



# GREEN DELTA, BANGLADESH – THE CASE FOR INSURING WOMEN FOR A BETTER TOMORROW

## 1. INTRODUCTION

Green Delta Insurance Company (GDIC), a private non-life insurer in Bangladesh, was founded as a public limited company in December 1985. In 2013, GDIC became the first South Asian insurance company to receive equity investment from the International Finance Corporation (IFC), a member of the World Bank Group. GDIC differs from most of Bangladesh's non-life insurers because it primarily focuses on protecting individuals and their assets, as well as small and medium enterprises (SMEs).

### Box 1.

#### GREEN DELTA INSURANCE COMPANY AT A GLANCE

- GDIC began operating in January 1986, with paid-up capital of Tk 30 million (approximately \$1 million, at that time).
- GDIC has the largest share of the non-life insurance market in Bangladesh (14 percent).
- In 2019, women comprised 24 percent of GDIC's workforce.
- GDIC is the only Bangladeshi non-life insurance company to sign the [Women's Empowerment Principles](#) (WEPs) of the United Nations Global Compact.
- In 2016, for her efforts to promote gender equality through the *Nibedita* policies and services, GDIC's Chief Executive Officer (CEO), Farzana Chowdhury, was honored at the UN Global Compact Leaders' Summit as a Local Sustainable Development Goals (SDG) Pioneer.
- In 2019, at the 23rd Asia Insurance Industry Awards, Ms. Choudhury was recognized as the industry's Woman Leader of the Year.

Sources: GDIC, UN Global Compact, Asia Insurance Review 2019.

IN PARTNERSHIP WITH



GDIC is not only the first non-life insurer in Bangladesh to sell policies to individuals, it is also the first to target women. In 2014, the company launched *Nibedita*—a comprehensive accident insurance product for both urban and rural women that now serves all income levels. This case study summarizes GDIC’s groundbreaking approach with women.

## 2. WHY FOCUS ON WOMEN AS INSURANCE CUSTOMERS?

### 2.1. THE BUSINESS CASE FOR WOMEN’S INSURANCE IN BANGLADESH

Economic growth in Bangladesh has averaged more than 6 percent over the last decade, which has helped lift per capita income, reduce poverty, and improve social indicators such as those for maternal mortality and gender disparity in education.<sup>1</sup> Much of this progress has been driven by the growing participation of women in the labor force, which has risen from 4 percent in 1974<sup>2</sup> to over 36 percent in 2019.<sup>3</sup> In the garment industry, which accounts for approximately 11 percent of Bangladesh’s gross domestic product (GDP), women comprised the majority of the 4.4 million workforce prior to COVID-19.<sup>4</sup>

Despite the economic growth in Bangladesh, the insurance penetration rate<sup>a</sup> remains exceptionally low. As noted in the government’s 7th Five-Year Plan (2016–2020), the majority of Bangladeshis are underserved by both the life and non-life insurance sectors.<sup>5</sup> For 2018, the overall insurance penetration rate was only 0.57 percent—the lowest of all emerging Asian countries.<sup>6</sup> According to Lloyd’s, Bangladesh is the world’s most underinsured country.<sup>7</sup>

The changing role of Bangladeshi women from homemakers to skilled workers presents an exciting new market for the insurance sector, provided that it adapts and launches the types of insurance solutions that women customers need. IFC estimates that by 2024, the women’s insurance market in Bangladesh will be worth about Tk 33 billion (\$393 million).<sup>b</sup> Of this, the non-life sector will account for Tk 9.6 billion (\$114 million). This growth will be driven mainly by the greater number of formally employed women, their rising incomes and number of assets, and the higher percentage of women entrepreneurs who comprise about 26 percent of business owners.<sup>8</sup>

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### 2.2. SPOTLIGHT ON WOMEN’S RISK-PROTECTION NEEDS

The literacy rate for Bangladeshi women stands at 94.9 percent, which is higher than that for men (91.8 percent).<sup>9</sup> Research shows that Bangladeshi women with access to paid work, outside of home, are more empowered than women engaged in paid or unpaid work at home. This includes managing household expenditures, accessing a savings account, and freely moving about.<sup>10</sup> Legally, Bangladeshi women can apply for a passport and a national identification card, and be head of their household—the same rights as those of men.<sup>11</sup> However, when it comes to household finance, husbands tend to be the decision-makers.<sup>12</sup>

In addition, women do not have the same inheritance rights as men.<sup>13</sup> This means that women, and especially those in poor urban and rural households, are more vulnerable to external shocks such as the death of their husband, failure of their business or employer, and losses due to a natural disaster. Single mothers, who head about 12.5 percent of Bangladeshi households, are an especially vulnerable segment that requires risk protection.<sup>14</sup>

There is a substantial difference in men’s and women’s safety, both inside and outside the home. The United Nations Population Fund in Bangladesh estimates that nearly two-thirds of women have experienced sexual and gender-based violence in their lives.<sup>15</sup> According to BRAC, 94 percent of surveyed women public transportation users have experienced verbal, physical, or other forms of sexual harassment.<sup>16</sup> Bangladeshi women also face much higher risk of harassment and violence in the workplace—60 percent of surveyed garment workers have been intimidated or threatened with violence at work.<sup>17</sup> Such experiences can affect women’s work commute patterns, willingness to work, as well as their capacity to work effectively. Bangladeshi women who say they feel unsafe outside the home are 10 percent less likely to participate in the labor market.<sup>18</sup>

a The ratio of total insurance premiums to gross domestic product.

b IFC Women’s Insurance Market Sizing estimate based on available projection data as of 10/1/2019. The estimate does not take into consideration the still unknown impacts of COVID-19 on the women’s labor force, a key input of the projection.



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We wanted to introduce an insurance solution that can give women the confidence to move ahead while also taking care of their social and financial independence.

- Farzana Chowdhury, CEO, GDIC

### 3. GDIC'S APPROACH FOR BANGLADESHI WOMEN

#### APPROACH 1: DESIGNING SOLUTIONS THAT PROTECT BANGLADESHI WOMEN

As safety is a key concern of Bangladeshi women, in 2014, GDIC introduced *Nibedita*, a women-centric personal accident insurance product. In addition to covering a woman policyholder for accidental death and disability, the *Nibedita* policy compensates women for trauma resulting from rape, sexual harassment, robbery, or an acid attack.

The *Nibedita* policy also offers extended coverage for death during childbirth and loss or damage to household goods and personal belongings from disasters—fire, lightning, riots, typhoons, cyclones, windstorms, floods, and earthquakes.

#### APPROACH 2: A MOBILE APP THAT PROVIDES SOLUTIONS TO DAILY CHALLENGES

In 2016, to complement its *Nibedita* offering, GDIC launched the *Nibedita* Mobile App—a one-stop service and resource platform for women policyholders. This complimentary app encourages self-reliance by enabling users to access knowledge- and skill-building programs, scholarships, financial services, emergency response, legal advice, hospitals, and medical advice and mental health counseling.

With regard to emergency response, the app provides a panic button that users can activate if they find themselves in a dangerous situation. When pressed, the app instantly emits a loud siren and sends a distress message with location details to the user's relatives, GDIC's head office, and the emergency services provider, which sends a rescue team in 15 to 30 minutes.

The app also promotes GDIC's capacity building programs and provides the schedule and locations for these sessions. The training GDIC offers includes personal finance, bookkeeping, and business management. On average, the company organizes 12 face-to-face capacity-building sessions and workshops per year at its offices across the country, and between 2017 and 2019, GDIC also organized approximately 117 focus-group discussions and seven roadshows. Together with the training programs, these sessions have enabled the insurer to reach over 100,000 women of all ages and income levels.

#### APPROACH 3: INNOVATION THROUGH MARKET RESEARCH AND DEVELOPMENT

GDIC's customer-centric strategy facilitates learning about its customers and continually improving on, and expanding, the reach of its offerings. When GDIC first launched *Nibedita*, its primary target group was high net-worth women, however, since that segment did not respond enthusiastically to *Nibedita*, GDIC updated its focus to include low- and middle-income women.

As a result of its market research and communication with the women participating in its information sharing and capacity-building programs, GDIC's leaders have come to see that the women's market in Bangladesh varies considerably, depending on socio-economic level, and that its insurance policies and services must be tailored to women's varying needs and challenges.

Based on its greater understanding of women in Bangladesh, in 2018, GDIC expanded *Nibedita* with two new policy offerings—*Nibedita* Eco, for vulnerable segments such as garment workers, and *Nibedita* Plus, for affluent frequent travelers. The company also changed the name of its original product to *Nibedita* Regular. Together, these policies provide coverage for women at all income levels. (See Table 1 for each product's features).

**Table 1**  
**NIBEDITA POLICY OFFERINGS<sup>c</sup>**

	<b>Nibedita Eco</b>	<b>Nibedita Regular</b>	<b>Nibedita Plus</b>
<b>Annual premium</b>	Starting from Tk 40 (\$0.47)	Starting from Tk 580 (\$7)	Starting from Tk 10,470 (\$123)
<b>Sum insured</b>	Minimum: Tk 50,000 (\$589) Maximum: Tk 200,000 (\$2,357)	Minimum: Tk 100,000 (\$1,178) Maximum: Tk 1,000,000 (\$11,785)	Minimum: Tk 500,000 (\$5,893) Maximum: Tk 1,000,000 (\$11,785)
<b>Age</b>	14–75 years		
<b>Trauma allowance</b>	Yes		
<b>Health insurance</b>	No		Yes
<b>Global evacuation</b>	No		Yes

Source: Green Delta Annual Report 2018

## NIBEDITA PORTFOLIO PERFORMANCE (AS OF SEPTEMBER 2019)



**45,000**

Total active *Nibedita* policyholders



**50%**

Percentage of active *Nibedita* policyholders who purchase *Nibedita Eco* coverage



**15%**

Average year-on-year growth rate of *Nibedita* policyholders



**60%**

Average policy renewal rate

Although the *Nibedita Eco* and *Plus* variants were only introduced in 2018, by September 2019, 50 percent of GDIC's *Nibedita* portfolio was *Nibedita Eco*, the most affordable of the company's offerings. While, initially, *Nibedita* products were targeted at women aged 18 to 75, based on market research and feedback from agents, GDIC's leaders realized there was demand beyond this age range, so now the products cover women aged 14 to 75.

### APPROACH 4: LEVERAGING PARTNERSHIPS TO STRENGTHEN GDIC'S OFFERINGS

Partnerships have been critical to GDIC's success. For the *Nibedita Mobile App*, GDIC has signed up over 30 partners that deliver value-added services to its policy holders. Partnerships include law-enforcement agencies, health and education providers, and lifestyle and travel companies. While the insurance coverage offers a financial cushion, security, and peace of mind, access to value-added services help optimize

value for women clients across all income levels. These services have also contributed to building women's trust in the insurer.

Other examples of GDIC-led partnerships and outreach that have helped promote women's security and protection, include:

- GDIC's partnership with IDLC Finance Limited (IDLC), the largest non-bank financial institution in Bangladesh, which offers discounts on interest rates for loans to GDIC's women customers (See Box 2)
- GDIC's collaboration with the government's Information and Communications Technology (ICT) Division that raises awareness of the benefits of insurance services to Bangladeshi women.
- GDIC's agreement with Dnet's iSocial—a social enterprise that brings digital technology to marginalized communities.<sup>d</sup> iSocial acts as an agent for GDIC, selling *Nibedita* and other personal accident policies to rural and underserved people.

<sup>c</sup> FOREX rate of Tk 84.85 to \$1 (6/30/2020): <https://www.bb.org.bd/econdata/exchangerate.php>

<sup>d</sup> iSocial is short for 'Infolady Social Enterprise Limited' a women's empowerment initiative by Dnet. Source: <https://dnet.org.bd/page/infolady>

## Box 2.

### BANCASSURANCE PARTNERSHIP WITH IDLC

GDIC partners with IDLC to connect with women entrepreneurs who use IDLC's *Purnota*. Launched in 2015, in collaboration with IFC's Advisory Services, *Purnota* is a holistic solution for women entrepreneurs that includes financial and non-financial services—loans, deposit schemes, insurance, knowledge and skill-development workshops, and a dedicated hotline to access information on a wide range of topics. As noted, IDLC offers discounts on the interest rates for *Purnota* loans, and also waives processing fees for *Nibedita* policy holders.

Over the years, *Purnota* has received a tremendous response from the market and, as a result, IDLC's loan portfolio has grown (from \$28 million in 2015 to \$39 million in 2019). With a client base of over 1,800 women entrepreneurs, *Purnota* is one of the successful SME products in IDLC's portfolio.

Sources: IDLC. 2020. *Purnota (Women Entrepreneur Loan)* and SME Finance Forum. 2020. *Empowering Women Entrepreneurs: A Partnership Beyond Financing*.

## 4. LOOKING INWARD: HOW GDIC IS TAKING CARE OF ITS WOMEN EMPLOYEES

GDIC is also making a substantial effort to become the employer of choice for women by creating a women-friendly work environment. The company is achieving this by increasing women's representation in sales roles, continually demonstrating the contributions that women make to GDIC's business, and by developing women-friendly policies. In 2019, women employees comprised 24 percent of GDIC's total workforce and the insurer hopes to achieve gender parity by 2030.<sup>19</sup>

Prior to the introduction of *Nibedita*, the women working for GDIC were mostly engaged in back-end operations. However, with the launch of *Nibedita*, GDIC added more women to the

sales team. The company recognizes that women are excellent brand ambassadors, good at building relationships, and they understand the needs of everyone in the family. Also, GDIC's CEO is a role model who is motivating a new generation of women to take up selling insurance—a profession that traditionally has not been a popular choice for women in Bangladesh.

GDIC offers several unique benefits to its women employees: six months of paid maternity leave, flexible office hours for nursing mothers, work-from-home options, day-care facilities, and access to in-house mental-health counsellors. The company is also implementing targeted learning and development programs to attract new women employees and retain the best-performing ones. This training includes leadership skills, sales, underwriting, and risk-management.



## 5. LESSONS FROM GDIC'S EXPERIENCE

Today GDIC understands well that women in Bangladesh are exposed to unique risks, and insurance solutions must address their needs and challenges. As already noted, GDIC's *Nibedita* offering includes a mobile telephone app with a panic button, capacity development, and value-added services through its strategic partnerships with education, financial service, and health care providers, emergency responders, and lawyers.

GDIC offers four lessons that insurance companies should adopt to reach the women's market:

- Ensure senior management is committed to the program.
- Understand women's challenges and create products and services that meet these.
- Focus on development impact as well as financial achievement.
- Leverage partners to innovate and deliver solutions to women customers.

Lastly, GDIC says two elements were key to its success: a "start-up" mindset with both dedication and patience. GDIC stresses that it is continuously learning about and improving its offerings for women. The company also recognizes that achieving significant impact with women is going to take time.

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