

Contents

SI #	Particular	Page No.
1.	Executive Committee- 2015-2016	1-1
2.	Member Companies of the Association	2-3
3.	Notice of the 29 th Annual General Meeting	4-4
4.	Progress at a glance	5-5
5.	Report of the Executive Committee	6-9
6.	Photographs of the Members of the Executive Committee	10-15
7.	Auditor's Report	16-42

Executive Committee of Bangladesh Insurance Association 2015-2016

President

Mr. Sheikh Kabir Hossain

Vice President

Mr. Ahasanul Islam, Titu

Members

Mr. Muzaffar Hossain Paltu

Mr. Mahfuzur Rahman Mita, M.P.

Mr. Abdullah Al Mahmud, Mahin

Mr. A K M Monirul Hoque

Mr. M. Kamal Uddin

Alhaj Md. Nazrul Islam

Prof. Rubina Hamid

Mr. Nurul Alam Chowdhury

Mr. Tofazzal Hossain

Mr. Syed Al Farooque

Mr. Nasir Uddin Ahmed

Immediate Past Chairman

Mr. A. K. M. Rafiqul Islam, FCA

Secretary General

Nishith Kumar Sarker

Law Consultant

Barrister M. Moniruzzaman Khan

Barrister-at-Law

LEE, KHAN & PARTNERS

City Heart, Suite No. 5/8

67, Naya Paltan (4th floor)

Dhaka-1000.

Auditors

M/s. G. Kibria & Co.

Chartered Accountants

Sadharan Bima Sadan

24-25, Dilkusha C/A

Dhaka-1000

Office of the Association

Bangladesh Insurance Association

Hossain Tower (9th floor)

Box Culvert Road

116, Naya Paltan

Dhaka.

Tel : +88-02-9330179, 9346378

Fax : +88-02-9346378

Email : bia@bdcom.com

Web : www.bia-bd.org

MEMBER COMPANIES OF THE ASSOCIATION

Life Insurance Companies

Sl. No.	Name of Company	Date of Registration
01.	MetLife	15/01/1974
02.	National Life Insurance Company Limited	23/04/1985
03.	Delta Life Insurance Company Limited	27/11/1986
04.	Sandhani Life Insurance Company Limited	25/04/1990
05.	Meghna Life Insurance Company Limited	01/06/1996
06.	Homeland Life Insurance Company Limited	15/09/1996
07.	Rupali Life Insurance Company Limited	29/12/1999
08.	Golden Life Insurance Limited	11/01/2000
09.	Progressive Life Insurance Company Limited	27/02/2000
10.	Pragati Life Insurance Limited	11/04/2000
11.	Padma Islami Life Insurance Limited	30/04/2000
12.	Baira Life Insurance Company Limited	30/04/2000
13.	Sunflower Life Insurance Company Limited	30/05/2000
14.	Fareast Islami Life Insurance Company Limited	30/05/2000
15.	Sun Life Insurance Company Limited	30/05/2000
16.	Prime Islami Life Insurance Limited	24/07/2000
17.	Popular Life Insurance Company Limited	04/10/2000
18.	Chartered Life Insurance Company Limited	30/07/2013
19.	Sonali Life Insurance Company Limited	30/07/2013
20.	Zenith Islami Life Insurance Limited	14/08/2013
21.	Protective Islami Life Ins. Co. Ltd.	14/08/2013
22.	Best Life Insurance Company Limited	22/08/2013
23.	NRB Global Life Insurance Company Limited	05/09/2013
24.	Guardian Life Insurance Limited	25/09/2013
25.	Mercantile Islami Life Insurance Limited	25/09/2013
26.	Swadesh Life Insurance Company Limited	09/02/2014
27.	Trust Islami Life Insurance Limited	12/02/2014
28.	Alfa Islami Life Insurance Limited	24/02/2014
29.	Diamond Life Insurance Company Limited	03/03/2014
30.	Jamuna Life Insurance Company Limited	20/03/2014

MEMBER COMPANIES OF THE ASSOCIATION

Non-Life Insurance Companies

Sl. No.	Name of Company	Date of Registration
01.	Bangladesh General Insurance Company Limited	29/07/1985
02.	Peoples Insurance Company Limited	31/07/1985
03.	United Insurance Company Limited	15/10/1985
04.	Bangladesh Co-operative Insurance Limited	24/10/1985
05.	Green Delta Insurance Company Limited	30/12/1985
06.	Pragati Insurance Limited	30/01/1986
07.	Eastern Insurance Company Limited	15/07/1986
08.	Eastland Insurance Company Limited	22/11/1986
09.	Karnaphuli Insurance Company Limited	25/11/1986
10.	Janata Insurance Company Limited	30/11/1986
11.	Phoenix Insurance Company Limited	04/12/1986
12.	Federal Insurance Company Limited	17/11/1987
13.	Central Insurance Company Limited	30/11/1987
14.	Reliance Insurance Limited	07/04/1988
15.	Rupali Insurance Company Limited	02/06/1988
16.	Purabi General Insurance Company Limited	03/11/1988
17.	City General Insurance Company Limited	31/03/1996
18.	Provati Insurance Company Limited	31/03/1996
19.	Prime Insurance Company Limited	31/03/1996
20.	Meghna Insurance Company Limited	31/03/1996
21.	Pioneer Insurance Company Limited	11/05/1996
22.	Mercantile Insurance Company Limited	13/05/1996
23.	Northern General Insurance Company Limited	25/05/1996
24.	Bangladesh National Insurance Company Limited	18/06/1996
25.	Nitol Insurance Company Limited	18/11/1999
26.	Standard Insurance Limited	23/12/1999
27.	Paramount Insurance Company Limited	28/12/1999
28.	South Asia Insurance Company Limited	29/12/1999
29.	Islami Insurance Bangladesh Limited	01/01/2000
30.	Islami Commercial Insurance Company Limited	01/01/2000
31.	Dhaka Insurance Limited	02/02/2000
32.	Continental Insurance Limited	20/02/2000
33.	Desh General Insurance Company Limited	02/03/2000
34.	Agrani Insurance Company Limited	03/04/2000
35.	Sonar Bangla Insurance Limited	26/04/2000
36.	Global Insurance Limited	27/04/2000
37.	Asia Pacific General Insurance Company Limited	04/05/2000
38.	Express Insurance Limited	28/05/2000
39.	Asia Insurance Limited	30/05/2000
40.	Republic Insurance Company Limited	31/05/2000
41.	Crystal Insurance Company Limited	12/06/2000
42.	Union Insurance Company Limited	27/09/2000
43.	Takaful Islami Insurance Limited	22/05/2001
44.	Sikder Insurance Company Limited	29/07/2013
45.	Sena Kalyan Insurance Company Limited	10/09/2013

**Chairmen & CEOs
All Member Insurance Companies**

Subject : Notice of the 29th Annual General Meeting.

Dear Sir,

The 29th Annual General Meeting of Bangladesh Insurance Association will be held on **Thursday, the 15th December, 2016 at 12:00 noon** in the Samson H. Chowdhury Centre, Dhaka Club, Dhaka-1000 to transact the following business :-

- (1) To consider and adopt the Annual Report of 2015 on the activities of the Bangladesh Insurance Association.
- (2) To adopt the audited accounts of the Association and the report of the auditors for the year ended 31st December, 2015.
- (3) To appoint the auditors for the year 2016 and to fix their remuneration.
- (4) To elect Executive Committee Members for the years 2017-2018 of Bangladesh Insurance Association.
- (5) To transact any other business with the permission of the Chair.

Member companies are requested to please send two names of their representatives who will be attending the Annual General Meeting.

Copies of the (a) Annual Report 2015 (b) Audited Accounts of the Association and the report of the auditors for the year ended 31st December, 2015 (c) Election Schedule along with letter of Commerce Ministry are enclosed.

By order of the Executive Committee.

(Nishith Kumar Sarker)
Secretary General

Private & Public Sector Insurance Business Premium income progress at a Glance

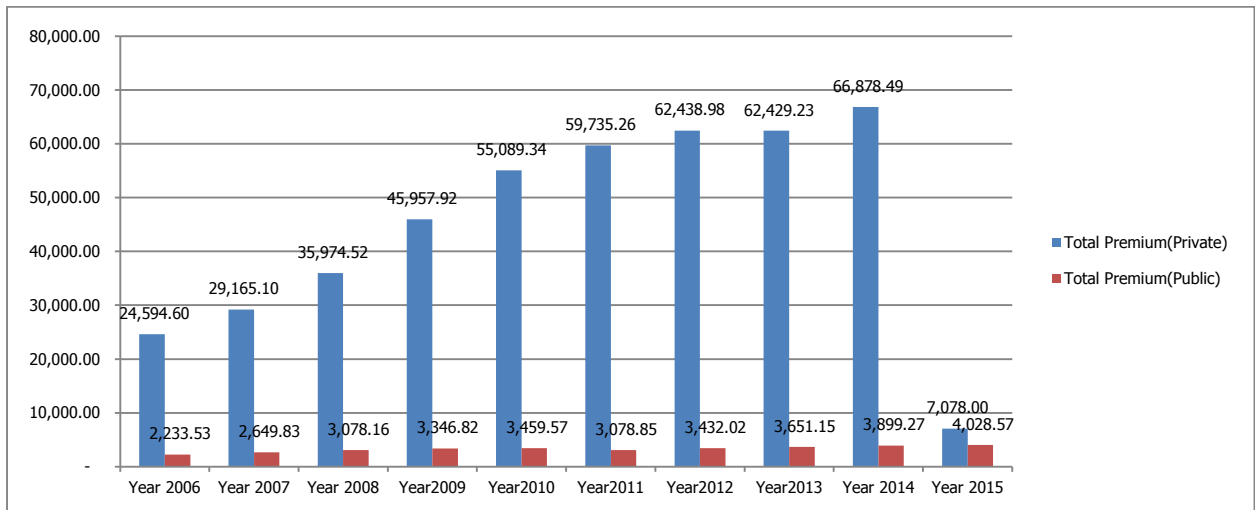


Figure 1: Life Insurance Companies Premium Income Progress at a Glance

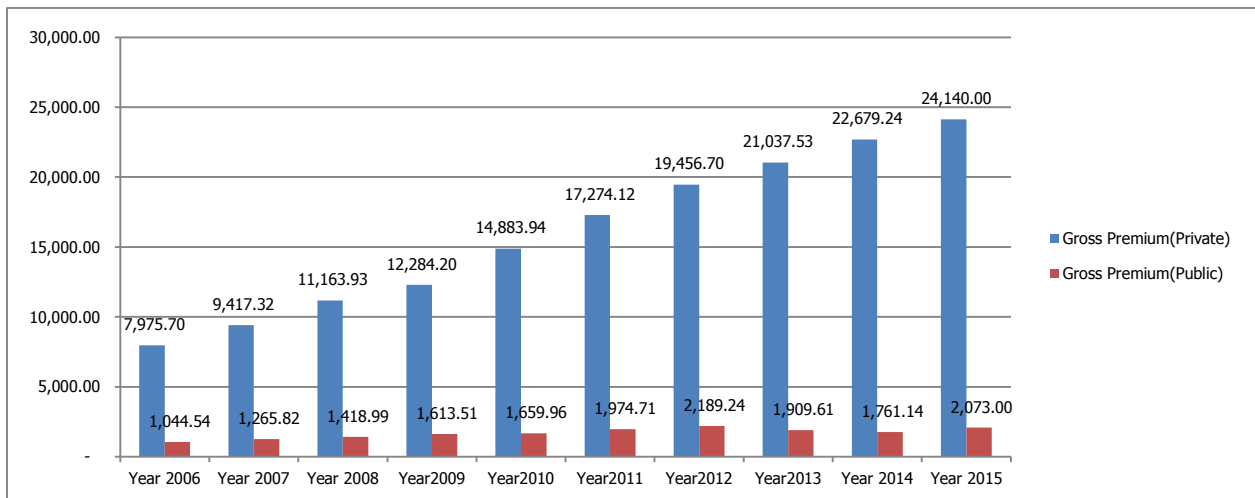


Figure 2: Non-Life Insurance Companies Premium Income Progress at a Glance

Annual Report- 2015

On the Activities of Bangladesh Insurance Association

Dear Representative of Member Companies,

I, on behalf of The Executive Committee, welcome you all to the 29th Annual General Meeting of Bangladesh Insurance association and present the Annual Report for 2015 along with the audited accounts and auditor's report before you for the year ended on 31st December 2015 for your consideration and approval. Reports on global economy, Bangladesh economy and Insurance Sector are also highlighted below for your information.

Global Economy:

Global GDP growth is projected to remain flat around 3% in 2016 with only a modest improvement projected in 2017. This forecast is largely unchanged since June 2016 with weaker conditions in advanced economies, including the effects of Brexit, offset by a gradual improvement in major emerging market commodity producers. Overall, the world economy remains in a low-growth trap with persistent growth disappointments weighing on growth expectations and feeding back into weak trade, investment, productivity and wages.

Organization for Economic Co-operation and Development (OECD), an International organization helping governments to tackle the economic, social and governance challenges of a globalised economy, published report on Interim Economic Outlook Forecasts which Continued weak trade growth, and the sharp slowdown in 2015 and 2016, underlines concerns about the robustness of global growth. While demand factors play a role, weak trade also reflects structural factors and a lack of progress – together with some backtracking – on the opening of global markets to trade in goods and services. Slowing trade growth will depress productivity growth in future years. Long-term interest rates have fallen further in recent months, reaching exceptionally low levels in many countries, with more than 35% of OECD sovereign debt trading at negative yields. At the same time, equity valuations remain high and have continued to increase in some economies despite weak profit developments and reduced long-term growth expectations. Real estate prices are rising rapidly in many economies, while credit quality and credit spreads are declining in some markets.

Monetary policy has become overburdened with and is creating distortions in financial markets. Effective monetary policy support requires more and collective fiscal policy, as well as implementing structural reforms to boost growth and inclusiveness. Monetary policy has created a window of low interest rates. Fiscal policy should take advantage of the increase in fiscal space to increase growth-enhancing spending. Structural reform momentum needs to be intensified, rather than continue to slow as in recent years. Trade policies are a key lever to boost growth and should be supported by measures that ensure the gains from globalization are widely shared. A more balanced policy mix would put the global economy on a higher growth path and reduce financial risks.

Global insurance premiums grew by 3.8% in real terms in 2015, amidst variations in regional growth rates, Swiss Re's latest sigma report says. The overall performance was steady after a 3.5%-gain in direct insurance premiums written in 2014, and coming in an environment of just moderate (2.5%) global economic growth, the latter a key driver of insurance demand. There was a slight slowdown in the life sector in 2015, with global premium growth dipping to 4.0% from 4.3%, due to weaker performance in the advanced markets. On the non-life side, strong growth in the advanced markets of Asia, and improvement in North America and Western Europe, contributed to a 3.6% increase in global premiums, up from 2.4% growth in 2014.

Bangladesh Economy:

Government targeted economic growth at 7.2 percent for the FY17, Bangladesh Bank forecasts –one based on an ARMA model and the other one on sector-wise 10-year average growth –show a range from 7.1 to 7.3 percent. The World Bank projects growth for 2017 at 6.3 percent while the IMF at 6.9 percent, evidencing a remarkable difference in the projections of the two international agencies. Providing electricity, gas, and infrastructure to businesses is the priority to ensure slightly upward growth in a sustained fashion. Faster implementation of ADP will be helpful to promote revenue and growth potentials for the country. Twelve-month average Consumer Price Index(CPI) inflation in Bangladesh has shown a slowly declining trend for the last couple of years. Inflation, which was 7.28

percent in July 2014, gradually fell to 5.92 percent in June 2016. Further decline in inflation owing to lower fuel and commodity prices may not be strongly ascertained. However, the inflation rate is now in a safe zone. Data and studies suggest that 6 percent inflation along with one standard deviation is a growth maximizing threshold. The decline in average inflation is mainly attributable to the falling food prices while nonfood inflation edges up primarily because of the consumption boost in the wake of the historically highest salary hike in the public sector. As past evidence suggests, the private sector is likely to follow suit in a staggered fashion, putting an upward pressure on nonfood inflation. Food inflation of as high as 8.55 percent in July 2014 skidded down to 4.90 percent in June 2016 while nonfood inflation of as low as 5.41 in July 2014 percent kept on rising to reach 7.47 percent over the same period. Core inflation that excludes both food and fuel components rose from 6.29 percent in July 2015 to 8.04 percent in June 2016. The forecast by the Bangladesh Bank team finds an inflation rate of 5.45 percent in December 2016. This forecast, however, does not incorporate other external shocks. An inflation-expectations survey conducted by Bangladesh Bank provides us with two figures: 6.35 percent by general people and 5.90 percent by professionals. All these numbers indicate that inflation will center around 6 percent, which is quite moderate for a developing economy like Bangladesh. However, the central bank will remain watchful about inflation and will adjust monetary growth and policy rates if and whenever necessary.

In spite of the stable growth rate (around 10%) of the Bangladesh insurance industry in the last few years, the expansion of the insurance business, particularly the non-life sector, has experienced a down-ward trend in the year 2014 because of poor investment and slowdown of economic activities led by the political unrest. The experts have the fear of that the industry was likely to have the similar experience in 2016. In Bangladesh the marine insurance is considered to be the life guard for the non-life insurance business at this moment. Marine insurance completely depends on imports which were continuously being disturbed by the agent commission related matters however the market is expected to improve in 2016.

Outlook of Bangladesh Insurance Industry:

45 Non-Life and 31 Life insurers were operating in the private sector insurance industry in Bangladesh excluding one Non-Life and one Life state owned life insurance corporation. In 2015 government allowed one international Life insurance company to operate in the private sector named Life Insurance Corporation (LIC).

45 Non-life insurance companies and one state owned Corporation earned premium income amounting **Tk. 24,616** million and 30 life insurers excluding LIC in operation and one state owned corporation earned premium income of **Tk.77,333.3** million. So in 2015, the total Life and Non-Life premium income was **Tk.10,1949.3** million in the insurance market of Bangladesh.

In 2015, Operation of 31 Life and 45 Non-Life Insurance Companies premium income have a slight growth compare to 2014.

The regulatory reforms which started with the introduction of the Insurance Act 2010 is yet to be completed as the important rules/regulations under the Act have not yet been put in place. The absence of important rules/ regulations has created a vacuum of insurance business in Bangladesh. It is being obligatory for insurance companies to charge premium rates as determined by the Regulatory Authority. However, the tariff rates have not been reviewed for a long time in the light of updated loss experience obtaining over the years and as such many clients do feel that they are being overcharged. Further, short term and mid term objective of national insurance policy and guideline were not implemented. This has further negatively impacted on the public perception of the insurance industry at large thereby hindering its growth.

Sectoral share of insurance industry to the GDP at current prices is 0.38% whereas 4.1% in 2016 found in the statistics of the Bureau of statistics, Bangladesh for the year 2015. Insurance Penetration rate in Bangladesh is less than 1% since last consecutive consequence years.

The further progress of Bangladesh Insurance Industry predominantly depends on how the consumers' perception of Insurance as an useful and efficient vehicle of risk transfer can be bolstered. This can be achieved through sustained efforts of the industry as well as regulators by holding public conference, by providing efficient services, honoring insurance policy obligations, introducing new products, aware the public by using technology and social mechanism and by rationalizing the pricing mechanism.

Business performances of Insurance companies:

Life Insurance

Premium:

The total premium income of private sector life Insurance Companies rose from Tk. 7,077.91 million in 2014 to Tk. 7,330.48 million in 2015. The total 1st year premium income of life insurance business increase from Tk. 17,020.49 million in 2014 to Tk. 18,646.7 million in 2015 and the renewal premium increased from Tk. 47,406 million in 2014 to Tk. 23,954.38 million in 2015.

In general, total premium income in private sector life insurance business has been increased due to participation of new life insurance companies. The average company growth of premium income is decreasing year by year.

Life Fund:

The life fund of private life insurance companies is increased to Tk. 286,547.6 million in 2015 from Tk. 251,494 million in 2013 indexing an increase of 9.72%.

Investment:

The total investment made by the private sector Life insurance companies increased from Tk.221,060.67 million in 2014 to Tk. 239,543.60 million in 2015 indexing of 8.36% growth.

Assets:

The total assets of the private sector life insurance companies stood at Tk.335,337.8 million in 2015 as against Tk.297819.06 million in 2014 indexing an increase of 13.03%.

Non- Life Insurance.

Premium:

The gross premium income of non-life private sector insurance companies increased from Tk. 22,679.24 million in 2014 to Tk.24,140 million in 2015 indexing a negative growth of rate of 6.44%. The growth rate of premium of Non-Life Insurance companies, declined from in 2015 at from 7.76% in 2014.

Investment:

The total investment income from FDR of private sector non-life insurance companies stood at Tk. 32,164.18 million in 2015 whereas Tk. 30,009.75 million in 2014.

Assets :

The total assets of Non-Life Insurance Companies was Tk. 61,297.7 million in 2015 whereas it was Tk. 59,365.61 million in 2014.

Activities performed by Bangladesh Insurance Association during the year 2014:

Bangladesh Insurance Association helped the arson victims at the burn unit of Dhaka Medical College Hospital by trouncing donated 50 lac taka for their treatment.

BIA President Sheikh Kabir Hossain on behalf of all insurance companies in Bangladesh handed over the cheque to Prime Minister Relief fund for the arsons victims of political turmoil. Hon'ble Prime Minister appreciated the insurance industry for the regular co-operation of insurance Association and its member companies.

Felicitation programme arranged in honor of newly elected MPs related to the insurance industry :

Bangladesh Insurance Association (BIA) organized a felicitation programme in honor of the newly elected President, Vice-Presidents and Directors of FBCCI. More than 15 Directors were present on the occasion. Chairmen of different insurance companies was also present in programme. Mr. Abul Maal A Muhith, Hon'ble Minister, Ministry of Finance, Government of the Peoples Republic of Bangladesh inaugurated the felicitation programme as Chief Guest. Mr. Abdul Mannan, MP, Hon'ble State Minister, Government of the People's Republic of Bangladesh attended the function as special guest to show the honor to the elected directors of the FBCCI. Mr. [M. Shefaque Ahmed](#), Actuary, Chairman, IDRA was the honoured guest of the event.

The manner of felicitation was appreciated by all concerned like the experts of the insurance industry, Directors of FBCCI, representatives of all Chambers and Associations and representatives of the Government counterpart including other stakeholders. This would, no doubt, enhance the image of the insurance industry and helps building relationship among the stake holders.

Meeting organized by BIA during 2015:

All Chairmen and Chief Executive Officers of the insurance companies met more than couple of times in 2015 to discuss on the development of the insurance industry. Specially, VAT imposed by multidimensional was to the increase business was the main point of discussion. This issue was discussed several times with the NBR and IDRA.

There were 8 Executive Committee meetings held in 2015. Most of the meeting's were about to develop the insurance industry and the Association. In 2015, the productive resolutions were taken to develop the infrastructure of the Association and building public relation.

The Executive Committee members invited Advisory Committee members frequently to share the situation of the insurance industry and discussed on the current issues.

Registration of BIA's office and plot of Uttara:

Bangladesh Insurance Association (BIA) finalized the registration of it's permanent office floor residing in Hossain Tower at 116, Naya Paltan, Dhaka. The cost associated with the registration was Tk. 80 lac and total expenses incurred for the floor and registration was Tk. 6 crore 23 lac approximately. Besides, the registration of the land at Uttara also completed and total cost of land including registration was Tk. 4 crore 36 lac. The Executive Committee felt the necessity of developing the plot as early as possible. Subsequently, a boundary wall surrounding the land was completed to make the possession secured in 2014. Further, the Committee also built a small office room at Uttara Land with approximate cost of Tk. 10.00 lac. The Executive Committee also initiated plan to build a convention centre, auditorium, a research and training institute along with a office of BIA on the 20 katha land area.

Conclusion:

The Executive Committee of Bangladesh Insurance Association is fully aware of the challenging task lying ahead and it is hoped that it will do all the best to face the situation and to establish a disciplined Insurance Market in the country with the cooperation of all concerned. The Executive Committee would like to place on record its deep appreciation of the co-operation received from the Ministry of Finance, Sadharan Bima Corporation, Jibon Bima Corporation, National Board Of Revenue, IDRA, Bangladesh Bank, SEC, DSE, CSE and also from the member companies.

The Executive Committee also takes this opportunity to offer its sincere thanks to the Secretariat of the Association for their sincere service rendered to the Association.

Thanking you and wishing you all a very happy New Year, 2017.

On behalf of the Executive Committee

(Sheikh Kabir Hossain)
President