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Content



IN FOCUS

86

An animated interview of
Habibur Rahman



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**'TO MAKE AN
INSURANCE
COMPANY
PROFITABLE, THE
MANAGEMENT
FIRST NEEDS TO
EXPAND AND
STRENGTHEN THE
FIELD NETWORK'**

*An animated interview
of Habibur Rahman,
DMD of Prime Islami
Life Insurance Limited*

-Anonno Razzak and Shaquib Ahmed

Habibur Rahman has a vast experience in the insurance sector. A business graduate from the Dhaka University, Mr. Rahman has worked his way up to sit in a senior management position of a top insurance company in the country. He is currently holding the position of the Deputy

Habibur Rahman is the Deputy Managing Director & Company Secretary of Prime Islami Life Insurance Limited. He serves the Company in different capacities with wide range of professional and leadership exposure and participated in different National and International Training Programs, Seminars, Conferences and Workshops. He has to his credit to keeping enormous contribution in the growth and expansion of the Company. He participated in a Management Training course in UK, attended Seminar on Corporate Governance in Malaysia and India. He headed the delegation of the Company in a Single Country Trade Fair in KSA.

Mr. Rahman obtained Bachelor Degree in Commerce from the University of Dhaka. Immediately after completion of his education, he spent some time in teaching profession. Subsequently he switched over his career and started Insurance career as Junior Officer in Janata Insurance Company Limited in 1987 and left the company in 1998 of his own accord with position of Assistant Vice President. He participated in the liberation war in 1971.

Managing Director of Prime Islami Life Insurance Limited.

Fintech team recently went to his office to talk about his career, his company and the overall insurance sector. Here is an excerpt of his interview for our readers.

FINTECH: *How did you start your journey in the insurance sector?*

I started my insurance career in Janata Insurance Company Limited, a non-life insurance company in 1986. I was associated with Mr. Humayun Zahir the founder Director of Janata Insurance who along with his business colleagues was going to establish an insurance company in 1985. I had to my credit to getting an opportunity to work related to incorporation of the Company and after incorporation, I joined in the service of the Company as Jr. Officer. This is how I started my journey in Insurance sector.

I served that company for about 11 years and left as Asst. Vice President of my own accord in 1998 and joined in Fareast Islami Life Insurance Co. Ltd. as Company Secretary in June, 2000. After working there for about one year and a half, I joined Prime Islami Life Insurance Ltd. in Sept. 2001 which was then a conventional Company under the name of Prime Life Insurance Co. Ltd. The Company had been converted into an Islamic Company under the name of Prime Islami Life Insurance Limited in 2002 with a view to taking Life Insurance service within the reach of the people of all levels under guideline of Shariah. Since then I have been working here and have to my credit to keeping substantial role to the expansion and rise of the Company.

F: *Were you in this field from the beginning of your career?*

No, I was not in the field of Insurance sector from the beginning of my career. As soon as I completed graduation, I engaged in liberation

war. After independence, I served in Private Company for several years and started insurance career in 1987.

F: *To make an insurance company a cost-effective entity, what areas should be looked into?*

Not only insurance sector, key to success of every trading sector depends on equipped and strengthened marketing system. Life Insurance sector in particular is basically a field oriented work. Premium collected against sale of policy to the people is only the source of growing fund and profit comes through reinvestment of this fund in different sectors as per rule of Insurance.

Since policies are sold by the field force and they are only the source to earn money for the Company, the management first look into the matter of building a strengthened field network to make an insurance Company profitable.

F: *So how the money is being made here?*

In a life insurance Company, money comes in terms of premium through sale of policy to the people. When a policy is sold and necessary paper work is done, the buyer makes payment in terms of premium. The collected premium is invested in different sectors and profit comes. This is the way to make money in a life insurance Company.

F: *What are the main sectors Prime Islami Life Insurance Company covers?*

The main sector obviously is life insurance, so selling of life insurance policies to the individual people is our main coverage area. In fact, our goal is to serve the humanity ensuring financial security and earn moral gains through trust, sincerity and good conduct.

If you particularly want to know about the sectors, I must say, we work with all those sectors basically related



WE HAVE ALREADY PENETRATED THE MARKET WIDELY WITH MORE THAN 25 PRODUCTS. AS PER THE DEMAND OF THE MARKET, WE USUALLY COME UP WITH NEW PRODUCTS AND THEIR SUBSEQUENT MARKETING STRATEGY TO SATISFY THE CUSTOMER.”

with life insurance and it may be for health, Group, individual, non-resident's welfare Bima.

F: To have increased penetration in the market, are you thinking of any innovative plans?

We have already penetrated in the market widely with more than 25 products. As per demand of the market, we usually appear in the market with new customer benefited product to cope with the demand of the customers.

Besides this, there is a vast market of group insurance business in Bangladesh. Recently we have penetrated in the group insurance market and we are getting good response. Group insurance business is not a policy of an individual person but for a group of people. Thousands of people work in an institution and the authority of that institution provide with insurance facility to their employees.

We already have issued group insurance coverage to the employees of different multinational and group of companies of national repute. Some of the reputed companies and institutions are also in the pipeline and I hope we will do better in group insurance business also.

F: There is a common problem or complaint about lack of data for the valuation of business entities in case of insurance companies. What do you think about it and what is your policy in your company about data collection?

No, I do not agree with this complaint because without data, actuarial valuation could not be done. As a matter of fact, we are lacking of Actuarial Consultant who analyze data and value financial statement of Life Insurance Company for recommendation of dividend to the shareholders and reversionary bonus to the Policyholder.

F: A major problem that insurance companies in Bangladesh face is claim and settlement. What is Prime Islami Insurance Company's performance in that regard?

It is an important question. It might be that some other companies having no sound financial footing have problem to settle claims. But our position in this regards is very sound. We have settled and paid an amount around of Tk.1,000(One thousand) Crore upto June-2018. In fact settlement of claim is a continuous process. One is settled, another is lodged. You will be glad to know that

we have record to settle claim within 72 hours.

F: Is the regulatory body taking proper steps to curb malpractice that happens in insurance companies?

Of course, the regulatory body is working relentlessly to establish discipline in this sector. Financial statement of the Company are specially audited by the reputed Audit firms appointed by the Regulatory Authority and necessary measure are taken by them to curb irregularities, if detected.

F: As we see the technological disruption in Bangladesh is hitting the insurance sector firmly, what is Prime Islami Life Insurance company's adoption in terms of technology?

Without technological development or its application, no service oriented company will be able to sustain for a longer period. Our technological department is very much equipped and we have been able to bring the whole country under IT network.

Our integrated system is capable from issuing a new policy to the settlement of a claim (including all other intermediate services such as premium collection, alternation and serving and policy loan etc.) in shortest period of time.

We have 120 service points (branches) overall the country including Head Office and more that 500 computers are connected with head Office through our network infrastructure.

We have developed and implemented web based customer service where policyholder can get their latest policy information from anywhere of the world, also policyholder can get the same service through our mobile application that has been developed using latest android technology using our latest mobile APPS (that is unique to the Insurance Industry).

F: *People in Bangladesh have a negative nuance about insurance companies and think banks are better than them. Why people have a negative connotation about insurance companies?*

Bank and insurance are two different sectors of investment. In bank, if someone deposits money will get profit as per rate of the bank. But a life insurance Company undertakes life coverage of a policyholder. If a person purchase a policy and if he dies paying one installment of premium, the insurance Company will pay full amount of sum insured to his/her nominee.

Suppose Mr. X has purchased a

BANKING AND INSURANCE ARE TWO DIFFERENT SECTORS. IN BANKS, SOMEONE WILL DEPOSIT MONEY AND WILL GET PROFIT AS PER THE RATE OF THE BANK. BUT IN THE INSURANCE, ESPECIALLY IN THE LIFE INSURANCE, SOMEONE BUYS A POLICY AND WILL GET PROFIT AGAINST IT ONCE IT MATURES.”



policy of Tk.5 lakh and paid only one installment of premium say Tk.50,000. If unfortunately he dies paying only one installment, Insurance Company will pay him Tk.5 lakh against payment of Tk.50,000. This is the difference between a bank and an insurance Company.

When we will be able to aware and earn confidence of the people, the people will run after Insurance and then life insurance market will be purchase based instead of sale based, the present practice.

F: *So what we should do to make*

people understand the positive side of an insurance company?

In my view, there are basically two hurdles in expanding the sales network of life insurance companies and those are confidence and focus.

We could not earn confidence of the people on life insurance. At the same time we could not focus enough on the people about the necessity and importance of life insurance.

We should make the people understand that Life insurance ensures financial security to a person

in his old age when he will be out of job and family when it will be in financial trouble. We should visualize the peaceful life of a person/family who was covered by a life insurance policy and tragic life of a person who was not covered by life insurance through documentary, street drama etc.

F: *Thank you very much for giving your time to us.*

You are welcome. ■