Insurance claim payments to begin next week : IDRA chairman

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Online Desk : The Insurance Development and Regulatory Authority (IDRA) will begin settling outstanding insurance claims from next week, with seven to eight troubled insurance companies initially being considered for the process, IDRA Chairman Nadia Nivin said on Friday. She said the companies' assets, including land, treasury bonds and fixed deposits, would be liquidated under IDRA supervision to generate funds for paying policyholders. Claims will be settled following the "first application, first payment" principle.

The IDRA chairman made the remarks while inaugurating a two-day residential workshop organised by the Insurance Reporters Forum (IRF) at the Bangladesh Academy for Rural Development (BARD) in Cumilla on Friday. Referring to Fareast Islami Life Insurance, Nadia said the company had around Tk 3,000 crore in outstanding claims. She said the sale of assets and encashment of bonds could initially generate several hundred crore taka to settle the claims.

Nadia said insurance companies had been given six weeks to remove any hidden or additional "dual servers" and integrate all their data into a single system. The regulator would take legal action against companies that fail to comply with the directive. "Even if a server is hidden in a garage or under a bed, we will find it," she said, stressing that all insurance-related information must be integrated into a single system.

She also criticised insurance companies for not always providing accurate information to the regulator, saying this makes effective supervision of the sector difficult. The IDRA chairman said risk-based supervision of the insurance sector would be fully introduced by December. The system would enable the regulator to identify data gaps and emerging risks more quickly. She further announced plans to introduce a Unique Policy ID across the insurance sector within three to four months. The system is expected to reduce opportunities for concealing business information and reporting false premium figures.

For non-life insurers, IDRA also plans to introduce digital verification of cover notes before banks open letters of credit (LCs). Banks will be required to verify the relevant cover notes through the IDRA system. Nadia said IDRA was working with Bangladesh Bank, the National Board of Revenue (NBR) and the Bangladesh Securities and Exchange Commission (BSEC) to strengthen information sharing and joint supervision.

National Life Insurance PLC CEO Kazim Uddin said timely settlement of insurance claims was crucial to restoring public confidence in the sector. He said National Life paid Tk 1,137 crore in claims in 2025. He urged insurance companies, regulators and journalists to work together to improve transparency, accountability and customer service. IRF President Gomal Mowla presided over the programme, while IRF General Secretary Gias Uddin moderated the session.