**MJA:** We're witnessing a gradual but encouraging shift. Younger customers between 28 and 35 are becoming more interested in life insurance. They are becoming more financially aware. They understand the value of protection and savings. They prefer flexible, digital-friendly policies. However, middle-aged clients still represent a larger portion of our customer base because they have dependents, financial responsibilities and higher purchasing power.

**TDS:** How is digital technology helping you make insurance easier to buy or manage?

**MJA:** Digital technology is significantly simplifying how people in Bangladesh buy and manage insurance. Customers can now learn about products, calculate premiums, and even purchase policies online or through the website and mobile apps—without visiting a branch. E-KYC has reduced paperwork and allows quick, hassle-free onboarding.

Digital payment channels such as EFTN, mobile banking, and online gateways have made premium payments secure and convenient. These systems also enable insurers to transfer claim payments directly to customers' bank accounts, often within hours.

**We follow a multi-layered approach to protect our system and customers from fraud. First, we maintain strict verification procedures for all policy applications and claims. Second, we have a dedicated compliance and investigation team that monitors suspicious activities, conducts field-level inquiries and ensures full alignment with IDRA guidelines. Third, we rely on secure digital systems. Our use of EFTN adds further protection by allowing claim payments to go directly to verified bank accounts.**

**The Daily Star (TDS):** What percentage of people in Bangladesh currently have life insurance?

**M. J. Azim (MJA):** As per the most recent data available from the Insurance Development and Regulatory Authority (IDRA) and industry-wide sources, insurance penetration is only around 0.5%, which is low. According to published reports, fewer than one in

share actual figures?

**MJA:** According to industry data, the number of people covered by life insurance in Bangladesh has not grown as much as expected over the past decade. Reports from IDRA and national newspapers show that life insurance penetration has actually declined, falling from about 0.94% of GDP in 2010 to roughly 0.46% in

## Plan your life insurance the right way

FROM PAGE J3

### Step 3: Distinguish Protection from Investment

In Bangladesh, we love "money back" policies (Endowment/DPS). While good for savings, they often offer very low death benefits. Understand the two main types:

**Term Life:** Pure protection. You pay a small amount for huge coverage (e.g., Tk 1 Crore coverage for a low premium), but you get nothing back if you survive the term.

**Endowment/Whole Life:** Savings + Protection. You get maturity benefits, but the premiums are much higher for lower coverage. A balanced plan often involves a Term Policy to cover big risks (death/loans) and an Endowment Policy for long-term savings goals.

### Step 4: Don't Rely Solely on Your Office Insurance

Many corporate employees in Bangladesh think, "My company has Group Life Insurance, so I'm covered." This is a dangerous assumption. Remember that your employer's cover is tied to your job. If you switch jobs, get laid off, or retire, that cover vanishes instantly. Always hold a personal policy that travels with you, ensuring you are never left unprotected during career transitions.

### Step 5: Be Brutally Honest

The no. 1 reason claims are rejected in Bangladesh is "Non-Disclosure of Material Facts." If you hide a history of smoking, diabetes, or a previous surgery to get a lower premium, you are essentially paying for a worthless piece of paper. Disclose everything. Even if it raises your premium slightly, it guarantees that your family's claim won't be rejected on a technicality later. Peace of mind is worth the extra cost.

### What You Gain vs. What You Risk

**The Perks**  
**Tax Savings:** You can claim tax rebates on annual premiums, effectively reducing your yearly income tax liability.

**Emergency Liquidity:** Traditional policies allow you to take loans against the policy's surrender value during financial crises.

**Living Benefits:** Riders like Critical Illness cover provide cash payouts for medical treatments while you are still alive.

**The Risks**  
**Inflation Impact:** Fixed long-term payouts may lose significant purchasing power over 20 years due to inflation.

**The Lapse Trap:** Stopping premium payments within the first two years often results in a 100% loss of your investment.

**Hidden Exclusions:** Claims can be denied based on waiting periods or undisclosed pre-existing conditions found in the fine print.

### The Bottom Line

Life insurance isn't just a tax-saving tool; it is the final love letter you write to your family. By avoiding these common planning errors, you ensure that the promise you make to protect them is one you can actually keep.

**Don't rely on your company insurance only. This can be dangerous. Remember that your employer's cover is tied to your job. If you switch jobs, get laid off, or retire, that cover vanishes instantly. Always hold a personal policy that travels with you, ensuring you are never left unprotected during career transitions.**



## ন্যাশনাল লাইফের আইসিএমএবি বেস্ট কর্পোরেট গোল্ড অ্যাওয়ার্ড অর্জন

ন্যাশনাল লাইফ ইনস্যুরেন্স সুশাসন, স্বচ্ছতা ও আইন-কানুন যথাযথ পরিপালনের জন্য প্রথম স্থান অর্জন করে ১৪তম আইসিএমএবি বেস্ট কর্পোরেট গোল্ড অ্যাওয়ার্ড অর্জন করেছে।

১৪ নভেম্বর ২০২৪ সোনারগাঁও হোটেলে আয়োজিত অনুষ্ঠানে অর্থ উপদেষ্টা জনাব ড. সালেহ উদ্দিন আহমেদ ও বাণিজ্য উপদেষ্টা জনাব শেখ বশিরউদ্দিন থেকে ন্যাশনাল লাইফের সিইও মোঃ কাজিম উদ্দিন ও সিএফও প্রবীর চন্দ্র দাস এফসিএ উক্ত অ্যাওয়ার্ড গ্রহণ করেন।

**ন্যাশনাল লাইফ ইনস্যুরেন্স পিএলসি**  
নিশ্চিত ভবিষ্যতের সুন্দর সাথী