

**Insurance Development & Regulatory Authority (IDRA)
RBS Implementation Roadmap and Action Plan**

Serial #	Description of activities	Notes	Key Stakeholders		Implementation Timelines
			Primary	Secondary	
1	Reforms in legal and regulatory landscape	<i>This phase is concerned about bringing in structural reforms in the Bangladesh Insurance Industry that could form the backdrop of transition to a risk based supervisory regime.</i>			May-24 to May-25
1.1.	Amendment of various laws and regulations to make them more responsive to the current needs of the stakeholders	<i>The current insurance regulations have several gaps that potentially restrict the industry to achieve its true potential. The improvement of such regulations will not only ensure a high</i>	IDRA (Law Wing), MoF	MoL, BGP, Insurance Companies, Industry Associations, Other key stakeholders	May-24
1.1.1	Review various regulations pertaining to IDRA's mandate as a regulator and supervisor				May-24
1.2.	Improve corporate governance standards of the insurance companies	<i>This will ensure customized corporate governance guidelines tailored to the needs of Bangladesh Insurance companies. Such a guideline will not only set a benchmark of governance framework across the insurance industry but also would promote transparency and accountability amongst the insurers.</i>	IDRA (Law Wing), MoF	MoL, BGP, Insurance Companies, Industry Associations, Other key stakeholders	Jul-23
1.2.1	Constitute a working group to identify possible implementation bottlenecks and key success drivers				Jul-23
1.2.2	Constitute a Working Group to report on possible bottlenecks faced by the small insurers as well as the degree of compliance				Mar-24
1.2.3	Introduce periodic updates further streamline the framework and reduce redundancies				Ongoing
1.3.	Develop AML/ CFT framework				
1.3.1	Review the AML/ CFT framework				May-24
1.3.2	Conduct stakeholder's discussion to discuss on the various features of AML/ CFT framework	<i>This is mainly aimed to ensure prevention of illegal and criminal money flow in the insurance industry and increase the transparency of the system.</i>	IDRA (Law Wing), MoF	Insurance Companies, Other financial sector regulators	Jul-24
1.3.3	Develop and issue the relevant templates pertaining to various elements of AML/ CFT				Sep-24
1.3.4	Finalize the draft of AML/ CFT guidelines or directive to be issued to the insurance companies				Nov-24
1.3.5	Coordinate with Bangladesh Bank and other financial sector regulators for properly monitoring the money flow				Ongoing
2	Introduction and transition to solvency capital requirement framework	<i>This is a preparatory and transitory phase for moving towards RBC requirements considering the current capacity of the insurance regulator</i>			May-24 to Jul-26
2.1.	Publish Solvency Margin Regulations for solvency capital requirement framework in line with Solvency 1 and Periodic (at least once a year) reporting of existing asset and liability valuation approach	<i>The capital requirements (in line with solvency 1) are already in the draft stage and an updated draft with necessary amendments with respect to the best practices have already been submitted. The promulgation of the draft regulation will mark the beginning of IDRA's transition towards a risk based regime</i>	IDRA (Law Wing, Life Wing, Non-Life Wing), MoF	MoL, BGP, Industry Association, Insurance Companies, Other key Stakeholders	May-24
2.1.1	Finalize the exposure draft on "solvency margin for life regulations" after addressing the observations following the public consultations.				May-24
2.1.2	Share the exposure draft with the Ministry of Law (MoL) to conduct a legal review to ensure that the draft regulation aligns with the existing laws and regulations				Aug-24
2.1.3	Share the final draft with BGP for publishing				Sep-24
2.1.4	Complete legal review of the draft on "solvency margin for non-life regulations" and share the final draft to BGP for publishing				Nov-24
2.1.5	Notify the insurance companies about the regulation and their necessary actions for compliance				Nov-24
2.2.	Develop budget for transition to risk based supervisory regime				

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2.2.1	Establish a working group to identify budget with respect to a full transition to RBS. The working group may consist of representatives from finance and other departments	<i>This will entail estimating the budget for transition into a risk based supervisory framework including the cost of technology upgrades, upskilling of the stakeholders as well as contingency spendings.</i>	IDRA (Admin Wing), MoF	Donor Agencies	Apr-24	
2.2.2	Identify necessary resources including technology upgrades, training programs and consultation expenses				Jun-24	
2.2.3	Allocate funds for unforeseen challenges and contingencies				Jul-24	
2.2.4	Regularly review and update the budget as the transition progress				Ongoing	
2.3.	Conduct periodic stakeholder engagement	<i>The periodic stakeholder engagement will help refine the existing regulatory framework and will provide input in the implementation bottlenecks. These implementation bottlenecks needs to be addressed at the earliest to adhere to the prescribed implementation timelines.</i>	Insurance Companies, IDRA (Law Wing, Life Wing, Non-Life Wing)	NA	Dec-24 (till end of program)	
	Discuss and finalise with stakeholders on periodic (at least once a year) reporting under Solvency Margin regulations: As at 31st December, 2024: 100% As at 31st December, 2025: 110% As at 31st December, 2026: 120% As at 31st December, 2027: 130% As at 31st December, 2028 and thereafter: 150%					
2.3.1	Schedule regular forums, meetings and workshops with the insurance companies to gather their inputs and feedback on the solvency capital requirements					Ongoing
2.3.2						
2.4.	Introduce gross premium valuation for life insurance and IBNR reserving for non-life insurance companies	<i>The GPV and IBNR methodology will set the standards for actuarial valuations which will provide the estimate of the reserve required as well as the adequacy of the reserves on a more scientific basis and allow regulators greater scope in judging the appropriateness of the reserves</i>	IDRA (Law Wing, Life Wing, Non-Life Wing), MoF	NA		
2.4.1	Conduct stakeholder's discussion to assess the preparedness and timelines required for implementing Gross Premium Valuation for Life insurance and IBNR reserving for Non-life insurance companies.					Jul-24
2.4.2	Issue directions to the industry with the timelines for implementing Gross Premium Valuation for Life insurance and IBNR reserving for Non-life insurance companies					Sep-24
2.4.3	Establish mechanisms to ensure compliance by the insurance companies with respect to GPV and IBNR reserving					Dec-24
2.5.	Publish appointed actuary regulations and appointed actuary reporting requirements	<i>The regulations with respect to appointed actuaries aim to address the issue of dearth of actuaries in Bangladesh in medium to long-term time horizon. This in-turn will ensure sound financial and solvency conditions of the insurance companies through appropriate actuarial practices.</i>	Insurance Companies, IDRA (Law Wing), MoF	MoL, BGP, Industry Association, Other key stakeholders	IDRA might published/	
2.5.1	Publish the exposure draft on "Eligibilities, Responsibilities and Duties of Life Insurance Actuaries" and "Actuarial Reports and Abstract Regulations" for public consultations				Dec-23	
2.5.3	Conduct stakeholder's discussion on "Actuarial Reports and Abstract Regulations"				Jul-25	
2.5.4	Finalize the draft regulations incorporating the views of the stakeholders				Aug-25	
2.5.5	Share the draft regulations with the Ministry of Finance (MoF) for their approval				Sep-25	
2.5.6	Share the draft regulations with MoL for legal due diligence and subsequently share it with BGP for publishing				Nov-25	
2.5.7	Notify the insurance companies about the regulations and for their relevant actions				Dec-25	
2.6.	Develop a KPI reporting framework based on CAMELS and templates for Financial Condition Report (FCR)	<i>Given that solvency I is mostly a compliance based system, therefore, the reporting framework is based on CAMELS, an internationally accepted reporting framework for insurers under a compliance based regime. Moreover, FCR reporting will also help the regulator comply with the IAIS principles.</i>	IDRA (Life Wing and Non-Life Wing)	Insurance Companies, Other key stakeholders		
2.6.3	Roll out the reporting templates for CAMELS and FCR					Dec-24
2.6.4	Start the reporting of Simplified FCR Reporting for Life Insurers (for reporting years 31st Dec 2024, 31st Dec 2025 to IDRA					Sep-24 to Sep-26
2.6.5	Start the reporting of CAMELS and Detailed FCR Reporting for Life Insurance Reporting (for reporting years 31st Dec 2025 and onwards)					Sep-24 to Sep-26
2.6.6	Start the reporting of CAMELS and FCR reporting by all Non-Life Insurers to IDRA					Sep-24
2.7.	Strengthen onsite and offsite supervisory framework to increase the efficiency and effectiveness of risk based supervision					

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2.7.1	Update the various reporting templates to reflect the data/ information to be used by the inspection teams during onsite and offsite inspections.	<p><i>The offsite inspections includes assesment of various risk parameters and material changes within the insurance industry as well as the insurance company. The results of such monitoring are updated into the risk profile of the insurance company which becomes the base for the onsite inspections.</i></p> <p><i>The onsite inspection on the other hand, enhances the understanding over the insurance company and their risk profile.</i></p> <p><i>The knowledge acquired through these inspections and monitoring is critical for building an understanding of an insurance company over a period of time.</i></p>	IDRA (Law Wing, Life Wing, Non-Life Wing)	Insurance Companies, Other key stakeholders	Jun-24
2.7.2	Develop/ procure dedicated supervisory information system (SIS) where the insurers could directly provide the returns through the system				Sep-24
2.7.3	Procure dedicated servers and InsurTech solutions for data warehousing and first line data analysis (triage) of the provided data points.				Oct-24
2.7.4	Train the IDRA staff in data exploration, profiling, and utilizing data storage system				Periodic/ Ongoing
2.7.5	Finalize the onsite and offsite inspection manuals and pilot these manuals with the relevant departments for their feedback.				May-24
2.7.6	Develop protocols for conducting offsite monitoring based on risk indicators				Aug-24
2.7.7	Within the relevant department or divisions, assign specific roles and responsibilities to the staff to ensure inspections are conducted effectively and efficiently				Sep-24
2.7.8	Develop role specific terms of reference for the staff				Dec-24
2.7.9	Train the staff to develop a risk profile on the basis of the information gathered through regulatory filings from the insurers				Feb-25
2.7.10	Implement dashboard or monitoring tool for real time risk tracking				May-25
2.7.11	Develop operating procedures for the staff to fill up the offsite monitoring tool across all the six key areas to determine the supervisory attention index				Jul-25
2.7.12	Determine the actions to be undertaken based on the supervisory attention index and generate the offsite supervision report				Jul-25
2.7.13	Establish guidelines for conducting onsite inspections including its frequency, scope and objectives				Aug-25
2.7.14	Finalize the various templates for information to be used during the onsite supervision process including inspection memo, list of information required, etc				Sep-25
2.7.15	Incorporate risk based assessment criteria and scoring methodologies				Nov-25
2.7.16	Include guidelines for assessing insurer's risk management framework				Ongoing
2.7.17	Train the onsite inspection staff to identify the key functional areas to be reviewed				Dec-25
2.7.18	Develop operating procedures (including the code of conduct) to be followed during the onsite inspection process				Jan-26
2.7.19	Develop and finalize detailed checklists for conducting onsite supervision				Feb-26
2.7.20	Implement standardized reporting framework aligned with risk based requirements				Mar-25
2.7.21	Provide guidance to insurers on the new reporting requirements				Apr-26
3	Preparation for Risk Based Capital Framework	<i>This is the Investigation and Consultative Phase towards Risk Based Capital framework in which the insurance regulator will create foundation for future move towards RBC framework</i>			Mar-26 to Dec-27
3.1.	Develop risk communication strategy	<p><i>A well developed risk communication strategy is essential for fostering understanding, trust and collaboration among stakeholders. Moreover, it enables proactive risk management and helps organizations navigate challenges with transparency and resilience.</i></p>	IDRA (Life Wing and Non-Life Wing)	Insurers, Industry Association, Other key stakeholders	
3.1.1	Identify the key stakeholders including insurance companies, industry associations, and government bodies.				Mar-26
3.1.2	Develop communication plan outlining the purpose and benefits of the transition to Risk Based Capital Regime				Apr-26
3.1.3	Establish dedicated communication team to manage internal and external messaging				May-26
3.1.4	Develop materials (brochures, presentations) for consistent communication				May-26
3.2.	Identify the necessary technology integration requirements	<i>Technology integration in a risk based</i>	IDRA (Admin Wing),	Software vendors, IT	

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3.2.1	Establish a cross functional team involving IT, regulatory and business experts	<i>supervisory framework enhances the effectiveness, efficiency, and agility of the regulatory oversight, ensuring a proactive and data-driven approach to identifying and mitigating risks in the insurance sector.</i>	MoF	Consultants	Jun-26
3.2.2	Conduct a comprehensive assessment of existing technology infrastructure and identify gaps that needs to be addressed for a smooth transition to RBS				Aug-26
3.2.3	Develop a strategic plan aligning technology initiatives with regulatory objectives and establish IT governance framework and key principles guiding technology selection, integration and maintenance				Sep-26
3.2.4	Identify and select suitable software solutions for risk data management, reporting and monitoring				Oct-26
3.2.5	Conduct a thorough cost benefit analysis for the selected software, develop a detailed implementation plan and establish a testing environment to evaluate the software's functionality and compatibility				Dec-26
3.2.6	Conduct rigorous testing of the new software in a controlled environment and identify/ address any bugs or issues through systematic debugging process				Feb-27
3.2.7	Train the technology staff by developing a curriculum for the use of new technology and tools, conducting hands-on training sessions for regulatory staff at different levels, and creating curated training materials for ongoing reference				Apr-27
3.3.	Develop capacity of the regulatory staff for transition risk based supervision				<i>The capacity development of the regulatory staff plays a pivotal role in laying the foundation for successful implementation of a risk based supervisory system by addressing the human and organizational aspects crucial to the success. Such aspects often include skill enhancement, change management, continuous learning, enhanced decision making, and adaptation to technological changes.</i>
3.3.1	Conduct a skill inventory for all regulatory staff	May-26			
3.3.2	Identify core-competencies required for the transition into a risk based system, and create individual profiles for each staff members.	Jul-26			
3.3.3	Identify the training needs based on skills assessment and transition requirements	Sep-26			
3.3.4	Develop comprehensive curriculum covering technical, regulatory and soft skills	Feb-27			
3.3.5	Conduct periodic training sessions for the staff on RBS by collaborating with institutions of intenational repute	Ongoing			
3.3.6	Facilitate cross departmental workshops and knowledge exchange sessions within IDRA	Periodic/ Ongoing			
3.3.7	Encourage regulatory staff to rotate through different departments for diverse experiences	Periodic/ Ongoing			
3.3.8	Establish forums for departments to discuss challenges and share best practices	NA			
3.4.	Conduct quantitative impact studies (QIS) using the RBC framework	<i>The QIS would be a crucial step towards the desired transformation towards a risk based regime which assesses the likely impact on the Bangladesh Insurance Industry of the RBC requirements.</i>	IDRA (Life Wing and Non-Life Wing)	Insurance Companies	
3.4.1	Prepare technical guidance documents to carry QIS using the RBC framework				Jul-26
3.4.2	Issue the guidance document for QIS and seek feedback from the insurance companies				Dec-26
3.4.3	Conduct multiple QIS and use the results to calibrate standard formula and determine the capital charges under the risk based capital framework				Dec-27
3.5.	Develop risk assessment methodology	<i>The risk assessment methodology will not only encourage prudent risk management of the</i>	IDRA (Life Wing		
3.5.1	Review and finalize the various Enterprise Risk Management (ERM) elements (including risk govenance, risk identification, mitigation, risk registers, etc.)				Apr-26
3.5.2	Validate the risk taxonomy and establish risk appetite and tolerance levels for different types of risks				Jun-26
3.5.3	Issue ERM reporting templates to the insurance industry				Jul-26
3.5.4	Prepare directives and guidelines for the insurance companies to conduct ORSA and stress testing to assess adequacy of risk management and projected future solvency				Aug-26
3.5.5	Conduct workshops to educate insurance companies on the ORSA and stress testing process and to discuss various implementation modalities				Nov-26
3.5.6	Provide reporting guidelines and sample report to facilitate ORSA process and encourage the insurers to submit the ORSA results (to IDRA) on a regular basis				Dec-26

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3.5.7	Issue the ERM guidelines to select insurers (e.g., based on market share) on a pilot basis	<i>insurance companies but also help identify possible implementation issues with respect to RM practices. Moreover, it will also help in the development of ORSA framework to complement the risk management activities of the insurance companies.</i>	IDRA (Law Wing, Life Wing and Non-Life Wing), MoF, Insurance Companies	Dec-26		
3.5.8	Constitute a working group to identify possible implementation bottlenecks and key success drivers of the pilot			Dec-26		
3.5.9	Conduct workshops with the FID and other relevant ministries to discuss implementation bottlenecks and possible amendments			Jan-27		
3.5.10	Fast track a meeting between MoF, MoL, IDRA and BIA to finalize the draft and share it with the Bangladesh Government Press (BGP)			Apr-27		
3.5.11	Prepare a draft circular/ press release outlining the expected implementation timeline as well as the penalties for non-compliance with the framework			Jun-27		
3.5.12	Constitute a Working Group to report on possible bottlenecks faced by the small insurers as well as the degree of compliance with the framework			Jul-27		
3.5.13	Develop an action plan to further streamline the framework and reduce redundancies			Oct-27		
3.5.14	Implement a structured feedback mechanism for continuous improvement			Oct-27		
3.5.15	Encourage regular communications with the insurers to address their concerns.			Ongoing		
3.5.16	Publish updates and clarifications on a regular basis based on the feedback loop			Periodic/ Ongoing		
3.6.	Develop Early Warning Systems (EWS) for the insurance companies			<i>The EWS helps to identify and arrest any adverse development in the risk profile of an insurer which may impact the whole industry.</i>	IDRA (Life Wing and Non-Life Wing), MoF, Other Financial Sector Regulators	
3.6.1	Define the objectives of the EWS and identify risks and events to be monitored (e.g., market fluctuations, claims patterns, regulatory changes, etc.)					Apr-26
3.6.2	Finalize the set of Key Risk Indicators (KRIs) based on the risks & events to be monitored					Jul-26
3.6.3	Develop a data collection framework to gather relevant data sources including historical claims data, financial data, market data, and any other pertinent information					Nov-26
3.6.4	Integrate the diverse data sets into a centralized system. Use data warehousing techniques to ensure data is accessible and organized for analysis.					Dec-26
3.6.5	For each of the identified KRIs, establish the thresholds and triggers. When a KRI surpasses its threshold, it triggers an alert, signaling the need for further investigation. Set these thresholds based on historical industry trends and risk tolerance					Dec-26
3.6.6	Sign the required Memorandum of Understanding (MoU) for data sharing agreements with other regulators	Jan-27				
3.6.7	Implement monitoring system which continuously assesses the defined KRIs. This can involve automated processes and alerts to quickly notify relevant stakeholders of potential risks. IDRA may procure the relevant systems for this purpose	Mar-27				
3.6.8	Employ advanced analytical tools (e.g., machine learning algorithms) to analyze historical data and identify patterns indicative of potential risks. Predictive modeling could be used for anticipating future events.	Jun-27				
3.6.9	Establish clear communication protocols for when alerts are triggered. Define roles and responsibilities for responding to warnings and ensure that there is a streamlined process for taking corrective actions.	Jun-27				
3.6.10	Foster collaboration between risk management, underwriting, and other relevant departments. Provide training on the use of early warning system to ensure staff can effectively interpret and respond to the alerts.	Ongoing				
3.6.11	Ensure that the EWS meets regulatory requirements. Bring suitable changes with respect to the changes in regulatory environment that may impact the system	Ongoing				
3.6.12	Regularly review the effectiveness of the EWS and make improvements based on feedback, emerging risks, and technological advancements	Periodic/ Ongoing				

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3.6.13	Document the entire EWS process (from data collection to response mechanism). Such documentation would be crucial for audits, compliance and continuous improvements.			Sep-27		
3.6.14	Conduct testing and simulation exercises to validate the effectiveness of the EWS in a controlled environment. It will help to identify gaps or weaknesses in the system.			Dec-27		
4	Complete transition to RBS	These are the Finalisation and Implementation Phases in with the insurance regulator will finalise the draft RBC regulations in line with feedback received, provide guidance to the market on transitional issues and implement the RBC regime		Jan-28 to Dec-30		
4.1.	Finalize solvency margin regulations based on the risk based capital framework					
4.1.1	Prepare the draft amendment to Solvency Margin Regulations on the Risk Based Capital framework.			Jan-28		
4.1.2	Conduct stakeholder's discussions to discuss on the various operational modalities of the RBC regulations including the valuation methodology, supervisory framework, etc.			Mar-28		
4.1.3	Incorporate the observations of the stakeholders and issue the draft RBC regulations and select insurance companies as a pilot.			Jul-28 to Oct-28		
4.1.4	Issue directives to the pilot insurers for parallel reporting under both the existing solvency margin regulations as well as the RBC framework.	<i>The solvency margin regulations will give the base of a risk based capital system to be implemented in the Bangladesh Insurance Industry. It is expected to replace the current capital standards (based on solvency I) which is more aligned with a compliance based regime. Promulgation of the RBC directive will mark the end of the transition towards a risk based supervisory framework.</i>	IDRA (Law Wing, Life Wing, Non-Life Wing), MoF	Insurance Companies, Industry Associations, MoL, BGP, Other key Stakeholders		
4.1.5	Monitor and document the key experiences of the pilot insurers in implementing the RBC directive.			Dec-28 to Dec-29		
4.1.6	Seek feedback and consolidate the documented experiences of pilot insurers.			Jan-30		
4.1.7	Update and finalize the amendment to Solvency Margin Regulations for RBC framework based on the feedback received from the insurers and documented experiences of pilot insurers.			Mar-30		
4.1.8	Publish the Exposure Draft of the amendment to Solvency Margin Regulations for RBC framework for public feedback			Apr-30		
4.1.9	Based on the feedback received, update the regulations and share the draft regulations with the Ministry			Sep-30		
4.1.10	Notification of the the amendment to Solvency Margin Regulations for RBC framework			Dec-30		
4.1.11	Complete transition to risk based capital framework and discontinue the reporting on the existing solvency I regulations			Dec-30		
4.3.	Supervisory capacity building			<i>This is more concerned about the ongoing professional development and capacity building of the regulator post implementation of the RBC/ RBS framework. Given the dynamic nature of the risks, it needs to be ensured that the regulator is well aware of the emerging risks and the opportunities/ threats it poses to the insurance industry.</i>	IDRA (Life Wing and Non-Life Wing), Training Institutions	Industry Associations, Insurance Companies
4.3.1	Develop ongoing training programs to keep regulatory staff updated on risk based supervision best practices					Ongoing
4.3.2	Establish a culture of continuous learning and improvement within the regulatory body	Ongoing				
4.3.3	Conduct regular knowledge sharing sessions to disseminate lessons learned	Periodic/ Ongoing				
4.3.4	Encourage IDRA staff to participate in industry conferences and training programs for skill enhancement	Periodic/ Ongoing				
4.4.	Establish prudent post monitoring framework					
4.4.1	Conduct regular assessments to measure the impact of risk based supervision			Ongoing		
4.4.2	Evaluate the effectiveness of the regulatory framework and processes	<i>The post monitoring framework consists of activities supplementary to the RBS implementation process but nevertheless plays</i>	IDRA (Law Wing, Life Wing, Non-Life	Ongoing		
4.4.3	Consider economic, social and environmental impacts			Ongoing		
4.4.4	Use assessment results to refine regulatory strategies			NA		

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4.4.5	Develop performance evaluation framework for IDRA staff	<i>a crucial role in helping the regulator achieve its mandate.</i>	Wing)		Jun-29
4.4.6	Establish criteria aligned with the goals of risk based supervision				Dec-29
4.4.7	Conduct regular evaluations and provide constructive feedback				Ongoing
4.4.8	staff.				Ongoing

N.B: Road map will be updated time to time.