

Brief history of insurance companies in bangladesh

[Business](#), [Company](#)



Brief History of Insurance Companies in Bangladesh July 9, 2011 | Posted by arafatsohan under Uncategorized | No Comments | Insurance is a system of spreading the risk of one to the shoulders of many and which is a legal contract whereby the insurers, on receipt of a consideration known as premium, agree to indemnify the insured against losses arising out of certain specified unforeseen contingencies or perils insured against. Insurance is not a new business in the Bangladesh it almost a century back, during British rule in India, some insurance companies started transacting business operation , both life and general, in Bengal. Insurance business enlarged momentum in East Pakistan during 1947-1971, when there are 49 insurance companies transacted their business operation both life and general insurance schemes and these companies were of various beginnings with British, Australian, Indian, West Pakistani and local. Then ten (10) insurance companies had their head offices in the East Pakistan, 27 in West Pakistan, and the rest elsewhere in the world. These were mostly limited liability companies and some of these companies were specialized in dealing in a particular class of business, while others were composite companies that dealt in more than one class of business. The Government of Bangladesh (BD) nationalized the insurance industry in 1972 by the Bangladesh Insurance (Nationalization) Order 1972. By virtue of this order, save and except postal life insurance and foreign life insurance companies, all 49 insurance companies and organizations transacting insurance business in the country were placed in the public sector under five corporations. These insurance corporations were given below- Jatiya Bima Corporation Tista Bima Corporation Karnafuli Bima Corporation Rupsa Jiban Bima Corporation Surma

Jiban Bima Corporation. The Jatiya Bima Corporation was the top corporation only to supervise and control the activities of the other insurance corporations in Bangladesh, which were responsible for underwriting. Tista and Karnafuli Bima Corporations were for general insurance and Rupsa and Surma for the life insurance. The specialist life companies or the life portion of a composite company joined the Rupsa and the Surma corporations while the specialist general insurance companies or the general portion of a composite company joined the Tista and Karnafuli corporations. After 1973, general insurance business became the sole responsibility of the Sadharan Bima Corporation and the Life insurance business was carried out by the Jiban Bima Corporation, the American Life Insurance Company (ALICO), and the Postal Life Insurance Department until 1994, when a change was made in the structural arrangement to keep pace with the new economic trend of liberalization of Bangladesh. Private sector insurance companies demanded withdrawal of the above restrictions so that they could- Underwrite both public and private sector insurance business in competition with the Sadharan Bima Corporation. Effect reinsurance to the choice of reinsurers. The Government of Bangladesh modified the insurance system through the promulgation of the Insurance Corporations (Amendment) Act 1990. The changes allowed to the private sector insurance companies to underwrite 50% of the insurance business emanating from of the public sector and to place up to 50% of their reinsurance with any reinsurer of their choice, at home or abroad, keeping the remaining for placement with the Sadharan Bima Corporation. History of Insurance | Marine is the oldest form of insurance, which was introduced in Northern Italy sometime between the

12th and 13th century. But the insurance business got an institutional shape in the United Kingdom after establishment of Lloyds Insurance Company in late 17th century. The coffee houses of London played a vital role in developing trade and commerce in the UK. The merchants and traders used to gather in these coffee houses for their business transactions. Edward Lloyd opened one such coffee house in 1680. In late 17th century this coffee house virtually turned into the most famous Lloyds Insurance Company of the UK. During the British rule, some insurance companies started functioning in India. These companies were of various origins including British, Australian and also Indian. After independence, Bangladesh government nationalized the insurance industry in 1972 by the Presidential Order No 95, known as the Bangladesh Insurance (Nationalization) Order 1972. A total of 60 insurance companies are operating in Bangladesh till date. Of these companies, 57 are private, two state-owned and one is foreign. Insurance Directorate, under the Ministry of Commerce, is the regulatory-body of the country's insurance sector. nsurance company in bangladesh There are 2 Government owned insurance companies in Bangladesh. They are Jiban Bima Corporation and Sadharan Bima Corporation. There are 60 private insurance companies in Bangladesh

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