



The Possibility of Participating Honour's Level Students in Insurance Sector as a Part of Financial Inclusion : A Practical Study

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Abstract

The article aims at doing a feasibility study on students of three educational institutions to include them in insurance sectors as a part of financial inclusion. 15 students from Khulna university, Govt. Brajalal college and Azam Khan Govt. Commerce College, Khulna are taken as sample. The study shows that insurance policies are very rear among the students. Even many students don't have any idea about insurance. At present, there are no insurance policy of the students in two institutions. The students are afraid of making insurance policy because they don't have enough knowledge about insurance. On the other hand the the insurance compamies don't pay the claim timely. The fraudulence of the insurance agents and unavailability of the service in the colleges and universities are other reasons of their fear. Most of the students are interested in making policy mainly they want to make student related policy. If the company becomes interested to include the students in this sectors then this sectors will be a emerging sectors and that will help our economic development.

Keywords

Inclusion, Participation, Nationalization, Amend, Agent

Background of the Study

Bangladesh has a large economic system that has been made up of by different financial sectors. Insurance sector plays a vital role in this regard. Insurance sector has a great impact on the financial system in our country. At present there are 83 insurance

companies in our country. Among them 36 are life insurance and 47 are general insurance companies. There are two state owned insurance companies. One is Jobon Bima Corporation and the other is Sadaron Bima Corporation. Actually the private insurance companies are now the market leader of this sector. Government launched a programme named financial inclusion that means to include all classes of people in the financial sectors. In that case Insurance companies have some liabilities. There are about 30 lac students in our countries who are studying different universities and colleges. Most of them are out of financial sector even they have little or no knowledge about the financial sector especially insurance sectors. If insurance companies can motivate or provide various knowledge about the insurance, they will be interested to participate in the insurance sector. In the report, we will observe whether the students are interested or not to include themselves the insurance sectors.

Objectives of the Study

The article has been made to show the possibility of students of honours level to participate in insurance sector as a part of financial inclusion. The article will reveal the practical feasibility study of introducing insurance policy among the students of honours level because the data will be collected directly from the students of different universities or honours level colleges. The main objectives of this article are:

- To make out the knowledge of insurance of the honours level students.
- To explore the ways of motivating them to make a policy.
- To explore the sources of fund for making policy.
- To find out the possibility of including the students in the insurance sector.

Methodology

The article has been written on the primary data. Data have collected directly from the students of Khulna university, Government Brajalal College, Khulna, and Azam Khan Government Commerce college, Khulna through questionnaire. Random sampling method has been applied in this case. Both qualitative, quantitative and graphical method have been used to prepare the article. Totally 12 questions are prepared to collect data from the students of Khulna university, Government Brajalal College, Khulna and Azam Khan Government Commerce college, Khulna. Total 15 students from

Khulna university, Government Brajalal College, Khulna and Azam Khan Government Commerce college, Khulna have been taken as sample. Theoretical, numerical and graphical method has been applied.

1.4 Scope of the Study

This article provides some valuable evaluations, present scenario and the interest of the students to participate in financial inclusion through insurance that have been collected from the three famous educational institutions. Here some points are given below:

- Present knowledge of insurance among the students .
- Reasons why they are apart from the insurance.
- The possible ways of motivating them to make policy.
- % probability of including them in the insurance sector.
- Finding out the possible ways of including the students in Insurance sectors.

1.5 Limitations of the Study

To prepare an authentic report through primary data is not an easy task. While preparing the report, many limitations have been encountered. Achieving practical experience in a short duration is not an easy task for preparing the paper. In preparing this thesis paper, some problems & limitations have encountered, which are as follows:

- ❖ In many cases, interviewing the students was very difficult.
- ❖ Large scale analysis was not possible due to time constraints & restrictions.
- ❖ Data insufficiency is the main constraint in the development of the paper.
- ❖ Time constraints are another important limitation of the thesis paper.
- ❖ This paper did not include the whole financial position of insurance market in Bangladesh, actually more focused on inclusion of honours level students in insurance sector in Bangladesh and its possibility.

Research Gap

Most of the authors studied on the insurance market in Bangladesh and they tried to analyze the insurance policies for the adults people. But there are very few works on the inclusion of students in the insurance sectors. For this reason I have tried to work on the inclusion of students in the insurance sectors.

Research Design

Goal of the paper: The main goal of my work is to find possibilities of including the honours level students in insurance sector in Bangladesh and provide some recommendation regarding this.

Data collection: Primary data has been used to complete the paper. Data have collected directly from the students of Khulna university, Government Brajalal College, Khulna, and Azam Khan Government Commerce college, Khulna through questionnaire. Totally 12 questions are prepared to collect data from the students of those institutions. Total 15 students from Khulna university, Government Brajalal College, Khulna and Azam Khan Government Commerce college, Khulna are taken as sample.

Analysis of the research: The research has been analyzed on the qualitative, quantitative and graphical analysis.

History of insurance in Bangladesh

After our independence in 1971, Bangladesh Insurance (Nationalization) order-1972 was imposed and two nationalized insurance companies were set up, one is Sadharon Bima Corporation and another is Jibon Bima Corporation. on 14 may 1973 a restructuring was made under the insurance corporation act 1973. In 1973, general insurance business became the sole responsibility of sadharan Bima corporation and life insurance business was carried out by Jibon Bima corporation, American Life Insurance Company and Postal Life Insurance Department until 1994. After amending the insurance company act of 1973, private sector insurance companies were permitted to establish in Bangladesh in 1985. The insurance company act was again amended in 1993. But it is unfortunate that there was no formal act of insurance until 2010 in Bangladesh. In 2010, Insurance Act- 2010 was passed in the national parliament of Bangladesh. Under this act, Insurance development and regularity authority were established in Bangladesh. At present there are 36 life insurance company and 47 non life general insurance company working in our country.

Present insurance companies in Bangladesh

Life insurance company	Non Life (General) insurance company	Total
35(Private)+1 (Govt)	46 (Private)+ 1 (Govt)	83

Source: Website of IDRA

Currently total 83 insurance companies are working in our country. Among them 36 life insurance company and 47 non life general insurance company working in our country.

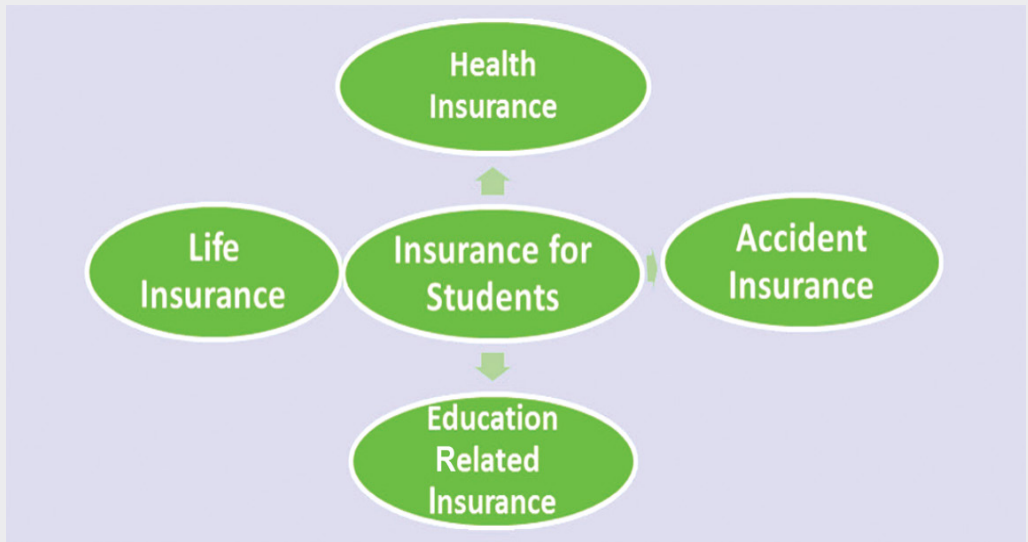
Life insurance company	Non Life (General) insurance company
1. Sonali Life Insurance Company Limited	1. Agrani Insurance Company Ltd.
2. MetLife Bangladesh (American Life Insurance Company Ltd).	2. Asia Insurance Ltd.
3. Guardian Life Insurance Limited	3. Asia Pacific Gen Insurance Co. Ltd.
4. Chartered Life Insurance Company Limited	4. Bangladesh Co-operatives Ins. Ltd.
5. Astha Life Insurance company Limited (a concern of Bangladesh Army welfare Trust).	5. Bangladesh General Insurance Co. Ltd.
6. Delta Life Insurance Company Ltd.	6. Bangladesh National Insurance Co.Ltd.
7. Meghna Life Insurance Company Ltd.	7. Central Insurance Company Ltd.
8. National Life Insurance Company Ltd.	8. City General Insurance Company Ltd.
9. Padma Islami Life Insurance Company Ltd.	9. Continental Insurance Ltd.
10. Popular Life Insurance Company Ltd.	10. Crystal Insurance Company Ltd.
11. Bengal Islami Life Insurance Ltd.	11. Desh Gen. Insurance Company Ltd.
12. Prime Islami Life Insurance Co. Ltd.	12. Eastern Insurance Company Ltd.
13. Progressive Life Insurance Company Ltd.	13. Eastland Insurance Company Ltd.
14. Rupali Life Insurance Company Ltd.	14. Express Insurance Ltd.
15. Sandhani Life Insurance Company Ltd.	15. Federal Insurance Company Ltd.
16. Sunflower Life Insurance Company Ltd.	16. Global Insurance Ltd.
17. Sunlife Insurance Company Ltd.	17. Green Delta Insurance Co. Ltd.
18. Zenith Islami Life Insurance Ltd.	18. Islami Commercial Insurance Co. Ltd.
19. Mercantile Islami Life Insurance Ltd.	19. Islami Insurance Bangladesh Ltd.
20. Pragati Life Insurance Ltd.	20. Janata Insurance Company Ltd.
21. Guardian Life Insurance Ltd.	21. Karnaphuli Insurance Company Ltd.

22. Fareast islami Life Insurance Company Ltd	22. Meghna Insurance Company Ltd.
23. Best Life Insurance Company Ltd.	23. Mercantile Insurance Company Ltd.
24. Protective Islami Life Insurance Co. Ltd.	24. Nitol Insurance Company Ltd.
25. Bondhon Life Insurance Co. Ltd.	25. Northern Gen. Insurance Company Ltd.
26. Sawdesh Life Insurance Co. Ltd.	26. Peoples Insurance Company Ltd.
27. Diamond Life Insurance Co. Ltd.	27. Phonix Insurance Company Ltd.
28. Alpha Islami Life Insurance Ltd.	28. Pioneer Insurance Company Ltd.
29. Trust Islami Life Insurance Co. Ltd.	29. Pragati Insurance Ltd.
30. Jamuna Life Insurance Ltd.	30. Paramount Insurance Company Ltd.
31. Golden Life Insurance Ltd.	31. Prime Insurance Company Ltd.
32. Homeland Life Insurance Company Ltd.	32. Provati Insurance Company Ltd.
33. Life Insurance Corporation (LIC) of Bangladesh Ltd.	33. Purabi Gen Insurance Company Ltd.
34. NRB Islami Life Insurance Company Ltd.	34. Reliance Insurance Limited
35. Baira Life Insurance Company Ltd.	35. Republic Insurance Company Ltd.
36. Jobon Bima Corporation (Govt)	36. Rupali Insurance Company Ltd.
	37. Sonar Bangla Insurance Company Ltd.
	38. South Asia Insurance Company Ltd.
	39. Standard Insurance Ltd.
	40. Takaful Islami Insurance Ltd.
	41. Dhaka Insurance Ltd.
	42. Union Insurance Company Ltd.
	43. United Insurance Company Ltd.
	44. Sena Kalyan Insurance Company Ltd.
	45. Sikder Insurance Company Ltd
	46. 46. Sonali Life Insurance Company Ltd
	47. Sadharon Bima Corporation (Govt)

Insurance for Students

Insurance for students is now very important. Actually students can make different policies to minimize the risks of their life. There are many countries where the student

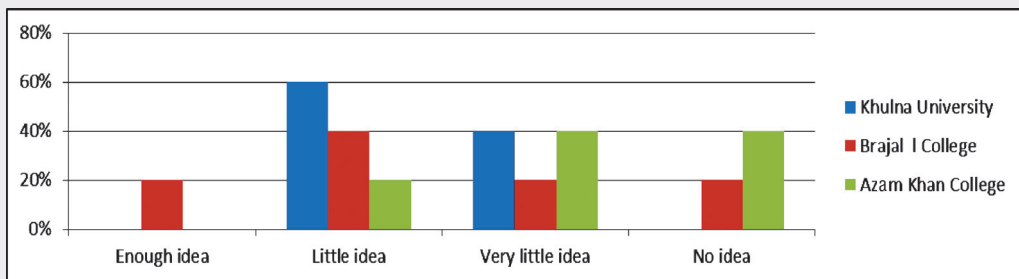
insurance is very popular. We know that the insurance for the student is a must in India. In Our countries some educational institution has started insurance policies for their students. Recently university of Rajshahi has introduced insurance policies for their students. Student insurance can be as follow:



Knowledge about Insurance

	Khulna University	Brajalal College	Azam Khan College
Enough Idea	0%	20%	0%
Little Idea	60%	40%	20%
Very Little idea	40%	20%	40%
No Idea	0%	20%	40%

In the table we see that in Khulna university, students do not have enough knowledge about insurance, in Brajalal college only 20% students have knowledge about insurance, and Azam Khan college 0% students have knowledge about insurance. On the other hand 60% students have little and 40% have very little and 0% students have no idea about insurance. In Brajalal college 40% students have little knowledge, 20% students have very little knowledge and 20% students don't have any idea. In Azam Khan college 20% students have little idea, 40% have very little idea and 40% have no idea about the insurance.

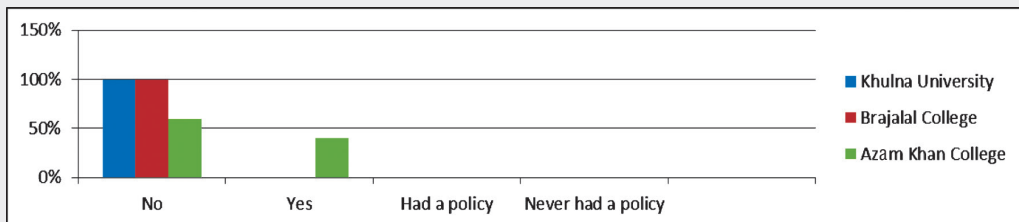


In the graph, we see that Khulna university students have more little idea than that of Brajalal college and Azam Khan commerce college. On the other hand, Khulna university and Azam Khan College have same little knowlwdge but Brajalal college has less little knowledge about insurance. The graph indicate that all the students of Khulna university have some idea about insurance but 20% students of Brajalal college and 40% students of Azam Khan college have no idea about insurance.

Students having insurance policy

	Khulna University	Brajalal College	Azam Khan College
No	100%	100%	60%
Yes	0%	0%	40%
Had a policy	0%	0%	0%
Never Had a policy	0%	0%	0%

The above table shows the students having insurance policy. We see that no student of Khulna University has any insurance policy. But in Azam Khan college 40% students have insurance policy. There are some reasons behind this. As Azam Khan is a commerce college, so they have some idea about the insurance. For this reason 40% students have insurance policy in Azam Khan College. That indicates that if we can provide the knowledge of insurance, then the inclusion of students in insurance policy is possible.



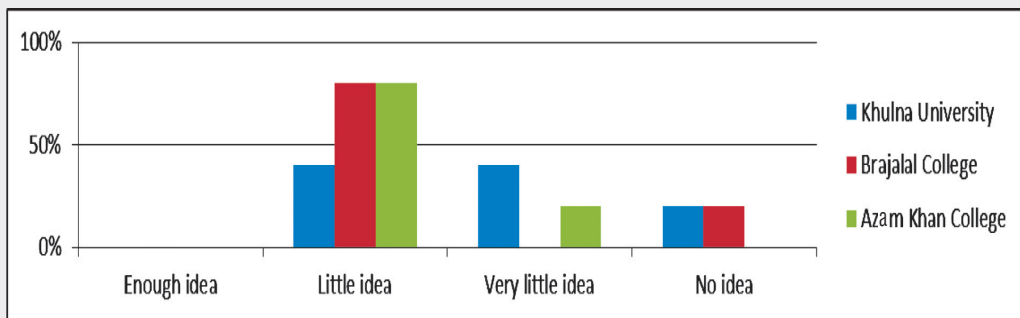
In the graph we see that maximum students of Khulna University, Brajalal college and Azam Khan college don't have any insurance policy. But of the students of Azam Khan

college, some have insurance policy because they study commerce and know about the benefit of insurance. This graph indicates the worse condition of insurance policy made by the students.

Knowledge about the benefit of Insurance

	Khulna University	Brajalal College	Azam Khan College
Enough Idea	0%	0%	0%
Little Idea	40%	80%	80%
Very Little idea	40%	0%	20%
No Idea	20%	20%	0%

If the students know the benefits of insurance then they will be interested to open insurance policy. But it is unfortunate that 0% students of Khulna University, Brajalal College and Azam Khan College have enough idea about insurance. 40% students from Khulna university, 80% students from Brajalal college and 80% students from Azam Khan college have little idea. 40% students from Khulna University, 0% students from Brajalal College and 20% students from Azam Khan college have very little idea. On the other hand 40% students from Khulna University, 0% students from Brajalal college and 20% students from Azam Khan college have no idea.

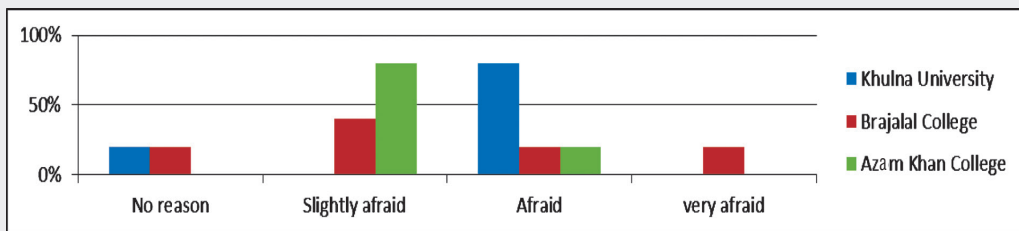


The graph represents that no students have enough idea about the benefit of insurance. Some students have little idea and very few have very little idea about the benefit of insurance. Some students have no idea about the benefit of insurance from the three famous institutions.

Reasons for not making policy

	Khulna University	Brajalal College	Azam Khan College
No reason	20%	20%	0%
Slightly afraid	0%	40%	80%
Afraid	80%	20%	20%
Very afraid	0%	20%	0%

The question is that why they don't want to open policy. 20% students from Khulna University and 20% students from Brajalal college have no reason to make policy but 80% students from Khulna university and 20% students from Brajalal college and 20% students from Azam Khan college are afraid of making policy. On the other hand, 20% students from Brajalal college are very afraid of making policy.



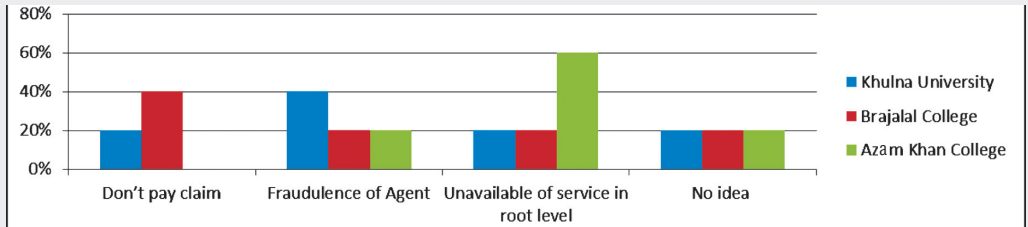
The graph indicates that most of the students from three institutions are afraid of making policy. Some students are afraid and some students are very afraid of making policy.

Reasons for being afraid of making policy

	Khulna University	Brajalal College	Azam Khan College
Don't pay claim	20%	40%	0%
Fraudulence of Agent	40%	20%	20%
Unavailable of service in root level	20%	20%	60%
No idea	20%	20%	20%

In the table we see that in Khulna university, 20% students say insurance companies don't pay claims, in Brajalal college only 40% students say insurance companies don't pay claims. On the other hand, 40% students answer about the fraudulence of Agent from Khulna university and 20% students answer about the fraudulence of Agent from Brajalal college and 20% students answer about the fraudulence of Agent from Azam Khan college. Unavailability of service in root level is answered by 20% from Khulna

University, 20% from Brajalal college and 60% from Azom khan college. 20% students have no idea it from three institutions.

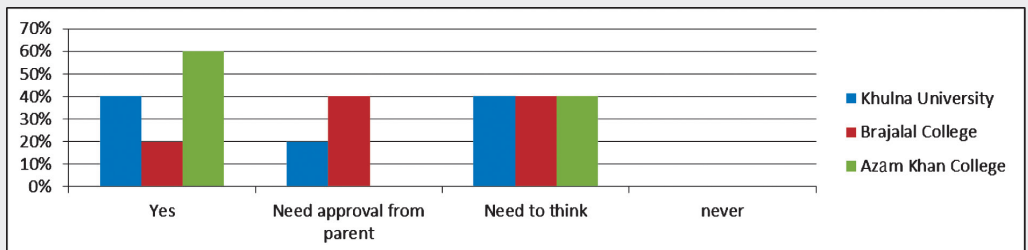


In the graph, we see that maximum students of Khulna university are on the unavailability of service in the root level. On the other hand, most of the students from Brajalal college and Azam khan college say about the fraudulence of Agent. Some students have no idea about it. Some students from Khulna University and Brajalal college have no idea about it.

Do you want to make a policy(before my Description about insurance)

	Khulna University	Brajalal College	Azam Khan College
Yes	40%	20%	60%
Need approval from parents	20%	40%	0%
Need to think	40%	40%	20%
Never	0%	0%	0%

In the table we see that 40% students from Khulna university, 20% students from Brajalal college and 60% students from Azam Khan college want to make policy . 20% students from Khulna University, 40% students from Brajalal college and 60% students from Azam Khan college need approval from their parents. 40% students from Khulna University, 40% students from Brajalal College and 20% students from Azam Khan college need to think to make policy. 0% students say that they don't want to make policy.

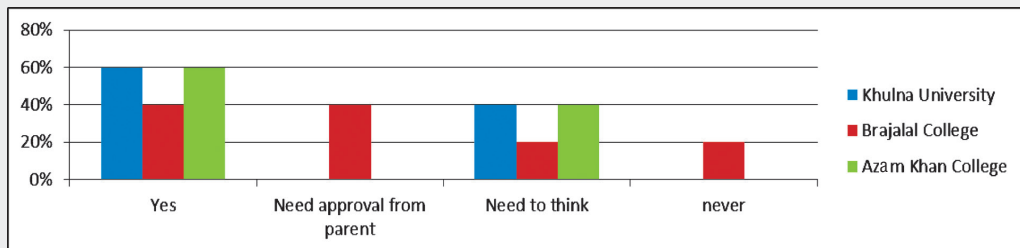


In the graph we see that some students want to make policy, some need permission from their parents and some need to think about it. But no students from three institutions say that they don't want to open a insurance policy.

Do you want to make a policy (after my Description about insurance)

	Khulna University	Brajajal College	Azam Khan College
Yes	60%	40%	60%
Need approval from parents	0%	40%	0%
Need to think	40%	20%	40%
Never	0%	20%	0%

After my description, some students became interested to open a policy. Then 60% students from Khulna university, 40% students from Brajajal college and 60% students from Azam Khan college want to make policy . 0% students from Khulna University, 40% students from Brajajal college and 0% students from Azam Khan college need approval from their parents. 40% students from Khulna University, 20% students from Brajajal college and 40% students from Azam Khan college need to think to make policy.

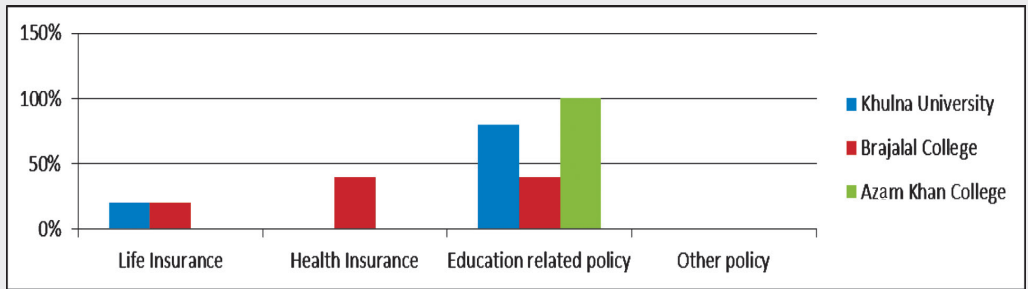


In the graph, we see that After my description, the % of students who want to open policy have increased. On the other hand, the % of students need approval from their parents and need to think has decreased. So it indicates that if we can provide the knowledge of insurance among the students of honours level, they will be interested to open insurance policy.

Types of insurance policy they want to open

	Khulna University	Brajajal College	Azam Khan College
Life Insurance	20%	20%	0%
Health Insurance	0%	40%	0%
Education related policy	80%	40%	100%
Other policy	0%	0%	0%

20% students of Khulna university , 20% students of Brajalal college and 0% students of Azam Khan college want life insurance. 0% students from Khulna university, 40% students from Brajalal college and 0% students from Azam Khan college want health insurance. 80% students from Khulna university, 40% students from Brajalal college and 100% students from Azam Khan college want education related policy.

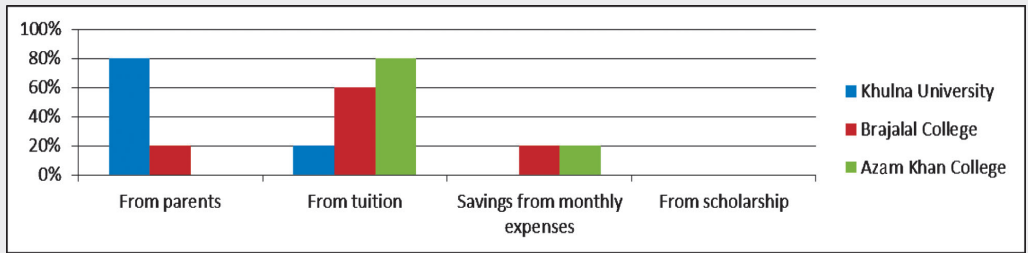


In the graph we see that maximum students from the three institutions want education related policy. Some students want life insurance and some want health insurance. This indicates that the insurance company can introduce the education related policy for the students.

Sources of premium of the students

	Khulna University	Brajalal College	Azam Khan College
From parents	80%	20%	0%
From tuition	20%	60%	80%
Savings from monthly expenses	0%	20%	20%
From scholarship	0%	0%	0%

80% students of Khulna university, 20% students of Brajalal college and 0% students of Azam Khan college want to pay premium from their parents. 20% students from Khulna university, 60% students from Brajalal college and 80% students from Azam Khan college want to pay premium from their tuition. 0% students from Khulna University, 20% students from Brajalal college and 20% students from Azam Khan college want to pay premium from their savings of monthly expenses. No student wants to pay premium from their scholarship.



In the graph, we see 0% students from Khulna university, 20% students from Brajalal college and 20% students from Azam Khan college want to pay premium from their savings of monthly expenses. 80% students of Khulna university, 20% students of Brajalal college and 0% students of Azam Khan college want to pay premium from their parents. 20% students from Khulna university, 60% students from Brajalal college and 80% students from Azam Khan college want to pay premium from their tuition fees. 0% students from Khulna university, 20% students from Brajalal college and 20% students from Azam Khan college want to pay premium from their savings of monthly expenses. But no student wants to pay premium from their scholarship.

Findings

- Participation of honours level students in insurance is very alarming.
- Students are interested to participate in insurance sector.
- Students have very little knowledge about the insurance policy.
- Very few companies have student related policy.
- Fail to pay claim and fraudulence of insurance agent are main obstacles against the participation of students in insurance sectors.
- Tuition fees and savings from their monthly expenses are the main sources of premium.
- There is a great possibility of including the students in insurance sector in Bangladesh.

Recommendations

1. Government should come forward to taking different steps to include the students in this sector.
2. Insurance Development and Regulatory Authority (IDRA) should develop policy guidelines regarding the participation of students in insurance sector.
3. Insurance Development and Regulatory Authority (IDRA) should ease the process of student- related policy.
4. Insurance companies should arrange some seminar in the university and honours level college to provide them insurance related knowledge.
5. Insurance companies should arrange annual conference with the students of the reputed universities and colleges.
6. Universities or colleges should come forward to making group insurance for the students like Rajshahi University.
7. Fail to pay claim and fraudulence of insurance agent should be stopped.
8. Insurance companies can appoint students from different universities and honours level colleges who will work to open the students related policy.

Conclusion

Insurance sector plays an important role in developing the economy of a country like Bangladesh. But this sector has not been developed yet. A large number of students are out of this sector. But there is a great possibility of including them in this sector to expand its area. Many students don't have insurance policy even any knowledge about insurance. But they are interested to enter into the sector. So our government should take necessary steps to make the market available for the students of honours level. Insurance Development and regulatory Authority (IDRA) can develop policy guidelines regarding inclusion of the honours level students. The guidelines have to be suitable for both students and the company. Insurance Development and Regulatory Authority (IDRA) should formulate necessary policy to ease the opening insurance policy and paying the claim. The claim of the students should be paid within shortest possible time. The students want to make online policy and they want to deposit premium without any

middleman or agents. Insurance companies can arrange different seminar, conference in different Universities and colleges inviting students to gain knowledge and make insurance policy. If the Insurance Development and Regulatory Authority (IDRA) and insurance companies can solve the problem and create the consciousness among the students then it will be possible to include them in the insurance sector.

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