

রেজিস্টার্ড নং ডি এ-১ “জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের
জন্মশতবার্ষিকী উদ্‌যাপন সফল হোক”



অতিরিক্ত সংখ্যা

কর্তৃপক্ষ কর্তৃক প্রকাশিত

রবিবার, জানুয়ারি ২৪, ২০২১

Government of the People's Republic of Bangladesh
Ministry of Law, Justice and Parliamentary Affairs
Legislative and Parliamentary Affairs Division

NOTIFICATION

Dated : 17 January, 2021

S.R.O. No. 15-Law/2021.—In exercise of the powers conferred by section 34 of the Insurance Corporations Act, 2019 (Act No. VIII of 2019) the Government is pleased to publish the following Authentic English Text of the Act to be called the Authentic English Text of the Act :

**Insurance Corporations Act, 2019
Act No. VIII of 2019**

An Act to repeal and re-enact the Insurance Corporations Act, 1973 with modification in a time befitting manner

WHEREAS it is expedient and necessary to repeal and re-enact the Insurance Corporations Act, 1973 with modification in a time-befitting manner;

THEREFORE, it is hereby enacted as follows :—

1. **Short title and commencement.**—(1) This Act may be called the Insurance Corporations Act, 2019.

(2) It shall come into force at once.

(১৩১৯)
মূল্য : টাকা ১৬.০০

2. **Definitions.**—(1) In this Act, unless there is anything repugnant in the subject or context,—

- (a) “financial statement” means interim or final balance sheet, statement of income or the account of profit and loss, statement of the change of equity, statement of cash flow, note and other statements and an explanatory statement thereof;
- (b) “Corporation” means the Jibon Bima Corporation and the Sadharan Bima Corporation;
- (c) “Authority” means the Insurance Development and Control Authority established under the Insurance Development and Control Authority Act, 2010 (Act No. XII of 2010);
- (d) “Chairman” means the Chairman of the Board;
- (e) “Director” means a Director of the Board;
- (f) “regulations” means regulations made under this Act;
- (g) “Managing Director” means the Managing Director of the Jibon Bima Corporation and the Sadharan Bima Corporation;
- (h) “person” means an individual with natural personality, and also includes any institution, company, partnership business, firm or any other organisation;
- (i) “Board” means the Board of Directors of the Corporation established under section 9;
- (j) “rules” means rules made under this Act; and
- (k) “insurer” means an insurer as defined in clause (25) of section 2 of the Insurance Act, 2010 (Act No. XIII of 2010).

(2) All other words and expressions which are not defined in this Act shall have the same meanings as defined in the Insurance Act, 2010 (Act No. XIII of 2010) and the Insurance Development and Control Authority Act, 2010 (Act No. XII of 2010).

3. **Applicability of other Acts.**—The following Acts or certain provisions of the Acts, shall be applicable, as far as possible to the Corporation, namely :—

- (a) the Insurance Development and Control Authority Act, 2010; and
- (b) section 4, sections 9 to 15, sections 21 to 25, section 42, this part of sub-section (4) of section 43, “and in that case action shall be taken in accordance with section 95 of this Act”, clauses (b) and (c) of sub-section (7) of section 48, clause (b) of sub-section (1) of section 50, sections 52 to 55, sections 76 to 81, sub-section (2) of section 82, section 83, sections 95 to 112 and other sections excluding section 125.

4. Establishment of the Corporation.—(1) For carrying out the purposes of this Act, the Jibon Bima Corporation and the Sadharan Bima Corporation established under the Insurance Corporations Act, 1973 (Act No. VI of 1973) shall continue to be in force as if such two Corporations had been established under this Act.

(2) The Corporation shall be a body corporate having perpetual succession and a common seal with power, subject to this Act of the rules or regulations made thereunder, to acquire, hold and dispose of property, both moveable and immoveable, and shall by the said name sue and be sued.

5. Capital.—(1) The authorized capital of the Jibon Bima Corporation shall be Taka 300 (three hundred) crore and the paid up capital shall be Taka 30 (thirty) crore.

(2) The authorized capital of the Sadharon Bima Corporation shall be Taka 1000 (one thousand) crore and the paid up capital shall be Taka 500 (five hundred) crore.

(3) Notwithstanding anything contained in sub-sections (1) and (2), the Government may, by notification in the official Gazette, modify the amount of authorized or paid up capital referred to in sub-sections (1) and (2), and determine the source thereof.

6. Head Office of the Corporation.—The Head Office of the Corporation shall be located at Dhaka and the Corporation may, with the prior approval of the Government, establish its one or more branch offices in or outside Bangladesh.

7. Powers and functions of the Corporation.—The powers and functions of the Corporation shall be as follows, namely :—

- (a) in and outside Bangladesh—
 - (I) to carry on all kinds of life insurances referred to in the Insurances Act, 2010 and re-insurance business related thereto by the Jibon Bima Corporation; and
 - (II) to carry on all kinds of non-life insurances referred to in the Insurances Act, 2010 and re-insurance business related thereto by the Sadharan Bima Corporation;
- (b) to acquire, hold and dispose of any immoveable property, with the approval of the Authority, for the purpose of carrying on business;
- (c) to transfer, with the prior approval of the Government, the whole or any part of its insurance business carried on outside Bangladesh to any other person in the interest of the Corporation, if it is expedient so to do; and
- (d) to carry on, with the approval of the Authority, any such other business as are related to the insurance business and profitable for the Corporation, and which the Corporation is capable to carry on efficiently.

8. General direction of the Corporation.—(1) Each Board, in discharging its functions, shall act on commercial considerations with due regard to public interest, make and implement the commercial strategy and plan of the Corporation and follow the instructions issued in this behalf by the Government to it, from time to time.

(2) All acts to be discharged and power to be exercised by the Corporation shall be discharged and exercised by the Corporation, and the general direction and administration of the general affairs and business of each Corporation shall vest in a Board of Directors.

9. Board of Directors.—(1) The Corporation shall consist of the following Directors, namely :—

- (a) 1 (one) Chairman to be nominated by the Government;
- (b) 2 (two) officials, not below the rank of a Joint Secretary, to be nominated by the Financial Institution Division;
- (c) 1 (one) official, not below the rank of a Joint Secretary, to be nominated by the Finance Division;
- (d) 1 (one) official, not below the rank of a Joint Secretary, to be nominated by the Commerce Ministry;
- (e) 1 (one) professor of the concerned Department of Dhaka University, to be nominated by the Government;
- (f) Director, Bangladesh Insurance Academy, ex-officio;
- (g) 2 (two) actuaries experienced in operating insurance business, to be nominated by the Government;
- (h) 1 (one) Professional Accountant experienced in audit and accounts, to be nominated by the Government; and
- (i) Managing Director, ex-officio.

Explanation.—For carrying out the purposes of clause (h) of sub-section (1), “Professional Accountant” means the Professional Accountant as defined in clause (18) of section 2 of the Financial Reporting Act, 2015 (Act No. XVI of 2015) and registered as such.

(2) The Directors specified in clauses (a), (e), (g) and (h) of sub-section (1) shall hold office for a term of 3 (three) years and shall be eligible for re-appointment for not exceeding 1 (one) term :

Provided that the Government may, at any time, terminate the Chairman or any Director without showing any cause.

(3) The Chairman or a Director may resign his office by writing under his hand addressed to the Government :

Provided that such resignation shall not take effect until it is accepted of approved by the Government.

(4) If a vacancy occurs in the office of the Chairman or the Chairman is unable to perform the function of his office on account of absence, illness or any other cause, any Director to be nominated by the Government shall act as the Chairman until a newly appointed Chairman takes over the Charge of his office or the Chairman is able to resume the functions of his office.

10. Meetings of the Board.—(1) The meetings of the Board shall be held at such dates, times and places as may be determined by the Chairman.

(2) Subject to the provisions of this section, the Board may determine the procedure of its meetings.

(3) The meetings of the Board shall be convened by the Managing Director according to the direction of the Chairman.

(4) To constitute a quorum at a meeting of the Board, the presence of at least 5 (five) Directors shall be required.

(5) The Chairman shall preside over all the meetings of the Board and, in his absence, a Director selected by the Directors present shall preside over such meetings.

(6) At a meeting of the Board, each Director shall have one vote, and the decisions shall be taken by a majority of votes of the Directors present, but in the event of equality of votes, the person presiding over the meeting shall have a second or casting vote :

Provided that the Director having interest, directly or indirectly, in the concerned matter, shall not be eligible to vote on such matter.

(7) No act or proceeding of the Board shall be invalid or be called in question merely on the ground of existence of any vacancy in the post of a Director, or defect in the constitution of, the Board.

11. Qualifications and disqualifications of Directors.—No person shall be, or shall continue to be, a Director, if—

- (a) he is not a citizen of Bangladesh or acquires the citizenship of, or acknowledges allegiance to, a foreign state;
- (b) he has been, on conviction for a criminal offence, punished by any Court;
- (c) he has been punished for violating any provision of any Act, rules or regulations of any controlling organisation related to financial sector, by any competent court;
- (d) he is declared to be an insolvent by a competent Court or is an un-discharged insolvent;

- (e) he is declared to be of unsound mind by a competent Court;
- (f) there is any bad observation or comment on him at any judgement of the Court in any civil or criminal case;
- (g) he absents himself from three consecutive meetings of the Board without taking leave, in the case of Chairman, from the Government or, in the case of others Directors, from the Chairman;
- (h) he is, save as the Managing Director, a salaried official of the Corporation;
- (i) he has no at least 5 (five) years experience of administrative management, business or professional experience;
- (j) he is associated with such any company or organisation, the registration or licence of which has been revoked or the institution has been terminated;
- (k) he fails or becomes defaulter to pay any loan taken form any Bank or financial institution in his own name or in the name of any institution which he has interest;
- (l) he is a Director of any other insurer, any Bank Company or financial institution registered for insurance business of same class.

12. **Cancellation of Board.**—If the Authority has any reason at any time to believe that any Corporation is operating its insurance business in such way which may affect the interest of the insurance policy holders or the said Corporation is not able to maintain the required solvency margin, the Authority may, giving the Corporation an opportunity to present its statement, make recommendation to the Government to cancel its board.

13. **Managing Director.**—(1) The Managing Director shall be appointed by the Government and the terms and conditions of his service shall be determined by the Government.

(2) The Managing Director shall be the Chief Executive of the Corporation, and he shall—

- (a) discharge such duties and perform such functions as may be entrusted to him by the Board and be liable to implement the decision of the Board; and
- (b) exercise such powers, perform such functions and discharge such duties as may be entrusted to him by the Government from time to time.

(3) If the Managing Director holds the office of a Director in any Corporation, Company or Business other than his own Corporation, he shall resign from his office.

(4) If a vacancy occurs in the office of the Managing Director or the Managing Director is unable to perform the function of his office on account of absence, illness or any other cause, any official of the Corporation to be nominated by the Government shall act as the Managing Director until a newly appointed Managing Director takes over the charge of his office or the Managing Director is able to resume the functions of his office.

14. **Investment.**—Each Corporation may, subject to the provisions of the Insurance Act, 2010, invest such amount of money of its fund in such field and manner as may be determined by the Board.

15. **Constitution of reserve Fund, Surplus, etc.**—(1) After making provision for bad and doubtful debts, depreciation of assets and any other matter determined by the Board, the Sadharan Bima Corporation may, out of its net annual profits, establish a reserve Fund and any surplus remaining there after shall be paid to the Government.

(2) After assessing the financial condition of the business and the liabilities on it through an investigation by Actuary undertaken by the Jibon Bima Corporation under section 24 if any surplus emerges, with approval of the Board, 95% (ninety-five percent) of such surplus shall be allocated to, or reserved for the life insurance policy-holders of the Corporation and the remainder shall be paid to the Government after such allocation or reservation.

(3) Without the prior approval of the Government, the surplus money exceeding to 95% (ninety-five) percent specified in sub-section (2) shall not be allocated to the life insurance policy holders.

16. **Insurance of Government property.**—(1) 100% (hunderd percent) of all non-life insurance business related to any public property or to any risk or liability appertaining to any public property shall be under written by the Sadharan Bima Corporation and 50% (fifty percent) of it shall be placed with it and the remaining 50% (fifty percent) shall be allocated equally to all private non-life insurance Company.

Explanation.—For carrying out the purposes of this section, public property means—

- (a) any kind of moveable or immoveable property which belongs to direct control or protection of the Government and the legal responsibility of maintenance which is to the Government;
- (b) property vested to the Government or any local authority;
- (c) any company, firm, institution, organisation, enterprise or any other establishment which is managed or controlled by the Government or a local authority, or in which the Government, by itself or jointly with a local authority or a company, holds financial share or interest or any company guaranteed by the Government to finance;

(d) any project operated by the foreign loan or financial aid guaranteed by the Government; or

(e) any other property determined by the Government.

(2) The Government may, if necessary, re-determine the limit specified sub-section (1), by notification in the official Gazette, with a view to fair competition in insurance business and to operate the Corporation for public interest on commercial basis.

(3) Any insurance taken or issued violating the provisions of sub-section (1) shall be deemed to be void.

17. Re- insurance—(1) Every insurer registered and carrying on insurance business in Bangladesh shall re-insure, on generally accustomed and acceptable terms and conditions, the portion of his re-insurance business in addition to its own capacity.

(2) In the case of non-life insurance business, 50% (fifty percent) of the re-insurable portion shall be re-insured with the Sadharan Bima Corporation and the remaining 50% (fifty percent) may be re-insured either with that Corporation or with any other insurer whether in or outside Bangladesh:

Provided that the Government may, if necessary, re-determine such limit by notification in the official Gazette.

(3) In the case of Jibon Bima business, the whole or any portion of the re-insurable life insurance business may be re-insured with any insurer whether in or outside Bangladesh:

Provided that the Government may, if necessary according to the limit determined by it from time to time, impose the obligation to re-insure to the Jibon Bima Corporation by notification in the official Gazette.

18. Imposing administrative fines.—If any insurer violates the provisions of section (17), the Authority may impose administrative fines to such insurer which may at least taka 5 (five) lac and not exceeding taka 10 (ten) lac.

19. Winding up of the Corporation.—(1) No Corporation shall be wound up save by order of the Government and in such manner as it may direct.

(2) No provisions of the Company Act, 1994 or any other law or rules thereof related to the winding up of companies shall apply to a Corporation.

20. Taking loan and power to provide grants.—(1) The Corporation may, with the prior approval of the Government, take loan from any commercial bank or financial institution, with or without security to discharge its functions under this Act, and shall be liable to return such loan.

(2) The Corporation may, with the prior approval of the Government, provide grants to any other organisation.

21. **Committee.**—The Board may, if necessary, appoint one or more other committees including the Audit committee and the Executive committee and determine its scope and tenure for the efficient performance of its functions.

22. **Appointment of the employees.**—(1) The Corporation may appoint such officials as it considers necessary for the efficient performance of its functions subject to the organogram approved by the Government.

(2) The appointment of the officials of the Corporation and the terms and condition of their service shall be prescribed by regulations.

23. **Delegation of power.**—The Government may, if necessary and subject to such conditions as may be specified by it, delegate any power to the Authority under this Act.

24. **Actuarial valuation and report.**—(1) The Jibon Bima Corporation shall, once at least in every two years, determine the financial condition of its business, including a valuation of its liabilities in respect thereto through an investigation to be made by the actuaries and submit the report of the actuaries to the Authority and to the Government.

(2) The Government may, if necessary, change the time-limit referred to in sub-section (1) by notification in the official Gazette.

25. **Budget.**—The Corporation shall, by such date in each year as may be prescribed by the Government, submit an annual budget statement to the Government for the next financial year.

26. **Operating of Accounts.**—The Corporation may open and operate its Account in any scheduled bank.

Explanation.—For carrying out the purposes of this section “Scheduled Bank” means the “Scheduled Bank” as defined in Article 2(j) of the Bangladesh Bank Order, 1972 (President’s Order No. 127 of 1972).

27. **Financial statement, etc.**—(1) The Corporation shall submit such financial statements and reports, as the Government may require from time to time, to the Authority and the Government.

(2) The Corporation shall, within six months of the close of each year unless the Government increases time for reasonable cause, submit to the Government and the Insurance Development and Control Authority the audited accounts, statements and abstracts referred to in section 28 together with a report on the working of the Corporation during that year and shall publish its website.

28. **Accounts and audit.**—(1) Subject to compliance with the provisions of Insurance Act, 2010, the Corporation shall maintain its proper accounts and shall, at the expiry of each year, prepare a financial statement for that year and such statement shall contain a profit and loss accounts, revenue accounts of concern class of insurance business together with the abstracts and statements of all other accounts and matters ancillary thereto.

(2) Without prejudice to the provisions of the Comptroller and Auditor General (Additional Functions) Act, 1974 (Act No. XXIV of 1974). the accounts of each Corporation shall be audited by at least 2 (two) auditors who are the Chartered Accountant as defined in the Article 2 (1) (b) of the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973) and 'Professional Accountant' mentioned in the explanation of section 9.

(3) 'Chartered Accountant' and 'Professional Accountant' mentioned in sub-section (2) shall be appointed on such terms and conditions as may be determined by the Government.

(4) Each auditor appointed under sub-section (2) shall be given a copy of the annual financial statement and other accounts of the Corporation, and the auditors shall examine it together with account books and vouchers related thereto.

(5) For the purposes of audit of the accounts of the Corporation, a list of all books kept by the Corporation related to all records, documents, annual balance sheet, cash or money deposited in bank, bonds, stores or any other property or matters related thereto shall be delivered to the Comptroller and Auditor-General or any person empowered by him or auditor appointed under sub-section (2) and the auditors shall have access to such documents and may examine the Chairman or any official related thereto.

(6) The auditors shall submit the report to the Government on all annual balance sheets and accounts and it that report the following matters shall be mentioned, namely :—

- (a) all necessary particulars of the financial statement;
- (b) correct view of the state of affairs of the Corporation;
- (c) such explanation or information as they have called from the board;
and
- (d) satisfactory explanation given under clause (c).

(7) The auditors in charge under this section shall make recommendation upon the sufficiency of the procedure to be followed for internal audit, control and risk management affairs and, if necessary, advise for reform.

(8) The Government may, at any time, issue directions to the auditors requiring them to report to it upon the adequacy of measures taken by the Corporation or upon the adequacy of the procedure on auditing the affairs of the Corporation concerned for the protection of the interest of the Government and the creditors of the Corporation concerned and may extend the scope of audit or also direct to audit in other procedure by the auditors or any other person or persons.

(9) For carrying out the purposes of this section, the provisions of the Financial Reporting Act, 2015 (Act. No. XVI of 2015) shall apply to make balance sheet, audit report or to perform any such function.

29. **Removal of difficulties.**—If any difficulty or complicity arises in giving effect to any provision of this Act, the Government may, by notification in the official Gazette, give any explanation to remove such difficulties.

30. **Contract.**—The Corporation may, with the prior approval of the Government, enter into a contract with any organisation in home and abroad.

31. **Power to make rules.**—For carrying out the purposes of this Act, the Government may, by notification in the official Gazette, make rules.

32. **Power to make regulations.**—For carrying out the purposes of this Act, the Government may, with the prior approval of the Government, by notification in the official Gazette, make regulations subject to not being inconsistent with this Act or rules made thereunder.

33. **Repeal and Saving.**—(1) The Insurance Corporations Act, 1973 (Act No. VI of 1973), hereinafter referred to as the said Act, is hereby repealed.

(2) Notwithstanding such repeal under sub-section (1),

- (a) any act done, any action taken or any proceeding initiated under the repeal Act, shall be deemed to have been done, taken or initiated under this Act;
- (b) any case filed, any action taken or any proceeding initiated by or against the Corporation established under the repealed Act shall, if pending or continue, be disposed of in such way as if it had been filed or taken or initiated under this Act;
- (c) any contract, document or instrument made by the Corporation established under the repealed Act shall, subject to not being inconsistent with this Act, sustain in such way as if it had been made under this Act;
- (d) all debts, liabilities and legal obligations of the Corporation established under the repealed Act, on same terms and conditions under the provisions of this Act, shall be deemed to be the debts, liabilities and legal obligations under this Act;
- (e) notwithstanding anything contained in the terms and conditions of any contract or the service, the Chairman, the Managing Director or the employees of the Corporation established under the repealed Act shall remain in service and, as the case may be, continue their service on the same terms and conditions as were applicable to them before the commencement of this Act until the terms and conditions of their services are modified under this Act; and

- (f) all business, assets, properties, rights, powers, authorities and privileges, fees, all moveable and immoveable properties, authorized capital, reserved fund, cash, surplus, bank deposit and securities and all accounts, investments, liabilities, deposits and the ownership, possession, power or control of the assets remaining in or outside Bangladesh, established under the repealed Act of the Corporation and, all rights and interests arising out of such properties and all books of accounts, registers, records with other deeds related thereof shall, upon the commencement of this Act, be transferred to, and vest in, the Corporation and the Corporation shall be entitled to it.

(3) Notwithstanding such repeal under sub-section (1), any rules or regulations made, any notification issued, any order, direction, approval, recommendation given, all schemes taken or programmes developed and all statements of accounts and an annual report approved under the repealed Act shall, if remain in force immediately before such repeal, subject to not being inconsistent with the provisions of this Act, be deemed to have been made, issued, given and approved under the corresponding provisions of this Act, and shall remain in force until being repealed and amended under this Act.

34. Publication of Authentic English Text.—(1) After the commencement of this Act, the Government shall, by notification in the official Gazette, publish an English text of this Act to be called the Authentic English Text of this Act.

(2) In the event of any conflict between the Bangla and English texts, the Bangla text shall prevail.

By order of the President

মুহঃ জাকির হোসেন
যুগ্মসচিব (লে.অ.)।