



# Inclusive Insurance Market Review: **Bangladesh**

# Bangladesh

## Fact Sheet



**174  
Million**

Population

45.9 Million youthful population and  
its growing



**GDP at Current Market Price  
USD 427.97 Billion**

**GDP Growth  
5.2% FY24**

**GDP per Capita  
USD 2,675**



**Investment Contribution to GDP  
30.98%**



**Inflation Rate  
9.92%**



**Import  
USD 67.34 Billion**

**GDP %  
16%**



**Export  
USD 56.2 Billion**

**GDP %  
13%**



**Remittance  
USD 23.91 Billion**

**GDP %  
5.6%**

Source: BBS, BB, World Bank 2024

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# Bangladesh

## Fact Sheet



### Digital Penetration and Digital Services



**Internet User**  
**131 million**

**Mobile phone users**  
**195 million**



**Internet Penetration rate**  
**44.5%**

**Bank or NBFI Account**  
**9.92%**



**Number of Credit Cards**  
**2.5 million**

**Agent Bank Account**  
**20.37 million;** 50% are female



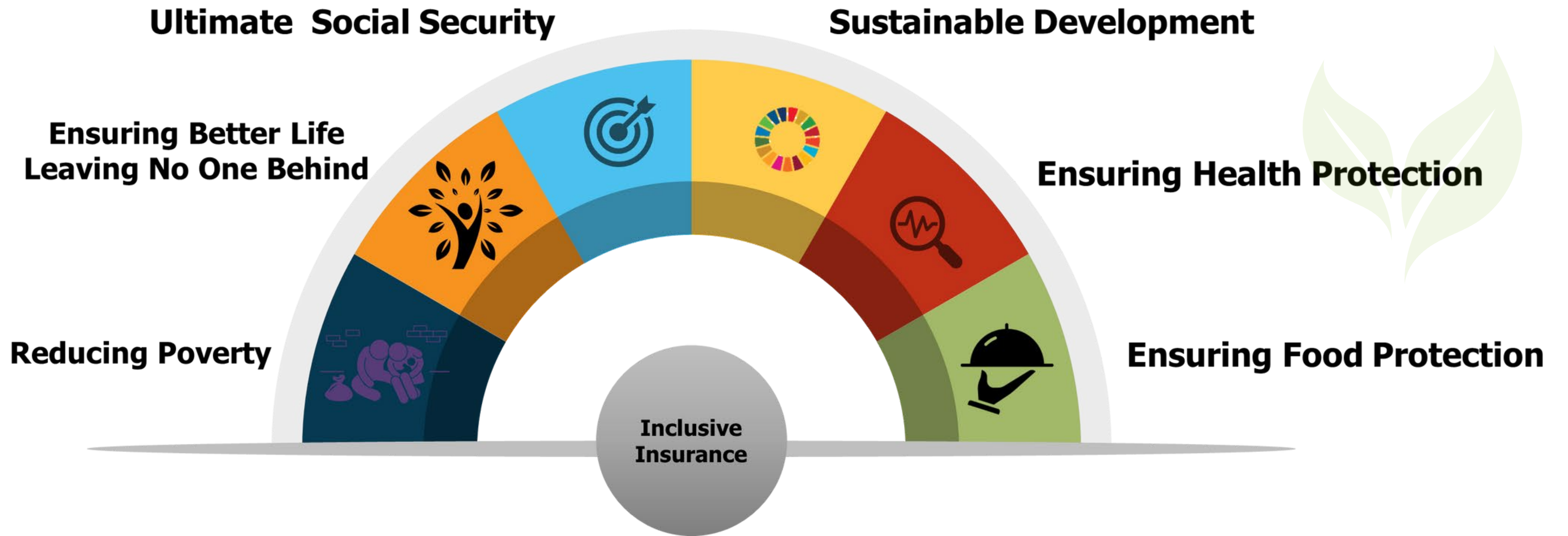
**MFS Account**  
**212.89 million;** 42% are female

Source: BB, Daily Star 2024

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# Why Inclusive Insurance

is required for Bangladesh?





# Transforming Challenges into Opportunities

## Inclusive Insurance



1

### LOW INSURANCE PENETRATION

Despite **5.2%** economic growth, Bangladesh exhibits **0.5%** of insurance adoption, reflecting untapped market potential & necessity for financial & inclusive insurance

### CLIMATE ACTION

Bangladesh requires **\$12.5 billion (3%** of GDP) for Climate Action

2

3

### BOOMING AGRO INDUSTRY

**11.38%** contribution in GDP underscores the need for tailored insurance products to safeguard farmers' livelihoods & productivity

4

### BELOW POVERTY LINE

**18.7%** of the population living below poverty line necessitating affordable, accessible insurance schemes to enhance financial security & resilience

### HEALTH OUT OF POCKET EXPENDITURE

**73%** personal funds for healthcare expenses highlights the critical need for scalable health insurance initiatives

5

6

### DEMOGRAPHIC DIVIDEND

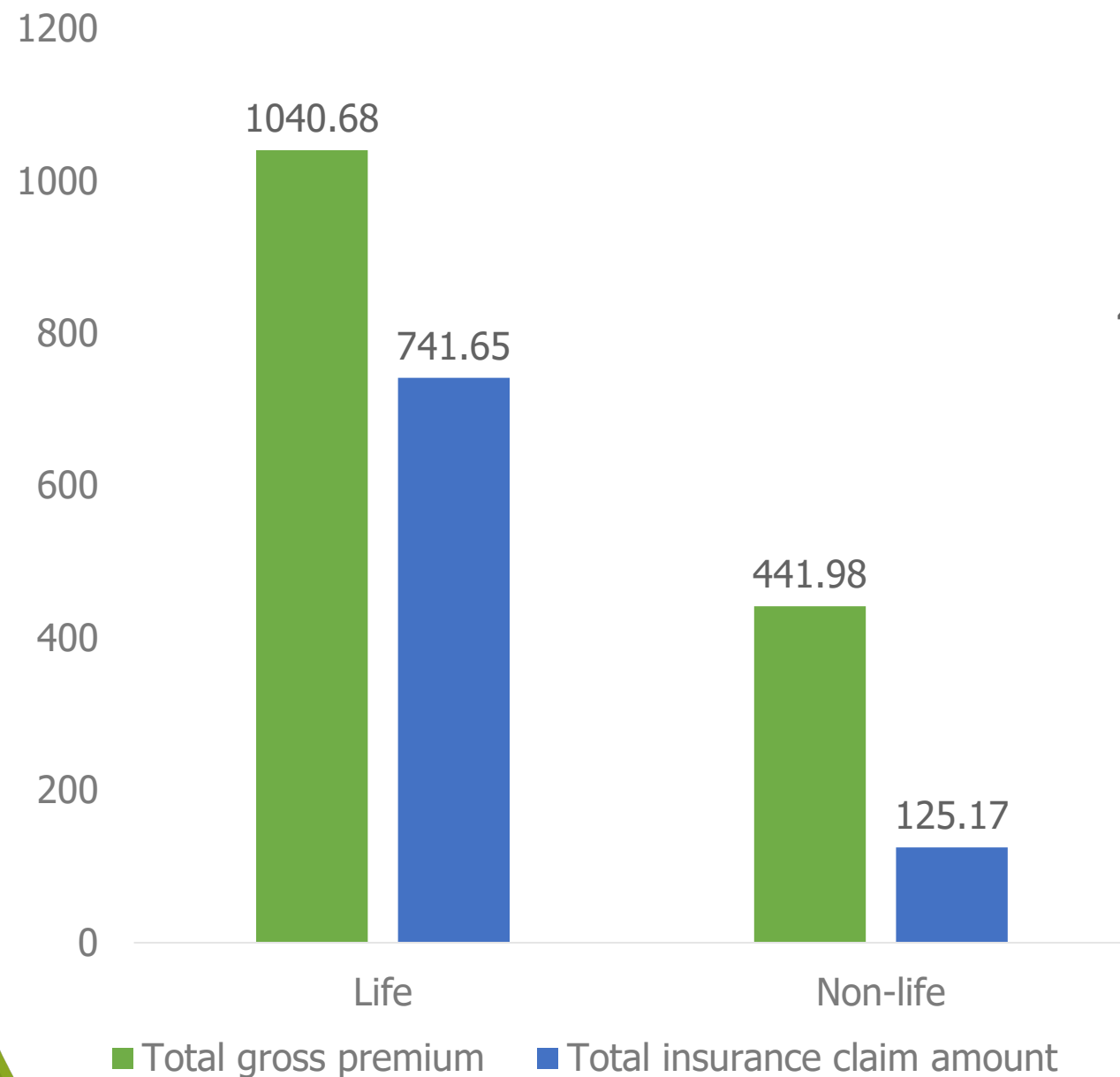
With a **45.9 million** youthful and expanding population, Bangladesh is positioned to leverage this advantage through innovative insurance products

# Bangladesh Insurance Sector

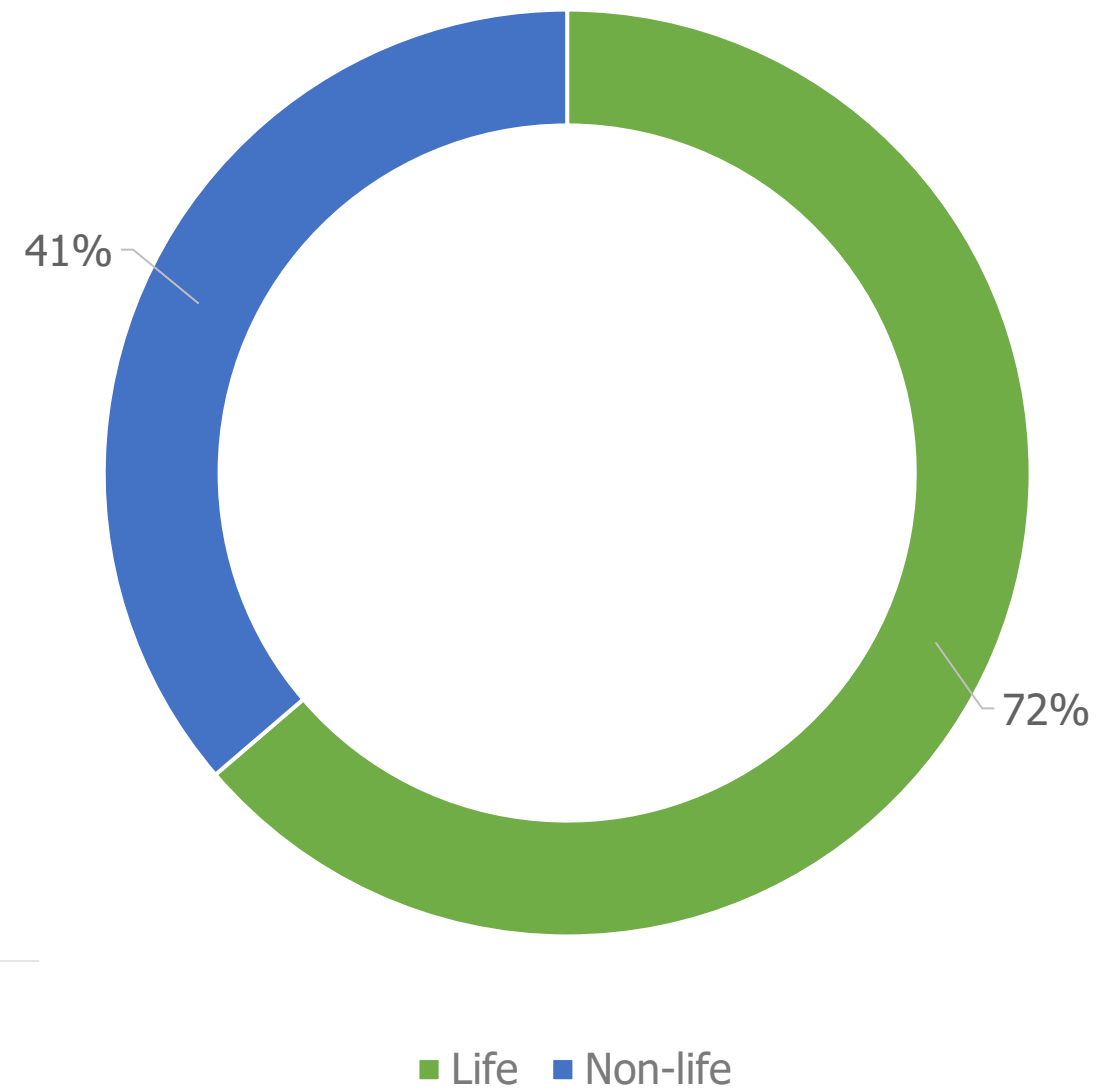
## Life and Non-life overview

## Overall Scenario

Gross Premium and Insurance claim amount (in USD Billion)



Claim Ratio (Life and Non-life)



Market (CAGR)

**6%** (During 2023-2027)



Gross Premium Income Increased

**9.16%**  
(for three consecutive years)



Gross Written Premium

**USD 1.8 Billion** in 2022



Per Capita Expenditure

**USD 8 only**

Source: Daily Star2022, Business Standard 2024

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# Bangladesh Insurance Sector

## Non-life overview

### Non-Life Overview



Total Gross Premium

**USD 433.67 million**

[YoY- 12.8%]



Number of Policies

**1.21 million**

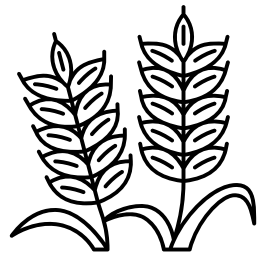
[Up by 3% than last year]



Claim Settled

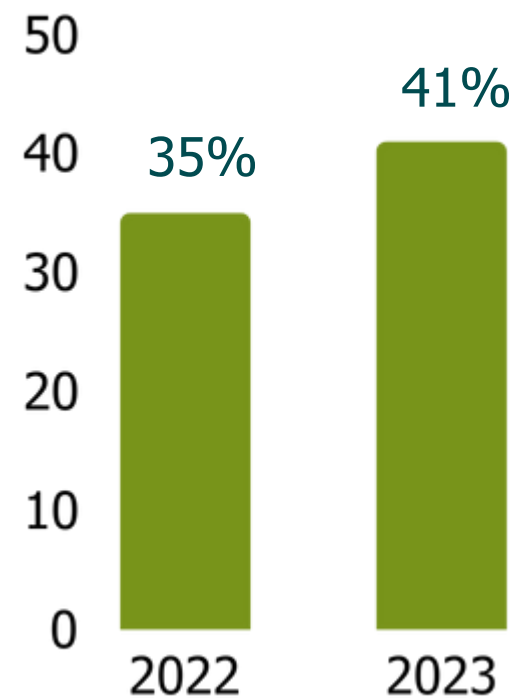
**USD 123.42 million**

[38.2% more claims]



Production losses of **major crops** due to **natural disasters: 6.4%** on average of the **national crop production**

### Claim Settlement Ratio (Non-Life)



### Non-Life Market Potential in Bangladesh



Crop insurance

**USD 549 million**



Livestock insurance

**USD 74 million**



Health insurance

**USD 86.5 million**



# From Microfinance to Inclusive Insurance

**731**  
MFIs



  
**40.86 Million**  
Members

  
**90% Clients**  
Women



**36.8 Million**  
Opportunities

**Women Empowered**  
through **Inclusive**  
**Insurance**



# Available Inclusive Insurance Products

In Bangladesh

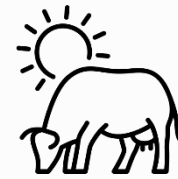


Your Trusted Risk Manager

## Sena Kalyan Insurance



Crop



Cattle



বিলিয়ার্স ইন্স্যুরেন্স লিমিটেড  
RELIANCE INSURANCE LIMITED

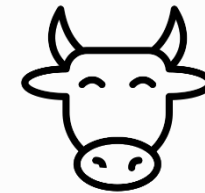
## Reliance Insurance



Yield Index Insurance



## Phoenix Insurance



Cattle



## Green Delta Insurance



Niramoy Micro Health



Micro Health (Telco Health & Bank)



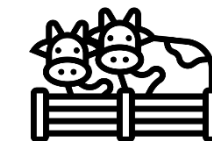
Shudin Micro Health



Nibedita



SSK



Livestock



Weather Index Based  
Crop Insurance

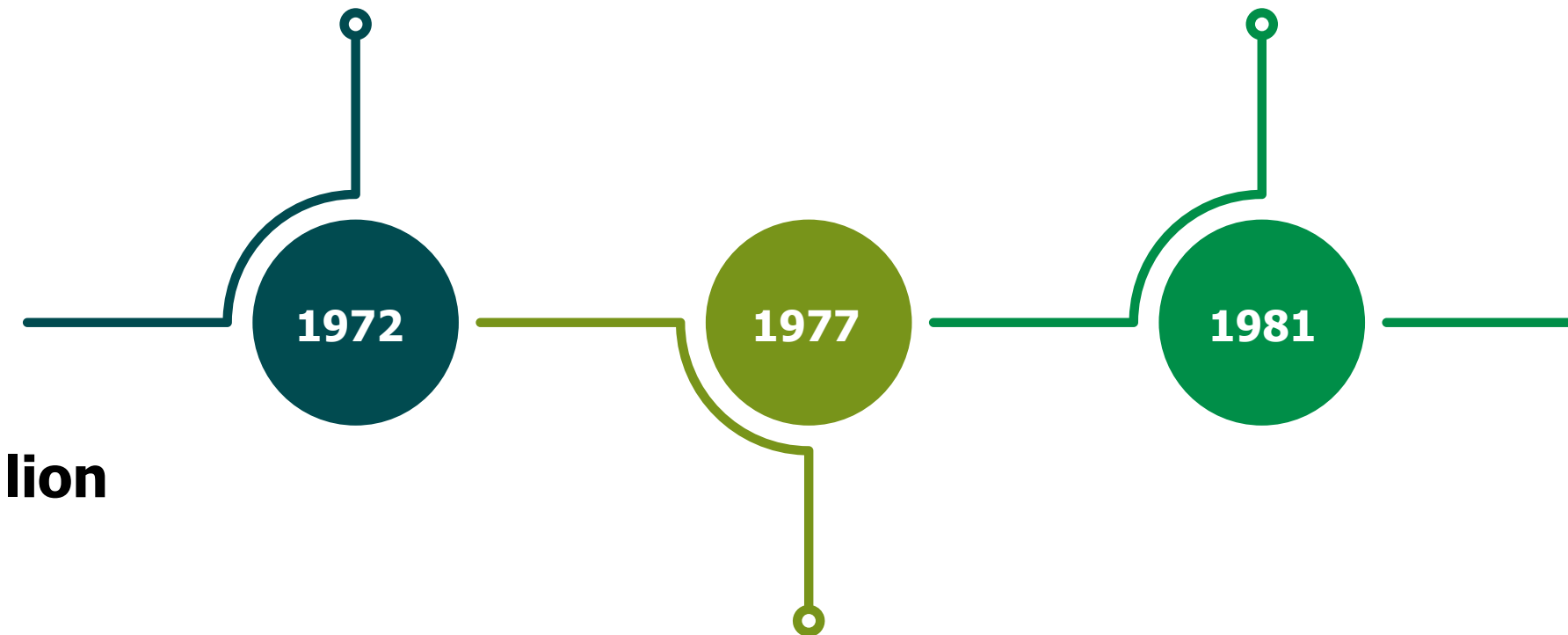
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# Journey of Inclusive Insurance



Over the Decades (Public)

**Inclusive Health Insurance**  
**Ganoshasthya Kendra**  
From **1972 - Present**  
Beneficiaries: From **50K** to **1.2 Million**



**Multi-Peril Crop Insurance**  
**Sadharan Bima Corporation**  
From **1977 - 1995**

**Challenges:** The **loss** ratio increased to **500%**, driven by moral hazard & lack of technology integration  
Farmers reached: **15,420**

**Livestock Insurance- Pilot Project for Cattle**  
**Sadharan Bima Corporation**  
From **1981 – 2008**  
**Challenges:** Poor underwriting results and lack of demand, SBC terminated the programs  
Cattle insured: **7,591**

# Journey of Inclusive Insurance



Over the Decades (Private & Development Partners)

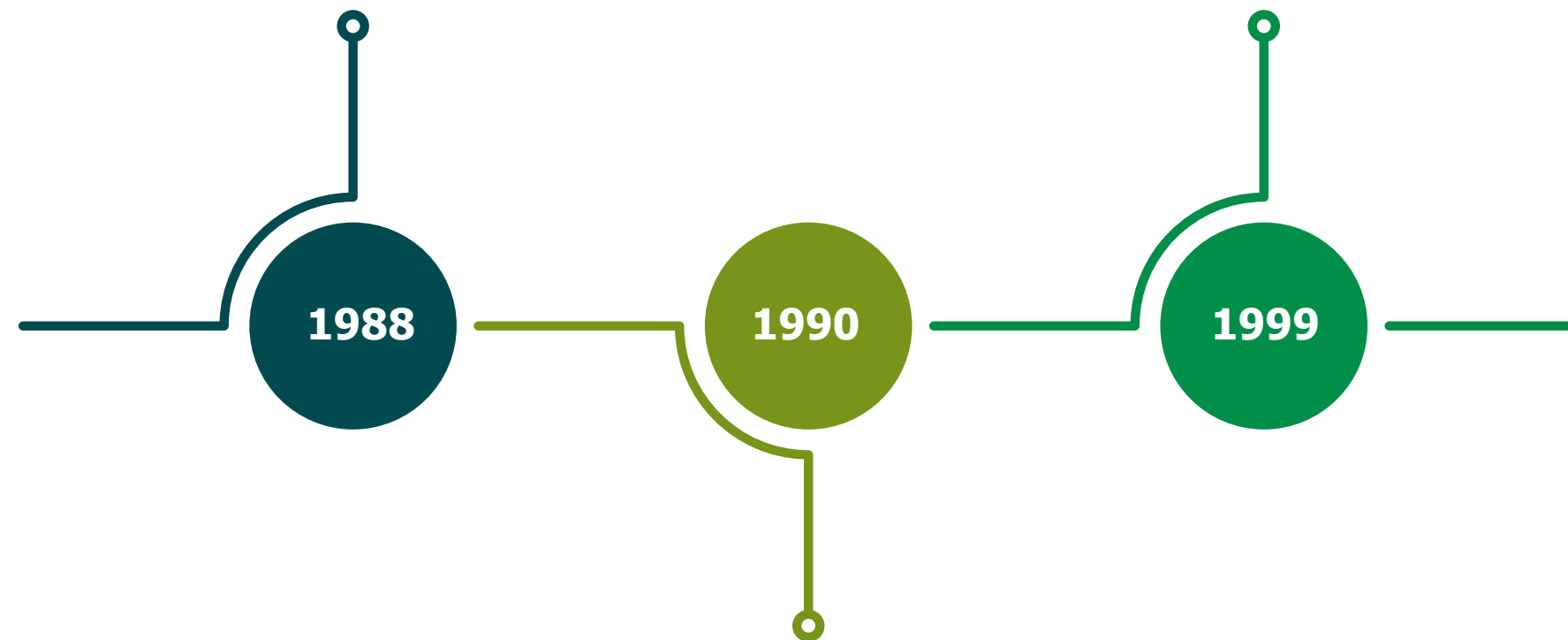
## Inclusive Insurance Projects-

**Grameen Bima /  
Village Insurance  
Delta Life Insurance**

Initiated in: **1988**

**Gono Bima** in **1993** for  
urban slums

With the products of  
Gono-Grameen Bima,  
Delta life is ensuring  
socio-economic protection  
to the low income people  
for the last 30 years



**Livestock Mortality Loan**

**Proshika**

From **1990 - 2015**

Significant coverage under its livestock-credit insurance  
program and positive underwriting results

**Challenges:** Severe financial losses

Beneficiaries: **11,739 livestock producers**

**Livestock Credit  
Compensation Scheme**

**Grameen Bank**

Initiated in: **1999**

Livestock-credit  
compensation scheme for  
Community Livestock and  
Dairy Development  
members Project (CLDDP)

Source: Lightcastle 2021

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# Journey of Inclusive Insurance



Over the Decades (Private & Development Partners)

## The Developing Inclusive Insurance Sector Project

PKSF

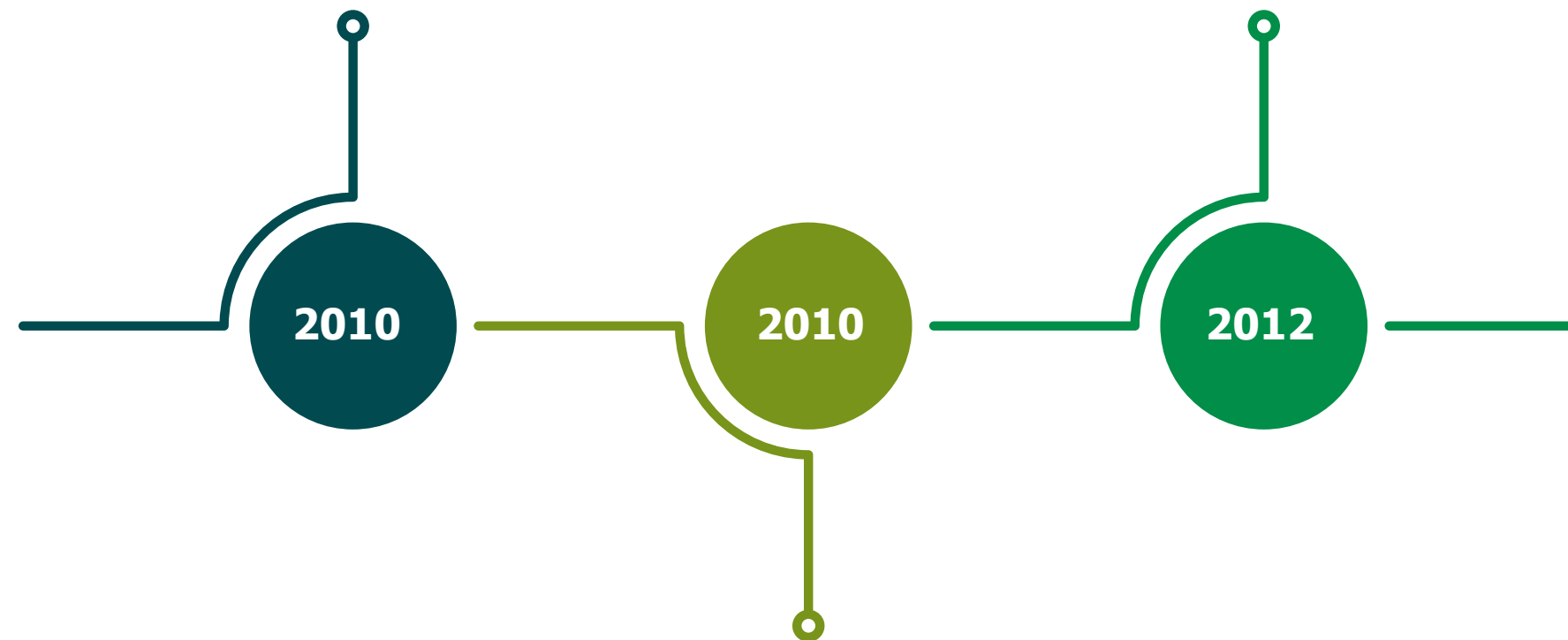
From **2010 - 2014**

**Partnership with:** Sajida Foundation

**Targeted population:**

Livelihoods of vulnerable households, particularly women, from risks like accidents and natural disasters through low-cost inclusive insurance

Beneficiaries: **150,000**



## Agriculture Insurance Research

**Green Delta Insurance**

Initiated in: **2010**

Research conducted with catalyst

## Floriculture and Crop Insurance [Field study]

**Green Delta Insurance**

Initiated in: **2012**

**In association with:** Bangladesh Institute of ICT in Development (BIID)

**Location:** North Bengal

Source: Lightcastle 2021

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# Journey of Inclusive Insurance



Over the Decades (Private & Development Partners)

## Niramoy Micro Health

### Green Delta Insurance

Initiated in: **2012**

**Partnership with:** BIID, Institute of Micro Finance

Clients Served: **5,000 Households**



## Index Based Crop Insurance (IBI) Local & Global Partnerships

From **2013 - 2015**

- **Oxfam** Bangladesh in planning
- **SDC** (Swiss Development Agency and Corporation) in the financing
- Local NGO **Manob Mukti Songstha** in implementation
- **CRM India** in technical support
- **Institute of Water and Flood Management** in data collection
- **Swiss Re** as the reinsurer

**Reason:** Presumably due to the end of the project supported by SDC

## Nibedita

### Green Delta Insurance

From **2014 - Present**

Inclusive insurance for **women of all walks** of life

Lives touched: **600K+**

Source: Lightcastle 2021

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# Journey of Inclusive Insurance



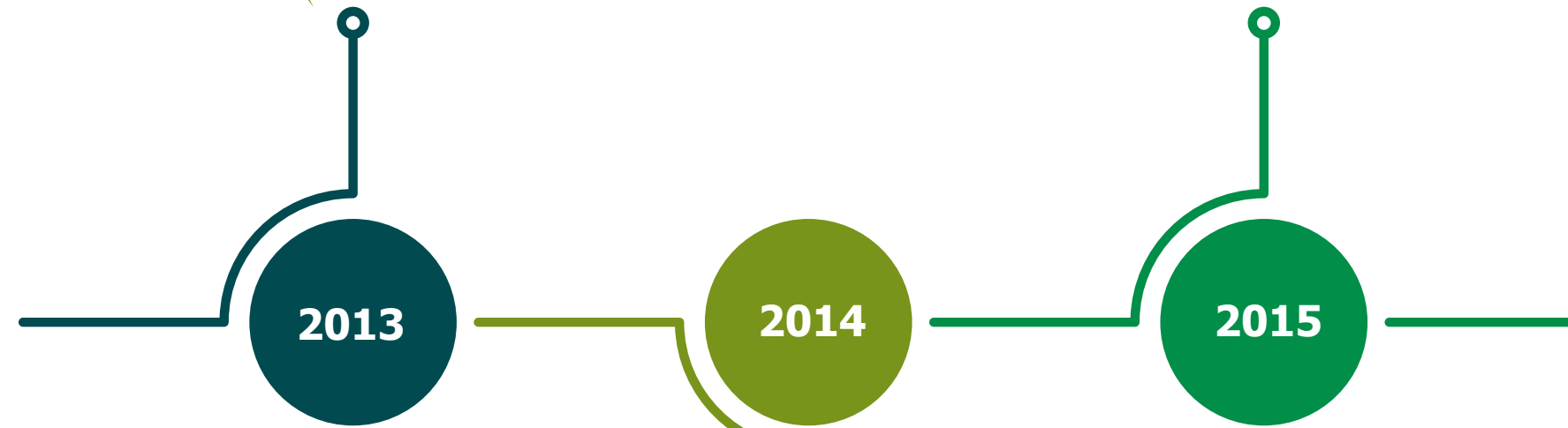
## Over the Decades (Public)

### Climate Risk Insurance

Nearly a decade ago, the government allocated **US\$ 400 million** to establish the **Bangladesh Climate Change Trust Fund**.

Subsequent allocations have not maintained the same level of funding.

The **15th International Conference on Inclusive Insurance** emphasized the need for financial institutions to allocate at least **10% of their CSR** budgets to address **climate change** in Bangladesh.



### Weather Index Based Crop Insurance

**Sadharan Bima Corporation**

From **2014 - 2018**  
**Funded by:** ADB

**Outcome:** Relevant beyond the project completion as exploring agriculture insurance continued

Beneficiaries: **10,000 farmers**

### Green Delta Insurance

From **2015 - 2018**

**Technical support:** International Finance Corporation (**IFC**)  
Product designed by using **interpolated data**

Commercialization after pilot completion

Consumers: **15 Cassava Farmers & 200 Vegetable Farmers**

**Shasthyo Shuroksha Karmasuchi (SSK)**

**Bangladeshi Ministry of Health & Family Welfare**

From **2015 - 2023**

**Scheme operator:** Green Delta Insurance

**Targeted population:** BPL communities

**Technology:** SSK Health-card with Biometric Fingerprint

Total reach: **207k+ family**

Source: Lightcastle 2021

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# Journey of Inclusive Insurance



Over the Decades (Private & Development Partners)

## Climate Insurance Solutions

### Green Delta Insurance

Initiated in: **2016**

#### Collaborated with:

Business Finance for Poor in Bangladesh (BFPB) challenge Fund

**Supported by:** UKAID



## Credit Shield Insurance

### BRAC & Guardian Life Insurance

From **2017 - Present**

**Product for:** Inclusive insurance market

**Targeted population:** Nationwide

## Agriculture Insurance

### Green Delta Insurance

From **2019 - Present**

#### Technical support:

International Finance Corporation (**IFC**)

Product designed by using **interpolated data**

**Commercialization** of Weather Index Based Crop Insurance

Beneficiaries: **1.39 million farmers**

Source: Lightcastle 2021

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# Journey of Inclusive Insurance



Over the Decades (Private & Development Partners)

## Inclusive Health Insurance

**CARE Bangladesh & Pragati Life Insurance**

From **2019 - Present**

**Funded by:** SDC for Shamosti

**Targeted population:**

Rural communities

**Insurance coverage:**

For both indoor and outdoor health facilities



## Livestock Insurance for Cattle Farmers

**Green Delta Insurance & BRAC Bank**

From **2019 - Present**

**Supported by:** BFPB challenge Fund

**Technological integration:** NFC-enabled collar tag for cattle identification & monitoring for smoother claim settlement

Cattle insured: **2,961**

## Index-Based Flood Insurance (Haor)

**Sadharan Bima Corporation**

From **2019 – 2020**

**Supported by:** Oxfam Bangladesh & WFP

**Implemented by:** RDRS Bangladesh, GUK

(Wage Loss Policy)

Started with **415 farmers**

**Green Delta Insurance**

From **2019 – Present**

**Pilot:** 2019 – 2021 with **774 farmers** covering 592 acres

Sum insured: USD 1.2 million

Beneficiaries: **31,000+**

Source: Lightcastle 2021

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# Successes factors

  
**Commitment  
of the  
leadership &  
patients**

  
**Collaboration  
Partnership**

  
**Technology  
adaptation**

  
**Disruptive  
Models**

  
**Education  
Capacity  
Building**

  
**Women  
engagement**

  
**Product  
Diversification**



# Failures observed

  
**Trust and  
Confidence**

  
**Lack of  
Distribution  
Channel**

  
**More focus  
on urban**

  
**Ownership  
Issues**

  
**Policy  
Framework**

  
**No  
Incentive**

  
**Lack of  
subsidy and  
impact fund**

# What has Worked Well in the Development of Market



## Action-oriented Mindset

Continuously seeking ways to innovate and improve outreach, making insurance more affordable, accessible, & relevant for marginalized groups



## Ownership & Teamwork

Strategic decision-making & teamwork across diverse stakeholders—public institutions, private insurers, local communities, & international partners



## Continuous Learnings from Failures

Assessing what went wrong, identifying opportunities for improvement, & adopting agile approaches



## Raising Awareness

- 250 yard meetings
- 528 awareness and claim payment program
- Training programs for stakeholders



## Satellite Data

Reducing the reliance on traditional claim assessments by tracking weather patterns and assessing damages to crops, homes via satellite data & imagery



## Technological Adaptations

Innovations enhance insurance processes:

- Weather Data
- Drone & Mobile Tech
- Satellite mapping
- Web & Portal base system



## Smart Strategies

- 10 km radius data tower
- Using data analytics to better understand customer behavior, risk profiles, and product performance
- Any product, anytime, anywhere

# What has Worked Well in the Development of Market



## Adapting to Covid-19 Changes

- Increased awareness of insurance
- Digitization of insurance services
- Focus on inclusive insurance
- Selling cattle on app
- 1 day Salary for Farmers on "Project - Amra Korbo Joy"



## Team Building

Experts from every industry such as agronomist, meteorologist, data analyst, underwriter etc.



## Coverage of All Areas

- Inclusion of places in coverage from all areas in north, south, east & west
- Covering 64 districts



## Covering Farmers' Losses

In the last 5 years covered:

- USD 1.2 million worth of crop losses of farmers
- USD 38 k worth of cattle losses of producers
- USD 17k worth of loss to micro health customers



## Partnerships

Partnerships between public and private sectors, NGOs, MFIs, international organizations, technology providers

## 1 Knowing the path walking the path

To develop a **inclusive insurance** product & market we have to forget what we know so that we can understand every **tiny little component** very clearly

## 3 Regulatory Sandbox for Innovation

Gov. regulation to enable the testing of unconventional insurance models, such as **parametric insurance**, without the full weight of regulatory compliance at the pilot stage

## 5 Gov. Led Risk Mitigation Structures

Where the private sector can bring expertise and **action oriented mindset**

## 7 Reinsurance & Tax Incentives

- ✓ **Catastrophe Bonds** and Weather Derivatives
- ✓ Tax incentives for both the **insured & insurer**

## 2 Moral Hazard Mitigation

Intense monitoring and effective risk pooling can address issues of moral hazard stemming from **asymmetric information**

## 4 Government Mandatory Insurance

Government campaigns, tied to the financial inclusion strategy of Bangladesh Bank, could elevate the public perception of insurance from a discretionary product to an essential safety net

## 6 R &D on product and innovation

**Country wise NAT CAT Fund** will allow insurers to transfer catastrophic risk, particularly for climate-related events to global investors, reducing the financial burden on the insurer

## 8 Social Security Integration

Gov. can attach inclusive insurance products to **national poverty alleviation schemes** like cash transfer programs, credit disbursement



## 9 Multi-stakeholder Approach

- ✓ **Tri-Partite Partnerships** (Public-Private-International)
- ✓ Partnering with **NGOs/Community Groups**
- ✓ Agent Networks

## 11 MSME Coverage

**10 million MSMEs**, employing **80%** of the population, can access inclusive insurance via property insurance

## 13 Conflict Resolution of MRA & Insurance ACT 2010

731 MFIs serve **40.86 million** clients, **90%** of whom are women, creating opportunities for inclusive insurance through microcredit bundling

## 15 Finfish Producers

Over **4 million small finfish producers** face production delays due to pricing issues; insurance can facilitate better investment in equipment

## 10 Inclusive Insurance Bundling

Bundle the inclusive insurance agricultural products with the **Microloan product** of the Financial Institutions (Banks, MFIs etc.) for the farmers

## 12 Integrated Technology Platform

Utilizing data, IoT devices, and **Blockchain** technology promotes transparency among stakeholders

## 14 Tag Insurance with Funding

Leverage **international climate funds, private sector investments,** and **community financing** to support climate-resilient initiatives

## 16 Inter-Ministerial Integration

For risk mitigation & accessibility of credible data we require an integration of **Agriculture, Fisheries & Livestock, Disaster Management, Health, Finance** and **ICT** ministries



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# SDGs & Inclusive Insurance

## NO POVERTY

Preventing Low-Income and Marginal People in crisis from falling back into poverty



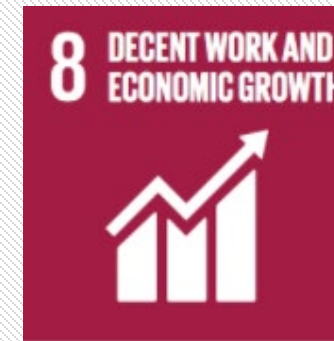
## GOOD HEALTH AND WELL BEING

Availing treatment for low-income people from improved health-care financing



## GOOD JOBS AND ECONOMIC GROWTH

Availing protection of small and micro-businesses from loss due to numerous environmental, economical and social risks



## ZERO HUNGER

Improve the potential for household food security by stabilizing the financial situation



## GENDER EQUALITY

Spreading the cost of health-care, livelihood and coping with socio-economic security through insurance



## CLIMATE ACTION

Combatting the impact during early stages, promoting long-term adaptation by filling in a critical gap which cannot be provided by any other actors



# Bangladesh Insurance Sector

## Life and Non-life overview

The **global claim settlement** ratio is **98%** on average. Even in **India**, the average claim settlement ratio is **98%**.



## Overall Scenario



Market (CAGR)

**6%** (During 2023-2027)



Gross Premium Income Increased

**9.16%**

(for three consecutive years)



Gross Written Premium

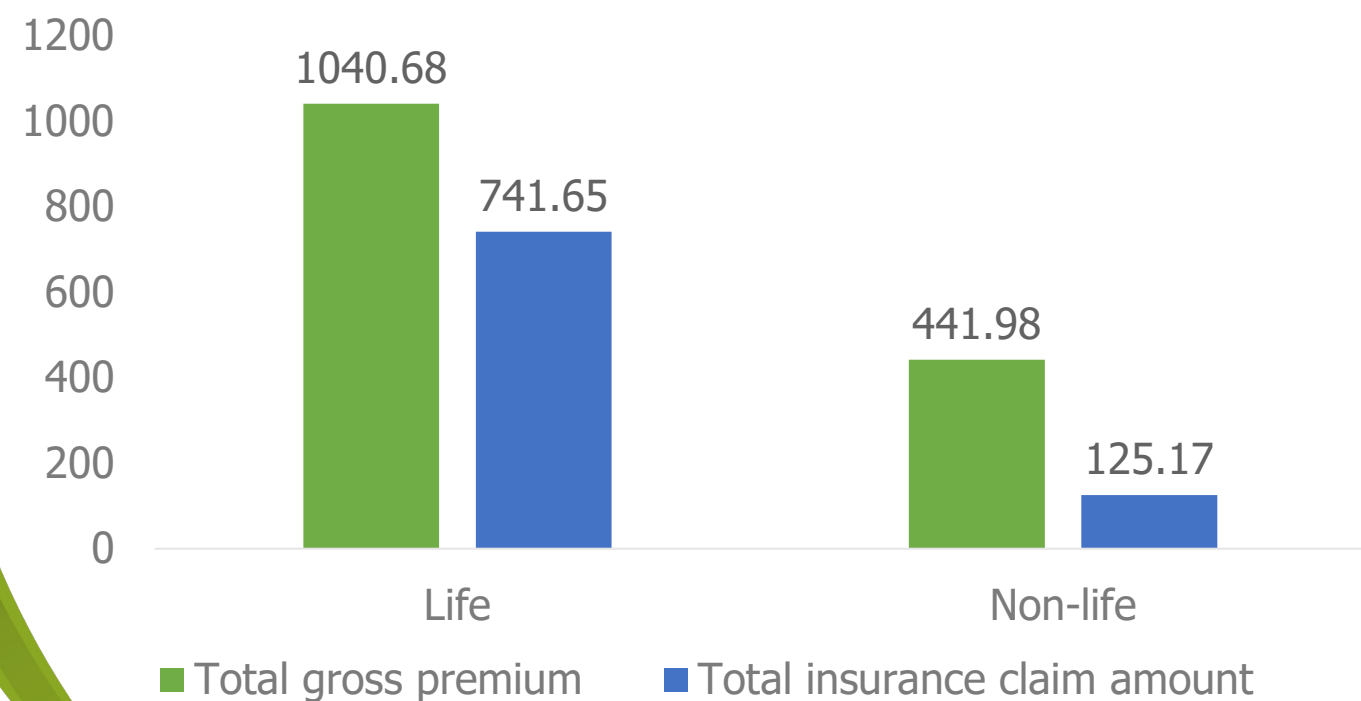
**USD 1.8 Billion** in 2022



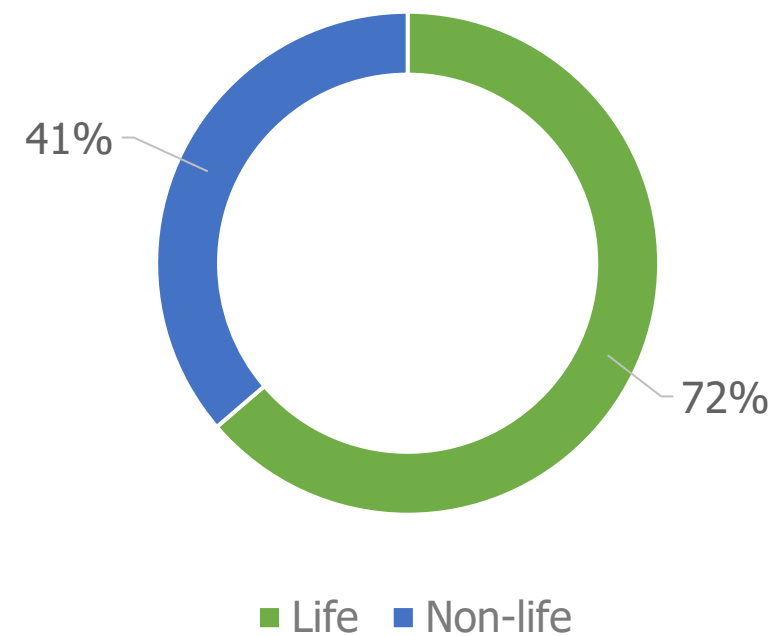
Per Capita Expenditure

**USD 8 only**

Gross Premium and Insurance claim amount  
(in USD Billion)

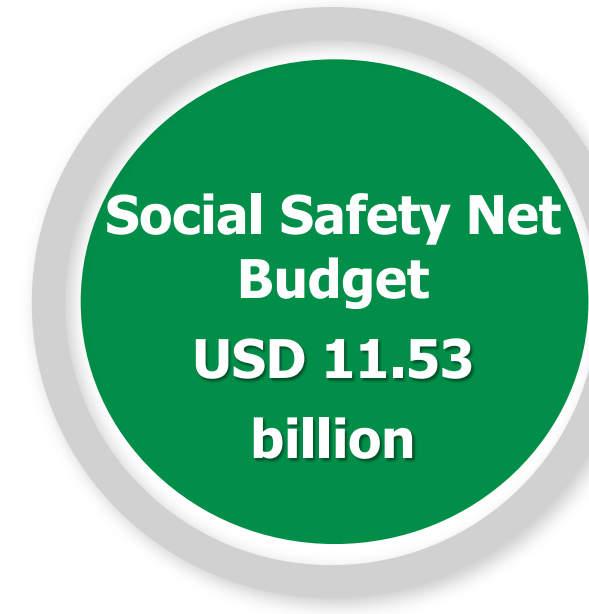
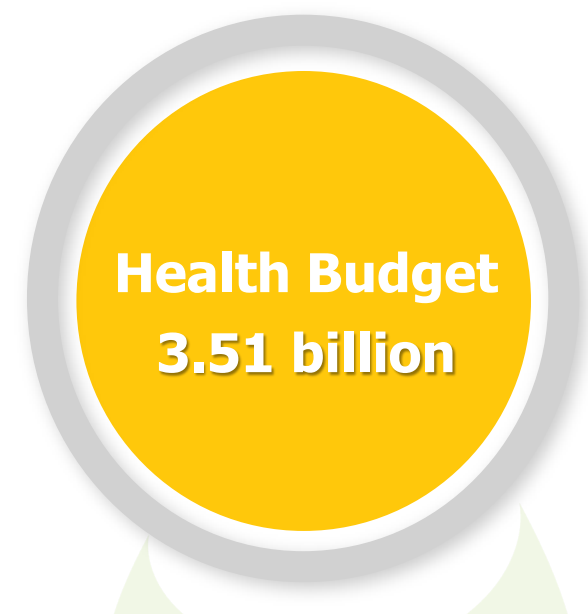
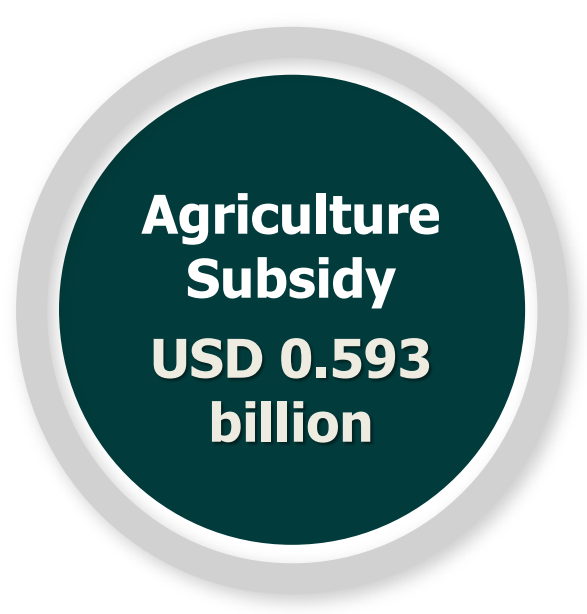


Claim Ratio (Life and Non-life)



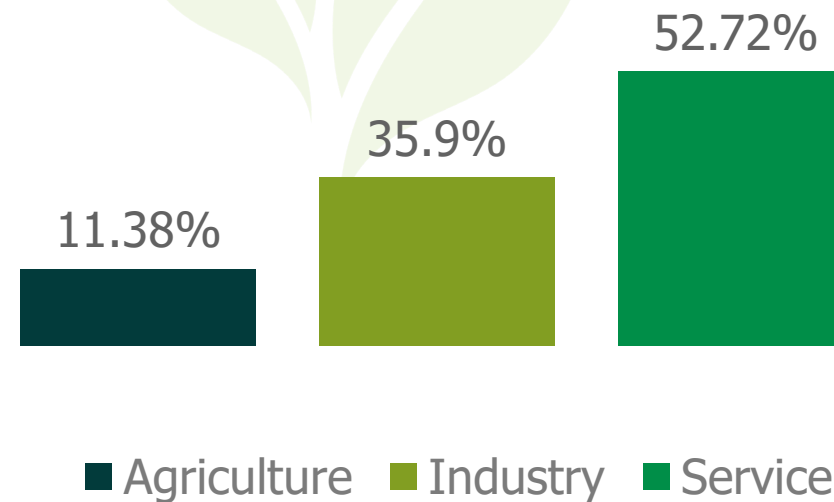


# Economical Overview



**50.47 Million**  
Population with  
income formal sector

## Sector Wise GDP Contribution



**17** children in every  
10,000 are born with  
autism

**1** Community Clinic for  
every 6,000 people

**30,000** Satellite clinics for  
child and maternal  
healthcare

**28.3%**  
Bank or NBFIs Account

**9.3%**  
Gender gap  
in ownership of bank  
accounts

**Per capita healthcare spending \$57.9**

**People employed in agri 40.6%**

**1 physician for every 1,581 individuals**